

**KARL
MARX
FREDERICK
ENGELS**

**Collected
Works**



**Volume 30
Marx: 1861-1863**

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KARL MARX
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A CONTRIBUTION TO THE CRITIQUE
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Preface

Volumes 30 to 34 of the *Collected Works* of Marx and Engels contain Marx's manuscript, *A Contribution to the Critique of Political Economy*, written between August 1861 and July 1863. Consisting of 23 notebooks with on-going pagination (overall volume: about 1,472 large pages), the manuscript represents an important stage in the development of Marx's economic theory. It investigates the economic laws governing the movement of capitalist production and brings out the content of the converted forms in which this movement is manifested on the surface of bourgeois society. It was through the critique of bourgeois political economy that Marx arrived at his discoveries, and this critique is presented in detail in the central section, *Theories of Surplus Value*.

In view of its great bulk the manuscript is published in five volumes. Volume 30 includes notebooks I to VII, comprising three sections of the chapter on the production process of capital and the beginning of the *Theories of Surplus Value* (pp. 1-210 and 220-99 of the manuscript).

Published in Volume 31 are notebooks VII to XII, which contain the continuation of the *Theories of Surplus Value* (pp. 300-636 of the manuscript).

Volume 32, corresponding to notebooks XII-XV, contains the conclusion of the *Theories of Surplus Value* (pp. 636-944 of the manuscript).

Volume 33 includes notebooks XV to XVIII, V (the closing part), XIX and XX (pp. 944-1157, 211-19, 1159-1251).

Volume 34 contains notebooks XX-XXIII (pp. 1251-1472 of the manuscript) and also the draft of the concluding part of Book I of *Capital* (Chapter Six. The Results of the Direct Process of Production).

The fundamentals of proletarian political economy were formulated in the late 1850s. In his economic manuscript of 1857-58 (see present edition, vols 28 and 29), which represents the first version of *Capital*, Marx revealed the inner mechanism of bourgeois society and showed that the development of capitalism's contradictions was inevitably leading to its replacement by a more highly organised social system.

This conclusion followed from Marx's theory of surplus value. By working out his economic doctrine he had turned the materialist conception of history, first formulated by him and Engels as early as the 1840s, from a hypothesis into "a scientifically proven proposition" (V. I. Lenin, *Collected Works*, Vol. 1, Progress Publishers, Moscow, 1986, p. 142).

In 1859, Marx began to publish the results of his research in a work entitled *A Contribution to the Critique of Political Economy*. Part One, which contained an exposition of his theory of value and theory of money. In this work, as Marx put it, "the *specifically* social, by no means *absolute*, character of bourgeois production is analysed straight away in its simplest form, that of the *commodity*" (present edition, Vol. 40, p. 473).

Marx originally intended to follow this first part with a second instalment, devoted to the analysis of capital, the dominant relation of production in bourgeois society. He characterised the second instalment as being "of crucial importance. It does, in fact, contain the pith of all the bourgeois stuff" (present edition, Vol. 40, p. 523).

Initially, the manuscript of 1861-63 was written as the direct continuation of Part One, under the same overall title, *A Contribution to the Critique of Political Economy*, with the subtitle "Third Chapter. Capital in General". Since it was, in effect, the second version of *Capital*, the manuscript of 1861-63 covered practically all the problems which Marx intended to deal with in his principal work. About half of it is taken up by the "Theories of Surplus Value", described by Engels as a detailed critical history of the pith and marrow of political economy. The manuscript also works out the theory of productive and unproductive labour, and of the formal and real subsumption of labour under capital, and also many questions of the theory of crises which he never specifically discussed elsewhere. In the final version of *Capital* Marx confined himself to general conclusions, summing up the research into these problems which he had conducted in the present manuscript.

In the manuscript of 1861-63 Marx used the key propositions of his theory of value and surplus value, evolved in the 1850s, to continue his analysis of the relations between labour and capital, investigating a broad range of questions relating to the antagonistic contradictions of the capitalist mode of production, and the condition and struggle of the working class in bourgeois society.

In his study of the genesis of surplus value Marx demonstrated the correspondence between the process of capitalist exploitation—the production and appropriation of surplus value—and the law of value, of the exchange of equivalents. This constitutes one of his major theoretical achievements. “The economists have never been able to reconcile surplus value with the law of equivalence they themselves have postulated. The socialists have always held onto this contradiction and harped on it, instead of understanding the specific nature of this commodity, labour capacity, whose use value is itself the activity which creates exchange value” (Notebook I, p. 47). In the manuscript of 1857-58 Marx began the analysis of the commodity “labour power” (or, in his terminology of the 1850s and early 1860s, “labour capacity”). In the manuscript of 1861-63 he examines this specific commodity in a more detailed, indeed comprehensive manner.

To begin with, he reveals its distinctive feature—the capacity to create surplus value. Bourgeois economists treated the capitalist relations merely as relations of simple commodity owners confronting each other on the market, and regarded surplus value as deriving, in effect, from commercial fraud, from the violation of the principle of equal exchange between seller and buyer. Marx, in contrast, shows that the capitalist relation of production, far from being reducible to simple commodity-money relations, is their more developed form. “...The formation of the capital-relation demonstrates from the outset that it can only enter the picture at a definite historical stage of the economic development of society—of the social relations of production and the productive forces. The capital-relation appears straight away as a historically determined economic relation, a relation that belongs to a definite historical period of economic development, of social production” (I-19). It is only at a definite stage of the economic development of society that the money owner finds on the market the worker deprived of all means of labour and possessing only one commodity for sale—his labour power. It was impossible to find out the source of surplus value without making a distinction between labour capacity and the labour process proper. Marx

therefore stresses: the commodity offered by the worker is merely the potential possibility of labour, separated both from labour itself and from the conditions for its realisation.

Like any other commodity, it has use value and value. The use value consists in the fact that the consumption of this commodity, the process of its realisation, constitutes the process of labour itself. But since labour as such is a perennial condition of social life, the vulgar economists, seeking to prove that bourgeois society is an eternal, "natural" institution, treat capitalist production in terms of production in general. "...The apologists of capital confuse or identify it with a moment of the simple labour process as such" (I-33).

However, the process of capitalist production is not merely a process of labour, but simultaneously a process of the self-valorisation of value. And here the value of the commodity "labour power", the way it compares with the value newly created in the labour process, moves to the fore.

In substantiating his theory of surplus value, Marx attached extraordinary importance to determining the value magnitude of the commodity "labour power" (labour capacity) and of its monetary expression, wages. Bourgeois economists, beginning with the Physiocrats, had regarded the value of this commodity (they spoke of the "value of labour") as an immutable magnitude independent of the stage of historical development. They put forward the theory of the "minimum wage", maintaining that the magnitude of wages was determined by the value of a set of means of subsistence—given once and for all—that was necessary for the physical existence of the worker. In the manuscript of 1861-63, Marx for the first time demonstrated that this theory was untenable, and he was thereby enabled to justify the struggle of the working class for higher wages and a shorter working day.

Marx shows that "the extent of the so-called primary requirements for life and the manner of their satisfaction depend to a large degree on the level of civilisation of the society, are themselves the product of history" (I-22). Therefore determining the magnitude of wages, as well as of the value of "labour power", is not simply a matter of determining the ultimate limit of physical necessity, although the capitalists do seek to reduce the value and price of labour power to the minimum. Hence the economic necessity for the working class to pursue an unrelenting struggle for higher wages and shorter working hours.

In the 1861-63 manuscript Marx not only demonstrated the need for such a struggle, but also the *possibility* of waging it. The

minimum wage theory was itself a product of historical conditions. At a certain stage of development of bourgeois economic theory, Marx emphasised, it had served a useful purpose, for it made possible the realisation that surplus value was value created by the worker over and above the value of his labour power. It also helped Marx's predecessors to establish that wage increases do not increase the value of commodities, but only reduce the capitalists' rate of profit. The credit for drawing this important conclusion belongs to Ricardo, but it was Marx who provided the definitive proof. Marx also went beyond the inconsistent outlook of classical bourgeois political economy, which did allow that wage rises could cause commodity values to rise, for from Adam Smith on wages had been regarded as a constituent element of the value of commodities (see VI-263, 265). This mistaken premiss led to the mistaken conclusion that the workers' struggle for higher wages was pointless since wage increases inevitably brought higher commodity prices in their wake.

Considerable space in the manuscript is taken up by the analysis of the capitalist mode of production in its historical development. For the first time, Marx examines in detail the essence and stages of the formal and real subsumption of labour under capital, with the production of absolute surplus value playing the dominant part at the first stage and of relative surplus value at the second.

At the first stage capital subjects the actual production process to itself only in form, without changing anything in its technological organisation. The salient feature of this stage is that the labour process and the worker himself are brought under the control, or command, of capital. Compared with the precapitalist modes of production only the nature of coercion changes. Direct, extra-economic coercion is replaced by coercion based on the "free", purely economic, relation between seller and buyer. The real subsumption of labour under capital results from the technological subordination of labour, the worker being unable to function as such outside the production process organised along capitalist lines.

Marx discusses in detail what he calls the *transitional forms*, which develop within the framework of the precapitalist formations and under which capital exploits labour even before it has assumed the form of productive capital, or labour has taken on the form of wage labour. He shows the role played by commercial and usurer's capital in the transition to capitalist production and notes that the transitional forms are constantly reproduced within, and partly

reproduced by, the bourgeois mode of production itself (XXI-1314).

Marx traces the *genesis* of the formal subsumption of labour under capital and describes the historical conditions that made possible the rise of capitalist relations, which supplant either slavery and serfdom, or the independent labour of peasants and artisans. While causing no change in the technical characteristics of the mode of production, the transition to capitalist exploitation within the framework of the formal subsumption of labour under capital increases the continuity and, hence, the intensity and productivity of labour. Moreover, it alters the very substance of relations between the exploiters and the exploited. The transformation of the serf or slave into a wage labourer appears here as a rise to a higher social stage. The changed relations make the activity of the free worker more intensive, more continuous, more agile and more skilful than that of the slave, not to mention the fact that they make him capable of entirely different historical action (XXI-1305).

At the same time, Marx points out that the formal subordination of labour, "the assumption of control over it by capital" (I-49), although historically preceding the actual subordination, which presupposes the establishment of the specifically capitalist mode of production, is fully retained at the stage of developed capitalism, as is its result, absolute surplus value. All the social strata which do not directly take part in material production live on the surplus labour of the workers, obtaining the material means of subsistence and the free time they need for carrying on some non-productive activity or just for idleness. The free time enjoyed by others means excessive labour for the workers. "The whole of civilisation and social development so far has been founded on this antagonism," Marx writes in this manuscript (III-105).

Marx deployed a wealth of statistics, drawn above all from the reports of British factory inspectors, to demonstrate capital's tendency to increase surplus labour beyond every limit. He presents an appalling picture of capitalist exploitation. Excessive labour at the early stages of bourgeois society, within the framework of the production of absolute surplus value, reduces the period of the normal functioning of labour power, accelerates the "destruction" of its value, which is a violation of the normal conditions under which the worker sells his labour capacity. Marx describes the historically conditioned task that is being accomplished by the capitalist mode of production and defines the place capitalism holds in preparing the premisses for the society of the

future. He writes (the text here is in English): “The capitalistic production is ... most economical of *realised labour*.... It is a greater spendthrift than any other mode of production of man, of living labour, spendthrift not only of flesh and blood and muscles, but of brains and nerves. It is, in fact, only at the greatest waste of individual development that the development of general men is secured in those epochs of history which prelude to a socialist constitution of mankind” (II-92).

Capitalist production has a direct stake in extracting excessive labour from the working class, and only the resistance of organised workers can counteract the realisation of capital's boundless claims. The isolated efforts of individual workers can do nothing to curb this exorbitant lust for surplus labour. What is required is resistance from the working class as a whole. Marx stresses that the workers in themselves—unless they act as a class upon the state, and, through the state, upon capital—are unable to save from the predatory claws of capital even what leisure is needed for their physical survival (XX-1283).

He analyses the working-class struggle which led to the legal limitation of the working day in Britain and a number of other European countries. He notes that, although the relevant laws not infrequently became a dead letter, this process as a whole had an extremely beneficial effect in improving the physical, moral and intellectual condition of the working classes in England, as the statistics demonstrate (V-219).

The formal subsumption of labour under capital, and, corresponding to this, the production of absolute surplus value—while of course constituting the basis of the capitalist relation, of capital's command over labour—sets very narrow limits to the development of the capitalist mode of production. In this connection Marx emphasises that “only in the course of its development does capital not only formally subsume the labour process but transform it, give the very mode of production a new shape and thus first create the mode of production peculiar to it” (I-49). This point highlights the importance of Marx's theory of the formal and real subsumption of labour under capital for further developing and concretising the materialist conception of history: the active role played by the capitalist production relation in changing the mode of production is used here as an example demonstrating the powerful retroactive effect of the production relations on the development of the productive forces.

In his analysis of the real subsumption of labour under capital, Marx stresses the growing dominance of things, of material

wealth, over the individual under capitalist conditions. The creation of *great wealth existing in the form of things* appears as the end, to which the labour capacities are merely the means, an end which is only attained by these capacities themselves being turned into *something one-sided and dehumanised* (XXI-1319). At the same time, in describing the formal and real subsumption of labour under capital, the production of absolute and relative surplus value respectively, he notes that it is the tendency of capital to develop surplus value simultaneously in both forms (XX-1283).

But the resistance of the working class sets certain limits to the growth of surplus value obtained through lengthening the working day, in other words to the production of absolute surplus value. Apart from this, there is also a purely physical barrier to this lengthening. The capitalist class seeks to overcome these limits by developing the productive forces, i.e. by raising the productivity of labour, thus ensuring the growth of relative surplus value. The volume of the means of subsistence consumed by the worker may increase in the process, though their value declines. The possible improvement of the worker's living conditions, Marx points out, "in no way alters the *nature* and the *law of relative surplus value*—that a greater part of the working day is appropriated by capital as a result of rises in productivity. Hence the preposterousness of wanting to refute this law by statistical demonstrations that the material condition of the worker has improved here or there, in this or that aspect, as a result of the development of the productive power of labour" (IV-140/141).

In the manuscript of 1861-63 Marx, for the first time ever, analyses in detail three successive stages in the growth of labour productivity within the framework of the capitalist mode of production, stages which he calls "Cooperation", "Division of Labour" and "Machinery. Utilisation of the Forces of Nature and of Science". They represent, simultaneously, three stages in the development of the real subsumption of labour under capital and hence in the intensification of capitalist exploitation.

Cooperation, the joint action of many workers to achieve a common result, while constituting a special historical stage in the development of capitalism, is also "the *general form* on which all social arrangements for increasing the productivity of social labour are based" (IV-143). Cooperation makes labour more efficient. The sphere of its action is expanded, the time required to obtain a certain result is reduced, and such a development of the productive power of labour is achieved as is absolutely beyond the

reach of the isolated worker. To the extent that cooperation reduces necessary labour time, it increases the relative surplus value appropriated by the capitalist for nothing. In this sense, "cooperation, which is a productive power of social labour, appears as a productive power of capital, not of labour" (IV-146). A "displacement" of this kind occurs in respect of all the productive forces of bourgeois society; what takes place here is "a process of divestiture of labour, of alienation, whereby its own social forms are presented as alien powers" (V-184).

Under the conditions of capitalist cooperation, when the interconnection of workers is a relation alien to them, there emerges a specific kind of labour, the labour of supervision. The function of directing labour is an objective necessity where there is concentration of workers, but the form which the direction of the labour process is bound to take "in conditions of association", says Marx, has nothing in common with the command of labour under capitalism.

The division of labour in capitalist manufactories is characterised by Marx as a developed form of cooperation, highly effective in raising productivity and increasing relative surplus value. The manufactory division of labour develops on the basis of the social division of labour, the latter giving rise to commodity exchange, and represents the cooperation of specialised, "partial" kinds of labour to produce a single use value. In the manuscript of 1861-63 Marx investigates in detail the interaction of the two types of division of labour and notes, in this context, that the division of labour "is in a certain respect the category of categories of political economy" (IV-151). The division of labour within society corresponds to commodity relations in general, that within production is a specifically capitalist form. The fact that the two principal types of division of labour condition each other—this was discovered by Marx—implied that "the general laws formulated in respect of the commodity ... first come to be realised with the development of capitalist production, i.e. of capital", and "only on the basis of capital, of capitalist production, does the commodity in fact become the general elementary form of wealth" (V-185).

Historically, the division of labour within the process of capitalist production "presupposes *manufacture*, as a specific *mode of production*" (IV-151). Manufacture, which initially consisted in the bringing together of workers producing one and the same commodity and the concentration of the means of labour in one workshop, under the direction of the capitalist, contained all the prerequisites for the development, within it, of the division of

labour and hence for the growth of labour productivity. This, precisely, gave capital a decisive advantage over patriarchal guild-based production. Marx demonstrates that, contrary to the assertions of bourgeois economists, capitalist manufacture was characterised not by the distribution of the different kinds of labour among the workers, but, conversely, by the distribution of the workers among the different labour processes, "each of which becomes the exclusive life-process of one of them" (IV-158). The obverse of this distribution is the combination of labour in manufacture. The workers are merely "the building blocks" of this combination and they are entirely dependent on the mechanism as a whole.

In discussing the genesis of manufacture, Marx makes an important methodological remark: Just as in the case of the succession of the different geological formations, so also in that of the rise of the different socio-economic formations, one should not think in terms of periods which suddenly occur, or are sharply divided off from each other (XIX-1199). Marx draws attention to the fact that such important inventions as that of gunpowder, the compass, or printing were made in the craft period of bourgeois society. The *general law*, operating at all stages, is that the material prerequisites for the subsequent form are created within the preceding one—both the technological conditions and the corresponding economic structure of the factory (XIX-1199).

Marx discusses the differentiation and specialisation of the instruments of labour as the technological prerequisites of machine production. He regards the dispute about the distinction between tool and machine as purely scholastic and shows that what is required is such a revolution in the means of labour employed as transforms the mode of production and therefore also the relations of production (XIX-1160). The industrial revolution affects first the working parts of the machine, then its motive force. This second process, the employment of the steam engine as a machine producing motion, is described by Marx as the second revolution (XIX-1162).

Characteristic of large-scale machine production is the massive application by capital of the forces of nature and science. Earlier, in his manuscript of 1857-58, Marx noted the tendency to turn science into a direct productive force. Now he concretises this important proposition by pointing out that capitalist production for the first time turns the material process of production into the application of *science to production*—science introduced into practice (XX-1265). This process is manifested in the creation of social

productive forces of labour, above all machinery and automatic factories, which embody the achievements of science, but are appropriated by capital and utilised by it alone. There takes place an *exploitation of science*, of the theoretical progress of mankind (XX-1262). Moreover, capital turns science, as a social productive force, against the workers. Science appears as an *alien force*, *hostile* to labour and *ruling over* it (XX-1262).

The mode of production based on the application of machinery finds its classical expression in the automatic factory. The automatic factory is the perfected mode of production corresponding to machinery, and it is the more perfected the more complete a system of mechanisms it constitutes and the fewer individual processes still need to be mediated by human labour (XIX-1237).

Considerable space in the section on machinery is devoted to the prerequisites for and effects of the capitalist application of machines. As with any advance in the productive forces taking place on the basis of capitalism, the introduction of machinery aims above all at reducing the paid part of the working day and lengthening the unpaid part, i.e. increasing surplus labour time. Therefore, as Marx shows, the introduction of new machines requires, first and foremost, concentration of the conditions of labour and their joint, hence more economical, employment by the associated workers. Only owing to this can they be used in such a way that their higher efficiency in the labour process is accompanied by lower expenses (XIX-1235). Marx discusses the tendency of machine production to combine originally independent branches and turn them into a continuous system of production. His detailed statistical analysis of spinning and weaving, based on factory reports, led him to conclude that combined enterprises are characterised by a higher degree of concentration of production, more intensive use of energy and more economical employment of labour power.

The absolute or relative lengthening of labour time is an objective tendency of machine production. This tendency, the capitalist's striving to speed up the replacement of the fixed capital and ensure its uninterrupted functioning, is manifested in the introduction of night work and the intensification, "condensation", of labour. In the manuscript of 1861-63 Marx brings out the dual impact of the capitalist intensification of labour on the condition of the working class. He points to the link between the legal introduction of the ten-hour working day in Britain and the subsequent technological progress which raised the intensity of labour. The great expansion in industrial production which

resulted was *enforced* by the external limit which legislation set to the exploitation of the workers (V-218). This limit did not cause the profits of the British manufacturers to decline. At the same time, Marx shows that at every given stage of the development of production the intensification of labour comes up against objective limits.

One of the most important effects of technological progress is the replacement of manual labour by machinery and the ousting of workers from production proper. Marx draws attention to the tendency of the industrial proletariat to decline in relative terms, although, as he points out, its absolute numbers grow. "Although the number of workers grows absolutely, it declines relatively, not only in proportion to the constant capital which absorbs their labour, but also in proportion to the part of society not directly involved in material production or indeed engaged in no kind of production whatsoever" (V-179). The capitalist employment of machinery thus objectively results in a new stage in the development of the real subsumption of labour under capital. Only when this stage has been reached, does *the formation of a superfluity of workers become a pronounced and deliberate tendency operating on a large scale* (XX-1257). The antagonistic contradiction between labour and capital reaches its highest expression here, because capital now appears not only as a means of depreciating living labour capacity but also of rendering it *superfluous* (XX-1259). At the same time Marx points to the opposite tendency of machine production—the constant enlistment of fresh workers, the expansion of the sphere of exploitation.

The manuscript of 1861-63 deals at considerable length with the problem of productive and unproductive labour in capitalist society. Marx notes that to work out a criterion of productive labour means to develop and concretise the basic propositions of the theory of surplus value. "Productive labour is only a concise term for the whole relationship and the form and manner in which labour capacity figures in the capitalist production process. The distinction from *other* kinds of labour is however of the greatest importance since this distinction expresses precisely the specific form of the labour on which the whole capitalist mode of production and capital itself is based" (XXI-1322). "*Productive labour* is therefore—in the system of capitalist production—labour which produces *surplus value* for its employer, or which transforms the objective conditions of labour into capital and their owner into a capitalist" (XXI-1322).

The concept of productive labour is therefore socially conditioned. Marx points out, with reference to bourgeois society, that one and the same kind of labour may be productive if organised along capitalist lines, and unproductive if it merely serves to satisfy the requirements of the working individual. "A singer who sells her singing for her own account is an *unproductive labourer*. But the same singer commissioned by an entrepreneur to sing in order to make money for him is a *productive labourer*; for she produces capital" (XXI-1324).

Defining productive labour as labour producing surplus value implies recognition of the fact that what matters under the capitalist mode of production is not labour productivity as such, but only the relative growth of labour productivity—growth of the rate and volume of surplus value. From the viewpoint of the capitalist, all of the workers' necessary labour is therefore unproductive labour. Speaking of the class of productive workers itself, "the labour which they perform for themselves appears as 'unproductive labour'" (VII-309).

But as well as defining productive labour in terms of capitalist production, Marx also defines it as labour realised in commodities, in material wealth. This definition proceeds from the material content of the process of social production. Marx considered a twofold definition essential because labour in material production must be distinguished from any other kind of labour. "This difference must be kept in mind and the fact that all other kinds of activity influence material production and vice versa in no way affects the necessity for making this distinction" (XVIII-1145).

The theory of productive labour enables Marx to draw a number of important conclusions about the position of the working class in bourgeois society. Above all, he shows that the growth of labour productivity logically leads to a relative decline in the number of those employed in material production. "A country is the richer the smaller its productive population is *relatively* to the total product..." (IX-377). Here we see a further advance in the theory of scientific socialism. In the *Manifesto of the Communist Party* (see present edition, Vol. 6, p. 494) Marx and Engels wrote that as bourgeois production develops "the other classes decay and finally disappear". Now Marx, proceeding from his comprehensive analysis of the capitalist mode of production, in particular from his investigation of the production of relative surplus value, demonstrates that there is an objective basis for the "longevity" of the intermediate strata under capitalism. The relative decrease in the number of industrial workers leads to the growth of the

non-productive sphere, the proletarianisation of some sections of the productive classes, an increase in the intermediate strata standing between worker and capitalist. Marx speaks of "the constantly growing number of the middle classes, those who stand between the workman on the one hand and the capitalist and landlord on the other. The middle classes maintain themselves to an ever increasing extent directly out of revenue, they are a burden weighing heavily on the working base and increase the social security and power of the upper ten thousand" (XIII-746).

In analysing productive labour, Marx also draws the important conclusion that the capitalist mode of production artificially divides mental and physical labour. On the other hand, as capitalism develops the material product increasingly becomes the fruit of the efforts of representatives of both kinds of labour. People engaged in either kind now appear as wage labourers in relation to capital (see XXI-1330). Here, therefore, Marx registers an expansion of the scope of wage labour and the sphere of material production. Included among the productive workers are now "all those who contribute in one way or another to the production of the commodity, from the actual operative to the manager or engineer (as distinct from the capitalist)" (VII-303).

In the course of his critical analysis of Ricardo's theory of accumulation in the manuscript of 1861-63, Marx works out his own theory of reproduction and, based on it, his conception of economic crises under capitalism. In contrast to the classical bourgeois political economists, who focussed on the surplus product and failed to give due attention to constant capital, he put the replacement of constant capital in the centre of his theory of reproduction. Marx asserts that there is a portion of the aggregate product which is not reducible to income (Smith and other economists held that all of the product was income) and which can only be consumed productively. In this manuscript Marx put forward, for the first time ever, a proposition of supreme importance for the theory of reproduction: that the product must be replaced in two senses, in line with the two basic aspects of the reproduction process—it must be replaced in value and in its natural form (VI-272). He also considered in detail the division of social production—and, correspondingly, of the social product—into two basic categories according to the natural form of the product: the production of means of production, and the production of objects for consumption (XIV-855/856). His de-

tailed analysis of the theory of reproduction enabled Marx to draw a whole series of important conclusions on the nature of crises under capitalism.

Earlier on, in the economic manuscripts of 1857-58, Marx pointed out that even the simplest economic relation, the act of sale and purchase, contained the abstract possibility of crises. However, the theory of economic crises demonstrating the inevitably cyclical development of capitalism can only be derived, as Marx stressed in the manuscript of 1861-63, "from the real movement of capitalist production, competition and credit" (XIII-715). In considering the problem of capitalist crises one can no longer proceed, e.g., from the assumption that all commodities are sold at their value. A specific analysis of the capitalist economy is required here.

Marx showed that the Ricardians' denial of the possibility of overproduction was to a considerable extent due to a failure to understand "the actual composition of society". In this connection he notes that bourgeois society "by no means consists only of two classes, workers and industrial capitalists", and that "therefore consumers and producers are not identical categories" in it (XIII-704). At the same time, he demonstrates further on that bourgeois political economy seeks to abstract from the contradictions of capitalist production by presenting it as production for the sake of consumption and treating the various moments of capitalist reproduction as forming a unity. It ignores their antagonistic nature and turns a blind eye to the real disproportions of capitalist production. Bourgeois economists identify the capitalist mode of production either with simple commodity production or with the fiction of a harmoniously developing system of production, i.e. they regard capitalism "as *social* production, implying that society, as if according to a plan, distributes its means of production and productive forces in the degree and measure which is required for the fulfilment of the various social needs" (XIII-722). Since they treat capitalism as an eternal, absolute mode of production, bourgeois economists speak of production in general, of consumption in general, of the limitless nature of human needs, etc. In reality, however, it is essential to consider needs backed by money, and their level is artificially kept down. Overproduction "is only concerned with demand that is backed by ability to pay. It is not a question of absolute overproduction" (XIII-712). In the context of capitalist society it is not a matter of overproduction seen in relation to absolute needs, but of relative overproduction—in relation to

effective demand. As far as satisfaction of the vital needs of the working people is concerned, “on the basis of capitalist production, there is constant *underproduction* in this sense” (XIII-721).

Without undertaking to give, at this stage, a comprehensive theory or picture of actual crises, Marx does use his preceding analysis to characterise the general conditions under which overproduction precipitates a crisis. He links them to the objective laws of capitalist reproduction. The general form of the movement of capital, $M-C-M'$, is the form in which reproduction takes place under capitalism. Any disturbance in the conditions of reproduction involves an interruption in the normal functioning of capital. Just as in Marx's theory of reproduction, so also in his views on crises does a special place belong to constant capital, which forms the link between different branches of capitalist production. The close interlinking of the reproduction processes of individual capitals forms the specific “connection between the mutual claims and obligations, the sales and purchases, through which the possibility [of a crisis] can develop into actuality” (XIII-715).

The replacement of the capital advanced, both in its natural form and in value, is one of the principal conditions of reproduction. The fluctuations of market prices—whether upward or downward—upset the hitherto existing ratio between the magnitudes of the money expression of value and use value in the reproduction process of capital, and therefore lead to complications in this process and, as a result, to crises.

In the manuscript of 1861-63 considerable attention is given to the specific forms of manifestation of value and surplus value. An analysis of the inner structure of the capitalist mode of production would be incomplete if it failed to give the derivation of the converted forms in which capitalism's intrinsic categories figure on the surface of capitalist society. At the end of 1861, parallel with his investigation into the production of relative surplus value, Marx began writing the section “Capital and Profit”, in which the analysis of the capitalist mode of production was to be completed by stating the form in which the general law of capitalist production, the law of surplus value, is manifested. In this section, too, Marx took an important step forward compared with the manuscripts of 1857-58.

Already in that earlier manuscript, the first version of *Capital*, Marx showed, in general terms, that profit as a converted form of

surplus value appears as the immediate regulator of capitalist production. In the manuscript of 1861-63 he formulates this more closely, stating that the real embodiment of this regulator is average profit and the average rate of profit. Empirical or average profit, therefore, can only be the distribution of the total profit (and the total surplus value, or total surplus labour, represented by it) among the individual capitals in each individual sphere of production at equal rates or, which is the same thing, according to the difference in the magnitude of the capitals rather than in the proportion in which they directly represent the production of this total profit (XVI-992). Although Marx initially did not propose to consider the actual mechanism of calculating average profit, he wrote, even then, that one agency by which this calculation is brought about is the *competition of capitals* among themselves (XVI-992). The effect of competition, he wrote, was also manifest in the fact that the intrinsic laws of capitalist production appeared on the surface in a distorted form. Hence the vulgar economists' tendency to describe capitalist relations in the form in which they appear in competition. Marx makes the trenchant observation that vulgar political economy explains everything it does not understand by competition. In other words, to express a phenomenon in its most superficial form means the same to it as uncovering its laws (XVI-994).

In this part of the manuscript, Marx develops his views, first formulated in the manuscripts of 1857-58, on the factors behind the law that as capitalist production progresses the rate of profit has a tendency to decline, and the way this law operates (XVI-999). Bourgeois political economy was unable to explain the decline in the rate of profit it predicted. Marx provided the solution by pointing to changes in the organic composition of capital, i.e. in the ratio of constant capital to variable, changes brought about by technological progress and the growth of fixed capital.

The analysis of this law, the tendency of the rate of profit to decline, shows that capitalism is conditioned historically and is historically transient. *The development of the productive forces of social labour is the historical* task and justification of capital. It is precisely by doing this that it unconsciously creates the material conditions for a higher mode of production. On the other hand, it is precisely with the development of the productive forces that profit—the stimulus of capitalist production and also the condition for and urge to accumulation—is endangered by the very law which governs the development of production. Displayed in this in

a *purely economic* way, from the standpoint of capitalist production itself, is its limit, its *relativity*, the fact that it is not an *absolute* but merely a historical *mode of production*, one corresponding to a definite limited period in the development of the material conditions of production (XVI-1006).

Originally Marx did not intend to consider the conversion of value into the price of production in detail, but in the course of his polemic against Rodbertus in the *Theories of Surplus Value* on the theoretical basis of the possibility of absolute rent he came to the conclusion that this problem had to be considered already at this stage, along with the problem of rent in general—as an illustration of “the difference between value and price of production” (XVIII-1139). For the very question as to whether absolute rent was at all possible could not be answered without bringing out the general laws of the capitalist mode of production, on the one hand, and demonstrating the untenability of the notions bourgeois political economy held on the matter, on the other.

Marx shows that classical political economy in the persons of Adam Smith and David Ricardo made it appear that the competition among capitals, by evening up the rate of profit, caused commodities to be sold at their value. Proceeding from this Ricardo concluded that absolute rent was impossible. But the differences in the organic composition of capital and other specific factors operating in different spheres of production, on the contrary, ought to have suggested to the bourgeois economists that competition brings about a general rate of profit “by converting the values of the commodities into average prices, in which a part of surplus value is transferred from one commodity to another” (X-451). Marx traces the modification of the law of value into the law of the price of production under the impact of two kinds of competition.

The first kind takes place within a given sphere of production and brings about a uniform market value for the given kind of commodity. “Thus competition, partly among the capitalists themselves, partly between them and the buyers of the commodity and partly among the latter themselves, brings it about here that the value of each individual commodity in a particular sphere of production is determined by the *total mass of social labour time* required by the *total mass of the commodities of this particular sphere of social production* and not by the individual values of the separate commodities or the labour time the individual commodity has cost its *particular* producer and seller” (XI-544).

The second kind of competition takes place between the

different branches of production and leads to the evening up of the different rates of profit in the different branches, resulting in a general or average rate of profit, and to the transformation of the market value into the price of production, according to which the total surplus value is divided. "The capitalists, like hostile brothers, divide among themselves the loot of other people's labour which they have appropriated so that on an average one receives the same amount of unpaid labour as another" (X-451). In this way Marx's critique advances beyond the view held by Smith and Ricardo that value and price of production are identical and shows that they were unable to explain the apparent contradiction between the determination of the value of the commodity by the labour expended, and the reality of capitalism expressed in the fact that equal capitals yield equal profit. Ricardo, says Marx, "did not understand the genesis of the general rate of profit" (XIV-846), hence his erroneous conception. In connection with this analysis Marx emphasises a basic methodological proposition of his theory, the need for introducing the mediating links, which make it possible to resolve the apparent contradiction between the universal and the converted, superficial forms of existence of value and surplus value. In this connection he discusses the difference between surplus value and profit (and, accordingly, the difference between the rate of surplus value and the rate of profit), the determination of the organic composition of capital in different branches of production and, lastly, the mechanism by which the various rates of profit are evened up in the average profit. It was by thus concretising his theoretical investigation that Marx obtained confirmation of the thesis that the price of production "can be comprehended only on the basis of value and its laws, and becomes a meaningless absurdity without that premiss" (XIV-789).

It was, furthermore, this analysis of the conversion of value into the price of production which enabled Marx to discuss more concretely the converted forms of surplus value—rent and interest, and also commercial profit.

His solution of the problem of rent is based on the difference between the organic composition of capital in industry and that in agriculture, and on the monopoly of private property in land as the real relation that sets limits to the freedom of competition. He points out that there existed, in the nineteenth century, a historically evolved difference in the ratio between the component parts of capital in industry and agriculture, so that the surplus value produced in agriculture exceeded the average rate of

surplus value obtained in industry. But owing to the monopoly of private property in land, value here is not converted into the price of production. Landed property fixes the excess surplus value in the form of absolute rent. In contrast to certain bourgeois political economists who sought to explain absolute rent exclusively by the sale of agricultural products above their value, Marx demonstrated that absolute rent was possible on the basis of the law of value. Moreover, he was able, in the context of the problem of market value, to give a more detailed theoretical justification for differential rent and to demonstrate the limitations of Ricardo's theory of rent. He points to Ricardo's one-sided understanding of the formation of market value in agriculture and stresses that the law under which "the market *value* cannot be *above* the individual *value* of that product which is produced under the *worst conditions of production* but provides a part of the necessary supply, Ricardo distorts into the assertion that the market value cannot fall *below* the value of that product and must therefore always be determined by it" (XI-580). Thus the theory of rent, as set forth in the manuscript of 1861-63, further substantiates and concretises the theory of average profit and the price of production.

By way of expanding his theory of the average rate of profit and the price of production Marx, in the manuscript of 1861-63, for the first time considers such converted forms of surplus value as commercial profit and interest, giving a detailed analysis of commercial and loan capital. He examines these two special forms of capital from the historical angle, tracing their rise in the course of development of money circulation and discussing the transformation of merchant's capital into commercial capital, and of usurer's capital into loan capital. He shows the part these "antediluvian" forms played in history and demonstrates that, once the capitalist mode of production has developed, commercial and money capital are merely forms of productive capital which operate in the sphere of circulation, and their specific functions should be explained by the form of the commodity's metamorphosis, hence by the movements of the form which are peculiar to circulation as such (XV-960). But the changes of form accompanying the sale and purchase of commodities, though admittedly involving an expenditure of labour time, create no surplus value for the capital employed in the sphere of circulation. Where, then, does the profit of the commercial and money capitalist come from? The predominant view in bourgeois political economy was that commercial profit derived simply from a surcharge on the value of the commodity. In contrast to this view Marx, in the

manuscript of 1861-63, for the first time explains commercial profit and interest by the law of value and the law of surplus value. Commercial capital as such creates neither value nor surplus value. But it reduces circulation time and thereby helps productive capital in the creation of surplus value. The merchant's participation, alongside productive capital, in the reproduction of the commodity entitles him to share in the total surplus value and to receive the average rate of profit in the form of commercial profit, even though he is not immediately involved in its production.

In the manuscript of 1861-63 Marx also discusses, likewise for the first time, the difference between wage workers in commerce and workers employed directly in the sphere of material production. He takes as his point of departure the distinction between the sphere of direct production and that of reproduction as a whole: The clerk's relation to the direct *reproduction* of alien wealth is the same as the worker's relation to its direct *production*. His labour, like the worker's, is only a means for the reproduction of capital as the power ruling over him, and just as the worker creates surplus value, the clerk helps to realise it, both doing so not for themselves but for capital (XVII-1033).

In his further analysis of the movement of capital, Marx traces the process by which interest becomes established as a special form of surplus value. The separation of interest-bearing capital from industrial capital "is a *necessary* product of the development of industrial capital, of the capitalist mode of production itself" (XV-902). At the same time, the separation of interest is conditioned by the fact that money appears now as a converted form of capital. Money assumes the property of being directly representative of capital and in this form becomes the specific source of interest as the money capitalist's revenue. Parallel with this, wages and rent acquire independent existence as the two other basic forms of revenue. Marx emphasises that this is an objective process. "This assumption of independent forms by the various parts [of surplus value]—and their confrontation as independent forms—is completed as a result of each of these parts being related to a particular element as its measure and its special source..." (XV-912). In this way the connection with the inner processes of capitalist production is completely mystified.

The results of this process—interest, profit, every form of revenue in general—increasingly appear as its conditions, both with respect to the individual capital and capitalist production as a whole. The separation of the specific forms of surplus value turns the antagonism of the worker-capitalist relation into its exact

opposite, the “harmony of interests” proclaimed by the vulgar economists. As a result, the agents of capitalist production appear on the surface of bourgeois society, and also in the notions of bourgeois apologists, as mutually indifferent and neutral persons, and therefore, Marx points out, the impression arises that “they do not stand in any hostile connection to one another because they have no inner connection whatsoever” (XV-922).

This phenomenon of bourgeois thinking exists not merely in theory, it reflects actual processes at work in capitalist production when its results—the various forms of surplus value—become ossified and fixed as its premisses. In the everyday consciousness of the capitalist and in his practical activity they are such in reality, too, since rent and interest appear to him as portions of the production costs which he has advanced. As Marx points out, to the vulgar economist, to whom the mediating links in the analysis of the production and circulation of capital do not exist and who proceeds from these ossified forms of surplus value, it is quite “obvious” that each part of surplus value derives from a different source based on its own material elements.

Marx concludes his theoretical examination of the capitalist mode of production with a discussion of the process of reproduction in the shape of revenues and their sources, thus taking his analysis up to the forms in which the capitalist relations of production appear on the surface, divorced from the concealed and completely mystified inner connection.

The manuscript of 1861-63 is significant in another way, too: in it, for the first time, Marx provides a comprehensive presentation of the history of bourgeois political economy. Above all, he traces the evolution of views on surplus value, the central concept of economic theory. As he critically analyses the reflection of capitalist production relations in the minds and theories of bourgeois economists, he arrives at a complete conception of bourgeois production.

Two features characterise Marx’s research into the history of bourgeois views on capitalist production. First, he shows that they are conditioned by the level of development of the society’s productive forces and of class antagonisms, and he lays bare the class nature of the various economic concepts, showing the material interests of the ruling classes of capitalist society that underlie them. Second, he shows the methodological roots of these economic theories and consistently demonstrates how the advan-

tages and disadvantages of the method used by individual bourgeois economists affect their arguments.

Marx's conclusions are corroborated by the whole history of bourgeois economic science. He determines the place and role of a given economist in the history of economic thought by the degree of adequacy with which his views reflected the economic realities of his age. From this angle, Marx studies the entire history of bourgeois political economy, from its birth (mercantilism), through its classical period (the Physiocrats, Adam Smith and David Ricardo), and up to its decline (the disintegration of the Ricardian school, and vulgar political economy).

In considering the mercantilists Marx discovers that their views were conditioned by the initial period in the development of the capitalist mode of production, the period of the primitive accumulation of capital. They expressed "the standpoint of emerging capitalist society, to which what matters is exchange value, not use value; wealth, not enjoyment" (IX-400). Not fortuitously, it was in the heyday of merchant's and usurer's capital that mercantilism's principal proposition was put forward: that wealth as such is money. The notion that surplus value derived from circulation was based on a whole series of contemporary economic realities. At the same time, the views of the spokesmen of the nascent bourgeoisie were clearly coloured by their class affiliation. For instance, the polemic waged by some seventeenth-century English economists against interest as an independent form of surplus value "reflects the struggle of the rising industrial bourgeoisie against the old-fashioned usurers, who monopolised the pecuniary resources at that time" (XV-899).

The Physiocrats' view that agricultural labour was the only productive kind of labour stemmed, Marx says, from the preponderance of farming in the French economy. The limitations of their outlook, expressed in their overestimation of agricultural production, led them to proclaim Nature the ultimate source of surplus value.

In contrast to the Physiocrats, Adam Smith's theoretical system reflects the industrial stage in the development of capitalism in Britain, the stage of manufacture proper. The antagonistic contradictions inherent in bourgeois production being as yet undeveloped, he was able to advance, from the position of the revolutionary bourgeoisie, "the view that the capitalist mode of production is the most productive mode (which it absolutely is, in comparison with previous forms)" (VIII-357). On the other hand, it was precisely because the social productive forces were as yet

inadequately developed that Adam Smith held the Physiocratic view of agricultural labour as being the most productive. With him political economy for the first time becomes a comprehensive system. Bourgeois production appears in it in a dual shape—in its concealed inner structure and in its superficial aspect, in which the intrinsic connection of the categories is manifested in the phenomena of competition. This feature of Adam Smith's method, Marx notes, makes it possible to vulgarise his theory—fully to divorce one mode of presentation from the other. To a certain extent, this was indeed the case with Adam Smith himself, for his examination of the inner physiology of bourgeois society and his description of the external phenomena of its life “proceed independently of one another” (XI-524).

David Ricardo was the central figure of the classical school of bourgeois political economy. His theory strikingly displays the furthest point a scientist moving within the scope of the bourgeois outlook is capable of attaining in the study of economic reality. The historical limitations of bourgeois science as the ideology of a particular exploiting class are also plain in Ricardo's theory. As a witness of an increasingly accelerated growth of large-scale industry, Ricardo glorifies the development of the productive forces of his age and regards their capitalist form as most fully corresponding to the needs of this development. “Ricardo's conception,” Marx wrote, “is, on the whole, in the interests of the *industrial bourgeoisie*, only *because*, and *in so far as*, its interests coincide with those of production or the productive development of human labour. Where the bourgeoisie comes into conflict with this, he is just as *ruthless* towards it as he is at other times towards the proletariat and the aristocracy” (XI-497). Ricardo considers that this development is expressed in the growth of society's wealth, the rise of its value, and he therefore concerns himself, among other things, with the question of how the value that has been created is distributed among the different classes.

Ricardo's merit, Marx says, is that, in discussing distribution, he analyses the inner structure of capitalist production, that he “exposes and describes the economic antagonism of classes—as shown by the intrinsic nexus—and that consequently political economy perceives, discovers the root of the historical struggle and development” (XI-525). However, Ricardo's class narrowness is immediately revealed at this point: he considers the antagonism of labour and capital in bourgeois society a natural relation. To him the capitalist organisation of production is its only true organisation. “Ricardo regards bourgeois, or more precisely,

capitalist production as the *absolute form* of production, whose specific forms of production relations can therefore never enter into contradiction with ... the aim of production..." (XIV-775). Attempts to overcome this narrowness to a certain extent were made, on the one hand, by Sir George Ramsay, Antoine Cherbuliez and Richard Jones, Ricardo's bourgeois followers, who declared "the *capitalist form* of production, and consequently *capital*, to be not an absolute, but merely an 'accidental', historical condition of production" (XVIII-1087), and, on the other hand, by the Ricardian socialists who concluded from his theory that "the capitalist as functionary of production has become just as superfluous to the workers as the landlord appears to the capitalist with regard to bourgeois production" (XV-919). But both groups remained the prisoners of bourgeois narrow-mindedness. Marx demonstrated this specifically when discussing the views of Ricardo's proletarian opponents, who said, "We need capital, but not the capitalists'" (XV-878).

In analysing the history of bourgeois political economy Marx attached great importance to characterising its method. The service rendered by classical political economy (above all Adam Smith and David Ricardo) consisted in that it was able "to reduce the various fixed and mutually alien forms of wealth to their inner unity by means of analysis and to strip away the form in which they exist independently alongside one another. It seeks to grasp the inner connection in contrast to the multiplicity of outward forms" (XV-920). Marx notes that on this path, by ultimately reducing all forms of revenue to unpaid labour, the classical school came very close to comprehending the essence of surplus value. But here the limitations of its method were also displayed to the full: classical political economy, Marx writes, "is not interested in elaborating how the various forms come into being, but seeks to reduce them to their unity by means of analysis, because it starts from them as given premisses" (XV-921). Manifest in this are the lack of an historical approach and the class bias of the bourgeois economists, who regarded the material conditions of the capitalist system not only as ready-made, but as the eternal, natural prerequisites of any production. Marx uses the disintegration of the Ricardian school as an example of the way in which the misconceptions of classical political economy increasingly lead it towards an abandonment of its original starting-point—the exclusive determination of value by labour time.

Even in Ricardo, Marx repeatedly noted an absence of interest in the genetic derivation of the more highly developed forms, a

tendency to reduce them one-sidedly and forcibly to simple ones. For all his efforts, Ricardo, for instance, failed to reconcile the equality of profits on equal capitals with the principle of value. In defending his doctrine against Malthus, Ricardo's followers sought to eliminate this and other contradictions in his views. But they retained his method. As Marx points out, "here the contradiction between the general law and further developments in the concrete circumstances is to be resolved not by the discovery of the connecting links but by directly subordinating and immediately adapting the concrete to the abstract. This moreover is to be brought about by a *verbal fiction*" (XIV-793).

While the Ricardian school was disintegrating, vulgar political economy was taking shape as an independent trend within bourgeois political economy. In proportion as the antagonistic inner contradictions of capitalist production developed and the working-class struggle rose to a higher pitch, the vulgar trend became predominant in bourgeois economic science. The Ricardian school, for all its shortcomings, was concerned with the contradictions in Ricardo's doctrine, above all those which reflected the inner contradictions of capitalist production. The vulgar economists were increasingly preoccupied with the superficial forms of capitalist production and with the opinions and motives of individual capitalists. "Vulgar political economy does nothing more than express in doctrinaire fashion this [the individual capitalists'] consciousness, which, in respect of its motives and notions, remains in thrall to the appearance of the capitalist mode of production. And the more it clings to the shallow, superficial appearance, only bringing it into some sort of order, the more it considers that it is acting 'naturally' and avoiding all abstract subtleties" (XV-912).

This incapacity of the bourgeoisie to further develop political economy as a science clearly coincides with that stage of bourgeois society at which the proletariat begins to become conscious of being a class in its own right. Only after this stage had been reached, and the working class had developed its standpoint as the agent of a new type of social progress, did the revolution accomplished in political economy by Marx through applying the method of dialectical materialism to the study of capitalist reality become possible.

Also included in this group of economic volumes in the present edition is the draft of the concluding part of Book I of *Capital*.

Written before the summer of 1864, it is entitled: Chapter Six. The Results of the Direct Process of Production. It was not included in the final text of *Capital*.

According to Marx's original intention, the chapter was to provide an interim summary of the analysis of capitalist production and also, in its closing section, a transition to Book II—the process of capital circulation (p. 441 of the manuscript).

Among other things, Chapter Six examines the formal and real subsumption of labour under capital, and also productive labour, which had been discussed in considerable detail in the manuscript of 1861-63.

The chapter gives a rather extensive analysis of capitalist production as the production and reproduction of the specifically capitalist relation of production. The process of capitalist production reproduces not only the means of production and labour power, but also the capitalist relation and, hence, the social status of the agents of production in relation to each other. Marx notes that the capitalist relation differs only externally from other, more direct forms of enslavement of labour and property in labour by the owners of the conditions of production (p. 493). But in contrast to the previous forms, under which those enslaved could only be kept in subjection by direct non-economic compulsion, capitalism formally creates the free worker, and the capitalist keeps him in subjection by economic compulsion alone. An analysis of the reproduction of capital shows that within the framework of the bourgeois system the worker is not in a position to break out of these fetters.

In Chapter Six Marx comes back to the historical role of capitalist production. He characterises capitalism as a necessary stage in creating the unlimited productive forces of social labour which alone can form the material basis of a free human society (p. 466).

The reproduction of the capitalist relations of production involves the creation of new productive forces which in turn influence the mode of production and thereby bring about a complete economic revolution (p. 494). This revolution will create the conditions for a new mode of production which will supersede the contradictory, capitalist relations. In other words, it will create the material basis of a newly organised social life-process and thereby of a new social formation (*ibid.*).

* * *

The Economic Manuscript of 1861-63, which makes up volumes 30 to 34 of the present edition, is reproduced here in accordance with its new publication in the languages of the original in *Marx-Engels Gesamtausgabe (MEGA)*. Zweite Abteilung. Bd. 3, Teile 1-6. Berlin, 1976-1982. Only the part of the manuscript comprising the *Theories of Surplus Value* was published in English previously. Chapter Six, The Results of the Direct Process of Production, in Volume 34, has been checked against the text in *Marx-Engels Gesamtausgabe (MEGA)*, II/4. 1, Berlin, 1988.

In preparing the present publication, a few minor alterations have been made in the text of the manuscript as compared with *MEGA*. In particular, Marx's excerpts from the manuscripts of 1857-58 have been transferred to the relevant passages in the main body of the text.

Obvious slips of the pen in Marx's text have been corrected by the Editors without comment. The proper and geographical names and other words abbreviated by the author are given in full. Defects in the manuscript are indicated in footnotes, places where the text is damaged or illegible are marked by dots. Where possible, editorial reconstructions are given in square brackets.

Foreign words and phrases are given as used by Marx, with the translation supplied in footnotes where necessary. English phrases, expressions and individual words occurring in the original are set in small caps. Longer passages and quotations in English are given in asterisks. The passages from English economists quoted by Marx in French are given according to the English editions used by the author. In all cases the form of quoting used by Marx is respected. The language in which Marx quotes is indicated unless it is German.

The text of and notes to Volume 30 were prepared by Mikhail Ternovsky (notebooks I-V) and Lyubov Zalunina (notebooks VI-VII). The Preface was written by Mikhail Ternovsky. The volume was edited by Larisa Miskievich (Institute of Marxism-Leninism of the CC CPSU). The name index, the index of quoted and mentioned literature and the index of periodicals were compiled by Vardan Azatian (Institute of Marxism-Leninism of the CC CPSU).

The translation was done by Ben Fowkes (Lawrence and Wishart) and edited by Victor Schnittke and Andrei Skvarsky. The section from the *Theories of Surplus Value* was translated by Emile Burns and edited by Salo Ryazanskaya and Natalia Karmanova

(Progress Publishers). The volume was prepared for the press by Alla Varavitskaya (Progress Publishers).

Scientific editor for this volume was Vitaly Vygodsky (Institute of Marxism-Leninism of the CC CPSU).

KARL MARX

ECONOMIC WORKS

1861-1863

**ECONOMIC MANUSCRIPT
OF 1861-63**

A CONTRIBUTION TO THE CRITIQUE
OF POLITICAL ECONOMY¹

THIRD CHAPTER
CAPITAL IN GENERAL

[I-A] *August. 1861. Third Chapter. Capital in General*²

I. *The Production Process of Capital*

1) *Transformation of Money into Capital*

a) *The Most General Form of Capital.* b) *Difficulties.*

c) *Exchange of Capital with Labour Capacity.*

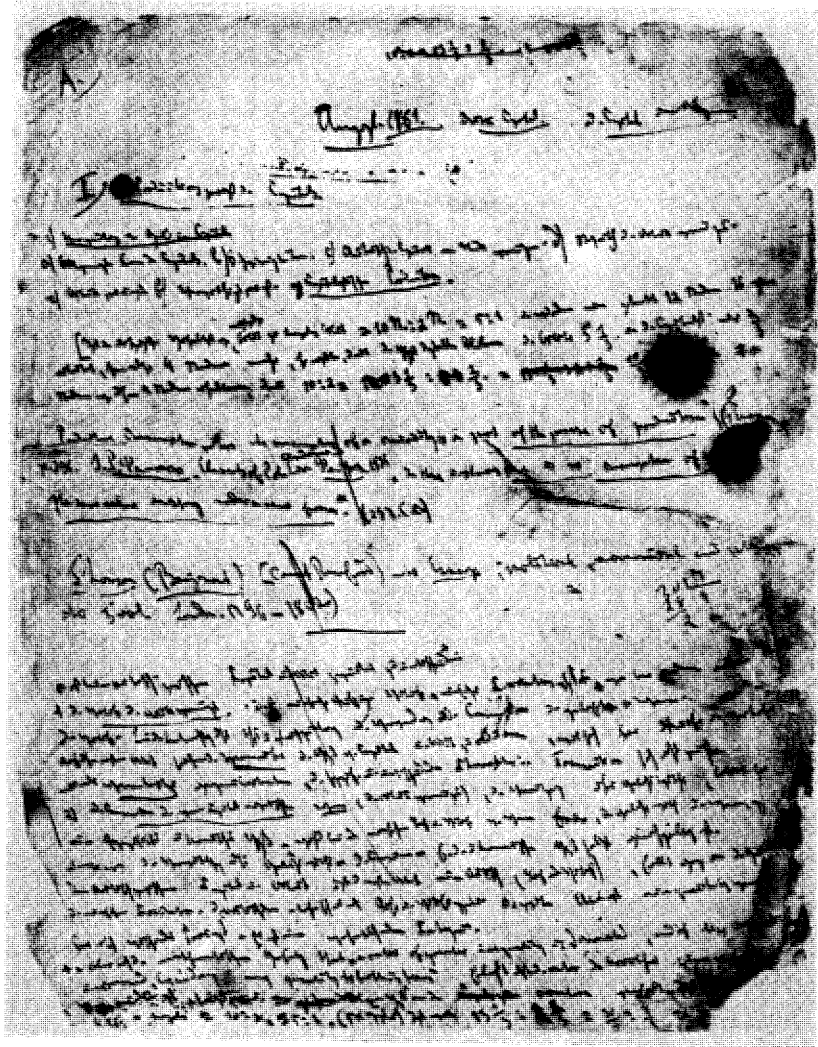
d) *Value of Labour Capacity.* e) *Labour Process.*

f) *Valorisation Process.* g) *Capitalist Production*

[II-A] I.1) h) *The Two Components of the Transformation Process*³



Cover page of Notebook I of the Economic Manuscript of 1861-63



Inside cover page of Notebook I of the Economic Manuscript of 1861-63

[I-1] I. THE PRODUCTION PROCESS OF CAPITAL

1) TRANSFORMATION OF MONEY INTO CAPITAL

a) $M-C-M$. THE MOST GENERAL FORM OF CAPITAL

How does money become capital? Or how does the owner of money (i.e. *the owner of commodities*) become a capitalist?

Let us look first at the form $M-C-M$: the exchange of money for the commodity, i.e. *buying* in order to exchange the commodity for money again, i.e. in order to *sell*. We have already noted^a that in the form of circulation $C-M-C$ the extremes C and C are qualitatively distinct, even though they are equal in magnitude of value, hence in this form a real exchange of materials takes place (different use values are exchanged for each other), therefore the result $C-C$ —the exchange of commodity for commodity, in fact the exchange of use values for one another—has an obvious purpose. In the form $M-C-M$ in contrast (buying in order to sell) the two extremes M and M are qualitatively *the same*, namely they are money. Indeed, if I exchange M (money) for C (commodity), in order to exchange the commodity (C) in turn for M (money), i.e. if I buy in order to sell, the result will be that I have exchanged money for money. In actual fact the circulation $M-C-M$ (buying in order to sell) falls into the following acts: first, $M-C$, the exchange of money for the commodity, purchase; second, $C-M$, the exchange of the commodity for money, sale; and the unity of the two acts, or the passage through both stages, $M-C-M$, the exchange of money for the commodity in order to exchange the commodity for money, buying in order to sell. The result of the process, however, is $M-M$, the exchange of money for money. If I buy cotton for

^a K. Marx, *A Contribution to the Critique of Political Economy*. Part One (present edition, Vol. 29, pp. 324, 332).— *Ed.*

100 thalers and sell the cotton again for a hundred thalers, I have at the end of the process 100 thalers just as I had at the beginning; the whole movement consists in my expending 100 thalers by the purchase and then taking in 100 thalers again by the sale. The result is thus $M—M$: I have in fact exchanged 100 thalers for 100 thalers. Such an operation appears to be without purpose, however, and therefore absurd.* At the end of the process, as at the beginning, I have money, which is qualitatively the same commodity and quantitatively the same magnitude of value. Money is the starting-point and the finishing-point of the process (of the movement). The same person gives out the money as purchaser to receive it back as seller. The point from which the money departs in this movement is the point to which it returns. Because the extremes M, M , are *qualitatively* the same in $M—C—M$, the process of buying in order to sell, this process can only receive a content and a purpose if they differ *quantitatively*. If I buy cotton for 100 thalers and sell the same cotton for 110 thalers, I have in fact exchanged 100 thalers for 110 thalers, i.e. I have bought 110 thalers for 100. Thus the form of circulation [1-2] $M—C—M$, buying in order to sell, receives a content as a result of the fact that the extremes M, M , although qualitatively the same—money—are quantitatively different, since the second M represents a higher magnitude of value, a greater sum of value, than the first. The commodity is bought so as to be sold dearer; in other words, it is bought cheaper than it is sold.

Let us look first at the form $M—C—M$ (buying in order to sell) and compare it with the circulation form $C—M—C$ (selling in order to buy) which we examined earlier.^a First of all, the circulation $M—C—M$, like the circulation $C—M—C$, splits up into two distinct acts of exchange, of which it is the unity: namely $M—C$, the exchange of money for the commodity, or purchase—in this act of exchange a buyer confronts a seller—and secondly $C—M$, sale, the exchange of the commodity for money—in this act, as in the first, two persons, the buyer and the seller, confront

*This is quite correct. Nevertheless the form does occur (and the purpose is irrelevant here). For example, a purchaser may not be in a position to sell the commodity dearer than he bought it. He may be compelled to sell it cheaper than he bought it. In both cases the result of the operation contradicts its purpose. Even so, this does not prevent it from having the form $M—C—M$, in common with the operation which does correspond to its purpose.

^a K. Marx, *A Contribution to the Critique of Political Economy*. Part One (present edition, Vol. 29, pp. 324-34).—*Ed.*

each other. The buyer buys from the one and sells to the other. The buyer, with whom the movement originates, is involved in both acts. First he buys and then he sells. Or his money goes through both stages. It appears as starting-point in the first stage and result in the second. The two persons with whom he exchanges, in contrast, each perform only one act of exchange. The one with whom the buyer makes his first exchange sells the commodity. The other person, with whom he makes the last exchange, buys the commodity. Therefore the commodity sold by the one and the money with which the other buys it do not pass through the two opposed phases of circulation; each rather completes just a single act. Neither of these one-sided acts of sale and purchase performed by these two persons presents us with a new phenomenon. What is new is the whole process which the buyer, who is also its originator, passes through. Let us therefore look instead at the whole movement passed through by the buyer who sells again, or by the money with which he started the operation.

M—C—M. The starting-point is money, the converted form of the commodity, in which it is always exchangeable, in which the labour contained in it has the form of general social labour, i.e. in which it is *exchange value become independent*. The starting-point of this form of circulation, this movement, is therefore itself already a product of the circulation of commodities, i.e. it comes from circulation, for only in and through circulation does the commodity obtain the form of money, only in this way is it changed into money or does it develop its exchange value, the particular independent forms which present themselves as various formal determinations of money. Secondly, the value emerging in this way from circulation and assuming an independent existence in the form of money enters again into circulation, becomes a commodity, but returns again from the commodity form to its monetary form, having at the same time increased its magnitude.

The money which passes through this movement is *capital*, i.e. value become independent in money and passing through this process is the form in which capital initially presents itself or appears.

We can translate the form *M—C—M*: value become independent in money (if we employ the word *value* without defining it more closely, it must always be understood as *exchange value*⁴), hence value emerging from circulation, enters again into circulation, maintains itself in it and returns from it multiplied (returns as a greater magnitude of value). In so far as money constantly

describes this circuit afresh, it is value emerging from circulation, entering into it again, perpetuating (maintaining) itself in circulation and multiplied in it.

[I-3] In the first stage of the process money becomes a commodity, in the second stage the commodity again becomes money. The extreme from which the process starts, money—itsself already a form of the commodity arisen from circulation, in which it has taken on independence in its determination as exchange value—is at once the point of departure and the point of return. Value is thus preserved in the process it passes through and at the conclusion of the process returns again to its independent form. At the same time, however, the result of the movement, whilst changing nothing in this form (of value), namely its being money, is that the magnitude of the value has grown. The value is thus not only preserved as value, but grows as well, multiplies, increases its magnitude in this movement.

“Capital ... permanent, self-multiplying value” (Sismondi, *Nouveaux principes etc.*, Vol. 1, p. 89).

In $M-C-M$ exchange value appears just as much the prerequisite as the result of circulation.

Value (*money*) resulting from circulation as adequate exchange value (*money*), taking on an independent form, but entering again into circulation, preserving and multiplying (increasing) itself in and through it, is *capital*.

In $M-C-M$ exchange value becomes the content and the end in itself of circulation. In selling in order to buy the purpose is use value; in buying to sell it is value itself.

Two points must be stressed here. Firstly, $M-C-M$ is *value-in-process*, exchange value as a process that takes its course through various acts of exchange or stages of circulation, and at the same time dominates over them. *Secondly*: In this process value is not only preserved, it increases its magnitude, it is multiplied, increases itself, i.e. it creates in this movement a *surplus value*. It is thus not only self-preserving but self-valorising value, *value that posits value*.

Firstly: Let us initially look at $M-C-M$ from the point of view of its form, disregarding the fact that the second M is a value of greater magnitude than the first M . The value exists first as money, then as commodity, then again as money. It is preserved in the alternation of these forms and returns out of them to its original form again. It passes through changes of form in which it is, however, preserved, and it therefore appears as the subject of

these changes. The alternation of these forms therefore appears as its own process, or, in other words, value as it presents itself here is value-in-process, the subject of a process. Money and the commodity each appear only as particular forms of existence of the value which is preserved in passing over from one to the other and always returns to itself as money, in the form in which it has become independent. Money and commodity thus appear as the forms of existence of value-in-process or capital. Hence the interpretations of capital. On the one hand, the one above, given by Sismondi. Capital is self-preserving value.

"It is not matter which makes capital, but the value of that matter" (J. B. Say, *Traité d'économie politique etc.*, 3rd ed., Vol. 2, Paris, 1817, p. 429).^a

On the other hand, when it is conceived not as the whole movement but in each of its forms of existence—the forms in which it exists each time—: capital is money, capital is commodity.

"CAPITAL IS COMMODITIES" (J. Mill, *Elements of Political Economy*, London, 1821, [p.] 74).

"CURRENCY EMPLOYED TO PRODUCTIVE PURPOSES IS CAPITAL" (McLeod, *The Theory and Practice of Banking etc.*, Vol. I, London, 1855, Ch. 1).⁵

In the form of circulation $C-M-C$ the commodity passes through two metamorphoses, the result of which is that it remains behind as a use value. It is the commodity—as unity of use value and exchange value, or as use value, with the exchange value of the commodity figuring as a mere form, an evanescent form—which passes through this process. But in $M-C-M$ money and the commodity appear only as different forms of existence of exchange value, which is seen on the one occasion in its general form as money, and on the other in its particular form as the commodity, at the same time figuring as the dominant and self-asserting element in both forms. [I-4] Money is in itself the form of existence of exchange value become independent, but the commodity too appears here only as the repository of exchange value's material embodiment.

[I-16]⁶ It can easily be understood that if there exist classes which do not take part in the production of commodities, and yet possess commodities or money, which is only a form of the commodity, they have a share in the commodities without exchange, through a title gained either by law or force, not to be discussed any further at this point. The commodity owner or producer—for the moment we can only understand the commodity owner as a commodity producer—must give up to those classes

^a Marx quotes in French.— *Ed.*

a portion of his commodities or of the money he receives for their sale. By virtue of this money, for which they have given no equivalent, they would then be consumers, buyers, without ever having been sellers. These buyers, however, can only be explained as participants in the commodities of the seller (co-owners), a position they have reached through a process inexplicable here.^a If therefore they buy commodities, they merely give back to the commodity owners and producers a portion of those commodities in exchange for other commodities, commodities they received from the latter without exchange.

It is entirely explicable that if all the producers of commodities sell them at more than their value they will receive from these buyers more than they gave them, but they will only get back more of a sum of value which belonged to the commodity producers in the first place. If someone steals 100 thalers from me and I sell him a commodity worth only 90 thalers for 100 thalers, I make a profit of 10 thalers from him. This is a method of taking away from this buyer, who is a consumer without being a producer, by way of trade a part of the sum of value of 100 thalers that originally belonged to me. If he takes 100 thalers a year from me and I sell him commodities valued at 90 thalers similarly for 100 every year, I admittedly gain 10 thalers a year from him, but only because I lose 100 thalers a year to him. If his taking away of 100 thalers is an institution, the trading that follows is a means of cancelling out this institution in part, here to the extent of $\frac{1}{10}$. However, no surplus value arises in this way and the extent to which this buyer can be defrauded by me, i.e. the number of transactions in which I can sell him 90 thalers' worth of commodities for 100, depends precisely on the number of times he takes 100 thalers from me without giving any equivalent whatever. It is therefore not a transaction through which capital, value preserving and increasing itself in circulation, can be explained, still less the surplus value of capital. Not only Torrens, but *Malthus* himself makes leaps of this kind, and is reproached for it with moral indignation by the Ricardians.⁷ Thus Malthus thinks—and correctly under the given conditions—that the income of the mere CONSUMERS, mere buyers, must be increased so that the producers can make a profit from them, so as to encourage production.

* "The zeal for 'encouraging consumption', as supposed necessary for trade in general, springs from the real usefulness of it with regard to the venders of a

^a See this volume, pp. 190-91.—*Ed.*

particular trade"* ([p.] 60). * "What we want are people who buy our goods'... But they have nothing in the world to give you for your goods, but what you gave them first. No property can originate in their hands; it must have come from yours. Landlords, placemen, stockholders, servants, be they what they may, their whole means of buying your goods was once your means, and you gave it up to them"* ([pp. 61-]62. * "The object of selling your goods is to make a certain amount of money; it never can answer to part with that amount of money for nothing, to another person, that he may bring it back to you, and buy your goods with it: you might as well have just burnt your goods at once, and you would have been in the same situation"* ([p.] 63) (*An Inquiry into those Principles, Respecting the Nature of Demand and the Necessity of Consumption, Lately [I-17] Advocated by Mr. Malthus etc.*, London, 1821).

* "Mr. Malthus sometimes talks as if there were two distinct funds, capital and revenue, supply and demand, production and consumption, which must take care to keep pace with each other, and neither outrun the other. As if, besides the whole mass of commodities produced, there was required another mass, fallen from Heaven, I suppose, to purchase them with.... The fund for consumption, such as he requires, can only be had at the expense of production"* (l.c., [pp.] 49, 50). * "When a man is in want of *demand*, does Mr. Malthus recommend him to pay some other person to take off his goods?"* ([p.] 55).

[I-4] In the form of circulation $C—M—C$, viewed as the total metamorphosis of the commodity, the value admittedly exists as well, first as the price of the commodity, then in money as the realised price, and finally in the price of the commodity again (or, in general, in its exchange value); but it only puts in a transitory appearance here. The commodity exchanged by means of the money becomes a use value; the exchange value disappears, as the irrelevant form of the commodity, and it drops out of circulation altogether.

In simple commodity circulation— $C—M—C$ —money always appears in all its forms as merely the result of circulation.^a In $M—C—M$ it appears, to an equal extent, as starting-point and as result of circulation, so that exchange value is not, as in the first form of circulation, the merely transitory form of commodity circulation—the form of the commodity itself taking shape within the exchange of commodities and in turn vanishing—but on the contrary the purpose, the content and the propulsive heart of circulation.

The starting-point of this circulation is money, exchange value become independent. Historically the formation of capital also proceeds everywhere from monetary wealth, and the first conception of capital is that it is money, but money that passes through certain processes.

^a K. Marx, *A Contribution to the Critique of Political Economy*. Part One (present edition, Vol. 29, p. 372).—*Ed.*

The form of circulation $M—C—M$, or money-in-process, self-valorising value, takes as its starting-point money, the product of the simple circulation $C—M—C$. It therefore presupposes not just the circulation of commodities but a circulation of commodities which has already developed all the forms of money. The formation of capital is therefore only possible where the circulation of commodities—the exchange of products as commodities and the establishment of exchange value's independence in money and the latter's various forms—has already developed. In order to pass through the process in which it appears as starting-point and result, exchange value must have already attained its independent, abstract shape in money.

The first act of the form $M—C—M$, namely $M—C$, or purchase, is the last act of the form $C—M—C$, namely $M—C$ once again. In the last act, however, the commodity is bought, money is converted into a commodity, so that the latter may be consumed as a use value. The money is *expended*. By contrast, in $M—C$ as the first stage of $M—C—M$, the money is converted into a commodity, exchanged for a commodity, only so that the commodity may be converted back into money, so that the money may be recovered, retrieved from circulation again by means of the commodity. The money therefore appears only to have been given out so that it may return, only thrown into circulation so that it may be withdrawn again through the commodity. Hence it is only *advanced*.

* "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.*, ed. by General Sir James Steuart, his son etc., Vol. I, London, 1805,⁸ [p.] 274).^a

If we look at the form $C—M—C$, in its first act, $C—M$, the commodity appears as a mere materialisation of exchange value (hence a mere means of exchange) for the seller. Its use value is not as such use value for himself—the seller—but for a third factor, the buyer. He therefore sells it, converts it into money, in order with that money to buy a commodity which is a use value for himself. The price of the commodity he buys has value for him only in so far as it determines the quantity—the quantity of use values—he obtains for his money. *In purchase* therefore the exchange value of the commodity appears here only as a transitory form of the commodity, and similarly the independence of this

^a J. Steuart, *An Inquiry into the Principles of Political Oeconomy*. In: J. Steuart, *The Works, Political, Metaphysical, and Chronological*.—Ed.

exchange value in money only puts in a transitory appearance. In $M-C-M$, on the other hand, [I-5] where the purchase forms not the second but rather the first act of circulation or the processes of exchange, the commodity into which the money is converted is equally no more than a materialisation of exchange value for the buyer, just a disguised form of money, so to speak. Here both M and C appear merely as specific forms, modes of existence of exchange value, between which it alternates; money as the general, the commodity as a particular form of exchange value. The exchange value is not lost in the transition from one mode of existence to the other; it merely changes its form and hence always returns to itself in its general form. It appears as dominating over its two modes of existence, money and the commodity, and precisely for that reason it appears as the subject of the process, in which it presents itself now as the one and now as the other, hence either as *money-in-process* or as *value-in-process*.

Secondly. As we have already noted, $M-C-M$ would, however, be a movement without content if the extremes M, M , which are qualitatively the same, were not quantitatively different. The process would be without content if a certain sum of value were cast into circulation as money, so that the same sum of value could be withdrawn again from circulation in the form of money, thus leaving everything as it was before, at the starting-point of the movement, as a result of two acts of exchange in opposite directions. The characteristic feature of the process is rather that the extremes M, M , although qualitatively the same, are quantitatively different, quantitative distinction being altogether the only thing exchange value as such—and in money it exists as such—is capable of by its nature. As a result of the two acts of buying and selling, the conversion of money into a commodity and the reconversion of the commodity into money, at the end of the movement more money, a larger sum of money, hence an enhanced value, emerges from circulation: more money than the amount cast into circulation at the beginning.

If, for example, the money was originally, at the start of the movement, 100 thalers, it is 110 at the end. The value has therefore not only maintained itself but has in the course of circulation posited a new value, or *surplus value*, as we shall call it. Value has produced value. Or value appears to us here for the first time as *self-valorising*. Hence value as it appears in the movement $M-C-M$ is value coming out of circulation, entering it, maintaining itself in it, and *valorising itself*, positing surplus value. As such it is *capital*.

In hoarding, which one might recall here, value does not valorise itself.^a The commodity is converted into money, sold, and in this shape withdrawn from circulation, laid aside. The same magnitude of value as existed previously in the form of the commodity now exists in the form of money. The commodity has not increased its magnitude of value; it has simply taken on the general form of exchange value, the money form. This was a purely qualitative change, not a quantitative one.

In the present case, however, the commodity is already presupposed in the form of money as the starting-point of the process. It gives up this form temporarily in order to reassume it at the end as an increased magnitude of value. Money as hoard, in contrast, remains fixed in its form as exchange value become independent, and, far from being *valorised*, is withdrawn from circulation. Its power of acting as exchange value is retained *in petto*^b for the future, but suspended for the present. Not only does the magnitude of its value remain unaltered, it loses its function, its quality, of exchange value—as long as it remains a hoard—since it does not function as money, whether means of purchase or means of payment. Apart from this it has no direct use value as money, and has therefore also lost the use value it possessed as a commodity. It can only win this use value back [I-6] by acting again as money, being thrown into circulation and thereby giving up its character as the presence of exchange value. The only thing that takes place in hoarding is that the commodity is given the form of money, the adequate form of exchange value, by the sale of the commodity at its price. In place of valorisation—i.e. an increase of the original value—there occurs no utilisation at all of the money fixed as a hoard; it possesses only a potential value, in actuality it is valueless. Thus this relation of self-valorising value or capital has nothing in common with hoarding, except that both of them are concerned with exchange value, with the hoarder, however, employing an illusory method of increasing it.

In *C—M—C*, selling in order to buy, in which use value and therefore the satisfaction of needs is the ultimate purpose, there is nothing in the form itself that directly requires its repetition once the process has taken place. The commodity is exchanged by means of money for another commodity, which now drops out of circulation as a use value. With this the movement has come to an

^a K. Marx, *A Contribution to the Critique of Political Economy*. Part One (present edition, Vol. 29, pp. 359-70).—*Ed.*

^b Literally: “in the breast”. In a figurative sense: “in a secret place”, “in a concealed form”, “in reserve”.—*Ed.*

end. In $M—C—M$, by contrast, the very form of the movement implies that no end is at hand: the end of the movement already contains the principle and the driving force of its resumption. For since money, abstract wealth, exchange value is the starting-point of the movement and its multiplication is the purpose; since the result and the starting-point are qualitatively the same, being a sum of money or value, whose quantitative limit appears at the end as much as at the beginning of the process as a barrier to its general concept—for the more the quantity of exchange value or money is increased the more it corresponds to its concept—(money as such can be exchanged for all wealth, all commodities, but the degree to which it is exchangeable depends on its own mass or magnitude of value)—self-valorisation remains as much a necessary activity for the money which emerges from the process as for the money which started it off—consequently the principle of the movement's resumption is already given with the movement's end. Moreover, it emerges at the end as what it was at the beginning, namely the prerequisite of the same movement in the same form. This is what this movement has in common with hoarding: the absolute drive for enrichment, the drive to gain possession of wealth in its general form.

//At this point it will be necessary to go in detail into Aristotle's discussion, *Republic* I, 1, ch. 9.⁹//

It is the money owner (or commodity owner, for money is after all only the converted shape of the commodity) who makes his money, or the value he possesses in the form of money, pass through the process $M—C—M$. This movement is the content of his activity and he therefore appears only as the personification of capital defined in this way, as the *capitalist*. His person (or rather his pocket) is the starting-point of M , and it is the point of return. He is the conscious vehicle of this process. Just as the result of the process is the preservation and increase of value, the self-valorisation of value, what forms the content of the movement appears in him as a conscious purpose. *To increase the amount of value he possesses* appears thus as his sole purpose. His purpose is the ever-growing appropriation of wealth in its general form, *exchange value*, and only in so far as it appears as his sole driving motive is he a capitalist or a conscious subject of the movement $M—C—M$. Never use value, only exchange value must therefore be regarded as his direct purpose. The need he satisfies is for enrichment as such. It goes without saying, incidentally, that he continuously increases his control over real wealth, over the world of use values. For whatever the productivity of labour, at a given

stage of production a higher exchange value is always represented by a larger mass of use values than a smaller.¹⁰ [I-6]

[I-14]¹¹ In order to develop the concept of capital we must begin to not with labour 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 labour to capital from the different races of men directly to the banker, or from nature to the steam-engine.¹²

As soon as money is posited as exchange value which not merely makes itself independent of circulation (as in hoarding) but maintains itself inside it, it is no longer money, for money as such does not extend beyond the negative determination; it is *capital*. Hence money is also the first form in which exchange value proceeds to the character of capital, and historically it is the first *form* in which capital *appears*, being as a result historically confused with capital itself. For capital, circulation appears not only, as with money, as a movement in which exchange value vanishes, but also as a movement in which it is preserved and is itself the alternation of the two determinations of money and commodity. In simple circulation, in contrast, exchange value is not realised as such. It is always realised only in the moment of its disappearance. If the commodity becomes money and the money again becomes commodity, the exchange value determination of the commodity disappears, for it only served to obtain a quantity of the second commodity corresponding to the first commodity, the second commodity to the corresponding amount, whereupon the latter commodity as a use value is swallowed up in consumption. The commodity becomes indifferent towards this form and ceases to be more than the direct object of need. If the commodity is exchanged for money, the form of exchange value, money, persists only as long as it stays *outside* exchange, puts itself in a negative relation to circulation. The imperishability money strove for by taking up a negative stance towards circulation is achieved by capital, in that the latter preserves itself precisely by self-abandonment to circulation. [I-14]

[I-7] b) *DIFFICULTIES ARISING FROM THE NATURE OF VALUE, ETC.*

We first examined the form of capital in which it is directly presented or appears for observation. It can, however, be easily

shown that the form $M—C—M$, value re-entering circulation, preserving and valorising itself within it, seems utterly incompatible with the nature of money, the commodity, value and circulation itself.

Circulation, in which the commodity is now represented as commodity, now as money, involves a change of form for the commodity; the manner in which its exchange value is represented changes but the exchange value itself remains unaltered. The magnitude of its value does not change, it is not affected by this change of form. If we take a commodity, a ton of iron for example, its exchange value, the labour time contained in it, is expressed (represented) in its price, say £3. If it is now sold, it is converted into £3, into the quantity of money indicated by its price, money which contains an identical amount of labour time. Now it exists no longer as a commodity but as money, as independent exchange value. The magnitude of value remains unaltered, being the same in the one form as in the other. Only the form in which the same exchange value exists has altered. The change in the form of the commodity which constitutes circulation, buying and selling, has in itself nothing to do with the magnitude of the commodity's value: this magnitude is rather pre-posed to circulation as a given factor. The money form is merely another form of the commodity itself, in which no change takes place in its exchange value except that it now appears in its independent form.

But in the circulation $C—M—C$ (selling in order to buy) there is a simple confrontation of commodity owners, one of whom possesses the commodity in its original shape, the other in its converted shape as money. Like the circulation $C—M—C$, the circulation $M—C—M$ contains the two acts of sale and purchase and no more. The one starts with a sale and ends with a purchase; the other starts with a purchase and ends with a sale. Each of the acts of exchange needs only to be considered for itself in order to see that the sequence of these acts cannot change their nature in any way. In the first act, $M—C$, what we have called capital exists only as money; in the second act, $C—M$, it exists only as a commodity. In both acts, therefore, it can only have the effect of money and commodity. In the first it confronts the other commodity owner as the buyer, the money owner, in the second as seller, commodity owner. If we assume that through some inexplicable circumstance the buyers have the opportunity of buying cheaper, i.e. buying the commodity at less than its value and selling it at its value or at more than its value, our man is

admittedly a buyer in the first act ($M—C$) and would therefore buy the commodity at less than its value, but in the second act ($C—M$) he is a seller and another commodity owner confronts him as buyer; the latter would in turn have the privilege of purchasing the commodity from him at less than its value. What he gained with one hand would be lost with the other. If, on the other hand, one assumes that he sells the commodity at more than its value, this being a privilege enjoyed by the seller, then in the first act, before he himself acquired the commodity in order to sell it later, someone else confronted him as the seller and sold him his commodity too dear. If they all sell their commodities e.g. 10% too dear, i.e. at 10% over their value—and we have here only commodity owners confronting each other, whether they possess their commodities in the commodity or the money form; in fact they will possess them alternately in one form and then the other—then it will be exactly the same as if they sold them to each other at their real value. Similarly if they all buy the commodities at, for example, 10% under their value.

It is clear, in so far as one considers the simple use value of the commodities, that both parties can gain by the exchange. [I-8] In this sense it can be said that “exchange is a transaction in which both sides only gain” (Destutt de Tracy, *Éléments d'idéologie. Traité de la volonté et de ses effets* (forms part IV and V), Paris, 1826, p. 68. It says there:

“Exchange is an admirable transaction in which the two contracting parties always gain, both of them”^a).

To the extent that the whole circulation is only a mediating movement to exchange one commodity for another, each person alienates the commodity he does not need as a use value and appropriates the commodity he does need as a use value. They both gain from this process, therefore, and they only enter into it because they both gain. Yet another point: A, who sells iron and buys grain, possibly produces more iron over a given labour time than the grain farmer B could produce in the same time, and B for his part produces more grain in the same labour time than A could produce. By means of the exchange, therefore, whether mediated through money or not, A receives more grain for the same exchange value, and B more iron, than they would if the exchange had not taken place. In so far as it is a matter of the use values iron and grain, then, both sides gain by the exchange. Similarly, if we regard each of the two acts of circulation, buying

^a Marx quotes in French.—Ed.

and selling, in isolation, and limit our consideration to use value, both parties gain. The seller, who converts his commodity into money, gains because he now has it for the first time in a generally exchangeable form, and only thus does it become general means of exchange for him. The buyer, who converts his money back into a commodity, gains because he has taken it out of this form which is required for circulation, but is otherwise useless, and turned it into a use value for himself. There is not the slightest difficulty in understanding, therefore, that both sides gain by the exchange, in so far as it is a question of use value.

It is entirely different with exchange value. Here the reverse is the case: "Where there is equality there is no gain"

(Galiani, *Della moneta, Custodi. Autore etc., Parte Moderna*, Vol. IV, [p.] 244... "Dove è eguaglià, non è lucro").

It is clear that if A and B exchange equivalents, quantities of exchange value or objectified labour time of equal magnitude, whether in the form of money or of commodities, they both bring back from the exchange the same exchange value as they threw into it. If A sells his commodity at its value, he now possesses in the form of money the same quantity of objectified labour time (or a draft on the same quantity, which is for him in practice the same) as he previously possessed in the form of the commodity, i.e. the same exchange value. The same thing holds good, but inversely, for B, who has bought the commodity with his money. He now possesses in the form of the commodity the same exchange value as he previously possessed in the form of money. The sum of the two exchange values remains the same, as also the exchange value possessed by each of them. It is impossible that A should buy the commodity from B under its value and thus receive back in the commodity a higher exchange value than he gave B in money, while B simultaneously sells the commodity above its [value] and thus receives from A in the money form more exchange value than he gave him in the commodity form.

(* "A cannot obtain from B more corn for the same quantity of cloth, at the same time that B obtains from A more cloth for the same quantity of corn" *) (*A Critical Dissertation on the Nature, Measures, and Causes of Value etc.*, London, 1825, [p. 65]).

(The anonymous author is Bailey.)*

* That commodities are exchanged *in accordance with their value*, or, with regard to the particular form of exchange which occurs in the circulation process, are sold and bought, means nothing more than that *equivalents*, equal magnitudes of value, are exchanged, replace each other, i.e. commodities are exchanged in proportion as their use values contain equal magnitudes of worked-up labour time, are *quanta* of labour of equal size.

It is of course possible that one person may lose what the other gains, with the result that the two exchangers are exchanging *non-equivalents*. Hence one person will draw from the exchange a higher exchange value than he threw in, and indeed precisely in the proportion in which the other person draws a lower exchange value from the exchange than he threw into it. Let us suppose that the value of 100 lbs of cotton is 100 shillings. If A now sells 150 pounds of cotton at 100 shillings to B, B has won 50 shillings, but only because A has lost 50 shillings.

[1-9] If 150 lbs of cotton with a price of 150s. (the price is here only its value expressed, measured, in money) are sold at 100s., the sum of the two values is 250s. after the sale as well as before. Hence the total sum of value present in circulation has not increased, has *not valorised* itself, has posited no surplus value. It has, rather, remained unaltered. All that has taken place within the exchange or by means of the sale is a change in the distribution of the value *pre-posed* to it, which existed before it and independently of it. 50s. have passed from one side to the other. It is therefore clear that the fraud which has occurred on one side or the other, whether committed by the buyer or by the seller, does not increase the sum of exchange values present in circulation (whether they exist in the commodity or the money form) but only alters (changes) their distribution among the various commodity owners. Let us assume in the above example that A sells 150 lbs of cotton with a value of 150s. to B for 100s., and B sells it at 150s. to C. In this way B gains 50s., or it appears that his value of 100s. has posited a value of 150. But in fact the same amount is present after the transaction as before it: 100s. in A's possession, 150s. in B's, commodities to the value of 150s. in C's. *Summa summarum*^a: 400s. Originally there were present: commodities to the value of 150s. in A's possession, 100s. in B's, 150s. in C's. *Summa summarum*: 400s. No further change has taken place except the change in the distribution of the 400s. between A, B and C. 50s. have travelled from A's pocket to B's, and A has become poorer precisely to the extent that B has been enriched. What applies to one sale and one purchase applies equally to the sum total of all sales and purchases, in short to the whole of the circulation of commodities taking place between the whole of the owners of commodities within any period of time. If one commodity owner, or a number of them, take advantage of the rest and thereby draw a surplus value from circulation, its quantity

^a Grand total.— *Ed.*

can be exactly measured by the reduction in the value drawn from circulation by the other commodity owners. Some of them extract more value from circulation than they threw in because, and to the extent that, the others extract less value, suffer a deduction from, a lessening in, the value they originally laid out. The sum total of existing values is not thereby altered, only their distribution.

“The exchange of two equal values neither increases nor diminishes the amount of the values available in society. Nor does the exchange of two unequal values ... change anything 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, *Traité d'économie politique*, 3rd ed., Vol. 2, Paris, 1817, pp. 443-44).^a

If we take all the capitalists of a country and the sum total of purchases and sales between them in the course of a year, for example, one capitalist may admittedly defraud the other and hence draw from circulation more value than he threw in, but this operation would not increase by one iota the sum total of the circulating value of the capital. In other words: the class of capitalists taken as a whole cannot enrich itself as a class, it cannot increase its total capital, or produce a surplus value, by one capitalist's gaining what another loses. The class as a whole cannot defraud itself. The sum total of capital in circulation cannot be increased by changes in the distribution of its individual components between its owners. Operations of this kind, therefore, however large a number of them one may imagine, will not produce any increase in the sum total of value, any new or surplus value, or any gain on top of the total capital in circulation.

To say that *equivalents* are exchanged is in fact to say nothing more than that commodities are exchanged at their exchange value, that they are bought and sold and bought at their exchange value.

“In fact the exchange value of one commodity expressed in the use value of another commodity represents equivalence” (I-15).^b

Where exchange has developed into the form of circulation, however, the exchange value of the commodity is expressed, by means of the price, in money (the material of the commodity which serves as the measure of values and hence as money). Its price is its exchange value expressed in money. Therefore, the fact that it is sold in return for an equivalent in money means nothing

^a Marx quotes in French.— *Ed.*

^b K. Marx, *A Contribution to the Critique of Political Economy*. Part One (present edition, Vol. 29, pp. 279-80).— *Ed.*

more than that it is sold at its price, i.e. its value. Similarly, in the case of a purchase, the money buys the commodity at its price, i.e. here the identical sum of money. [I-10] The *prerequisite* that commodities are exchanged for their *equivalents* is the same as that they are exchanged at their value, bought and sold at their value.

Two things follow from this.

Firstly. If the commodities are bought and sold *at their value, equivalents* are exchanged. The value cast by each hand into circulation returns back from circulation into the same hand. It is therefore not increased, it is not affected at all by the act of exchange. Capital, i.e. value which valorises itself in and through circulation, i.e. increasing value, value which posits a surplus value, would thereby be impossible if the commodities were bought and sold at their value.

Secondly. If, however, the commodities are not sold or bought at their value, this is only possible—and, altogether, non-equivalents can only be exchanged—if one side takes advantage of the other, i.e. if one person receives through the exchange exactly as much more than the value he laid out as the other receives less than the value he laid out. But the sum total of the values exchanged is not thereby altered and no new value has therefore arisen through the exchange. A possesses 100 lbs of cotton to the value of 100s. B buys it for 50s. B has gained 50s., because A has lost 50s. The total sum of values before the exchange was 150s. It is the same after the exchange. But B owned $\frac{1}{3}$ of this sum before the exchange, and afterwards he owns $\frac{2}{3}$. A in contrast owned $\frac{2}{3}$ before the exchange and only owns $\frac{1}{3}$ afterwards. All that has happened, therefore, is a change in the distribution of the sum of values, 150s. The sum itself has remained unchanged.

According to this, capital, self-valorising value, would once again be impossible as a general form of wealth, as in the first case, since an increase of value on the one side would imply a corresponding reduction of value on the other, hence the value as such would not rise. In circulation, one value would only increase because the other value declined, hence was not even maintained.

It is therefore clear that exchange as such, whether in the form of direct barter or in the form of circulation, leaves the values cast into it unchanged, adds no value.

“Exchange confers no value at all upon products” (F. Wayland, *The Elements of Political Economy*, Boston, 1843, [p.] 169).

Even so, one still meets with the nonsensical assertion, even from renowned modern economists, that surplus value as such

derives from things being sold dearer than their purchase price. Thus, e.g., Mr. Torrens:

“Effectual demand consists in the power and inclination, on the part of the consumers, to give for commodities, either by immediate or circuitous barter, some greater portion of all the ingredients of capital than their production costs” (Torrens, *An Essay on the Production of Wealth etc.*, London, 1821, p. 349).

Here we merely have seller and buyer before us. The question whether the commodity owner (the seller) has produced the commodity by himself, and whether the other, the buyer (whose money, however, must also have originated from the sale of commodities, is only their converted form) wants to buy the commodity for consumption, to buy it as a consumer, does not alter the relation in any way. The seller always represents use value. The [economists'] phrase, reduced to its essential content, and with its incidental accoutrement stripped off, means nothing more than this, that all buyers buy their commodities at more than their value, hence the seller in general sells his commodity at more than its value, and the buyer always buys at less than the value of his money. To bring in the producer and the consumer does not alter things in the least; for they do not confront each other in the act of exchange as consumer and producer but as seller and buyer. Yet where the individuals exchange solely as commodity owners each of them must be both producer and consumer, and each can only be the one in so far as he is the other. Each would lose as buyer what he gains as seller.

On the one hand, then, if a *surplus value*, as we still can call every form of gain here, is to emerge from the exchange, it must already have been present before the exchange, as a result of some act which is, however, invisible, not perceptible, in the formula $M-C-M$.

* “*Profit*” (this is a special form of surplus value),* in the usual condition of the market, is *not made by exchanging. Had it not existed before*, neither could it after that transaction”* (G. Ramsay, *An Essay on the Distribution of Wealth*, Edinburgh, [London,] 1836, p. 184).

Ramsay says in the same place:

“The idea of profits being paid by the consumers, is, assuredly, very absurd. Who are the consumers?” etc. (p. 183).

There are only commodity owners facing each other, each of whom is just as much a CONSUMER as a PRODUCER; and each of them can only be the one to the extent that he is the other. But if one thinks, anticipating, of classes which consume without [I-11] producing, even so their wealth can only consist of a share of the

commodities of the producers, and one cannot explain the increase in value by saying that classes which are given values for nothing are defrauded when an exchange is made in return for those values. (See *Malthus*.¹³) The surplus value or the self-valorisation of value cannot arise from exchange, from circulation. On the other hand, value which as such creates value can only be a product of exchange, of circulation, for only in exchange can it function as exchange value. In itself, isolated, it would be a hoard and as such it no more valorises itself than it serves as a use value. Or if, e.g., one were to say: the money owner buys the commodity, but he works on it, applies it productively, and in that way adds value to it, and then in turn sells it, the surplus value would have arisen entirely and exclusively from his labour. Value as such would not have functioned, would not have valorised itself. He does not obtain more value because he has *value*: the increase of value comes instead from the addition of labour.

In any case, if capital is a specific form of wealth, a potentiality of value, it must be developed on the basis that equivalents are exchanged, i.e. that the commodities are sold at their value, i.e. in proportion to the labour time contained in them. This seems impossible, however. If equivalents are exchanged for each other in $M-C-M$, both in the act $M-C$ and in the act $C-M$, how can more money emerge from the process than went into it?

The investigation of the origins of surplus value has therefore formed the most important problem of political economy from the Physiocrats to the present day. It is in fact the question of how money (or the commodity, as money is only the converted form of the commodity), a sum of values in general, becomes transformed into capital, how capital originates.

The apparent contradictions which lie in the problem—in the conditions of the task—led Franklin to the following utterance:

“There are only 3 ways of increasing the riches of a state: the first is by war: that is robbery; the second is by commerce: this is cheating; and the third is by agriculture: this is the only honest way” ([*The Works of B. Franklin*, Vol. II, ed. Sparks, [p. 373.] “Positions to be examined concerning National Wealth”).¹⁴

Here one can already see why two forms of capital^a that correspond most closely to the ordinary conception of capital and are, in fact, historically the oldest forms of existence of capital—capital in two functions, for its appearance as a particular sort of capital depends on whether it functions in one form or the other—do not come into consideration here at all, for we are

^a Merchant's capital and usurer's capital.—*Ed.*

dealing with capital as such, but must rather be developed later as derived, secondary forms of capital.¹⁵

The movement $M—C—M$ is shown most clearly in merchant's capital proper. It was therefore realised at an early stage that its purpose is to increase the value or the money cast into circulation, and that the form in which this is achieved is through buying in order to sell again.

"All the orders of merchants have in common that they *buy in order to re-sell*" (*Réflexions sur la formation et la distribution des richesses*, (appeared in 1766) in *Oeuvres de Turgot*, ed. by Eugène Daire, Vol. 1, Paris, 1844, p. 43).^a

On the other hand, surplus value appears here to originate purely in circulation, in that the merchant sells dearer than he buys, whether by buying cheaper than he sells (buying the commodity at less than its value and selling it at or above its value) or by buying the commodity at its value but selling it above its value. He buys the commodity from one person, sells it to another, representing money to the one and the commodity to the other; and when he begins the movement all over again, he sells also in order to buy, but the commodity as such is never his goal, the latter movement serving him only as [I-12] a mediation for the first. He alternately represents the different sides (phases) of circulation towards the buyer and the seller, and the whole of his movement falls within circulation, or rather, he appears as its vehicle, as the representative of money, just as in simple commodity circulation the whole movement seems to proceed from the medium of circulation, from money as medium of circulation.^b He appears only as the intermediary of the different phases the commodity has to pass through in circulation and he therefore mediates only between available extremes, available sellers and buyers, who represent available commodities and available money. Since no other process is added here to the circulation process, the surplus value (profit) the merchant makes by alternately selling and buying—for all his operations can be reduced to sales and purchases—the increase in the money or value brought by him into circulation seems to be explained purely by his taking advantage of the parties with whom he is alternately concerned; the explanation appears to lie in the exchange of non-equivalents, whereby he always draws out of circulation a greater value than he puts into it. His gain—the surplus value

^a Marx quotes in French.—*Ed.*

^b K. Marx, *A Contribution to the Critique of Political Economy*. Part One (present edition, Vol. 29, p. 337).—*Ed.*

created for him by the value he has brought into the exchange—thus appears to stem exclusively from circulation and hence only to be made up of the losses of the people trading with him.

Merchant wealth can in fact originate purely in this manner, and the wealth of the trading peoples which conduct a carrying trade between industrially less developed nations originated to a large extent in this manner. Merchant's capital can act between nations standing at very diverse stages of production and of the economic structure of society in general. It can therefore act between nations where the capitalist mode of production does not occur, hence long before capital is developed in its main forms. But if the gain made by the merchant, or the self-valorisation of the merchant's wealth, is not merely to be explained by his taking advantage of the commodity owners; if, therefore, it is to be more than just a different distribution of previously existing sums of value, it must evidently be derived only from prerequisites which do not appear in its movement, in its specific function, and its gain, its self-valorisation, appears as a purely derivative, secondary form, the origin of which must be sought elsewhere. Indeed, if its specific form is viewed independently, for itself, commerce must appear, in Franklin's words, as mere cheating, and if equivalents are exchanged, or commodities are sold and bought at their exchange value, it must appear altogether impossible.

"Under the rule of invariable equivalents commerce would be impossible" (G. Opydke, *A Treatise on Political Economy*, New York, 1851, [p.] 67).

(Hence Engels, in his *Outlines of a Critique of Political Economy*—see *Deutsch-Französische Jahrbücher*, Paris, 1844—sought in similar fashion to explain the difference between exchange value and price by saying that commerce was impossible as long as commodities were exchanged at their value.^a)

Another form of capital, similarly age-old, is money lent out at interest, interest-bearing money capital, from which popular opinion has taken its concept of capital. Here we do not see the movement $M—C—M$, the exchange of money for the commodity followed by the exchange of the commodity for more money. All we see is the result of the movement $M—M$: money is exchanged for more money. It returns to its starting-point, but augmented. If it was originally 100 thalers, it is now 110. The money, the value represented by the 100 thalers, has preserved and valorised itself, i.e. it has posited a surplus value of 10 thalers. We find

^a See present edition, Vol. 3, p. 427.—Ed.

interest-bearing money, money that posits money, formally therefore *capital*, in almost all countries and epochs of history, however primitive the mode of production of the society and however undeveloped its economic structure. One side of capital comes still closer here to the [popular] conception than was the case with merchant's wealth. [I-13] (The κεφάλαιον of the Greeks is our capital in its etymological formation as well.¹⁶) Namely the fact that *value as such valorises itself*, posits surplus value, because it (enters into circulation) already exists previously as value, independent value (money), and that, in general, value is only posited, and the [original] value is only preserved and multiplied, because value—value as value—was pre-positing, because it functions as self-valorising. It is sufficient to remark here (*we shall return to this on another occasion*¹⁷):

Firstly: If money is lent out as capital in the modern sense of the word, it is already assumed that money—a sum of value—is in itself capital; i.e. that the person to whom the money is lent can or will apply it as productive capital, as self-valorising value, and will have to pay a portion of the surplus value thereby created to the person who has lent him the money as capital. Here, then, interest-bearing money capital is manifestly not only a derived form of capital, capital in a particular function, but capital is assumed to be already fully developed, so that now a sum of value—whether in the money or the commodity form—can be lent as capital, not as money and commodity, i.e. *capital* itself can be thrown into circulation as a *commodity sui generis*.^a Here capital is already presupposed in finished form as a power of money or the commodity, of value in general, so that it can be thrown into circulation as this potentiated value. Interest-bearing money capital in this sense therefore already assumes the development of capital. The capital-relation must already be complete before it can appear in this specific form. The self-valorising nature of value is here already presupposed as rooted in it, so that a sum of value could be sold as self-valorising value, disposed of to a third person on certain conditions. Similarly, interest appears then merely as a particular form and branch of surplus value, just as the latter divides altogether later on into different forms, which constitute different kinds of revenue, such as profit, rent, interest. All questions about the magnitude of the interest, etc., therefore appear as questions of the distribution of the available surplus

^a Of a special kind.— *Ed.*

value between different sorts of capitalist. The existence of surplus value as such is *presupposed* here.

In order that money or commodities, a sum of value in general, may be lent as *capital*, capital is already so far presupposed as a specific potentiated form of value that, just as money and commodities are presupposed as material elements over against capital in general, the capital form of value is here presupposed as the identical inherent quality of money and commodities, so that money or commodities can be made over as capital to a third person, since commodities or money are not developed as capital during circulation but can instead be cast into circulation as finished capital, as *capital in itself*, as a *particular commodity*, which also has its own particular form of alienation.

On the basis of capitalist production itself, therefore, interest-bearing capital appears as a derived, secondary form.

Secondly. Interest-bearing money appears as the first form of interest-bearing capital, just as money in general appears as the starting-point of capital formation, since value first becomes independent in money, hence the increase of money initially appears as an increase in value in itself, and in money the standard is available for the measurement of, first, the value of all commodities, but then the self-valorisation of value. Money can now be lent out to productive purposes, hence formally as *capital*, although capital has not yet taken control of production, there is no capitalist production yet, hence no capital exists yet in the strict sense of the word, whether because production takes place on the basis of slavery, or the surplus product belongs to the LANDLORD (as in Asia and in feudal times), or craft industry or peasant economy and the like is the rule. This form of capital is therefore just as independent of the development of the stages of production as merchant's wealth (the only presupposition being that the circulation of commodities has proceeded far enough to create money), and hence appears historically before the development of capitalist production, on the basis of which it is only a secondary form. Like merchant's wealth it only needs to be *formally* capital, capital in a function in which it can exist before it has taken control of production; the latter capital alone is the basis of an historical mode of social production of its own.¹⁸

[I-14] *Thirdly.* Money can be borrowed (just like commodities) for *buying*, not for productive employment, but for consumption, to expend it. In this case no surplus value is formed, there is merely a change in distribution, a displacement of the available values.

Fourthly. Money can be borrowed for *payment*. Money can be borrowed as a means of payment. If this is done to cover debts arising out of consumption, it is the same case as 3, the only difference being that there money is borrowed to buy use values, here to pay for use values which have been consumed.

But the payment may be required as an act of the circulation process of capital. *Discount*. The examination of this case belongs in the doctrine of credit.¹⁹

After this digression back to the subject.

In developing capital it is important to keep in mind that the sole prerequisite—the sole material we start out from—is commodity circulation and money circulation, commodities and money, and that individuals only confront each other as commodity owners.²⁰ The second prerequisite is that the change of form the commodity undergoes in circulation is only formal, i.e. that in all forms the value remains unchanged, that although the commodity exists at one time as a use value and next time as money, there is no alteration in the magnitude of its value, that the commodities are therefore bought and sold at their *value*, in proportion to the labour time contained in them: in other words, that equivalents alone are exchanged.

Of course, if one looks at the form $C—M—C$, one finds that here too the value is preserved. It exists first in the form of the commodity, then in that of money, then in that of the commodity again. E.g. if a ton of iron is sold at a price of £3, the same £3 then exist as money, and after that as wheat at a price of £3. The magnitude of the value, £3, has therefore been preserved in this process, but the grain, as a use value, now drops out of circulation into consumption and with this the value is annihilated. Even though the value is preserved in this case as long as the commodity stays in circulation, this appears a purely formal matter.^a

[I-15] γ) EXCHANGE WITH LABOUR. LABOUR PROCESS.
VALORISATION PROCESS

In the process $M—C—M$ the value (a given sum of value) should be maintained and increased while it enters into circulation, i.e. alternately takes on the forms of commodity and money. Circulation should not be a mere change of form but should raise

^a K. Marx, *A Contribution to the Critique of Political Economy*. Part One (present edition, Vol. 29, p. 324). See also this volume, p. 20.—*Ed.*

the magnitude of value, should add to the value already present a new value, or surplus value. As capital the value should be, as it were, raised to the second power, potentiated.

The exchange value of the commodity is the quantity of equal social labour objectified in its use value, or the quantity of labour which has been embodied, worked up in it. The magnitude of this quantity is measured by time: the labour time that is required to produce the use value, and is therefore objectified in it.

Money is distinguished from the commodity solely by the form in which this objectified labour is expressed. In money, the objectified labour is expressed as social labour (in general), which is therefore directly exchangeable with all other commodities in proportion as they contain the same amount of labour. In the commodity, the exchange value it contains, or the labour objectified in it, is only expressed in its *price*, i.e. in an equation with money; it is only expressed notionally in gold (the material of money and the measure of values). Both forms, however, are forms of the same magnitude of value and, viewed in terms of their substance, forms of the same quantity of objectified labour, thus they are objectified labour in general. (As we have seen,^a money can be replaced in internal circulation both as means of purchase and of payment by tokens of value, tokens of itself. This in no way alters the essence of the matter, as the token represents the same value, the same labour time, as is contained in the money.)

In the movement $M-C-M$, and in the concept of capital in general, money is the starting-point. This means nothing more than that the starting-point is the independent form assumed by the value contained in the commodity, or by the labour contained in it: the form in which labour time is present as labour time in general, regardless of the use value in which it was originally embodied. Value, both in the form of money and of the commodity, is an *objectified* quantity of labour. If money is converted into a commodity, or a commodity into money, the value changes only its form, not its substance, which consists in its being objectified labour, nor its magnitude, whereby it is a definite quantity of objectified labour. All commodities therefore differ only formally from money; money is only a particular form of existence taken on by commodities in and for circulation. As objectified labour they are the same thing, value. The change of

^a K. Marx, *A Contribution to the Critique of Political Economy*. Part One (present edition, Vol. 29, pp. 348-51).— *Ed.*

form, the fact that this value is present now as money, now as commodity, ought on our assumption to be irrelevant to capital, or it is a prerequisite—assuming that capital in each of these forms is self-maintaining value—without which money, and value in general, does not become capital at all. In general, it should only be a matter of the same content changing its form.

The sole antithesis to objectified labour is non-objectified, *living labour*. The one is present in space, the other in time, the one is in the past, the other in the present, the one is already embodied in a use value, the other, as human activity-in-process, is currently engaged in the process of self-objectification, the one is value, the other is value-creating. If a given value is exchanged for the value-creating activity, if objectified labour is exchanged for living labour, in short if money is exchanged for labour, the possibility seems to be available that by means of this process of exchange the existing value can be preserved or increased. Let us therefore assume that the money-owner buys labour, hence the seller sells not a commodity but labour. This relation cannot be explained on the basis of the relation of the circulation of commodities, considered previously, where the only parties confronting each other are [I-16] the owners of commodities.²⁰ For the moment we shall not inquire here into the conditions for this relation, and simply assume it as a fact.²¹ Our money-owner's sole aim in buying labour is to increase the value he possesses. The particular kind of labour he purchases is therefore a matter of indifference to him. All that is necessary is that it should be useful labour, producing a particular use value, hence a specific kind of labour, e.g. the labour of a linen-weaver. We do not as yet know anything about the value of this labour; nor do we know how the value of labour in general is determined.

[I-17] It is therefore clear that the magnitude of the value of a given quantity of labour cannot be changed, let alone *increased*, by the mere fact of its existing first in the form of money, the commodity in which the value of all other commodities is measured, and then in any other use value; in other words, by its existing first in the form of money and then in the form of the commodity. It is impossible to conceive how a given sum of value, a definite quantity of objectified labour, should even be *preserved* as such via a metamorphosis of this kind. When it is in the form of money, the value of the commodity—or the commodity itself, in so far as it is exchange value, a definite quantity of objectified labour,—exists in its immutable form. The money form is precisely the form in which the value of the commodity is

maintained, conserved as value or as a definite quantity of objectified labour. If I transform money into a commodity, I transform value from a form in which it is preserved into a form in which it is not preserved; and in the movement of buying in order to sell, value would first be transformed from its immutable form into a form in which it does not preserve itself, so that it could then be retransformed into money again, the immutable form. This transformation may or may not be successful in circulation. But the result would be that I possessed the sum of value, the objectified labour in its immutable form, as a definite sum of money, both before and after the process. This is an entirely useless operation, indeed it runs counter to my purpose. If, however, I keep hold of the money as such, it is a hoard, it has a use value again, and it is preserved as an exchange value only because it does not act as such. It is preserved, as it were, as petrified exchange value, by staying out of circulation, relating to it negatively. On the other hand, in the commodity form the value perishes with the use value in which it is contained, since use value is a transitory thing and as such would be dissolved simply by the metabolic process of nature. And if it is really utilised as a use value, i.e. consumed, the exchange value contained in the use value perishes along with it.

An increase in value means nothing other than an increase in objectified labour; but it is only through living labour that objectified labour can be preserved or increased.

[I-18] Value, the *objectified* labour which exists in the form of money, could grow only by exchange with a commodity whose *use value* itself consisted in the ability to increase exchange value, whose consumption would be equivalent to the creation of value or the objectification of labour. (*No commodity has any direct use value at all for the value which is to be valorised, except in so far as its use itself constitutes the creation of value; in so far as it is useful for increasing value.*) But such use value is only possessed by *living labour capacity*. Value, money, can therefore only be transformed into capital through exchange with living labour capacity. Its transformation into capital requires that it be exchanged, on the one hand, for labour capacity and, on the other, for the material conditions prerequisite to the objectification of labour capacity.

Here the basis is the circulation of commodities, in which absolutely no dependency relations between the participants in exchange are presupposed apart from those given by the process of circulation itself; the exchangers are distinguished solely as

buyers and sellers.²⁰ Accordingly, money can only buy *labour capacity* to the extent that the latter is itself offered for sale as a commodity, sold by its owner, the living possessor of labour capacity. The condition for this is first of all that the possessor of labour capacity should have the disposition of his own labour capacity, that he should be able to dispose of it as a commodity. For this to be possible, he must be its proprietor. Otherwise he could not *sell* it as a commodity. But a second condition, already contained in the first, is that he *himself* must bring his labour capacity as a commodity to the market, and sell it, because he no longer has labour to sell in the form of another commodity, another use value composed of *objectified* labour (labour existing outside his subjectivity). Instead, the sole commodity he has to offer, to sell, is precisely his living labour capacity, present in his own living corporeity.²¹ (*Capacity* is here absolutely not to be conceived as *fortuna*, FORTUNE, but as potency, δύναμις.^a)

Instead of selling a commodity in which his labour is objectified, he must be compelled to sell his own labour capacity, that commodity which is specifically distinct from all other commodities, whether they exist in the commodity form or the money form. A prerequisite for this is the absence of the objective conditions for the realisation of his labour capacity, the conditions for the objectification of his labour; these must have been lost to him, becoming instead subject to an alien will, as a world of wealth, of objective wealth confronting him in circulation as the property of the commodity owners, as alien property. Later on we shall be able to be more precise about the kind of conditions required for the realisation of his labour capacity, i.e. the objective conditions for labour, labour *in processu*, conceived as activity realising itself in a use value.^b

If then the condition for the transformation of money into capital is its exchange with living labour capacity, or the purchase of living labour capacity from its proprietor, money can, in general, be transformed into capital, or the money owner turn into a capitalist, only to the extent that the free worker is *available* on the commodity market, within circulation; free, that is, in so far as he, on the one hand, has at his disposal his own labour capacity as a commodity, and, on the other hand, has no other commodity at his disposal, is free, completely rid of, all the objective conditions for the realisation of his labour capacity; and therefore,

^a Ability.— *Ed.*

^b See this volume, pp. 55-66.— *Ed.*

as a mere subject, a mere personification of his own labour capacity, is a *worker* in the same sense as the money owner is a *capitalist*, as subject and repository of objectified labour, of value sticking fast to itself.

This free worker, however, is evidently himself the product, the result, of a prior historical development, the summation of many economic transformations; and his existence presupposes the fall of other social relations of production and a definite development of the productive forces of social labour. The same is therefore also true of the exchange between the money owner and the owner of labour capacity, between capital and labour, between capitalist and worker. The definite historical conditions [I-19] associated with the relation presupposed here will emerge of themselves from the later analysis of that relation.²² In any case, capitalist production proceeds from the *presupposition* that free workers, i.e. sellers who have nothing but their own labour capacity to sell, will be *found available* within the sphere of circulation, on the market. Thus the formation of the capital-relation demonstrates from the outset that it can only enter the picture at a definite historical stage of the economic development of society—of the social relations of production and the productive forces. The capital-relation appears straight away as a historically determined economic relation, a relation that belongs to a definite historical period of economic development, of social production.²¹

We started out from the way the commodity appears on the surface of bourgeois society, as the simplest economic relation, the element of bourgeois wealth. The analysis of the commodity showed that definite historical conditions were wrapped up in its existence, too.^a For example, if the products are only produced by the producers as use values, the use value does not become a commodity. This presupposes that the relations among the members of society are historically determined. If we had pursued the question further, asking under what circumstances the products are generally produced as commodities, or under what conditions the product in its existence as commodity appears as the universal and necessary form of all products, it would have turned out that this only takes place on the basis of one particular historical mode of production, the capitalist one. But this way of looking at things would not have been relevant to the analysis of

^a K. Marx, *A Contribution to the Critique of Political Economy*. Part One (present edition, Vol. 29, pp. 282-83, 292).—*Ed.*

the commodity as such, for in that analysis we were only concerned with the products, the use values, to the extent that they appeared in the commodity form, and not with the question of the socio-economic basis for the appearance of every product as a commodity. We were proceeding instead from the fact that the commodity is found to be present in bourgeois production as such a universal elementary form of wealth.²⁰ The production and therefore the circulation of commodities can, however, take place between different communities or between different organs of the same community, even though the major part of what is produced may be produced as use values, for the producers' own direct personal requirements, and therefore may never take on the commodity form. The circulation of money, for its part, and hence the development of the different elementary functions and forms of money, presupposes nothing more than commodity circulation itself, and crudely developed commodity circulation at that.²³ Of course, this is also a historical prerequisite, but owing to the nature of the commodity it may be fulfilled at very different stages of the social production process. A closer analysis of the individual forms of money, e.g. the development of money as a hoard and of money as means of payment, pointed to very different historical stages of the social production process. These are historical differences, arising out of the sheer form of these different functions of money²⁴; but the mere existence of money in the form of a hoard or of means of payment was shown to be in equal degree a feature of every halfway developed stage of commodity circulation. Money is therefore not restricted to a particular period of production, being as characteristic of pre-bourgeois stages of the production process as of bourgeois production. Capital, however, steps forth from the outset as a relation which can only be the result of a definite historical process and the basis of a definite epoch in the social mode of production.

Let us now look at labour capacity itself in its antithesis to the commodity, which confronts it in the form of money, or in its antithesis to objectified labour, to value, which is personified in the money owner or capitalist and in this person has become a will in its own right, being-for-itself,²⁵ a conscious end in itself.

Labour capacity appears on the one hand as *absolute poverty*, in that the whole world of material wealth as well as its general form, exchange value, confronts it as alien commodity and alien money, whereas it is itself merely the possibility of labour, available and confined within the living body of the worker,^a a possibility which

^a In the manuscript, "subject" is written above "worker".— *Ed.*

is, however, utterly separated from all the objective conditions of its realisation, hence from its own reality, denuded of them, and existing independently over against them. To the extent that all the objective conditions for labour to come to life, for its actual process, for really setting it in motion—all the conditions for its objectification—mediate between the capacity for labour and actual labour, they can all be described as *means of labour*. In order that labour capacity may as an independent factor come to meet the [I-20] objectified labour represented by the owners of money and commodities, that it may confront the value personified by the capitalist, it must be denuded of its own means of labour and step forth in its independent shape as the worker who is obliged to offer his labour capacity as such for sale as a commodity. Since *actual* labour is the appropriation of nature for the satisfaction of human needs,²⁶ the activity through which the metabolism between man and nature is mediated, to denude labour capacity of the means of labour, the objective conditions for the appropriation of nature through labour, is to denude it, also, of the *means of life*, for as we saw earlier,^a the use value of commodities can quite generally be characterised as the *means of life*. Labour capacity denuded of the means of labour and the means of life is therefore absolute poverty as such, and the worker, as the mere personification of the labour capacity, has his needs in actuality, whereas the activity of satisfying them is only possessed by him as a non-objective capacity (a possibility) confined within his own subjectivity. As such, conceptually speaking, he is a PAUPER, he is the personification and repository of this capacity which exists for itself, in isolation from its objectivity.

On the other hand, since material wealth, the world of use values, exclusively consists of natural materials modified by labour, hence appropriated solely through labour, and the social form of this wealth, exchange value, is nothing but a particular social form of the objectified labour contained in the use values; and since the use value, the real use of labour capacity is labour itself, i.e. the activity which mediates use values and creates exchange value, it follows that labour capacity is, just as much, the general possibility of material wealth and the sole source of wealth in the particular social form wealth has as exchange value. Value as objectified labour is after all only the objectified activity of labour capacity. Hence, if in dealing with the capital-relation one starts from the

^a K. Marx, *A Contribution to the Critique of Political Economy*. Part One (present edition, Vol. 29, pp. 269-70).—Ed.

presupposition that objectified labour is preserved and increased, that value is preserved and increased, by the fact that the owners of money or commodities continuously find available in circulation a section of the population who are mere personifications of labour capacity, mere workers, and therefore sell their labour capacity as a commodity, continuously offering it on the market, then the paradox which seems to be the starting-point of modern political economy stems from the nature of the case.²⁷ While on the one hand political economy proclaims labour to be the source of wealth, in both its material substance and its social form, as regards both use values and exchange values, on the other hand it proclaims, just as much, the necessity for the worker to be in absolute poverty, a poverty which means nothing else than that his labour capacity is the sole remaining commodity he can sell, that he confronts objective, real wealth as mere labour capacity. This contradiction is present in the fact that, whether value appears in the form of the commodity or of money, it confronts labour capacity as such as a special kind of commodity.

A further antithesis is this: in contrast to money (or value in general) as *objectified labour*, labour capacity appears as a capacity of the living subject; the former is past labour, labour already performed, the latter is future labour, whose existence can only be the living activity, the currently present activity of the living subject itself.²⁸

Just as on the side of the capitalist there stands value as such, which has its social, universally valid, general existence as objectified labour in money, and for which every particular form of existence, existence in the use value of every particular commodity, only means a particular and in itself indifferent embodiment, value as such being wealth in the abstract, so he is confronted, in the shape of the worker as the mere personification of labour capacity, by labour as such, the general possibility of wealth, value-creating activity (as a capacity) in general. Whatever the particular kind of actual labour the capitalist may wish to buy, this particular kind of labour capacity only retains its validity to the extent that its use value is the objectification of labour in general, hence value-creating activity in general. The capitalist, who represents value as such, is confronted by the worker, as labour capacity pure and simple, as worker in general, so that the antithesis between [I-21] self-valorising value, self-valorising objectified labour, and living value-creating labour capacity forms the point and the actual content of the relation. They confront each other as capital and labour, as capitalist and worker. This abstract

opposition can be found for example in industry under the guild system, where the relation between master and journeyman is of an entirely different nature.²⁹ // This point, and probably the whole of this passage, should be put in first in the section “Capital and Wage Labour”.³⁰ //

VALUE OF LABOUR CAPACITY.
MINIMUM SALARY OR AVERAGE WAGE OF LABOUR

Labour capacity is specifically distinguished as *use value* from the use values of all other commodities. Firstly, because it exists as a mere ability in the living body of the seller, the worker; and secondly (this is something that imprints on it an entirely characteristic difference from all other use values) because its use value—its actual realisation as a use value, i.e. its consumption—is labour itself, hence the substance of exchange value; because it is the creative substance of exchange value itself. Its actual using-up, its consumption, posits exchange value. Its specific use value is that it creates exchange value.

As a commodity, however, labour capacity itself possesses an *exchange value*. The question is, how to determine this value? In so far as a commodity is considered from the point of view of exchange value, it is always viewed as a result of the productive activity that is required for the creation of its use value. Its exchange value is equal to the quantity of labour used in working on it, objectified in it, and the measure of this is labour time itself. As exchange value, commodities are distinguished from each other only quantitatively, but from the point of view of its substance each commodity is a certain quantity of average social labour, of necessary labour time, which is required to produce, and therefore also to reproduce, this particular use value under the given general conditions of production. Hence the value of labour capacity, like that of every other use value, is equal to the quantity of labour worked up in it, the labour time required to produce labour capacity (under the given general conditions of production). Labour capacity exists only as an ability of the living body of the worker. Once labour capacity is presupposed as given, its production comes down to reproduction, preservation, as does the production of every living thing. The value of labour capacity can therefore be resolved at the outset into the value of the means of subsistence needed to maintain it, i.e. to maintain the worker's life as a worker, so that having worked today he will be able to repeat the same process under the same conditions the next day.

Secondly: Before the worker has developed his labour capacity, before he is able to work, he must live. Thus if capital is continuously to find sellers of their own labour capacity available on the market, within circulation—and this is a prerequisite for money to develop into capital, for the capital-relation to occur—it is necessary, the worker being mortal, that he should receive, apart from his own means of subsistence, enough of the means of subsistence to perpetuate the race of workers, to increase their number, or at the very least to maintain it at its given level, so that the labour capacities withdrawn from the market through unsuitability or death are replaced by fresh ones. In other words, he must receive adequate means of subsistence to nourish children until they themselves can live as workers. In order to develop a particular labour capacity, in order to modify his general nature in such a way that he is capable of performing a particular kind of labour, the worker requires practice or training: an education which must itself be paid for, and is more or less expensive according to the particular kind of productive labour he is learning to do. This therefore also forms a part of the cost of production of labour capacity. Important as the latter consideration becomes when it is a matter [I-22] of analysing the differing values of individual branches of labour, here it is irrelevant, for we are only concerned with the general relationship between capital and labour, and therefore have in view ordinary, average labour, seeing all labour as only a multiple of this average labour, the training costs of which are infinitesimally small. In any case, the training costs—the outgoings required to develop the nature of the worker so that he has expertise and dexterity in a particular branch of labour—are always included in the means of subsistence the worker requires to convert his children, his replacements, in turn into labour capacities. These costs form part of the means of subsistence required for the worker to reproduce himself as a worker.

The value of labour capacity can therefore be resolved into the values of the means of subsistence required for the worker to maintain himself as a worker, to live as a worker, and to procreate. These values for their part can be resolved into the particular amount of labour time needed, the quantity of labour expended, in order to create means of subsistence or the use values necessary for the maintenance and propagation of labour capacity.

The means of subsistence needed for the maintenance or reproduction of labour capacity can all be reduced to commodities, which possess more or less value as the productive power of labour varies, i.e. according to whether they require a shorter or

longer labour time for their production, so that the same use values contain more or less objectified labour time. The value of the means of subsistence required for the maintenance of labour capacity therefore varies, but it is always precisely measured by the quantity of labour necessary to produce the means of subsistence needed for the maintenance and reproduction of labour capacity, or to maintain or reproduce labour capacity itself. The magnitude of the labour time required for this purpose is subject to variation, but a definite portion of labour time—larger or smaller—is always available, and must be devoted to the reproduction of labour capacity. The living existence of this capacity itself is to be regarded as the objectification of that labour time.

Naturally, the means of subsistence needed by the worker to live as a worker differ from one country to another and from one level of civilisation to another. Natural needs themselves, e.g. the need for nourishment, clothing, housing, heating, are greater or smaller according to climatic differences. Similarly, since the extent of the so-called primary requirements for life and the manner of their satisfaction depend to a large degree on the level of civilisation of the society, are themselves the product of history, the necessary means of subsistence in one country or epoch include things not included in another. The range of these necessary means of subsistence is, however, given in a particular country and a particular period.

Even the level of the *value* of labour rises or falls when one compares different epochs of the bourgeois period in the same country. Finally, the market price of labour capacity at one time rises above and at another falls below the level of its *value*. This applies to labour capacity as to all other commodities, and is a matter of indifference here, where we are proceeding from the presupposition that commodities are exchanged as equivalents or realise their value in circulation. (This value of commodities in general, just like the value of labour capacity, is represented in reality as their average price, arrived at by the mutual compensation of the alternately falling and rising market prices, with the result that the value of the commodities is realised, made manifest, in these fluctuations of the market price itself.³¹) The problem of these movements in the level of the workers' needs, as also that of the rise and fall of the market price of labour capacity above or below this level, do not belong here, where the general capital-relation is to be developed, but in the doctrine of the wages of labour.³² It will be seen in the further course of this investigation that whether one assumes the level of workers' needs to be higher

or lower is completely irrelevant to the end result.³³ The only thing of importance is that it should be viewed as given, determinate. All questions relating to it as not a given but a variable magnitude belong to the investigation of [I-23] wage labour in particular and do not touch its general relationship to capital. Incidentally, every capitalist who for example sets up a factory and establishes his business necessarily regards wages as given in the place where and the time when he sets himself up in business.

//“Diminish the cost of subsistence of men, by diminishing the natural price of the food and clothing, BY WHICH LIFE IS SUSTAINED, AND WAGES WILL ULTIMATELY FALL, NOTWITHSTANDING THAT THE DEMAND FOR LABOURERS MAY VERY GREATLY INCREASE” (Ricardo, *On the Principles of Political Economy*, 3rd ed., London, 1821, p. 460).//

//“The *natural price of labour* is that price which is necessary to enable the labourers, ONE WITH ANOTHER, to subsist and to perpetuate their race, without either increase or diminution. The power of the labourer to support himself and his family does not depend on the quantity of money which he may receive for wages, but on the quantity of FOOD, NECESSARIES, and CONVENIENCES which that money can purchase. The natural price of labour, therefore, depends on the PRICE of the FOOD, NECESSARIES, and CONVENIENCES.... With a rise in the price of FOOD and NECESSARIES, the natural price of labour will rise; with a fall in their price, it will fall” (Ricardo, *l.c.*, p. 86).//

// The English PECK (a measure of corn) = $\frac{1}{4}$ BUSHEL. There are 8 BUSHELS to 1 quarter. The STANDARD BUSHEL contains 2,218 AND $\frac{1}{5}$ cubic INCHES, AND MEASURES $19\frac{1}{2}$ INCHES IN DIAMETER, AND $8\frac{1}{4}$ INCHES DEEP. Malthus says:

“From a comparative review of corn prices and wages from the reign of Edward III onwards we may draw the inference that during the course of 500 years, the EARNINGS OF A DAY'S LABOUR IN THIS COUNTRY have been more frequently below than above a PECK of wheat; that 1 PECK of wheat may be considered as something like a MIDDLE POINT, or a point RATHER ABOVE THE MIDDLE, ABOUT WHICH THE CORN WAGES OF LABOUR, VARYING ACCORDING TO THE DEMAND AND SUPPLY, HAVE OSCILLATED” (Malthus, *Principles of Political Economy etc.*, 2nd ed., London, 1836, [pp. 240,] 254).//

If a lower-grade commodity is put in the place of a higher and more valuable one, which formed the worker's main means of subsistence, e.g. if corn, wheat, replaces meat, or potatoes are put in the place of wheat and rye, the level of the *value* of labour capacity naturally falls, because the level of its needs has been pushed down. In our investigation, however, we shall everywhere assume that the amount and quality of the means of subsistence, and therefore also the extent of needs, at a given level of civilisation, is never pushed down, because this investigation of the rise and fall of the level itself (particularly its artificial lowering)

does not alter anything in the consideration of the general relationship.

Among the Scots, for example, there are many families that live for whole months on OAT MEAL and barley meal, mixed with only water and salt, instead of on wheat and rye, "AND THAT VERY COMFORTABLY", says Eden in his *The State of the Poor etc.*, Vol. I, London, 1797, b. II, Ch. II.

That curious philanthropist and ennobled Yankee, Count Rumford, exerted his limited brainpower at the end of the last century in the artificial creation of a low AVERAGE. His *Essays*^a are a fine cookery book with recipes of all kinds of the cheapest possible grub for replacing the present expensive normal food with surrogates for the workers. The cheapest meal which can be prepared, according to this "philosopher", is a soup of barley, Indian corn, pepper, salt, vinegar, sweet herbs and 4 herrings in 8 gallons of water. In the work cited above Eden heartily recommends this pretty pig-swill to workhouse overseers. 5 lbs of barley, 5 lbs of Indian corn, 3d. worth of herring, 1d. salt, 1d. vinegar, 2d. pepper and herbs, in all 20³/₄d., provide a soup for 64 people, and given the average price of corn it should be possible to reduce the cost per portion to 1¹/₄d.

// "The mere workman, who has only his arms and his industry, has nothing unless he succeeds in selling his labour to others.... In every kind of work it cannot fail to happen, and as a matter of fact it does happen, that the wages of the workman are limited to what is necessary to procure him his subsistence" (Turgot, *Réflexions sur la formation et la distribution des richesses*, (appeared first in 1766) in *Oeuvres de Turgot*,³⁴ ed. by Eugène Daire, Vol. 1, Paris, 1844, [p.] 10).^b //

[I-26] // ³⁵ It is possible, on the one hand, to bring down the level of the value of labour capacity by reducing the value of the means of subsistence or the way needs are satisfied, through replacing better by cheaper and inferior provisions, or in general through reducing the scope, the volume of provisions. But in view of the fact that the nourishment of women and children enters into the determination of the level, the average level, it is also possible, on the other hand, to push down this level by forcing them to work. Children are already made use of for work during the time when they should be developing. But we are leaving this case out of consideration, like all other cases affecting the level of the value of labour.³⁶ We are therefore giving capital a FAIR CHANCE by assuming precisely its greatest abominations to be non-

^a B. [Thompson,] Count of Rumford, *Essays, Political, Economical and Philosophical*, Vol. I, London, 1796, p. 294.— *Ed.*

^b Marx quotes in French.— *Ed.*

existent.// //The level can equally be lowered by reducing the period of apprenticeship or its cost as near to zero as possible through simplification of work.//

//The following passage from the Whig sycophant Macaulay can be adduced here, in reference to the early exploitation of children as workers.^a It is characteristic of the kind of history-writing, and the kind of attitude in the economic sphere too, which, while not being *laudator temporis acti*,^b limits its audacity to the retrospective, transferring it into the passive. Concerning child labour in factories, similar things in the 17th century. But the passage dealing with the historical process or the machine, etc., is better [suited for it].³⁷ See FACTORY REPORTS, 1856.// [1-26]

[I-24] It was naturally of the highest importance for grasping the capital-relation to determine the *value of labour capacity*, since the capital-relation rests on the sale of that capacity. What had above all to be established was the way in which the value of this commodity is determined, for the essential feature of the relation is that labour capacity is offered as a commodity; but as a commodity the determination of its exchange value is the decisive factor. Since the exchange value of labour capacity is determined by the values or the prices of the means of subsistence, the use values necessary for labour capacity's preservation and reproduction, the Physiocrats were able to form on the whole a correct conception of its value however little they grasped the nature of value in general. Hence this wage of labour, which is determined by the average necessities of life, plays an important role with these people, who established the first rational conceptions of capital in general.^c

//In his anonymously published work *A Critical Dissertation on the Nature, Measures, and Causes of Value etc.*, London, 1825, directed against Ricardo's theory of value altogether, Bailey remarks as follows on the former's determination of the *value of labour capacity*:

* "Mr. Ricardo, ingeniously enough, avoids a difficulty, which, on a first view, threatens to encumber his doctrine, that value depends on the quantity of labour employed in production. If this principle is rigidly adhered to, it follows that the *value of labour* depends on the quantity of labour *employed in producing it*—which is evidently absurd. By a dexterous turn, therefore, Mr. Ricardo makes the value of labour depend on the quantity of labour required to produce wages; or, to give

^a The passage in question—Marx does not quote it here—occurs in Th. B. Macaulay's *The History of England from the Accession of James the Second*, Vol. I, London, 1854.—Ed.

^b A laudator of times gone by (Horace, *Ars poetica*).—Ed.

^c See this volume, pp. 353-54.—Ed.

him the benefit of his own language, he maintains *that the value of labour is to be estimated* by the quantity of labour required to produce wages; by which he means the quantity of labour required to produce the money or commodities given to the labourer. This is similar to saying, that the value of cloth is to be estimated, not by the quantity of labour bestowed upon its production, but by the quantity of labour bestowed on the production of the silver for which the cloth is exchanged" * ([pp.] 50-51).³⁸

The only thing right about this polemic is that Ricardo has the capitalist use his money to buy *labour* directly, instead of disposition over labour capacity. Labour as such is not directly a commodity, for this is necessarily objectified labour, worked up in a use value. Ricardo does not distinguish between labour capacity as the commodity the worker sells, use value, which has a definite exchange value, and labour, which is merely the use of this capacity *in actu*. He is therefore incapable, leaving aside the contradiction picked out by Bailey—that living labour cannot be estimated by the quantity of labour EMPLOYED IN ITS PRODUCTION—of demonstrating how surplus value can emerge, namely the inequality between the quantity of labour the capitalist gives to the worker as a wage and the quantity of living labour the capitalist buys for this amount of objectified labour. For the rest Bailey's remark is SILLY. The price of CLOTH does indeed consist also of the price of the cotton yarn consumed in it, just as the price of labour capacity consists of the means of subsistence that enter into it through the metabolic process. Incidentally, the reproduction of living, organic things does not depend on the labour directly applied to them, the labour worked up in them, but on the means of subsistence they consume—and this is the way of reproducing them. Bailey could also have seen this in the determination of animals' value; even in the case of machines, in so far as coal, oil and other *matières instrumentales*^a consumed by them enter into their cost. To the extent that labour is not restricted merely to the maintaining of life, the need being rather for a special kind of labour which directly modifies labour capacity itself, develops it in such a way that it can practise a particular skill, this too enters into the value of labour—as is the case with more complex labour—and here it is directly incorporated in the worker, is labour expended to produce him. Otherwise Bailey's joke only has the upshot that the labour applied to the reproduction of the organic body is applied to its means of subsistence, not directly to the body itself, since the appropriation of these means of subsistence through consumption is not work but rather enjoyment.//

^a Instrumental materials.— *Ed.*

[I-25] The necessities of life are renewed daily. If we take for example the mass of necessities of life that are required during a year for the worker to be able to live as a worker and maintain himself as a labour capacity, and the exchange value of this sum—i.e. the quantity of labour time that is worked up, objectified, contained in these means of subsistence—the total quantity of the means of subsistence the worker requires on the average in a day, taking one day with another, and the value of the same needed to live the whole year through, represent the value of his labour capacity on each day, or the quantity of the means of subsistence required on one day so that this labour capacity may continue to exist, be reproduced, as living labour capacity.

Some of the means of subsistence are consumed more quickly, others more slowly. For example, the use values that serve daily as sustenance are also consumed daily, and the same is true of the use values that serve for heating, soap (cleanliness) and lighting. Other necessary means of subsistence, in contrast, such as clothes or housing, are worn out more slowly, although they are used and needed every day. Some means of subsistence must be bought afresh every day, renewed (*replaced*) every day, others, like for example clothes, need replacing or renewing only at longer intervals although they have to be used every day. This is because they continue to serve as use values for longer periods of time and only become worn out, unserviceable, at the end of these periods.

If the total amount of the means of subsistence the worker must consume every day in order to live as a worker = A, in 365 days it = 365A. In contrast to this, if the total amount of all the other means of subsistence he needs, which only need replacing, i.e. buying anew, three times a year, = B, he would only need 3B in the whole year. Taking them together, therefore, he would need 365A + 3B in a year; and every day $\frac{365A + 3B}{365}$. This would be the average amount of the means of subsistence he needed every day, and the value of this amount would be the daily value of his labour capacity, i.e. the value required day by day, counting one day as equivalent to another, to buy the means of subsistence necessary for the maintenance of his labour capacity.

(If one counts the year as 365 days it will contain 52 Sundays, leaving 313 working days; one can therefore take an average of 310 working days.) If now the value of $\frac{365A + 3B}{365} = 1$ thaler, the daily value of his labour capacity would = 1 thaler. He must earn

this amount every day in order to be able to live through the year day by day, and nothing in this is altered by the fact that the use value of certain commodities is not renewed every day. The annual total of his necessities of life is therefore given; then we take their value or price; then we take the daily average, i.e. we divide the total by 365, and we thus obtain the value of the worker's average necessities of life or the average daily value of his labour capacity. (The price of $365A+3B=365$ thalers, hence the price of his daily necessities of life = $\frac{365A+3B}{365} = \frac{365}{365} = 1$ thaler.)

EXCHANGE OF MONEY WITH LABOUR CAPACITY

Labour capacity has a specific character and is therefore a specific commodity—just as money was both a commodity in general and a specific commodity, though with money its specific character was produced by the way all commodities related to any commodity which happened to be chosen as the exclusive commodity,^a whereas here it is produced by the nature of the commodity's use value—but despite this it is like every other commodity 1) a *use value*, a particular object whose use satisfies particular needs, and 2) it has an *exchange value*, i.e. a definite quantity of labour has been used up, objectified, in it as object, as use value. As objectification of labour time in general it is value. The magnitude of its value is determined by the quantity of labour used up in it. This value, expressed in money, is the price of labour capacity. As we are proceeding here from the presupposition [I-26] that all commodities are sold according to their value,^b price is in general distinguished from value only by the fact that it is the value estimated or measured or expressed in the material of money. The commodity is therefore sold at its value when it is sold at its price. Similarly, one should understand under the price of labour capacity nothing but its value expressed in money. The value of labour capacity for a day or a week is therefore paid when the price of the means of subsistence required for the maintenance of labour capacity during a day or a week is paid. This price or value, however, is not just determined by the means of subsistence entirely consumed by labour capacity each day, but equally by the means of subsistence it makes use of

^a K. Marx, *A Contribution to the Critique of Political Economy*. Part One (present edition, Vol. 29, pp. 287-89).—*Ed.*

^b See this volume, p. 33.—*Ed.*

each day, such as clothes, for example, but does not entirely use up each day thereby necessitating their constant renewal; they therefore need to be renewed or replaced only over a certain period of time. Even if all objects relating to clothing were only used up once within one year (vessels for eating and drinking, e.g., do not need to be replaced so quickly as clothing, because they do not wear out so rapidly, and this applies still more to furniture, beds, tables, chairs, etc.), the value of these articles of clothing would still be consumed during the whole year for the maintenance of labour capacity, and the worker would have to be able to replace them after the end of the year. He would therefore have to receive every day on an average an amount such that after deduction of the daily expenditure for daily consumption enough was left over to replace worn-out clothing by new after the year had run its course; hence a daily requirement of, if not the such and such portion of a coat, at least one day's aliquot part of the value of a coat. The maintenance of labour capacity, if it is to be continuous, which is a prerequisite with the capital-relation, is not determined only by the price of the means of subsistence consumed in a day and therefore to be renewed, replaced on the next day: there must also be added the daily average of the price of the means of subsistence which need replacing over a longer period of time but must be used every day. It amounts to a difference in payment. A use value like a coat, for example, must be bought as a whole and used up as a whole. It is paid for by holding in reserve every day $\frac{1}{x}$ of the price of labour.

Since labour capacity is available only as an ability, an aptitude, a power enclosed in the living body of the worker, its maintenance means nothing other than the maintenance of the worker himself at the level of strength, health, vitality in general, which is needed for the exercise of his labour capacity.

[I-27] We must therefore state the following:

The commodity the worker offers for sale on the market in the sphere of circulation, the commodity he has to sell, is his *own labour capacity*, which, like every other commodity, has an objective existence so far as it is a use value, even if it is here only an ability, a power in the living body of the individual himself (it is hardly necessary to mention here that the head belongs to the body as well as the hand). Its functioning as a use value, however, the consumption of this commodity, its use as a use value, consists in labour itself, just like wheat, which only really functions as a use value when it is used up in the nutrition process, when it takes effect as an alimentary substance.

The use value of this commodity, like that of every other commodity, is only realised in the process of its consumption, hence only after it has passed from the hand of the seller into that of the buyer, but it has nothing to do with the process of sale itself except that it is a motive for the buyer. This use value, which exists as labour capacity before it is consumed, has in addition an *exchange value*, which, as in the case of every other commodity, is equal to the quantity of labour contained in it and therefore required for its reproduction; and as we have seen it is exactly measured by the labour time required to create the means of subsistence necessary for the maintenance of the worker. Time is the measure for life itself, just as e.g. weight is the measure for metals; hence the labour time required on an average to keep the worker alive for one day would be the daily value of his labour capacity, by virtue of which it is reproduced from one day to the next, or, what is the same thing here, preserved under the same conditions. As we have already said,^a the range of these conditions is not prescribed by simple natural need but by natural need historically modified at a certain level of civilisation.

This *value* of labour capacity expressed in money is its *price*, and we presuppose that it is paid, since we in general assume that equivalents are exchanged or that commodities are sold at their value. This price of labour is called the *wage*. The wage which corresponds to the value of labour capacity is its average price, as we have explained it^b; it is the *average wage*, which is also called the *minimum wage or salary*, whereby we understand by minimum not the extreme limit of physical necessity but the average daily wage over e.g. one year, in which are balanced out the prices of labour capacity during that time, which now stand above their value, and now fall below it.

It lies in the nature of this particular commodity, labour capacity, that its real use value only really passes from one hand to the other, from the hand of the seller to that of the buyer, after it has been consumed. The real use of labour capacity is labour. But it is sold as a capacity, a mere possibility before the labour has been performed, as a mere power, whose real manifestation only takes place after its alienation to the buyer. Since here the formal alienation [by sale] of the use value and its actual handing over are not simultaneous occurrences, the money of the buyer in this exchange mostly functions as *means of payment*. Labour capacity is

^a See this volume, p. 44.—*Ed.*

^b *Ibid.*, pp. 44-45.—*Ed.*

paid for daily, weekly, etc., but not at the moment when it is bought, rather after it has really been consumed in a day, a week, etc. In all countries where the capital-relation is developed the worker's labour capacity is only paid for after it has functioned as such. In this connection it can be said that everywhere the worker gives credit to the capitalist, by the day or by the week; this is due to the special nature of the commodity he is selling. The worker hands over to him the use of the commodity he sells, and only receives its exchange value or price after it has been consumed. // In times of crisis, and even with isolated bankruptcies, it is then revealed that this credit given by the workers is no mere phrase, since they do not get paid. // Nevertheless this does not initially alter the exchange process. The price is laid down by contract, hence the value of labour capacity is estimated in money, although it is only realised, paid, later. The determination of price is therefore related to the value of labour capacity, not the value of the product which accrues to the buyer of labour capacity as a result of its consumption, its actual utilisation. Nor is it related to the value of labour, which is not a commodity as such.

[I-28] We now know in fact what is paid to the worker by the owner of money who wants to transform his money into capital, and therefore buys labour capacity: he in fact pays him e.g. the daily *value* of his labour capacity, a price or daily wage corresponding to its daily value, in that he pays him a sum of money = the value of the means of subsistence necessary to the daily maintenance of labour capacity; a sum of money which represents exactly as much labour time as is required for the production of these means of subsistence, i.e. for the daily reproduction of labour capacity.

We do not yet know what the buyer receives for his part. It is bound up with the specific nature of this commodity, labour capacity, and with the specific purpose of its purchase by the buyer—namely that he may prove himself as representative of self-valorising value—that the operations occurring after the sale are of a specific nature and must therefore be considered separately. In addition—and this is the essential point—the specific use value of the commodity and its realisation as use value concern the economic relationship, the determinate economic form itself, and are therefore relevant to our analysis. It can be pointed out here in passing that use value originally appears as a matter of indifference, as any material prerequisite one cares to choose. In the analysis of the commodity the real use value of the individual commodities is completely irrelevant,³⁹ and the same

therefore holds for the specific character of the commodities altogether. What is alone important here is the general distinction between use value and exchange value, out of which money develops, etc. (See above.⁴⁰) // What the worker has in fact sold to the money owner is the disposition over his labour capacity, and the latter has to employ it in accordance with its nature, its specific character. Within what limits, will be seen later.^a // [I-28].

THE LABOUR PROCESS

[I-A]⁴¹ In considering the exchange between capital and labour we have to distinguish two things:

1) *The sale of labour capacity.* This is a simple sale and purchase, a simple relation of circulation, like any other sale and purchase. In investigating this relation the employment or consumption of the commodity purchased is irrelevant.

The *harmonisers* seek to reduce the relation of capital and labour to this first act, because here buyer and seller meet each other only as *commodity owners*, and the specific and distinctive character of the transaction is not apparent.⁴²

2) *The consumption of the commodity obtained in this exchange by capital* (of labour capacity), the using up of its use value, forms here a specific economic relation; whereas with the simple sale and purchase of commodities the use value of the commodity, just like the realisation of this use value, consumption, is irrelevant to the economic relation itself.

In the exchange between capital and labour the first act is an exchange (purchase or sale), comes entirely within the sphere of simple circulation. The exchangers only confront each other as buyer and seller. The second act is a process qualitatively distinct from the exchange. It is an essentially different category. [I-A]

[I-28] After the owner of money has bought labour capacity—made the exchange for labour capacity (the purchase is complete once the two sides have reached an agreement, even if payment takes place later)—he applies it as use value, consumes it. But the realisation, the actual use, of labour capacity, is living labour itself. The *consumption process* of this specific commodity sold by the worker therefore coincides with, or rather is, the *labour process* itself. Since labour is the activity of the worker himself, the realisation of his own labour capacity, he enters into this process as a labouring person, a worker, and for the buyer he has in this

^a See this volume, pp. 182-85.—*Ed.*

process no other existence than that of labour capacity in action. It is therefore not a person, but active labour capacity personified in the worker, that is working. It is characteristic that in England the name for workers, *HANDS*, is derived from the main organ with which their labour capacity performs its function, namely their own hands.

Real labour is purposeful activity aimed at the creation of a use value, at the appropriation of natural material in a manner which corresponds to particular needs.⁴³ Whether the muscles or the nerves suffer greater wear through this activity is in this connection irrelevant, as is the degree of idealisation the materials of nature have already undergone.⁴⁴

All real labour is *particular* labour, the exercise of a particular branch of labour distinct from the others. Just as one commodity is distinguished from another by its specific use value, so a specific kind of activity, of labour, is embodied in it. Since the conversion of money into capital or the formation of capital presupposes a developed circulation of commodities, it presupposes a developed division of labour, a division of labour understood here in the manner in which it is manifest (appears) in the multiplicity of commodities in circulation, hence as a division of the totality, of the whole of social labour, into manifold modes of labour, hence a totality of specific modes of labour.⁴⁵ The labour performed by the worker will therefore belong exclusively to a specific branch of labour, just as his labour capacity is itself specific. The particular content or purpose, and therefore the particular mode of labour, concern us here just as little as the particular material or use value of the commodity concerns us when we analyse the commodity.³⁹ Which specific branch of labour the worker works in is irrelevant, although of course the purchaser can only buy labour of a specific kind. The sole point to be kept in view here is the specificity of labour where it appears as a real process. It will be seen below that this indifference towards the specific content of labour is not only an abstraction made by us; it is also made by capital, and it belongs to its essential [I-29] character.⁴⁶ // Just as the investigation of the *use values* of commodities as such belongs in *commercial knowledge*, so the investigation of the labour process in its reality belongs in *technology*.⁴⁷ //

In looking at the labour process we are only interested in the entirely general moments into which it falls and which belong to it as labour process. These general moments must emerge from the nature of labour itself. Before the worker had sold the disposition over his labour capacity, he could not set the latter in motion as

labour, could not realise it, because it was separated from the *objective conditions* of its activity. This separation is overcome in the actual labour process. Labour capacity now functions, because in accordance with its nature it appropriates its objective conditions. It comes into action because it enters into contact, into process, into association with the objective factors without which it cannot realise itself. These factors can be described in entirely general terms as *means of labour*. But the means of labour themselves fall necessarily into an object which is worked on, and which we want to call the *material of labour*, and the actual *means of labour*, an object which human labour, activity, interposes as a means between itself and the material of labour, and which serves in this way as a conductor of human activity. (This object does not need to be an instrument, it can be e.g. a chemical process.)⁴⁸

A precise analysis will always reveal that all labour involves the employment of a material of labour and a means of labour. It is possible that the material of labour, the object to be appropriated by means of labour for a specific need, is available in nature without the assistance of human labour: the fish caught in water for example, or the wood felled in the primeval forest, or the ore brought up out of the pit. In such a case only the means of labour itself is a product of previous human labour. This characterises everything that can be called extractive industry; it only applies to agriculture to the extent that, say, virgin soil is being cultivated. Here, however, the seed is both means and material of labour, just as everything organic is both at once, the animal in stock-breeding for example. In contrast to this, it can only occur at the most primitive stages of economic development, hence only in conditions where the formation of the capital-relation does not come into question, that the instrument of labour is available in nature without further mediation. It is apparent of itself, and follows from the nature of the case, that the development of human labour capacity is displayed in particular in the development of the *means of labour* or *instrument of production*. It displays, namely, the degree to which man has heightened the impact of his direct labour on the natural world through the interposition for his working purposes of a nature already ordered, regulated and subjected to his will as a conductor.

The *means of labour*, in contrast to the material of labour, comprise not only the *instruments of production*, from the simplest tool or container up to the most highly developed system of machinery, but also the *objective conditions* without which the labour process cannot occur at all, e.g. the house in which the

work is done or the field on which sowing takes place, etc. These do not enter directly into the labour process, but they are conditions without which it cannot occur, and therefore necessary means of labour. They appear as conditions for the occurrence of the whole process, not as factors enclosed within the process. The *means of labour* equally include substances consumed in order to make use of the means of labour as such, like oil, coal, etc., or chemical substances used to call forth a certain modification in the material of labour, as e.g. chlorine for bleaching, etc. There is no point in going into details here.

With the exception of the production of raw materials the material of labour will always have itself already passed through a previous labour process. What appears as material of labour and hence raw material in one branch of labour appears as result in another. The great majority even of things regarded as products of nature, e.g. plants and animals, are the result, in the form in which they are now utilised by human beings and produced anew, of a previous transformation effected by means of human labour over many generations under human control, during which their form and substance have changed. As we have already noted, the means of labour in one labour process is the result of labour in another.

[I-30] Hence in order to consume labour capacity it is not sufficient for the money owner to buy labour capacity // temporary disposition over it//; he must also buy the means of labour, a bigger or smaller quantity of them: the material of labour and the means of labour. We shall come back to this afterwards.^a Here we only need to remark that for the money owner who has bought labour capacity to be able to proceed to its consumption, i.e. to the actual *labour process*, he must, with another part of his money, have bought the objective conditions of labour, which roll round within circulation as commodities. Only in combination with them can labour capacity make the transition to the actual labour process.

The money owner also buys commodities, but commodities whose use values are to be consumed by living labour, consumed as factors in the labour process: in part as use values which are to constitute the material of labour, and hence the element of a higher use value; and in part as means of labour, which serve as a conductor for the operation of labour on the material of labour. To consume commodities—here initially the use values of commodities—in this way in the labour process is *to consume them*

^a See this volume, pp. 66-67.—*Ed.*

productively, namely to consume them only as the means or object through and in which labour creates a higher use value. It is the industrial consumption of commodities (use values).⁴⁹ So much for the money owner, who transforms his money into capital by making the exchange with labour capacity.

Within the actual labour process itself commodities are only available as use values, not exchange values; for they confront real living labour only as its conditions, as means for its realisation, as factors determined by the nature of labour itself, which it requires for its realisation in a particular use value. The linen weaver, for example, is related in the act of weaving to the material of his labour, the linen yarn, only as material of this particular activity, weaving, only as an element in the fabrication of the product, linen. He is not related to it in so far as it has an exchange value, is the result of previous labour, but as a thing in front of him, whose properties he utilises for its rearrangement. In the same way, the fact that the loom is a commodity, the repository of exchange value, is of no concern at all here, it only matters as the means of the weaver's labour. Only as such is it used and consumed in the labour process. The material of labour and the means of labour, although they are themselves commodities and therefore use values which possess an exchange value, confront actual labour only as moments, as factors of its process. This being so, it is obvious that in this process they do not confront labour as capital either. Actual labour appropriates the instrument as its means and the material as the material of its activity. It is the process of appropriation of these objects as of the animated body, the organs of labour itself. Here the material appears as the inorganic nature of labour, and the means of labour as the organ of the appropriating activity itself.⁵⁰

When we speak here of "higher" use values, this should not be understood in a moral sense; we do not even mean that the new use value necessarily occupies a higher rank in the system of needs. Grain distilled into schnapps is a lower use value than schnapps. Every use value that is preposited as an element in the formation of a new one is a lower use value vis-à-vis this new one, because it forms its elementary prerequisite, and the more labour processes have been undergone by the elements out of which a use value has been freshly formed, i.e. the more mediate its existence, the higher that use value is.⁵¹

The labour process is therefore a process in which the worker performs a particular purposive activity, a movement which is both the exertion of his labour capacity, his mental and physical

powers, and their expenditure and using-up. Through it he gives the material of labour a new shape, in which the movement is materialised. This applies whether the change of form is chemical or mechanical, whether it proceeds of itself, through the control of physiological processes, or merely consists in the removal of the object to a distance (alteration of its spatial location), or only involves separating it from the body of the earth. Whilst labour materialises itself in this manner in the object of labour, it forms it and uses up, consumes the means of labour as its organ.⁵² The labour goes over from the form of activity to the form of being, the form of the object. As alteration of the object it alters its own shape. The form-giving activity consumes the object and itself; it forms the object and materialises itself; it consumes itself in its subjective form as activity and consumes the objective character of the object, i.e. it abolishes the object's indifference towards the purpose of the labour. Finally, the labour consumes the means of labour, which likewise made the transition during the process from mere possibility to actuality, by becoming the real conductor of labour, but thereby also got used up, in the form [I-31] in which it had been at rest, through the mechanical or chemical process it had entered.

All 3 moments of the process, whose subject is labour and whose factors are the material on which and the means of labour with which it operates, come together in a neutral result—the *product*. In the product labour has combined with the material of labour through the agency of the means of labour. The product, the neutral result in which the labour process ends, is a new *use value*. A use value in general appears as a product of the labour process. This use value may now either have attained the final form in which it can serve as means of subsistence for individual consumption, or, even in this form, it can again become a factor in a new labour process, as e.g. corn may be consumed not by human beings but by horses, may serve for the production of horses; or it can serve as an element for a higher, more complex use value; or the use value is a finished means of labour which is to serve as such in a fresh labour process; or, finally, the use value is an unfinished, a semi-manufactured product, which has to enter again as material of labour into a longer or shorter series of further labour processes, distinct from the labour process from which it has emerged as product, and also pass through a series of material changes. But with respect to the labour process from which it has emerged as product, it appears as a finished, conclusive result, as a new use value whose fabrication formed the

content of the labour process and the immanent purpose of labour's activity; formed the expenditure of the labour capacity, its consumption.

Therefore in the labour process the products of previous labour processes are employed, consumed by labour, in order to manufacture new products of higher, i.e. more mediated, use value. Within the limits of the particular labour process itself, in which the objective factors of labour only appear as the objective conditions of their realisation, this determination of use values, that they are themselves already products, is entirely irrelevant. It does however demonstrate the mutual material dependence of the different social modes of labour and the way they supplement each other to form a totality of social modes of labour.

To the extent that past labour is considered in its material aspect, i.e. to the extent that in looking at a use value which serves as means or material of labour in a labour process the circumstance is kept in mind that this use value is itself already a combination of natural material and labour, the past concrete labour objectified in use values serves as a means to the realisation of fresh labour, or, and this is the same thing, the formation of fresh use values. But one should certainly keep in mind the sense in which this is the case in the actual labour process. For example, *loom and cotton yarn serve in weaving only in the qualities they possess for this process as material and means of weaving, only through the physical qualities they possess for this particular labour process.* Cotton, wood and iron have taken on the forms in which they perform these services in the labour process, the one as yarn, the others as the loom. The fact that they have acquired this particular employment of their use value through the agency of previous labour, that they themselves already represent a combination of labour and natural material, is, as such, a circumstance which—just like the circumstance that wheat performs the particular services, finds the particular employment of its use value we see in the nourishment process—is irrelevant for *this* particular labour process as such, since they serve in a particular manner as use values, acquire a specific useful application. The process could not however, take place if cotton, iron and wood had not acquired the shape and therefore the specifically applicable qualities they possess as yarn and loom as a result of an earlier, past labour process.

Looked at purely materially, from the point of view of the actual labour process itself, a definite past labour process therefore appears as a preliminary stage and a condition for the entry into

action of the new labour process. But then this labour process itself becomes merely a condition for the manufacture of a particular use value, even viewed from the standpoint of use value. In the consumption of a use value in general the labour contained in it is irrelevant and the use value only functions as use value, in other words it satisfies certain needs according to its qualities in the process of consumption, hence only the qualities it possesses as this object and the services it renders as this object are of interest; equally, in the labour process, which is itself only a definite, specific process of the consumption of use values, a particular, specific manner of using them up, what matters is only the qualities the products of earlier labour have for this process, not their existence as the materialisation of past labour. The qualities acquired by any natural material through earlier labour are now its own physical qualities, with which it functions or serves. The fact that these qualities are mediated by earlier labour, this mediation itself, is cancelled out, extinguished, in the product.

[I-32] What was the specific mode, the driving purpose, the activity of labour, now appears in its result, in the alteration in the object brought about by labour in the product, as an object with particular new qualities which it has for use, for the satisfaction of needs. If we are reminded in the labour process itself that the material and means of labour are the product of earlier labour, this only happens in so far as they fail to develop the necessary qualities, e.g. a saw that does not saw, a knife that does not cut, etc. This recalls to us the imperfection of the labour which has provided a factor for the labour process currently under way. Where products of earlier labour processes enter into a new labour process as factors, as material or means, it is only the quality of the past labour that interests us. We want to know whether its product really possesses the useful qualities it claims to have, whether the work was *good* or *bad*. It is labour in its material effect and reality that interests us here. For the rest, where the means and the material of labour serve as such use values in the actual labour process and possess the appropriate qualities—though whether they possess these qualities as use values at a higher or lower level, whether they serve their purpose more or less perfectly, depends on the past labour whose products they are—it is entirely irrelevant that they are the products of previous labour. If they fell ready-made from the sky they would perform the same service. If they interest us as products, i.e. as the results of past labour, it is only as the results of *specific* labour. We are interested in the quality of this specific labour, on which depends

the quality of the results as use values, the degree to which they really serve [as] use values for this specific consumption process. Similarly, in a given labour process the labour is only of interest to the extent that it functions as this particular purposive activity; but the particular material content, and the degree to which the product is good or bad, to which it really possesses, acquires, the use value it ought to acquire in the labour process, depends on the higher or lower quality of the labour, on its thoroughness and suitability to the purpose.⁵³

On the other hand, products which are destined to enter as use values into a fresh labour process, hence are either means of labour or unfinished products, i.e. products which need further treatment in order to become real use values, to serve for individual or productive consumption; products which are therefore either means or materials of labour for a further labour process, are realised as such only by entering into contact with living labour, which overcomes their dead objectivity, consumes them, transforms them from use values which only exist potentially into real and effective use values by consuming and utilising them as the objective factors of its own living movement. A machine that does not serve in the labour process is useless, dead wood and iron. Apart from this it falls victim to consumption by elemental forces, to the universal metabolism [of nature]. Iron rusts, wood rots. Yarn that is not woven or knitted, etc., is only wasted cotton, cotton unfitted for the other useful applications it possessed in its state as cotton, as raw material.

Since every use value can be made use of in various ways, every thing having various qualities in which it can serve to satisfy needs, it loses these qualities by acquiring use value in a particular direction through an earlier labour process, acquiring qualities with which it can only be useful in a particular subsequent labour process; hence products which can only serve as means and material of labour not only lose their quality as products which they acquired through the earlier labour, their quality as these particular use values, but also the raw material of which they consist is spoiled, pointlessly squandered, and along with the useful form it acquired as a result of labour previously carried out it falls victim to the dissolving action of natural forces. In the labour process the products of an earlier labour process, the material and means of labour, are as it were awakened from the dead. They only become *real* use values by entering as factors into the labour process, only in that process do they act as use values and only through it are they withdrawn from the dissolving action

of the universal metabolic process so as to re-appear in the product as a new formation.

The labour process also destroys the machine, but as a machine. It lives and acts as a machine, for it to be consumed is the same thing as to be effective, and in the changed form of the material its movement is realised, fixed, as the quality of a new object. Similarly, it is only in the labour process itself that the material of labour develops the useful qualities it possesses as such. The process of its consumption is a process of refashioning, alteration, from which it emerges as a use value of a higher order.⁵¹

[I-33] Hence if existing products, the results of earlier labour, mediate the realisation of living labour as its objective conditions, living labour, for its part, mediates the realisation of these products as use values, as products, and preserves them, withdraws them from the universal metabolism of nature, by breathing life into them as the elements of a "new formation".

In so far as actual labour creates use values, is appropriation of the natural world for human needs, whether these needs are needs of production or individual consumption, it is the universal condition for the metabolic interaction between nature and man, and as such a natural condition of human life it is independent of, equally common to, all particular social forms of human life.⁴³ The same is true of the labour process in its general forms; it is after all nothing but living labour, split up into its specific elements, whose unity is the labour process itself, the impact of labour on the material of labour working through the means of labour. The labour process itself appears in its general form, hence still in *no specific economic determinateness*. This form does not express any particular historical (social) *relation of production* entered into by human beings in the production of their social life; it is rather the general form, and the general elements, into which labour must be uniformly divided in all social modes of production in order to function as labour.

The form of the labour process which has been examined here is only its abstract form, a form divorced from all particular historical characteristics and fitting equally well with every kind of labour process, irrespective of the social relations human beings may enter into with each other in its course. Just as little as one can tell from the taste of wheat whether it has been produced by a Russian serf or a French peasant, equally little can one tell from the labour process in its general forms, the general forms of this labour process, whether it is happening under the whip of the slave-driver or the eye of the industrial capitalist, or indeed

whether the process is that of a savage dispatching wild beasts with his bow.⁵⁴

With his money, the money owner has in part bought disposition over labour capacity, in part material and means of labour, so that he can use up, consume, this labour capacity as such, i.e. have it operate as actual labour, in short, so that he can have the worker really work. The universal determinants of this labour, which it has in common with every other manner of working, are not altered by the fact that it is done here for the money owner or appears here as the process of his consumption of labour capacity. He has subsumed the labour process under his dominion, appropriated it, but thereby left its general nature unchanged. To what extent the character of the labour process is itself changed by its subsumption under capital is a question which has nothing to do with the general form of the labour process and will be discussed later on.⁵⁵

The wheat I eat, whether I have bought it or produced it myself, functions in either case in the nourishment process according to its own natural characteristics. Similarly, it does not change anything in the labour process in its general form, i.e. it changes nothing in the conceptual moments of work in general, whether I work for myself with my own material and instrument of labour, or I work for the money owner, to whom I have temporarily sold my labour capacity. The consumption of this labour capacity, i.e. its actual operation as labour power, actual labour, *which in itself is a process wherein an activity enters into certain relations with objects, remains the same as before* and moves within the same general forms. The labour process or actual work implies precisely that the separation in which the worker found himself before the sale of his labour capacity from the objective conditions which alone permit him to activate his labour capacity, to work—that this separation has been overcome, that he now enters into the natural relation as worker to the objective conditions of his labour, that he enters into the labour process. Hence in considering the general moments of this process I am only considering the general moments of actual labour in general.

(The practical application of this is namely that the apologists of capital confuse or identify it with a moment of the simple labour process as such, maintaining that a product intended for the production of another product is capital, that raw material is capital or that the tool of labour, the instrument of production is capital, that therefore capital is—whatever the relations of distribution and forms of social production—a factor of the

labour process as such, a factor of production. It will be better to deal with this point when once the valorisation process has been treated.⁵⁶ For money to be transformed into capital (productive capital), it must be transformed into material of labour, instrument of labour and labour capacity, all of them products of past labour, use values provided through the agency of labour and employed for new production. Viewed from its material side capital thus appears now—in so far as it exists as use value—[1-34] as existing, present in the form of products which serve for new production, raw material, tools (but also as labour). The converse, however, by no means follows: these things are not as such capital. They only become capital given certain social pre-conditions. Otherwise it could just as well be said that labour is in and for itself capital, hence the usefulness of labour could be used to demonstrate to the worker the usefulness of capital, since in the labour process the labour belongs to the capitalist just as much as the tool does.)

The moments of the labour process, considered in relation to labour itself, have been specified as material of labour, means of labour and labour itself. If these moments are considered with regard to the purpose of the whole process, the product to be manufactured, they can be described as material of production, means of production and productive labour (perhaps not this last expression).⁵⁷

The product is the result of the labour process. But products appear just as much as its prerequisite, with which it does not end but from whose existence it starts out as a condition. Not only is the labour capacity itself a product; the means of subsistence the worker receives as money from the money owner for the sale of his labour capacity are already finished products for individual consumption. Likewise, his material and means of labour, one or the other, or both, are already products. Products are therefore presupposed to production; products both for individual and for productive consumption. Nature itself is originally the store-house in which the human being, equally presupposed as a natural product, finds available for consumption finished natural products, as well as finding available in part, in the very organs of his own body, the first instruments of production for the appropriation of these products. The means of labour, the means of production, appears as the first product produced by the human being; and the first forms of this product, stones, etc., are also found present in nature by him.⁵⁸

As we have said, the labour process as such has nothing to do with the act of purchasing the labour capacity on the part of the

capitalist.^a He has bought the labour capacity. Now he must employ it as use value. The use value of labour is work itself, the labour process. We therefore ask what this process consists in, in its general moments, i.e. independently of the future capitalist, in the same way as if we were to say: he buys wheat and now wants to use it as a means of nourishment.^b In what does the process of nourishment by cereals consist, or rather, what are the general moments of the nourishment process as such?

THE VALORISATION PROCESS

In so far as the result of the labour process is still viewed in relation to the process itself, as the crystallised labour process, whose different factors have come together in a static object, a combination of subjective activity and its material content, this result is the *product*. But this product viewed for itself, in the independence in which it appears as a result of the labour process, is a particular *use value*. The material of labour has acquired the form, the particular qualities, whose manufacture was the purpose of the entire labour process and which as the driving objective determined the specific way the labour itself was carried on. This product is a *use value* in so far as it is now present as the result, with the labour process lying behind it as past, as the history of its origin. What money has acquired by its exchange with the labour capacity, or what the money owner has acquired by the consumption of the labour capacity he has bought—this consumption being however by the nature of the labour capacity an industrial, productive consumption or a labour process—is a *use value*. This use value belongs to him; he has bought it by giving an equivalent for it, namely he has bought the material of labour and the means of labour. But the *labour itself* likewise belonged to him, for owing to his purchase of the labour capacity—hence *before* any actual work was done—the use value of this commodity belongs to him, and this is labour itself. The product belongs to him just as much as if he had consumed his own labour capacity, i.e. himself worked on the raw material. The whole labour process only takes place after he has provided himself with all its elements on the basis of commodity exchange and in accordance with its laws, namely by purchasing these elements at their price, which is their value expressed, estimated, in money. To the extent that his

^a See this volume, pp. 54-55.—*Ed*

^b *Ibid.*, p. 52.—*Ed*

money has been converted into the elements of the labour process and the whole labour process itself appears merely as the consumption of the labour capacity bought by the money, the labour process itself appears as a transformation that money passes through by being exchanged not for an available use value but for a process which is its own process. The labour process is as it were incorporated in it, subsumed under it.

Yet, the purpose of the exchange of money for the labour capacity was by no means use value; it was the transformation of money into capital. Value, become independent in money, was to maintain, increase itself in this exchange, assume a self-sufficient character, and the money owner was to become a capitalist precisely by representing value dominant over circulation and asserting itself [I-35] as subject within it. What was at stake here was exchange value, not use value. Value asserts itself as exchange value only if the use value created in the labour process, the product of actual labour, is itself a repository of exchange value, i.e. a *commodity*. For the money that was being turned into capital, therefore, it was a matter of the production of a commodity, not a mere use value. The use value was important only in so far as it was a necessary condition, a material substratum of exchange value. What was involved, in fact, was the *production* of exchange value, its preservation and its increase. It will now be necessary, therefore, to calculate the exchange value obtained in the product, in the new use value. (It is a matter of the valorisation of value. Hence not only a labour process but a valorisation process.)

Just one more preliminary remark before we proceed to this calculation. All the prerequisites of the labour process, all the things that went into it, were not just use values but commodities, use values with a price expressing their exchange value. Commodities were present in advance as elements of this process, and must emerge from it again. Nothing of this is shown when we look at the simple labour process as material production. The labour process therefore constitutes only one side, the material side of the production process. As the commodity is itself from one aspect use value, from another exchange value, so naturally must the commodity *in actu*,^a in the process of its origin, be a two-sided process: [on the one hand] its production as use value, as product of useful labour, on the other hand its production as exchange value, and these two processes must only appear as two different

^a In process.— *Ed.*

forms of the same process, exactly as the commodity is a unity of use value and exchange value. The commodity, from which we proceeded as something already given,^a is viewed here in the process of its becoming. The production process is not the process of the production of use value, but of the commodity, hence of the unity of use value and exchange value. Even so, this would not yet make the mode of production into a capitalist one. All that is required so far is that the product, the use value, be destined not for personal consumption but for alienation, for sale. Capitalist production, however, requires not only that the commodities thrown into the labour process should be valorised, should acquire a new value by the addition of labour—industrial consumption is nothing but the addition of new labour—but also that the values thrown into industrial consumption—for the use values thrown into it all had value to the extent that they were commodities—should valorise themselves as values, should produce new value owing to the fact that they were values. If it was just a matter of the first requirement we should not have passed beyond the simple commodity.

We assume that the elements of the labour process are not use values to be found in the possession of the money owner himself, but were originally acquired as commodities by purchase and that this forms the prerequisite of the entire labour process. We have seen that it is not necessary for every kind of industry that in addition to the means of labour the material of labour as well should be a commodity, i.e. a product already mediated by labour, that it should be exchange value—a commodity—as objectified labour.^b Here, however, we proceed from the presupposition that all elements of the process are bought, as is the case in manufacturing. We take the phenomenon in the form in which it appears most completely. This does not detract from the correctness of the analysis, since one only has to set one factor=0 for other cases. Thus in fishing the material of labour is not itself a product, hence does not circulate beforehand like a commodity, and so one factor of the labour process, namely the material of labour, if considered as exchange value, as a commodity, can be set=0.

It is however an *essential* presupposition that the money owner should buy more than just the labour capacity. In other words, not

^a K. Marx, *A Contribution to the Critique of Political Economy*. Part One (present edition, Vol. 29, p. 269).—*Ed*

^b See this volume, p. 56.—*Ed*

only must money be exchanged for the labour capacity, but equally for the other objective conditions of the labour process, material of labour and means of labour; and under these headings there may lie a great multiplicity of things, of commodities, depending on whether the labour process is of a simpler or a more complex nature. To begin with, this presupposition is methodologically necessary at the stage of development presently being considered. We have to see how money is transformed into capital. But every money owner who wants to transform his money into industrial capital goes through this process every day. He must buy the material and the means of labour in order to be able to consume alien labour.—Necessary for real insight into the nature of the capital-relation. The latter proceeds from the circulation of commodities as its basis.²⁰ It implies the supersession of the mode of production in which personal consumption is the main purpose of production, and in which only the surplus is sold as a commodity. It is the more completely developed the more the elements that concern it are themselves commodities, hence can only be appropriated through purchase. The more production itself acquires its elements from circulation—i.e. as commodities—so that they enter into it as exchange values already, the more is this production capitalist production. If we here theoretically presuppose the existence of circulation before the formation of capital, and therefore proceed from money, this is also the course followed by history.⁵⁹ [I-36] Capital develops out of monetary wealth, and the formation of capital presupposes that commercial relations, formed at a stage of production that precedes it, are already highly developed. Money and the commodity are the presuppositions from which we must proceed in considering the bourgeois economy. Further consideration of capital will demonstrate that it is in fact capitalist production alone whose surface presents the commodity as the elementary form of wealth.⁶⁰

One therefore sees the absurdity of the custom introduced by J. B. Say with his French schematism, but not followed by any of the classical economists. Because he was on the whole merely a vulgariser of Adam Smith, all he could do was provide a pretty or uniform arrangement for material he had by no means assimilated. He examines first production, then exchange, then distribution, and finally consumption, also sometimes distributing these four rubrics somewhat differently.⁶¹ The specific mode of production we are to consider presupposes from the outset as one of its forms a particular mode of exchange, and produces a particular mode of distribution and a particular mode of consumption, in so

far as consideration of the latter falls within the sphere of political economy at all. (This must be returned to later.)⁶²

So, NOW *ad rem*.^a

The exchange value of the product (of the use value) that emerged from the labour process consists of the total amount of labour time materialised in it, of the total quantity of labour worked up, objectified, in it.* It therefore consists firstly of the value of the raw material contained in the product, or the labour time required to produce this, the material of labour. Let us assume it to be 100 working days. This value is however already expressed in the price at which the material of labour was bought, say, e.g. a price of 100 thalers. The value of this part of the product enters into it already determined as price. Secondly, as regards the means of labour, tools, etc., the tool will not necessarily be completely worn out; it can continue to function as a means of labour in fresh labour processes. Hence only that part of the tool can enter into the calculation that has been used up, since it alone has entered into the product. Later on the method of calculating the wear and tear on the means of labour will be shown more precisely,⁶³ but at this point we shall assume that the whole of it is worn out in the one labour process. This assumption makes the less difference to the case in that actually the tool only enters the calculation in so far as it is consumed in the labour process, hence is transferred to the product; hence only the worn out means of labour enters the calculation. This is equally purchased. Hence the labour time contained in it, say of 16 working days, is expressed in its price of 16 thalers.

Before we now go further we ought to discuss here how the value of the material and means of labour is preserved in the labour process, so that it re-appears as a finished, *presupposed* constituent of the value of the product, or, what is the same thing, how the material and means of labour are consumed, altered in the labour process, either altered or completely destroyed (as with the means of labour), but their value is not destroyed, re-appearing instead in the product as a constituent, a *presupposed* constituent of its value.

//Capital has been regarded from its material side as a simple production process, a labour process. But, from the side of its

* Quesnay, etc., base their proof of the unproductiveness of all labour SAVE AGRICULTURAL LABOUR on this *addition*.⁶⁴

^a To the matter in hand.—Ed.

formal determination, this process is a *process of self-valorisation*. Self-valorisation includes preservation of the preposited value as well as its multiplication. Labour is purposeful activity and from the material side it is therefore presupposed that the labour has employed its means to the appropriate purpose in the production process so as to give the material of labour the intended new use value.//

//Since the labour process is a process of the consumption of labour capacity by the capitalist—for the labour belongs to the capitalist—he has, in the labour process, consumed his material and means of labour by labour, and has consumed the labour itself by his material, etc.//⁶⁵

[I-37] For the labour process as such, or in the labour process as such, effective labour capacity, the real worker, is concerned with the material and means of labour only as the objective prerequisites of the creative unrest that is labour itself, in fact only as the objective means to the realisation of labour. They are this through their objective qualities alone, through the qualities they possess as material and means of this particular labour. Where they are themselves products of earlier labour, this fact is extinguished in their capacity as things. The table that serves me for writing upon has its own form and its own characteristics; these appeared previously in the form-giving quality or specificity of the joiner's labour. In using the table as a means for further labour I have to do with it to the extent that it serves as a use value, has a particular useful application as a table. The fact that the material out of which it consists has acquired this form through earlier labour, the labour of the joiner, has disappeared, is extinguished in its existence as an object. It serves as a table in the labour process, quite regardless of the labour that turned it into a table.

In exchange value, in contrast, what matters is the quantity of labour materialised in this particular use value, or the quantity of labour time required to produce it. In this labour its own quality, the quality of being, for example, a joiner's labour, is extinguished, for it is reduced to a definite quantity of equal, general, undifferentiated, social, abstract labour.⁶⁶ The material specificity of the labour, hence of the use value in which it has been fixed, is thereby extinguished, vanished, irrelevant. It is presupposed that it was useful labour, that is, labour which resulted in a use value. The nature of this use value, hence the particular nature of the labour's usefulness, is extinguished in the existence of the commodity as exchange value, for as exchange value it is an equivalent, expressible in every other use value, hence in every

other form of useful labour which constitutes a quantity of social labour of the same magnitude. In respect of value therefore—i.e. considered as quantities of objectified labour time—the material of labour and the worn out means of labour can always be regarded as if they were moments of the same labour process, so that what is required to manufacture the product, the new use value, is 1) the labour time objectified in the material of labour, and 2) the labour time materialised in the means of labour. The material of labour is admittedly different in its original form, although it also re-appears in substance in the new use value. The means of labour has disappeared entirely, although it re-appears in the form of the new use value as effect, result. The particular material specificity, usefulness, of the acts of labour that were present in the material and means of labour, is just as extinguished as the use values in which they resulted have themselves vanished or changed. But as exchange values, and even before they entered this new labour process, they were merely a materialisation of labour in general, they were nothing but a quantity of labour time as such, absorbed in an object. For this labour time the particular character of the actual work being done, as well as the particular nature of the use value in which it was realised, was a matter of indifference.

After the new labour process the relationship is exactly the same as it was before. The quantity of labour time necessary e.g. to produce the cotton and the spindle is a quantity of labour time necessary to manufacture the yarn, in so far as cotton and spindle are used up in the yarn. That this quantity of labour time now appears as yarn is entirely irrelevant, since it continues to appear in a use value for whose manufacture it is necessary. If I for example exchange cotton and spindle to the value of 100 thalers for a quantity of yarn which is equally worth 100 thalers, in this case too the labour time contained in the cotton and spindle exists as labour time contained in the yarn. The fact that in their actual material transformation into yarn the cotton and the spindle also undergo changes in their material, with the one acquiring another form and the other entirely perishing in its material form, makes no difference, *because* this concerns them only as use values, hence in a shape towards which they are, as exchange values, essentially indifferent. Since as exchange values they are only a particular quantity of materialised social labour time, hence equal magnitudes, equivalents, for every other use value which represents a quantity of materialised social labour time of the same magnitude, it makes no difference to them that they appear now as the factors

of a new use value. The sole conditions are these, that they should 1) appear as labour time necessary for the creation of the new use value, and 2) really result in another use value—hence in use value [I-38] in general.

They are labour time necessary for the creation of the new use value because the use values in which they were originally crystallised were factors necessary for the new labour process. Secondly, however, according to our condition, the use values, as they existed before the labour process—as cotton and spindle—have in fact resulted through the new labour process in a new use value, the product, the yarn.

(That only such quantities of the material and means of labour should enter into the new product as are necessary for its creation, hence that no more labour time should be used than is necessary in these definite quantities; in other words that neither material nor means of production should be squandered, is a condition which has to do not with the material and means of labour as such but with the suitability and productivity of the new labour which uses them up in the labour process as its material and means; it is therefore a point that has to be considered in dealing with this labour itself. Here, however, the assumption is that the means and the material of labour only enter into the new process in quantities in which they are really required as such for the realisation of the new labour, are really objective conditions of the new labour process.)

Two results therefore.

Firstly: The labour time required for the manufacture of the material and means of labour used up in the product is labour time required for the manufacture of the product. In so far as exchange value is considered, the labour time materialised in the material and means of labour can be regarded as if the latter were moments of the same labour process. All the labour time contained in the product belongs to the past; hence it is materialised labour. The labour time which perished in the material and means of labour passed away earlier; it belongs to an earlier period than the labour time functioning directly in the last labour process. But this changes nothing. They merely constitute earlier periods during which [part of] the labour time contained in the product was worked up, as against the part which represents the labour entering into it directly. *The values of the material and means of labour therefore appear again in the product as constituents of its value.* This value is *presupposed*, since the labour time contained in the material and means of labour was expressed in their prices

in its general form, as social labour; these are the prices at which the money owner bought them as commodities before he began the labour process. The use values in which they consisted have perished but they themselves have remained unaltered and remain unaltered in the new use value. The only change that has taken place is that they appear as mere constituents, factors of his value, as factors of a new value. To the extent that the commodity is exchange value at all, the particular use value, the particular material determinateness in which it exists is after all only a particular mode of its manifestation; it is in fact a universal equivalent and can therefore exchange this incarnation for any other. Through circulation and first of all through being transformed into money it is indeed capable of giving itself the substance of every other use value.

Secondly: The values of the means of labour and the material of labour are therefore preserved in the value of the product, enter as factors into the value of the product. *But they only re-appear in it* because the real alteration the use values have received in them did not affect their substance at all, but only the forms of use value in which they existed before, as after, the process; and the particular form of use value in which the value of the product exists, or indeed the specific usefulness of the labour, which is reduced in that value to abstract labour, does not, in the nature of things, affect the essential character of value at all.

However, it is a *conditio sine qua non*^a for the re-appearance of the value of the material and means of labour in the product that the labour process really proceed to its end, to the product, that it really result in the product. If, therefore, it is a matter of use values whose production extends over a long period, one sees what an essential moment *the continuity* of the labour process is for the valorisation process in general, even so far as merely the preservation of existing use values is concerned. // This however implies, according to our presupposition, that the labour process proceeds on the basis of the appropriation of labour capacity by purchase on the part of money, by the continuous transformation of money into capital. The assumption is therefore that the *working class* is constantly in existence. This constancy is itself first created by capital. At earlier stages of production too an earlier working class may be present sporadically, not however as [I-39] a *universal* prerequisite of production. The case of *colonies* (see

^a Necessary condition.—Ed.

Wakefield,⁶⁷ come back to this later) shows how this relation is itself a product of capitalist production.//

As far as the preservation of the values of the material and means of labour is concerned—assuming therefore that the labour process eventuates in a product—this is simply attained by the fact that these use values are consumed as such by living labour in the labour process, that they figure as actual moments of the labour process, but only by their contact with, and incorporation into, living labour as the conditions of its purposeful activity. *Living labour only adds value in the labour process to the value preposited in the material and means of labour* to the extent that it is itself a new quantity of labour as such; it does not do so as actual, useful labour, not as viewed from the angle of its material determinateness. The yarn only has greater value than the sum of the values of the cotton and the spindle consumed in it because a new quantity of labour has been added in the labour process, in order to convert those use values into the new use value, yarn; the reason, therefore, is that the yarn now contains an extra, newly added quantity of labour over and above the quantity contained in the cotton and the spindle. But the exchange values of the cotton and the spindle are *preserved* simply by the fact that the actual labour, spinning, converts them into the new use value, yarn, hence consumes them to the purpose, makes them *vital factors of its own process*. The values entering the labour process are therefore preserved simply by the *quality* of the living labour, the nature of its expression. Those dead objects, in which the preposited values are present as their use values, are now really seized upon as use values by this new useful labour, spinning, and made into moments of new labour. *They are preserved as values by entering as use values into the labour process*, i.e. by playing their conceptually determined roles of material and means of labour towards actual useful labour.

Let us stay with our example. Cotton and spindle are used up as use values because they enter as material and means into the particular labour of spinning; because they are placed in the actual spinning process, one as the object, the other as the organ of this living purposeful activity. They are therefore preserved as values by being preserved as use values for labour. *In general, they are preserved as exchange values because they are consumed as use values by labour*. But the labour which consumes them in this way as use values is actual labour, labour considered in its material determinateness, this particular useful labour which is related exclusively to these specific use values as material and means of labour,

related to them as such in its living manifestation. It is this particular useful labour, spinning, which preserves the use values cotton and spindle as exchange values, and therefore lets them re-appear as an exchange-value component in the product, in the use value yarn, because in the actual process it relates to them as its material and its means, as the organs of its realisation, because it breathes life into them as its own organs and makes them function as such. And thus the values of all commodities which in line with the nature of their use values do not enter into direct individual consumption, but are destined for new production, are only preserved in this way, that as material and means of labour, which they are only potentially, they become really the material and means of labour, and are utilised as such by the particular labour they are as such able to serve. They are only preserved as exchange values by being consumed as use values by living labour in accordance with their conceptual determination. *They are, however, only use values of this kind—material and means of labour—for actual, definite and specific labour.* I can only use up cotton and spindle as use values in the act of spinning, not in the acts of milling or boot-making.—In general, all commodities are only use values potentially. They only become real use values by being actually used, consumed, and their consumption in this case is the specifically determined labour itself, the specific labour process.

[I-40] The material and means of labour are therefore only preserved as exchange values by being consumed in the labour process as use values, i.e. when living labour relates to them *actu*^a as to its use values, lets them play the role of its material and means, in its living unrest both posits and supersedes them as means and material. But in so far as it does that, labour is *actual* labour, a specific purposeful activity, labour as it appears in the labour process, materially determined, as a specific kind of useful labour. It is, however, not labour in this specific determinateness which adds—or it is not in this specific determinateness that labour adds—*new* exchange value to the product, or to the objects—use values—which enter into the labour process.

Spinning, for example. Spinning preserves in yarn the values of the cotton and spindle consumed in it, because this process really uses up cotton and spindle in spinning, consumes them as material and means for the production of a new use value, the yarn, or lets cotton and spindle really function in the spinning process as

^a In action.—*Ed.*

material and means of this specific living labour, spinning. If, however, the spinning raises the value of the product, yarn, or adds new value to the values already present beforehand in the yarn, which simply re-appear, the values of the spindle and the cotton, this only occurs to the extent that *new labour time is added to the labour time contained in the cotton and the spindle by spinning.*

Firstly, in accordance with its substance, spinning creates value, not as this concrete, specific, materially determined labour of spinning, but as labour in general, abstract, equal, social labour. Therefore, it does not create value to the extent that it is objectified as spun yarn, but to the extent that it is a materialisation of social labour in general, i.e. is objectified in a universal equivalent.

Secondly, the magnitude of the value added depends exclusively on the quantity of labour added, on the labour time that is added. If, as a result of some invention, the spinner were able to convert into yarn a particular quantity of cotton, using a given number of spindles, in half a day's labour instead of a whole day, only *half the value would have been added* to the yarn compared with the first case. But the *entire value* of the cotton and the spindles would have been preserved in the product, yarn, in one case as much as the other, whether a day or half a day or an hour of labour time is required to convert the cotton into yarn. These values are preserved by the very fact that cotton is converted into yarn, that cotton and spindles have become the material and means of spinning, have entered into the spinning process. The labour time required by this process is here entirely irrelevant.

Let us assume that the spinner adds to the cotton only as much labour time as is necessary to produce his own wages, hence as much labour time as the capitalist expended in the price of the spinner's labour. In this case the value of the product would be exactly equal to the value of the capital advanced; namely equal to the price of the material+the price of the means of labour+the price of labour. No more labour time would be contained in the product than was present in the sum of money before it was transformed into the elements of the production process. No new value would have been added, but after as before the value of the cotton and spindle would be contained in the yarn. Spinning adds value to cotton in so far as it is reduced to equal social labour in general, reduced to this abstract form of labour, and the amount of value it adds depends not on its content as spinning but on its duration. *The spinner therefore does not need two*

periods of labour, one to preserve the value of cotton and spindle, the other to add new value to them. It is rather that while he spins the cotton, makes it into an objectification of new labour time, adds new value to it, he is at the same time preserving the value cotton and the worn out spindle had before they entered the labour process. *Merely by adding new value, new labour time, he preserves the old values, the labour time that was already contained in the material and means of labour.* It is as spinning, however, that spinning preserves them; not as labour in general and not as labour time, but in its material determinateness, through its quality as this specific, living, actual labour, which in the labour process, as living activity with a definite purpose, snatches the use values cotton and spindle out of their indifferent objectivity, not abandoning them as indifferent objects to nature's metabolism, but making them into real moments of the labour process.

But whatever the specific character of particular, actual labour may be, what every variety of this labour has in common with every other is that by its process—through the contact, the living interaction it enters into with its objective conditions—it makes them play the roles of means and material of labour appropriate to their nature and purpose, transforms them into conceptually determined moments of the labour process itself and thus *preserves* them as *exchange values by using them up as real use values.* [I-41] It is therefore through its quality as living labour, which converts the products available in the labour process into the material and means of its own activity, its own realisation, that it preserves the exchange values of these products and use values in the new product and use values. It preserves their value because it consumes them as use values. But it only consumes them as use values because, as this specific labour, it awakens them from the dead and makes them into its material and means of labour. In so far as it creates exchange value labour is only a definite social form of labour, actual labour reduced to a definite social formula, and in this form labour time is the sole measure of the magnitude of value.

Because the preservation of the values of the material and means of labour is so to speak the natural gift of living, actual labour, and hence the old values are preserved in the same process as increases value—*since new value cannot be added without the preservation of the old values,* because this effect stems from the essential nature of labour as use value, as useful activity, originates from the use value of labour itself—so the preservation of these values costs nothing either to the worker or to the capitalist. The

latter therefore receives the preservation of the preposited values in the new product gratis.

Although his purpose is not the preservation but the increase of the preposited value, this free gift by labour shows its decisive importance e.g. in industrial crises, during which the actual labour process is interrupted. The machine becomes rusty, the material spoils. They lose their exchange values: these are not preserved, because they are not entering as use values into the labour process, they are not coming into contact with living labour; their values are not being preserved because they are not being increased. They can only be increased, new labour time can only be added to the old, to the extent that a start is made again with the actual labour process.

Hence values are preserved in the labour process by labour as actual living labour, whereas new value is added to the values by labour only as abstract social labour, labour time.

The actual labour process appears as *productive consumption*. The latter can now be defined more closely in the sense that the preposited values of the products are preserved in the labour process by these products being used up, consumed, as use values—material and means of labour—and converted into real use values for the formation of a new use value.

//But the values of the material and means of labour only re-appear in the product of the labour process to the extent that they were preposited to the latter as values, i.e. were values before they entered into the process. Their value is equal to the social labour time materialised in them; it is equal to the labour time necessary to produce them under given general social conditions of production. If later on more or less labour time were to be required to manufacture these particular use values, owing to some alteration in the productivity of the labour of which they are the products, their value would have risen in the first case and fallen in the second; for the labour time contained in their value only determines it to the extent that it is general, social, and necessary labour time. Hence although they entered the labour process with a definite value, they may come out of it with a value that is larger or smaller, because the labour time society needs for their production has undergone a general change, a revolution has occurred in their production costs, i.e. in the magnitude of the labour time necessary for their manufacture. In this case more or less labour time than previously would be required to reproduce them, to manufacture a new sample of the same kind. But this change in the value of the material and means of labour involves

absolutely no alteration in the circumstance that in the labour process into which they enter as material and means they are always preposited as given values, values of a given magnitude. For in this process itself they only emerge as values in so far as they entered as values. A change in their value never results from this labour process itself but rather from the conditions of the labour process of which they are or were the products and to which they therefore are not preposited as products. If their general conditions of production have changed, this reacts back upon them. They are an objectification of more or less labour time, of more or less value than they were originally; but only because a greater or smaller amount of labour time is now required than originally for their production. The reaction is due to the fact that as values they are a materialisation of social labour time but the labour time contained in them only counts to the extent that it is reduced to general [I-42] social labour time, raised to the power of equal social labour time. These changes in their value, however, always arise from changes in the productivity of the labour of which they are the products, and have nothing to do with the labour processes into which they enter as finished products with a given value. If this value changes before the new product of which they are the elements is finished they nevertheless relate to it as independent, given values preposited to it. Their change of value stems from alterations in their own conditions of production, which occur outside and independently of the labour process into which they enter as material and means; not as a result of an operation occurring within the labour process. For it they are always values of a given, preposited magnitude, even though owing to external agencies, acting outside the labour process, they are now preposited as of greater or smaller magnitude than was originally the case.//

We saw that just as the product is the result of the labour process so are its products prerequisites for the same process^a; but now it must equally be said that if the commodity, i.e. a unity of use value and exchange value, is the result of the labour process, commodities are just as much its prerequisites. The products only emerge from the valorisation process as commodities because they have entered it as commodities, products with a definite exchange value. The difference is this: the products are changed as use values so that a new use value can be formed. Their exchange values are not affected by this change in the material, and they

^a See this volume, p. 65.—*Ed.*

therefore re-appear unchanged in the new product. If use value is the product of the labour process, exchange value must be regarded as the product of the valorisation process, and thus the commodity, the unity of exchange value and use value, must be regarded as the product of both processes, which are merely two forms of the same process. If one wished to disregard the fact that commodities are preposited to production as its elements, the only matter of concern in the production process would be the use of products for the formation of new products; and this can, indeed, occur in states of society in which the product has not developed into the commodity, still less the commodity into capital.⁶⁸

We now know two components of the value of the product: 1) the value of the material consumed in it; 2) the value of the means of production consumed in it. If these are equal respectively to A and B, the value of the product will initially consist of the sum of the values of A and B, or P (the product). $P=A+B+x$. With x we denote the as yet undetermined portion of value that has been added to the material A by labour in the labour process. Therefore, we now come to consider this third component.

We know what price or value the money owner has paid for disposition over labour capacity or the temporary purchase of labour capacity, but we do not yet know what equivalent he receives in return for this.—We proceed, furthermore, from the assumption that the labour performed by the worker is ordinary average labour, labour of the quality or rather the qualitylessness in which it forms the substance of exchange value.⁶⁹ We shall see in the course of our investigation that the power of the labour, the question whether it is more or less potentiated simple labour, is a matter of complete indifference for the relation to be developed here.^a We proceed therefore from the assumption that whatever the particular material determinateness of the labour, whatever specific branch of labour it belongs to, whatever particular use value it produces, it is only the expression, the activity of average labour capacity, so that whether this manifests itself in spinning or weaving, etc., or farming, concerns only its use value, the manner of its application. It does not concern what it cost to produce the labour capacity itself, hence not its own exchange value. It will also be seen that differences in the wage paid for different working days, higher or lower, the unequal *distribution of wages* between the

^a See this volume, pp. 90 and 225-26.—Ed

different branches of labour, do not affect the general relation between capital and wage labour.³²—

What the money owner gets back from the purchase of labour capacity can only become manifest in the actual labour process. The value added by labour in the labour process to the already existing value of the material is exactly equal to its duration. It is naturally presupposed that over a definite period of time, e.g. one day, precisely as much labour is employed on the product of this day as is necessary to produce it at the given general productive level of labour (under the given general conditions of production).⁷⁰ That is, it is presupposed that the labour time employed for the manufacture of the product is *necessary labour time*, the labour time required to give a certain quantity of material the form of the new use value. If, under the general conditions of production we have presupposed, 6 lbs of COTTON can be converted into twist in the course of 1 day of 12 hours, only a day in which 6 lbs of COTTON is converted into twist is regarded as a working day of 12 hours. On the one hand, therefore, *necessary labour time* is presupposed; on the other hand, it is presupposed that the particular labour performed in the labour process is ordinary *average labour*, whatever specific form it may have as spinning, weaving, digging, etc. (and the same is true of the labour employed in the production of the precious metals⁷¹). It follows, accordingly, that the quantity of value or the quantity of objectified general [I-43] labour time which this labour adds to the existing value is exactly equal to its own duration. This, under the given assumptions, simply means that precisely as much labour is objectified as the time taken for the process during which the labour is objectifying itself.

Let us say that 6 lbs of cotton can be spun into twist, say 5 lbs of twist, in a day of 12 hours. During the labour process the labour is continuously passing from the form of unrest and motion into the objective form. (5 lbs=80 ounces.) (Over 12 hours this would make exactly $6\frac{2}{3}$ ounces an hour.) The spinning constantly results in yarn. If one hour is required to turn 8 ounces of cotton into yarn, say $6\frac{2}{3}$ ounces of yarn, 12 hours would be required to turn 6 lbs of cotton into 5 lbs of yarn. What interests us here, however, is not that one hour of spinning turns 8 ounces of COTTON into yarn and 12 hours 6 lbs, but that in the first case 1 hour of labour is added to the value of the COTTON, and in the second 12 hours. In other words, we are only interested in the product from this point of view to the extent that it is the materialisation of new labour time and this naturally depends on the labour time itself. We are

interested only in the quantity of labour absorbed in the product. Here we do not look at spinning as spinning, we do not look at it in so far as it gives the COTTON a definite form, a new use value, but only in so far as it is labour in general, labour time and its materialisation, which is present in the yarn, the materialisation of general labour time as such. It is entirely irrelevant whether the same labour time is employed in the form of any other particular labour or to produce any other particular exchange value.

Originally, it is true, we were able to measure *labour capacity* with money, because it was itself already objectified labour, and the capitalist could therefore buy it; but were unable to measure *labour itself* directly, for as bare activity it escaped our standard of measurement. Now, however, in the measure to which, in the labour process, labour capacity proceeds to its real manifestation, to labour, the latter is realised, appears itself in the product as objectified labour time. The possibility is now available for comparing what the capitalist gives in wages with what he gets back in exchange for wages through the consumption of labour capacity. At the end of a certain measure of labour time, e.g. hours, a certain quantity of labour time has been objectified in a use value, say twist, and now exists as the latter's exchange value.

Let us assume that the labour time realised in the spinner's labour capacity amounts to 10 hours. We are speaking here only of the labour time realised *daily* in his labour capacity. In the price the money owner has paid the labour time required to produce or reproduce the labour capacity of the spinner every day is already expressed *in average labour*. We assume on the other hand that his own labour is *the same* quality of labour, i.e. *the same average labour*, as forms the substance of value, and in which his own labour capacity is evaluated.

Let us therefore assume initially that the spinner works 10 hours for the money owner or gives him, has sold him, 10 hours' disposition over his labour capacity. This 10-hour disposition over the spinner's labour capacity is consumed by the money owner in the labour process. This means, in other words, simply that he has the spinner spin for 10 hours, has him work in general, since here the particular form in which he has him do this is irrelevant. The spinner has therefore added to the value of the cotton through the agency of the means of labour 10 hours of labour in the shape of the spun thread, the yarn. If, therefore, the value of the product, the spun thread, the yarn, *disregarding* the newly added labour, was equal to $A+B$, it now= $A+B+10$ hours of labour. The capitalist pays for these 10 hours of labour with 10d. Let us call

these 10d. C. The product of the yarn now= $A+B+C$, i.e. it equals the labour time contained in the cotton, in the spindles (to the extent that they have been consumed) and finally in the newly added labour time.

Let the sum of $A+B+C$ be= D . D is then equal to the sum of money the money owner laid out in material of labour, means of labour, and labour capacity before he began the labour process. That is to say, the value of the product—the yarn—is equal to the value of the elements of which the yarn consists, i.e.=the value of the material of labour and the means of labour (which is entirely consumed in the product on our assumption)+the value of the newly added labour, which has combined with the other two in the labour process to form yarn. Therefore 100 thalers of cotton, 16 thalers of instrument, and 16 thalers of labour capacity=132 thalers. In this case the values advanced would admittedly have been preserved, but not increased. The only alteration that would have taken place before the money was transformed into capital [I-44] would have been a purely formal one. This value was originally=132 thalers, a definite quantity of objectified labour time. The same unity re-appears in the product, as 132 thalers. The magnitude of value is the same, but this is now the sum of the value components 100, 16 and 16, i.e. the values of the factors into which the money originally advanced is divided in the labour process, and each of which has been purchased separately by that money.

In itself this result is not in the least absurd. If I buy yarn for 132 thalers, merely by converting money into yarn—i.e. by way of simple circulation—I pay for the material, means and labour contained in the yarn in order to acquire this particular use value and consume it in one way or the other. If the money owner has a house built in order to live in it, he pays an equivalent for the house. In short, when he goes through the circulation $C—M—C$, he in fact does nothing other than this. The money with which he buys is equal to the value of the commodity originally in his possession. The new commodity he buys is equal to the money in which the value of the commodity originally possessed by him has acquired an independent shape as exchange value.

Yet the purpose of the capitalist in transforming money into the commodity is not the commodity's use value but the *increase* of the money or value laid out in the commodity—the *self-valorisation of value*. He does not buy for his own consumption but in order to draw out of circulation a higher exchange value than he originally threw into it.

If he were to re-sell the yarn, which is worth $A+B+C$, at, say, $A+B+C+x$, we should come back to the same contradiction. He would not sell his commodity as an equivalent, but above its equivalent. In circulation, however, no surplus value, no value over and above the equivalent, can arise unless one of the parties to the exchange receives a value *below* its equivalent.^a

The transformation of money into the elements of the labour process—or the actual consumption of the labour capacity that has been purchased, which is the same thing—would therefore be completely purposeless under the assumption that the money owner sets the worker to work for the same period of labour time as that he has paid him as an equivalent for his labour capacity. Whether he buys yarn for 132 thalers, so as to re-sell the yarn at 132 thalers, or converts the 132 thalers into 100 thalers of cotton, 16 thalers of spindles, etc., and 16 thalers of objectified labour, i.e. the consumption of labour capacity for the period of labour time contained in 16 thalers, so as to sell the 132 thalers' worth of yarn thus produced at 132 thalers once again, the process is entirely the same from the point of view of its result, except that the tautological outcome of the process would have been arrived at by a more roundabout route in one case than in the other.

A *surplus value*, i.e. a value which forms an excess over the values that originally entered the labour process, can evidently only originate in that process if the money owner has bought disposition over the employment of labour capacity during a longer period than the amount of labour time required by the labour capacity for its own reproduction, i.e. than the labour time which is incorporated in the labour capacity itself, forms its own value and as such is expressed in its price. Let us apply this to the case mentioned above. If the cotton and the spindle belonged to the spinner himself, he would have to add 10 hours of labour to them in order to live, i.e. in order to reproduce himself as a spinner for the next day. If he were now to set a worker to work for 11 hours instead of 10, a surplus value of 1 hour would be produced, because the labour objectified in the labour process would contain an hour more of labour time than is necessary to reproduce the labour capacity itself, i.e. to keep alive the worker as worker, the spinner day in day out as spinner. Every portion of time worked by the spinner in the labour process over and above the 10 hours, [I-45] all *surplus labour* in excess of the quantity of labour incorporated in his own labour capacity, would form a

^a See this volume, pp. 23-29.—*Ed.*

surplus value, because it would be surplus labour; hence more spun thread, more labour objectified as yarn.

If the worker must work for 10 hours in order to live for the whole day, which consists of 24 hours (in which are naturally included the hours during which he must as an organism rest from labour, sleep, etc., is unable to work), he can work over the whole day for 12, 14 hours, although he only needs 10 out of these 12, 14 hours for the reproduction of himself as a worker, as living labour capacity.

If we now assume that this process corresponds to the general law of commodity exchange, that equal quantities of labour time are alone being exchanged, i.e. that the exchange value of the commodity is equal to the quantity of any other use value that expresses the same exchange value, i.e. the same quantity of objectified labour, the general form of capital— $M—C—M—$ will have lost its absurdity and acquired content. Since the commodity, here the yarn, for whose elements the money owner exchanged his money before the labour process, would have received an addition to the original quantity of objectified labour, in the shape of the *product* of the labour process, the new use value, the yarn, the product would possess a greater value than the sum of the values preposited in its elements. If it was originally=132 thalers, it would now be=143, if instead of 16 thalers (1 thaler=1 day of labour) x more days of labour were contained in it. The value would now be=100+16+16+11, and if the capitalist re-sold the product of the labour process, the yarn, at its value, he would gain 11 thalers from the 132 thalers. The original value would have been not only preserved but increased.

One must ask whether this process does not contradict the law originally presupposed, that commodities are exchanged as equivalents, i.e. at their exchange values; the law, therefore, that governs the exchange of commodities?^a

It does not, for two reasons. Firstly, because money finds this specific object, living labour capacity, on the market, in circulation, as a commodity. Secondly, owing to the specific nature of this commodity. Its peculiar character consists namely in the fact that, whereas its exchange value, like that of all other commodities=the labour time incorporated in its own actual existence, in its existence as labour capacity, i.e.=the labour time necessary to keep alive this living labour capacity as such, or, what is the same thing,

^a See this volume, p. 33.—*Ed.*

to keep the worker alive as a worker,—its *use value* is labour itself, i.e. precisely the substance which posits exchange value, the particular fluid activity which fixes itself as exchange value and creates it.⁷² With commodities, however, only their exchange value is paid for. One does not pay for oil's quality of being oil on top of paying for the labour contained in it, any more than one pays for the drinking of wine in addition to the labour contained in it, or for the enjoyment when paying for the drinking. Similarly therefore with labour capacity: what is paid for is its own exchange value, the labour time contained in it itself. But since its use value is in turn labour itself, the substance that creates exchange value, it in no way contradicts the law of the exchange of commodities that the actual consumption of labour capacity, its actual use as a use value, posits more labour, manifests itself in more objectified labour, than is present within it itself as exchange value.

The sole condition required for this relationship to come into existence is that [I-46] labour capacity itself should step forth as a commodity to meet money, or value in general. But this confrontation is conditioned by a definite historical process which narrows down the worker to pure labour capacity; this is the same as saying that this process confronts labour capacity with the conditions of its realisation, hence confronts actual labour with its objective elements, as alien powers, separated from it, as commodities in the possession of other keepers of commodities.²¹ Under this *historical* presupposition labour capacity is a *commodity*, and under the presupposition that it is a commodity it by no means contradicts the law of the exchange of commodities, it much rather corresponds to it, that the labour time objectified in labour capacity or its exchange value does not determine its *use value*. The latter, however, is in turn itself labour. Hence in the actual consumption of this use value, i.e. in and through the labour process, the money owner can receive back more objectified labour time than he paid out for the exchange value of the labour capacity. *So that although he has paid an equivalent for this specific commodity* he receives back as a consequence of its specific nature—that its use value itself posits exchange value, is the creative substance of exchange value—a greater value by its use than he had advanced by its purchase, in which he paid for its exchange value alone, in line with the law of the exchange of commodities.

Therefore, presupposing a relationship in which labour capacity exists as mere labour capacity, hence as a commodity, and in

which it is accordingly confronted by money as the form of all objective wealth, the money owner, being only concerned with value as such, will only purchase labour capacity on condition that he acquires disposition over it for a longer period, or that the worker binds himself to work for him during the labour process for a longer period, than the labour time the worker would have to put in in order to keep himself alive as a worker, as living labour capacity, if he himself owned the material and means of labour. This difference between the labour time which measures the exchange value of labour capacity itself and the labour time during which it is used as use value, is the labour time worked by labour capacity beyond the labour time contained in its own exchange value, hence beyond the value it cost originally. As such it is surplus labour—*surplus value*.

If the money owner makes this exchange of money with living labour capacity and with the objective conditions for the consumption of this labour capacity—i.e. with the material and means of labour corresponding to its particular material determinateness—he thereby transforms money into capital, i.e. into self-preserving and self-augmenting, self-valorising value. At no time does he contravene the law of simple circulation, of the exchange of commodities, whereby equivalents are exchanged or the commodities—on the average—are sold at their exchange values, i.e. exchange values of equal magnitude, whatever use values they may exist in, replace each other as equal magnitudes. At the same time he fulfils the formula $M—C—M$, i.e. the exchange of money for the commodity so as to exchange the commodity for more money, and accordingly does not contravene the law of equivalence, acting instead entirely in line with it.

Firstly: Say, a normal working day=1 thaler, is expressed in the quantity of silver denominated by a thaler. The money owner expends 100 thalers for raw material; 16 thalers for instrument; and 16 thalers for the 16 labour capacities which he employs and whose exchange value=16 thalers. Thus he advances 132 thalers, which *re-appear* in the product (result) of the labour process, [I-47] i.e. in the consumption of the labour capacity he has bought, the labour process, productive consumption. But the commodity he has bought at its exchange value of 15 days of labour provides as a use value, say, 30 days of labour, a day of 6 hours provides 12 hours, objectifies itself in 12 hours of labour; i.e. it posits as a use value twice as great a value as it possesses as exchange value. But the use value of a commodity is independent of its exchange value and has nothing to do with the price at which it is sold—this is

determined by the amount of labour time objectified in it. The product therefore = $A+B+C+15$ hours of labour time. It is thus greater by 15 hours of labour time than the value preposited to the labour process. If $A=100$, $B=16$, $C=16$, the product = 143, i.e. 11 thalers' more value than the capital advanced. If he re-sells this commodity at its value, he gains 11 thalers, although the law of the exchange of commodities was not infringed at any moment of the whole operation, the commodities having on the contrary been exchanged at every moment at their exchange values and therefore as equivalents.

Simple as this process is, it has so far been very little understood. The economists have never been able to reconcile surplus value with the law of equivalence they themselves have postulated. The socialists have always held onto this contradiction and harped on it, instead of understanding the specific nature of this commodity, labour capacity, whose use value is itself the activity which creates exchange value.⁷³

Through this process, therefore, the exchange of money with labour capacity and the subsequent consumption of the latter, money is transformed into *capital*. The economists call this *the transformation of money into productive capital*, on the one hand in reference to other forms of capital, in which this basic process admittedly exists as a prerequisite but is extinguished in the form; and on the other hand in reference to the fact that money, in so far as it is confronted with labour capacity as a commodity, is *the possibility* of this transformation into capital, therefore is *in itself* capital, even if it is only through this process itself that it is transformed into actual capital. It has however the possibility of being transformed into *capital*.

It is clear that if surplus labour is to be realised, more of the material of labour is needed; more of the instrument of labour only in exceptional cases. If in 10 hours 10a pounds of cotton can be converted into twist, 10a+2a will be converted in 12 hours. In this case, therefore, more cotton is needed or it must be assumed from the outset that the capitalist buys an adequate quantity of cotton to *absorb* the surplus labour. But it is also possible, for example, that the same material can only be worked up into a half-finished state in half a day and completely finished in a whole day. Even so, in this case too, more labour has been consumed in the material and if the process is to continue from day to day, to be a continuous production process, more of the material of labour would still be required than if the worker only replaced by his work in the labour process the labour time objectified in his

own wages. Whether more of the means of labour is required and to what extent—and the means of labour is not limited to what are actually tools—depends on the technological nature of the particular labour, hence on the nature of the means consumed by it.

In every case more new labour must have been *absorbed* into the material of labour at the end of the labour process, and therefore objectified, than the amount of labour time objectified in the worker's wage. Let us simply stick to the example of the manufacturer. This *surplus absorption* of labour manifests itself as the working up of more material or the working up of the same material to a higher level than could be attained with less labour time.

[I-48] If we compare the valorisation process with the labour process, the distinction is strikingly apparent between actual labour, which produces use value, and the form of this labour which appears as the element of exchange value, as the activity that creates exchange value.

It is apparent that the particular kind of labour being performed, its material determinateness, does not affect its relation to capital, which is the only issue here. But we started out from the assumption that the labour of the worker was common average labour. Yet the *casus* is not altered if it is assumed that his labour has a higher specific gravity, is potentiated average labour.⁶⁹ Simple labour or average labour, the labour of the spinner, the miller, the tiller or the engineer, what the capitalist acquires objectified in the labour process, appropriates for himself through it, is the particular labour of the worker, spinning, milling, tilling the fields, building machines. The surplus value he produces always consists in the surplus quantity of labour, of labour time, during which the worker spins, mills, tills the fields, builds machines for longer than is necessary to produce his own wage. It therefore always consists in a surplus quantity of his own labour, which the capitalist receives for nothing, whatever the character of that labour may be, whether simple or potentiated. The relation, for example, in which potentiated labour stands to average social labour alters nothing in the relation of this potentiated labour to itself, it does not change the fact that an hour of it creates only half as much value as two hours, or that it is realised in proportion to its duration. Hence so far as the relation between labour and surplus labour—or labour which creates surplus value—comes into consideration, it is always a matter of the same kind of labour, and here the following is

correct, although it would not be correct in reference to exchange value positing labour as such:

*“When reference is made to labour as a measure of value, it necessarily implies *labour of one particular kind and a given duration*; the proportion which the other kinds bear to it being easily ascertained by the respective remuneration given to each”* ([J. Cazenove,] *Outlines of Political Economy*, London, 1832, [pp.] 22-23).

The product obtained by the capitalist in this way is a particular use value, whose value is equal to the value of the material, the means of labour, and the quantity of labour added (=the quantity of labour contained in the wage+the surplus labour, which is not paid for)= $A+B+S+S'$. Hence, if he sells the commodity at its value, he gains exactly as much as the amount of surplus labour. He does not gain through selling the new commodity at *over* its value but because he sells it *at* its value, converts the whole of its value into money. He thereby receives payment of a part of the value, a part of the labour contained in the product, which he has not bought and which has cost him nothing. The part of the value of his product which he has not paid for and sells constitutes his gain. In circulation, therefore, he merely realises the surplus value he has received in the labour process. This does not arise from circulation itself, it does not spring from his selling his commodity *at more than its value*.^a

//The value of the material and means of labour consumed in the labour process—the labour time objectified in them—reappears in the product, the new use value. It is preserved, but it cannot be said in the proper sense of the word that it is reproduced; for it is not affected by the change of form that has taken place in the use value, the fact that it now exists in a different use value from previously. If a day's labour is objectified in a use value, this objectification, the quantity of labour fixed in the use value, is not altered by the fact that e.g. the 12th hour of labour only enters into its composition 11 hours after the first hour of labour. Thus the labour time contained in the material and means of labour can be regarded as if it had only entered into the product at an earlier stage of the production process necessary for the manufacture of the whole product, hence of all its elements.

As against this, the situation is otherwise with labour capacity, in so far as it enters the valorisation process. It replaces the value contained in itself and therefore paid for itself or the objectified labour time paid for in its price, in the wage, by adding an equal

^a See this volume, p. 21 et seq.—*Ed*

quantity of new living labour to the material of labour. It therefore reproduces the value present in itself in advance of the labour process, quite apart from the fact that it also adds a surplus, surplus labour, over and above this quantity. The value of the material and means of labour only re-appears in the product because the material and means of labour possess this value *before* the labour process and independently [I-49] of it. But the value, and more than the value, of the labour capacity re-appears in the product^a because it is replaced, hence reproduced, by a greater quantity of new living labour in the labour process (even so, in *this* distinction the surplus quantity is at first irrelevant).//

UNITY OF THE LABOUR PROCESS AND THE VALORISATION PROCESS.
(THE CAPITALIST PRODUCTION PROCESS)

The actual production process, which occurs as soon as money has been transformed into capital by being exchanged for living labour capacity and ditto for the objective conditions for the realisation of this capacity—the material and means of labour—this production process is a unity of the labour process and the valorisation process, just as its result, the commodity, is a unity of use value and exchange value.

The production process of capital, looked at from its material side, the production of use values, is, first of all, a *labour process* in general, and as such it displays the general factors which pertain to this process as such under the most varied forms of social production. These factors are determined, namely, by the nature of labour as labour. Historically, in fact, at the start of its formation, we see capital take under its control (subsume under itself) not only the labour process in general but the specific actual labour processes as it finds them available in the existing technology, and in the form in which they have developed on the basis of non-capitalist relations of production. It finds in existence the actual production process—the particular mode of production—and at the beginning it only subsumes it *formally*, without making any changes in its specific technological character. Only in the course of its development does capital not only formally subsume the labour process but transform it, give the very mode of production a new shape and thus first create the mode of production peculiar to it.⁵⁵ But whatever its changed shape may

^a Above the word “product” Marx wrote: “(partial product)”—*Ed.*

be, as a labour process in general, i.e. as a labour process viewed in abstraction from its historical determinateness, it always contains the general moments of the labour process as such.

This *formal* subsumption of the labour process, the assumption of control over it by capital, consists in the worker's subjection as worker to the supervision and therefore to the command of capital or the capitalist. Capital becomes command over labour, not in the sense of Adam Smith's statement that wealth is absolutely command over labour,^a but in the sense that the worker as worker comes under the command of the capitalist. For as soon as he has sold his labour capacity for a definite period of time to the capitalist in return for a wage he must enter into the labour process as a worker, as one of the factors with which capital works.

If the actual labour process is the productive consumption of the use values that enter into it through labour, hence through the activity of the worker himself, it is also just as much the consumption of labour capacity by capital or the capitalist.⁷⁴ He employs the worker's labour capacity by having him work. All the factors of the labour process, the material of labour, the means of labour and living labour itself, as the activity, the consumption, of the labour capacity he has bought, belong to him; so the whole labour process belongs to him just as much as if he himself were working with his own material and his own means of labour. But since labour is at the same time the expression of the worker's own life, the manifestation of his own personal skill and capacity—a manifestation which depends on his will and is simultaneously an expression of his will—the capitalist supervises the worker, controls the functioning of labour capacity as an action belonging to him. He will make sure that the material of labour is used for the right purpose: consumed as material of labour. If any material is wasted, it does not enter into the labour process, is not consumed as material of labour. The same is true of the means of labour, when, e.g. the worker wears out their material substance in a manner other than that prescribed by the labour process itself. Lastly, the capitalist will make sure that the worker really works, works the whole time required, and expends *necessary labour time only*, i.e. does the normal quantity of work over a given time. In all these aspects, the labour process and thereby labour and the worker himself come under the control of capital, under its command. I call this the *formal subsumption* of the labour process under capital.⁷⁵

^a See this volume, p. 383.—*Ed.*

In the whole of the following investigation the labour the capitalist himself may perhaps perform is never reckoned among the components of the product's value. If it consists of simple labour, it has nothing to do with the relation as such, and the capitalist [I-50] is not operating as capitalist, as mere personification, capital incarnate. If, however, it is a form of labour that arises from the peculiar functions of capital as such, hence from the capitalist mode of production as such, we shall subject it later on to a more specific and precise examination as "*LABOUR OF SUPERINTENDENCE*".⁷⁶

This formal subsumption of the labour process under capital, or the command of the capitalist over the worker, has nothing in common with, e.g., the relation that prevailed in the guild industry of the Middle Ages between the master and the journeymen and apprentices.²⁹ It emerges instead, purely and simply, from the fact that productive consumption, or the production process, is at the same time a process of the consumption of labour capacity by capital, that the content and determining purpose of this consumption is nothing but the preservation and increase of the value of capital, and that this preservation and increase can only be attained by the most effective, most exact organisation of the actual labour process, which depends on the will, the hard work, etc., of the worker, and which is therefore taken under the control and supervision of the capitalist will.

// One more remark with reference to the production process: Money, in order to be transformed into capital, must be transformed into the factors of the labour process—i.e. into commodities which can figure as use values in the labour process; hence it must be transformed into means of consumption for labour capacity—i.e. the worker's means of subsistence—or into the material and means of labour. All commodities, therefore, or all products, which cannot be employed in this manner or are not destined to be thus employed, belong to the consumption fund of society, but not to capital (here we understand under capital the objects wherein capital exists). Nevertheless, as long as these products remain *commodities*, they are themselves a mode of existence of capital. If capitalist production is presupposed, capital produces all products without exception, and it is entirely irrelevant whether these products are destined for productive consumption or are unable to enter into it, unable therefore to become the body of capital again. But they then remain capital as long as they remain commodities, i.e. are present in circulation. As soon as they are definitively sold, they cease to be capital in this sense. To the extent that capital is not at

the stage of the labour process, it must absolutely be on hand in the form of commodity or money (if only perhaps a mere claim on money, etc.). But they cannot enter into the labour process or the production process as use values.//

In the same measure as the worker is active as a worker, i.e. *externalises* his labour capacity, he *alienates* it, since it has already been *alienated by sale* as a self-externalising capacity to the money owner before the labour process begins. As labour realises itself—on the one hand, as the form of raw material (as use value and product) and, on the other hand, as exchange value, *objectified* social labour in general—it is transformed into *capital*.

In general, to say that capital is a product, employed as a means for new production, is, as already remarked above, to misconstrue the capital-relation as covering the *objective conditions* of every labour process.⁵⁶ On the other hand, the same confusion may arise—and is even to be found in part in Ricardo himself⁷⁷—when capital is described as ACCUMULATED LABOUR^a employed for the production of more ACCUMULATED LABOUR. The expression is ambiguous, since one needs to understand no more by accumulated labour than products which are employed for the production of new use values. But the expression can also be understood in the sense that the product (as exchange value) is, in general, nothing but a definite quantity of *objectified* labour, expended in order to make this quantity grow—hence the *process of self-valorisation*. Although the second process presupposes the first, the first process, in contrast, does not necessarily imply the second.

To the extent that the *objective conditions* of labour, the material and means of labour, serve directly in the labour process, they are employed by the worker. BUT IT IS NOT LABOUR WHICH EMPLOYS CAPITAL, IT IS CAPITAL WHICH EMPLOYS LABOUR.⁷⁸ It is this specific position taken up by value in general towards labour capacity, by objectified, past labour towards living, present labour, by the conditions of labour towards labour itself, which forms the specific nature of capital. We shall go into this in somewhat more detail at the end of this section I. 1) (Transformation of Money into Capital).^b Here it suffices to say, for the moment, that in the production process—in so far as this is a valorisation process and hence a process of the self-valorisation of the preposited value or money—value (i.e. objectified general labour), past labour, [I-51] preserves and increases itself, posits surplus value, through exchange, through

^a Marx gives the English term in brackets after its German equivalent.—*Ed.*

^b See this volume, pp. 105-115.—*Ed.*

the relative appropriation of living labour, an exchange mediated by the purchase of labour capacity. It thus appears as value-in-process, and preserving and maintaining itself in the process. It thus appears as a *self*—the incarnation of this self is the capitalist—the *selfhood of value*. Labour (living) appears only as the means, the AGENCY through which capital (value) reproduces and increases itself.

“Labour is the agency by which capital is made productive of wages, profit, or revenue” (John Wade, *History of the Middle and Working Classes etc.*, 3rd ed., London, 1835, p. 161).

(In the abstract economic section of his book Wade has some original points for his time, e.g. on commercial crises, etc. The whole of the historical part is, in contrast, a striking example of the shameless plagiarism that predominates among the English economists. It is in fact copied almost word for word from Sir F. Morton Eden, *The State of the Poor etc.*, 3 vols, London, 1797.)⁷⁹

Value, objectified labour, acquires this relation to living labour only to the extent that it is confronted by labour *capacity* as such, i.e. to the extent that, conversely, the *objective conditions* of labour—and hence the conditions for the realisation of labour capacity—confront labour capacity itself in separation and independence, under the control of an alien will. Hence although the means and material of labour are not as such capital, they themselves appear as *capital* because their independence, their existence as entities in their own right vis-à-vis the worker and therefore labour itself, is rooted in their being. Just as gold and silver appear as money, and are, notionally, directly connected with the social relation of production of which they are the vehicles.⁸⁰

Within capitalist production, the relationship between the labour process and the valorisation process is that the latter appears as the purpose, the former only as the means. The former is therefore STOPPED when the latter is no longer possible or not yet possible. On the other hand, it is revealed in times of so-called speculative fashions, of crises of speculation (shares and so forth), that the labour process (actual material production) is only a burdensome requirement, and the capitalist nations are seized by a universal mania for attaining the goal (the valorisation process) without using the means (the labour process). The labour process as such could only provide its own purpose if the capitalist were concerned with the use value of the product. He is, however, *only* concerned with alienating it by sale as a commodity, converting it

back into money, and, since it was money originally, with the increase of this sum of money. In this sense it can be said:

“The value makes the product” (Say, *Cours complet*, p. 510).^{a81}

(This is in fact true for all production of *commodities*. On the other hand, it is also correct that only capitalist production is *commodity production* to the broadest extent, i.e. production for the individual's own use entirely disappears and the elements of production, even in agriculture, are to a greater and greater degree already *commodities* when they enter the production process.⁶⁰)

Here, in dealing with the transformation of money into capital, we only need to point generally to the form in which money appears (since we shall be returning to this in dealing with circulation⁸²). In any case this has already been done for the most part, in I. 1) a) (*The Most General Form of Capital*).

A further remark needs to be made with regard to the valorisation process: It is not merely value, but a sum of value, that is preposited to it. A value of a definite magnitude, a point which will be developed still further later on.^b It must (even as capitalist *in nuce*^c) at least be capable of buying 1 worker and the material and instrument needed for him. In short, the sum of value is here determined from the outset by the exchange values of the commodities which enter directly into the labour process.

We therefore call the whole thing the capitalist production process on the basis of capital. It is not a question of producing a product but a commodity—a product destined to be sold. And it is not a question of simply producing commodities in order by selling them to gain possession in this way of the use values available in circulation, but of producing commodities in order to preserve and increase the preposited value.

[I-52] // If the labour process is viewed entirely abstractly, it can be said that originally only two factors come into play—man and nature. (Labour and the natural material of labour.) His first tools are his own limbs, and even these he must first appropriate for himself. Only with the first product that is employed for new production—even if it is just a stone thrown at an animal to kill it—does the labour process proper begin.⁸³ One of the first tools appropriated by man is the animal (domesticated animal). (See on this point the passage in Turgot.⁸⁴) To this extent, from the point

^a Marx quotes in French.—*Ed.*

^b See this volume, p. 186 et seq.—*Ed.*

^c In embryo.—*Ed.*

of view of labour, Franklin is right to define man as “A TOOL-MAKING ANIMAL” OR “ENGINEER”.⁸⁵ The earth and labour would then be the original factors of production; the products destined for labour, produced material of labour, means of labour, means of subsistence, would only be derivative factors.

“The earth is *necessary*; capital is *useful*. And labour with the earth produces capital” (Colins, *L'économie politique. Source des révolutions et des utopies prétendues socialistes*, Vol. III, Paris, 1857, [p.] 288).^a

//Colins believes that this achievement of independence by value, see VII-153, 154,⁸⁶ which is contained in the concept of capital, was invented by the economists.//

The above-mentioned ambiguity is also present in *James Mill*.

*“All capital” * //here CAPITAL in the merely material sense// * “consists really in commodities... The first capital must have been the result of pure labour. The first commodities could not be made by any commodities existing before them” * (James Mill, *Elements of Political Economy*, London, 1821, [p.] 72).

However, this separation of production into the factors man, as vehicle of labour, and earth (actually nature) as object of labour, is also totally abstract. For man does not originally confront nature as a worker but as a proprietor, and it is not man as a solitary individual but man as member of a tribe, a clan, a family, etc., as soon as one can at all speak of man leading a human existence.⁸⁷

//In the same Mill:

*“Labour and Capital ... the one, *immediate labour* ... the other, *hoarded labour*, that which has been the result of former labour” * (l.c., [p.] 75).//

If, on the one hand, capital is reduced in the labour process to its merely material mode of existence—if it is separated into its factors—in order in general to smuggle it in as a *necessary* element of all production,⁸⁶ it is, on the other hand, also conceded that capital is of a purely notional nature, because it is value (*Say*, *Sismondi*, etc.).^b

If it is said that capital is a *product as opposed to a commodity* (Proudhon, Wayland, etc.)^c or that it is the instrument of labour and the material of labour, or that it also consists of the products the worker receives, etc., it is forgotten that in the labour process labour has already been incorporated into capital and belongs to it just as much as the means and material of labour.

*“When the labourers receive wages for their labour ... the capitalist is the *owner*, not of the capital only” * (in this material sense), * “but of *the labour also*. If

^a Marx quotes in French.—*Ed.*

^b See this volume, p. 150.—*Ed.*

^c *Ibid.*, p. 154.—*Ed.*

what is paid as wages is included, as it commonly is, in the term capital, it is absurd to talk of labour separately from capital. The word capital, as thus employed, includes labour and capital both"* (James Mill, l.c., [pp.] 70, 71).

Just as it is convenient for the apologists of capital to confuse it with the use value in which it exists, and to call use value as such capital, in order to present capital as an eternal factor of production, as a relation independent of all social forms, immanent in every labour process, hence immanent in the labour process in general, so equally does it happen that it suits Messieurs the economists when reasoning away some of the phenomena which belong peculiarly to the capitalist mode of production to forget the essential feature of capital, namely that it is value positing itself as value, hence not only self-preserving but at the same time self-multiplying value. This is convenient e.g. for proving the impossibility of overproduction.⁸⁸ The capitalist is here conceived as someone who is only concerned with the consumption of certain products (their appropriation by means of the sale of his commodity), not with the increase of the preposited value, purchasing power as such, abstract wealth as such.

Through the transformation of money into capital (effected by the exchange of money with labour) the general formula for capital, $M—C—M$, has now acquired a content. Money is the independent existence of exchange value. Viewed from the angle of its quality, it is the material representative of abstract wealth, *the material existence of abstract wealth*. But, the degree [I-53] to which it is this, the extent to which it corresponds to its concept, depends on its own quantity or mass. In the increase of money—corresponds to the increase of value as such—this increase is an end in itself. To make money by means of money is the purpose of the capitalist production process—the increase of wealth in its general form, of the quantity of objectified social labour which is, as this labour, expressed in money. Whether the existing values figure merely as money of account in the ledger, or in whatever other form, as tokens of value, etc., is initially a matter of indifference. Money appears here only as the form of independent value which capital assumes at its starting-point as also at its point of return, but constantly abandons again. A more detailed treatment of this belongs in II) *The Circulation Process of Capital*.⁸²

Capital is here money-in-process, for which its forms as money and commodity are themselves merely alternating forms. It is continuously estimated in money of account—and is only valid as this money's material existence, even as long as it exists as a commodity; and no sooner does it assume the form of money than

it must, in order to valorise itself, abandon that form again. To say the capitalist is concerned with money is to say nothing but that he is concerned purely with exchange value, with the increase of exchange value, with abstract enrichment. But this is solely expressed as such in money.

“THE GREAT OBJECT OF THE MONIED CAPITALIST, IN FACT, IS TO ADD TO THE NOMINAL AMOUNT OF HIS FORTUNE. IT IS THAT, IF EXPRESSED PECUNIARILY THIS YEAR BY £20,000 for example, IT SHOULD BE EXPRESSED PECUNIARILY NEXT YEAR BY £24,000. TO ADVANCE HIS CAPITAL, AS ESTIMATED IN MONEY, IS THE ONLY WAY IN WHICH HE CAN ADVANCE HIS INTEREST AS A MERCHANT. The IMPORTANCE OF THIS OBJECT TO HIM IS NOT AFFECTED BY FLUCTUATIONS IN THE CURRENCY OF BY A CHANGE IN THE REAL VALUE OF MONEY. For instance, he may have advanced his fortune, by the business of one year, from £20,000 to £24,000; and yet, from a decline in the value of money, he may not HAVE INCREASED HIS COMMAND over the COMFORTS, etc. Still it was as much his interest [to have engaged in the business], as if money had not fallen; for else, HIS MONIED FORTUNE WOULD HAVE REMAINED STATIONARY, and his REAL WEALTH WOULD HAVE DECLINED IN THE PROPORTION OF 24 TO 20.... COMMODITIES are, therefore, not the TERMINATING OBJECT of the TRADING CAPITALIST, save in the spending of his REVENUE, and when he purchases for the SAKE OF CONSUMPTION. IN THE OUTLAY OF HIS CAPITAL, AND WHEN HE PURCHASES FOR THE SAKE OF PRODUCTION, MONEY IS HIS TERMINATING OBJECT” (Thomas Chalmers, *On Political Economy in Connexion with the Moral State and Moral Prospects of Society*, 2nd ed., London, 1832, [pp.] 165-66).

// Another point in relation to the formula **M—C—M**. Value as capital, self-valorising value, is *value raised to a second power*. Not only does it have an independent expression, as in money, but it compares itself with itself (or is compared by the capitalist), measures itself at one period (the magnitude of value in which it was preposited to the production process) against itself in another period, namely after its return from circulation—after the commodity has been sold and re-converted into money. Value therefore appears as the same subject in two different periods, and indeed this is its own movement, the movement that characterises capital. Only in this movement does value appear as capital. See in opposition to this “*A Critical Dissertation on the Nature, Measures, and Causes of Value; Chiefly in Reference to the Writings of Mr. Ricardo and His Followers*. By the Author of *Essays on the Formation and Publication of Opinions*.” // *S. Bailey*, // London, 1825. //

Bailey’s main argument against the whole determination of value by labour time is this: Value is only the *relation* according to which different commodities are exchanged. Value is only a RELATION between 2 commodities.

Value is nothing *‘intrinsic or absolute’* (l.c., p. 23). *‘It is impossible to designate, or express the value of a commodity, except by a quantity of some other

commodity"* (l.c., [p.] 26). *"Instead of regarding value as a relation between 2 objects, they"* (THE RICARDIANS) (and Ricardo himself) *"consider it as a positive result produced by a definite quantity of labour"* (l.c., [p.] 30). *"Because the values of A and B, according to their doctrine, are to each other as the quantities of producing labour, or ... are determined by the quantities of producing labour, they appear to have concluded, that the value of A alone, without reference to anything else, is as the quantity of its producing labour. There is no meaning certainly in the last proposition"* (pp. 31-32). They speak of *"value as a sort of general and independent property"* (l.c., [p.] 35). *"The value of a commodity must be its value in something"* (l.c.)

As objectification of social labour the commodity is expressed as something relative. For [if the]^a labour contained [in A]^a is equated to all others, this is only as a particular form of existence of social labour. In this, however, the individual is already not viewed in isolation, but if Bailey wishes it, his labour is posited relatively and the commodity is itself posited as the form of existence of this relative thing.

[II-54] The same Bailey says (l.c., p. 72):

*"Value is a relation between *contemporary* commodities, because such only admit of being exchanged for each other; and if we compare the value of a commodity at one time with its value at another, it is only a comparison of the relation in which it stood at these different times to some other commodity."*

He says this as an argument against "COMPARING COMMODITIES AT DIFFERENT PERIODS" as if for example in the turnover of capital the capitalist HAD NOT CONTINUOUSLY TO COMPARE THE VALUE OF ONE PERIOD TO THE VALUE OF ANOTHER PERIOD.³⁸

//It could now be asked, what is the relationship in which capital's monetary expression stands to capital itself. Once money exists in the form of money, the constituent elements for which it is exchanged in its transformation into productive capital confront it as commodities. Here, therefore, the laws developed in the metamorphosis of the commodity or in the simple turnover of money are valid.^b If tokens of value circulate, whether they serve as means of circulation or means of payment, they merely represent the value of the commodities estimated in money or they directly represent money, which is equal in quantity to the amounts of money expressed in the prices of the commodities. As such they have no value. They are therefore not yet capital in the sense that the latter is objectified labour. They represent instead in full the price of the capital, as they previously represented that

^a MS damaged.— Ed.

^b K. Marx, *A Contribution to the Critique of Political Economy*. Part One (present edition, Vol. 29, pp. 324-34).— Ed.

of the commodity. If real money circulates, this is itself objectified labour—capital—(because commodity).

If we divide the total sum of money turning over by the number of times it turns over, we get the quantity of money really engaged in the process of turning over, and this is a constituent element of the capital, fixed or circulating according to the view one wishes to take of it. I can buy commodities for 120 thalers with the same 6 thalers if they turn over 20 times in a day: they represent the value of 120 thalers in the course of a day. But the 6 thalers themselves must be added to this. So the whole amount of capital turning over in the course of the day=126 thalers.

If a capital=100 thalers, and it buys commodities with those 100 thalers, then the same 100 thalers now represent a 2nd capital of 100 thalers and so on. If they turn over 6 times in the day, they have successively represented a capital of 600 thalers. How much or how little capital they represent on a given day therefore depends on their velocity of turnover = the speed of the commodity's metamorphosis, which appears here as the metamorphosis of capital, alternately assuming and abandoning its forms of money and commodity. If the money functions as means of payment, 600 thalers of money can pay for any amount of capital, since its negative and positive charges cancel out, leaving a balance of 600 thalers.

Whereas originally, in the simple circulation of commodities, money appears as a point of transition, the metamorphosis of the commodity,^a the commodity transformed into money appears as the point of departure and conclusion of the movement of capital, and the commodity appears as metamorphosis of capital, as a mere point of transition.

The only distinguishing marks of money in so far as it appears as a form of capital—as real money, not as money of account—are these: 1) It returns to its point of departure, and in increased quantity. Money expended for consumption does not return to its point of departure; capital—money advanced for the purpose of production—returns in increased quantity to its point of departure. 2) Money which has been expended remains in circulation, from which it withdraws the commodity; capital throws back into circulation more commodities than it withdrew and it therefore also constantly withdraws anew from circulation the money it has expended. The more rapid this cyclic movement, i.e. the more

^a K. Marx, *A Contribution to the Critique of Political Economy*. Part One (present edition, Vol. 29, pp. 332).—Ed.

rapid the circulation or metamorphosis of capital, the more rapid the turnover of money, and since this movement of capital is many-sided, the more does money serve as means of payment and the more do debts and assets balance each other.//

Capital transformed into money in the way we have described becomes *productive capital* in so far as it has subsumed the production process, functions as buyer and employer of labour. Only where capital has subjected production itself to its control, hence where the capitalist produces, does capital exist as the dominant, specific form of a period of production. Formally speaking, it may already have emerged previously in other functions, and it appears in these functions in its own period too. But then these are only derivative and secondary forms of capital, such as commercial and interest-bearing capital, etc.¹⁵ So when we speak of productive capital, the whole of this relation is to be understood, not as if one of the forms of use value in which it appears in the labour process were in itself productive, with the machine or the material of labour producing value, etc.⁸⁹

From the valorisation process, whose result is the value advanced and a SURPLUS, a surplus value (in the labour process itself capital appears as a real use value; i.e. as real consumption, for only in consumption is [II-55] use value realised as use value; this process of the consumption of capital itself forms an economic relation, has a definite economic form and is not indifferent, falling outside the form, as in the concept of the mere commodity³⁹; these use values of which capital consists are conceptually determined by the activity of labour capacity, which consumes them) it follows that the actual specific product of capital, so far as it produces as capital, is *surplus value* itself and *that in production by capital the specific* product of labour, so far as capital incorporates labour, is not this or that product but *capital*. The labour process itself appears only as the means of the valorisation process, just as, in general, use value appears here as only the repository of exchange value.

THE 2 COMPONENTS INTO WHICH THE TRANSFORMATION
OF MONEY INTO CAPITAL IS DIVIDED

[II-A]⁹⁰ What the worker sells is disposition over his labour capacity—temporally limited disposition over it. The piece-work system of payment does, admittedly, introduce the semblance that the worker obtains a definite *share in the product*. But this is only another form of measuring labour time. Instead of saying: you

will work for 12 hours, it is said: you will receive such and such an amount per piece, i.e. we measure the number of hours by the product, as the size of the AVERAGE product of an hour has been established by experience. The worker who cannot supply this minimum is dismissed. (See *Ure*.⁹¹)

In accordance with the general relation of purchase and sale, the *exchange value* of the worker's commodity cannot be determined by the way in which the purchaser *uses* the commodity; it is determined solely by the quantity of objectified labour contained in the commodity itself; here, therefore, by the quantity of labour it costs to produce the worker himself, for the commodity he offers exists only as an ability, a capacity, and has no existence outside his bodily form, his person. The labour time necessary both to maintain him physically and to modify him to develop this *special* capacity is the labour time necessary to produce the worker as such.

In this exchange the worker in fact only receives money as *coin*, i.e. merely a transitory form of the means of subsistence for which he exchanges it. Means of subsistence, not wealth, are for him the purpose of the exchange.

Labour capacity has been called the capital of the worker in so far as it is the fund he does not consume by an isolated exchange, but is able to repeat the exchange again and again for the *duration of his life as a worker*. On this argument everything that formed a fund for repeated processes by the same subject would be capital; e.g. the eye would be the capital of sight. Phrases.⁹² The fact that, as long as he is capable of working, labour is always a source of exchange for the worker, and not exchange absolutely but exchange with capital, is inherent in the definition of the concept, according to which he only sells the *temporary disposition* over his labour capacity, hence can always begin the same act of exchange anew once he has half satisfied his hunger and slept half long enough, taken in the appropriate quantity of substances to be able to reproduce afresh the manifestation of his life.

Instead of wondering at this and presenting to the worker the fact that he lives at all, hence is able to repeat certain life processes every day, as a great service rendered by capital, the whitewashing sycophants of bourgeois political economy should rather have fixed their attention on the fact that after constantly repeated labour he always has *only* his living, direct labour itself to exchange. The repetition itself is, IN FACT, merely an apparent one.

What he exchanges for capital (even if it is represented in relation to him by different, successive capitalists) is *his entire labour capacity*,

which he expends over 30 years, *SAY*. It is paid for in doses, just as he sells it in doses. This changes absolutely nothing in the essence of the matter, and in no way justifies the conclusion that, because the worker must sleep for a certain number of hours before he is capable of repeating his labour and his exchange with capital, labour forms *his capital*. Hence what IN FACT is here conceived as his capital is the limit to his labour, its interruption, the fact that he is not a *perpetuum mobile*. The struggle for the normal working day proves that the capitalist would like nothing better than for the worker to *squander his dosages of vital force, as far as possible, without interruption*. [II-A]

[II-55] The whole movement that money performs to be converted into capital therefore falls into two distinct processes: the first is an act of simple circulation, purchase on one side, sale on the other; the second is the consumption of the purchased article by the buyer, an act which lies outside circulation, takes place behind its back. The consumption of the purchased article, in consequence of the latter's specific nature, here itself constitutes an economic relation.³⁹ In this consumption process the buyer and the seller enter into a new relation with each other, which is at the same time a *relation of production*.

The two acts may be entirely separate in time; and whether the sale is realised straight away or first concluded nominally and subsequently realised, it must always, at least nominally, as a stipulation made between buyer and seller, precede as a specific act the second act, the process of consumption of the purchased commodities—although their stipulated price is not paid until later.

The first act fully corresponds to the laws of commodity circulation, to which it belongs. Equivalent is exchanged for equivalent. The money owner pays out on the one hand the value of the material and means of labour, on the other hand the *value* of the labour capacity. In this purchase he therefore gives in money exactly as much objectified labour as he withdraws from circulation in the form of commodities—labour capacity, material of labour and means of labour. If this first act did not correspond to the laws of the exchange of commodities, it could not appear at all as the act of a mode of production whose foundation is namely that the most elementary relationship individuals enter with each other is that of commodity owners.²⁰ A different foundation of production would have to be assumed in order to explain it. But,

inversely, it is precisely the mode of production whose product always has the elementary form of the commodity, and not that of use value, which is based on capital, on the exchange of money for labour capacity.

The second act displays a phenomenon which in its result and its conditions is not only entirely alien to the laws of simple circulation but even appears to be at odds with it. In the first place, the social position of the seller and the buyer changes in the production process itself. The buyer takes command of the seller, to the extent that the latter himself enters into the buyer's consumption process with his person as a worker. There comes into being, outside the simple exchange process, a relation of domination and servitude, which is however distinguished from all other historical relations of this kind by the fact that it only follows from the specific nature of the commodity which is being sold by the seller; by the fact, therefore, that this relation only arises here from purchase and sale, from the position of both parties as commodity owners, therefore in itself once again includes political, etc., relationships. The buyer becomes the chief, lord (MASTER), the seller becomes his worker (MAN, HAND). In the same way as the relation of buyer and seller, as soon as it is inverted to become the relation of creditor and debtor, alters the social position of both parties—but there it is only a temporary change. Here it is permanent.⁹³

But if one considers the result itself, it completely contradicts the laws of simple circulation, and this becomes even more striking when, as is usually the case, payment is only made after the labour has been delivered, the purchase being therefore in fact realised only at the end of the production process. For now labour capacity no longer confronts the buyer as such. It has become objectified in the commodity, say for example 12 hours of labour time, or 1 day's labour. The buyer therefore receives a value of 12 hours of labour. But he only pays for a value of say 10 hours of labour. Here equivalents would not really be exchanged for each other; but in fact no exchange is taking place at all now. One could only say: even assuming—and this is a favourite phrase—assuming that Act I has not taken place in the manner described but [II-56] instead the buyer pays not for the labour capacity but rather for the labour itself that has been provided. It can only be imagined. The product is now ready, but its value only exists in the form of its price. It must first be realised as money. If, then, the capitalist immediately realises for the worker his part of the product in money, it is in order that the worker should be content with a

lesser equivalent in money than he has given up in the commodity. From a general point of view this is absurd. For it adds up to the assertion that the seller must always be satisfied with a lesser equivalent in money than he provides in the commodity. Once the buyer transforms his money into a commodity, buys, the value only continues to exist in the commodity he buys as price; it no longer exists as realised value, as money. *He receives no compensation* for the fact that his commodity has lost the form of exchange value, of money. On the other hand, he has gained by the transaction, in that it now exists in the form of the commodity.

But, it is further argued, if I buy a commodity for my own consumption, that is something different; I am interested in its use value. There, it is only a matter of transforming exchange value into means of subsistence. In contrast to this, if I buy a commodity in order to re-sell it, I evidently suffer an initial loss when I exchange my money for it. For I am only concerned with exchange value and by the act of purchase my money loses the form of money. The exchange value exists now only as price, as an equation with money which has yet to be realised. But the intention with which I buy a commodity has nothing to do with its value. The phenomenon that in buying in order to sell a surplus value emerges would here be derived from the *intention* of the buyer that this surplus value should emerge, which is obviously absurd. When I sell a commodity I am completely indifferent to the use the buyer intends to make of it, as also to the misuse. Let us assume that the commodity owner has insufficient money to buy labour, but enough to buy the material and means of labour. The sellers of the material and means of labour would laugh him to scorn if he were to say: the material and means of labour are incomplete products; one is so in the nature of things, the other, likewise, only forms a constituent element of a later product and has no value except in so far as it enters into that product. Let us say that in fact the material of labour costs 100 thalers, the means of labour 20, and the labour I add to them, measured in money, is equal to 30 thalers. The value of the product would then be 150 thalers, and as soon as I am done with my work I have a commodity of 150 thalers, which, however, must first be sold in order to exist in the form of exchange value, as 150 thalers. I have given 100 thalers to the seller of the material, and 20 thalers to the seller of the means of labour; these form constituent elements of my commodity's value; they form 80% of its price. This 80% of my as yet unsold commodity—which I must first turn back into money—has been realised in money by the sellers of the raw

material and the means of labour in that they sold them to me, before the product was finished, and furthermore before it was sold. I am therefore making them an advance by the mere act of buying, and they ought accordingly to sell me their commodities at less than their value. The case is just the same.

In both cases I have a commodity of 150 thalers in my hands, but it must first be sold, realised in money. In the first case I have myself added the value of the labour, but I have paid in advance the value of the material and means of labour, not only before the product has been sold, but before it is finished. In the second case the worker has added the value and I have paid him before the sale of the commodity. So one would always arrive at the absurd conclusion that the buyer as such has the privilege of buying cheaper, whereby he would lose just as much in his capacity of seller as he would have gained as buyer. At the end of the day for example the worker has added a day's labour to the product and I possess this labour of his in objectified form, as exchange value; I only pay him for this when I give back to him the same exchange value in money. The form of use value in which the value exists changes the magnitude of value just as little as it is changed by existing in the form of the commodity rather than that of money, as realised rather than non-realised value.

What creeps into this conception is the recollection of cash discount. If I have commodities ready, and either have money advanced on them—without selling them (or only making a conditional sale)—or draw out money on a bond of payment for a commodity which is already sold but for which payment first falls due later—for which I therefore have received in payment a bond, a bill of exchange or the like, only to be realised later—in both of these cases I pay discount. I pay for having received money without selling the commodity, or for having received money before the commodity is payable, before the sale is actually realised; in one or the other form I borrow money, and I pay for this. I give up part [11-57] of the price of the commodity, yielding it to the person who advances me money for the commodity as yet unsold or the commodity whose price is not yet payable. Here, therefore, I am paying for the metamorphosis of the commodities.

But if I am the buyer of labour—once it has been objectified in the product—this relation does not fill the bill, to begin with. For whether money is advanced [on unsold commodities] or the payment bond is discounted, in both cases the advancer of the money is not the buyer of the commodity but a third person who interposes himself between buyer and seller. But in our case the

capitalist confronts the worker who has provided him with the commodity—a definite amount of labour time objectified in a particular use value—as buyer, and he pays when he has already received the equivalent in the commodity. Secondly, this whole relation between the industrial capitalist and the capitalist advancing money at interest presumes that the capital-relation already exists. It is assumed that money—value in general—possesses as such the quality of valorising itself within a definite period of time, the ability to create a certain surplus value, and payment is made for its use on this assumption. Here, therefore, a derived form of capital is being presupposed in order to explain its original form—a particular form in order to explain its general form.⁹⁴

In any case, the upshot of the whole thing is always this: The worker cannot wait until the product is sold. In other words, he does not have a *commodity* to sell, only his own labour. If he had *commodities* to sell, this would imply that in order to exist as a seller of commodities—since he does not live off the product and the commodity is not a use value for himself—he would always have to have in stock in the form of money as much of the commodities as he needs to live, to buy provisions, until his new commodity is finished and sold. Once again we have the same presupposition as in the first act, namely that the worker is faced, as mere labour capacity, with the objective conditions of labour, which include both his means of subsistence—the means to living while he works—and the conditions for the realisation of his labour itself.²¹ Under the pretext of reasoning out of existence the first relation on which everything depends, and which is decisive, it is thus re-established.

Another form is just as idiotic: By receiving his wages, the worker has already received his share of the product or the value of the product, hence he has no further demands to make. Capitalist and worker are *associés*,^a joint proprietors of the product or its value, but one PARTNER has his share paid to him by the other and thereby loses his right to the value resulting from the sale of the product and the profit realised therein. Arising from this we have to distinguish between TWO FALLACIES. If the worker had received an equivalent for the labour added by him to the raw material, he would in fact have no further claim. He would have received his share payment at its full value. This would of course show why he has nothing further to do with either the commodity or its value, but it by no means shows why he receives an equivalent in money

^a Partners.— *Ed.*

which is *smaller* than he provided in the *labour objectified* in the product.

Thus in the above example the seller of raw material at 100 thalers and the seller of the means of labour at 20, which were bought from them by the producer of the new commodity, have no claim to the new commodity and its value of 150 thalers. It does not, however, follow from this that the one received only 80 thalers instead of 100 and the other only 10 instead of 20. It only proves that if the worker has received his equivalent before the sale of the commodities—he has, however, sold *his* commodity—he has nothing further to demand. But it does not prove that he has to sell his commodity *at less than the equivalent*. Now of course a second illusion creeps in. The capitalist now sells the commodity at a profit. The worker, who has already obtained his equivalent, has already waived his claim to the profit which arises from this subsequent operation. Here then we once again have the old illusion that profit—surplus value—arises from circulation and therefore that the commodity is sold over its value and the buyer is defrauded. The worker would have no share in this fraud carried out by one capitalist on another; but the profit of the one capitalist would be equal to the loss of the other, and thus no surplus value would exist in and for itself, for capital as a whole.^a

There are of course particular forms of wage labour in which it *appears* as if the worker sold not his labour capacity but his *labour* itself, already *objectified* in the commodities. In the *piece wage* for example. However, this is [11-58] only another form of measuring labour time and supervising labour (of only paying for *necessary* labour).^b If I know, for example, that average labour can deliver 24 units of some article in 12 hours, then 2 units would be equivalent to 1 hour of labour. If the worker receives payment for 10 of the 12 hours he works, hence if he works 2 hours of surplus time, this is the same as if in every hour he provided $\frac{1}{6}$ of an hour of surplus labour (labour for nothing). (10 minutes, hence 120 minutes over the whole day=2 hours.)

Assuming that 12 hours of labour, evaluated in money, =6s., then 1 hour = $\frac{6}{12}$ s. = $\frac{1}{2}$ s. = 6d. The 24 units therefore = 6s., or a single unit = $\frac{1}{4}$ s. = 3d. It is all the same whether the worker adds 2 hours to 10 or 4 units to 20. Each unit of 3d. = $\frac{1}{2}$ hour of labour of 3d. The worker, however, receives not 3d. but $2\frac{1}{2}$ d. And if he delivers 24 units, he receives 48d. + 12d. = 60d. = 5s., while the

^a See this volume, pp. 25-26.—*Ed.*

^b *Ibid.*, pp. 103-04.—*Ed.*

capitalist sells the commodity at 6s. It is therefore only another way of measuring labour time (and equally of supervising the quality of the labour). These different forms of wage labour have nothing to do with the general relationship. It is in any case obvious that the same question arises with piece wages: where does the surplus value come from? It is clear that the piece is not completely paid for; that more labour is absorbed in the piece than is paid for in money.

Hence the whole phenomenon can only be explained (all other ways of explaining it ultimately return to presupposing its existence) by the fact that the worker does not sell his labour as a commodity—and it is a commodity as soon as it is objectified, in whatever use value, hence always as a result of the labour process, hence mostly before the labour has been *paid for*—but his labour capacity, before it has been set to work and realised itself as labour.

The result—that the preposited value, or the sum of money the buyer cast into circulation, has not only been reproduced but valorised itself, grown in a definite proportion, that a surplus value has been added to the value—this result is only realised in the direct production process, for only here does labour capacity become actual labour, only here is labour objectified in a commodity. The result is that the buyer gets back more objectified labour in the form of the commodity than he advanced in the form of money. This surplus value—this surplus of objectified labour time—arose first during the labour process itself; later the buyer throws it back into circulation by selling the new commodity.

But this second act, in which surplus value really arises and capital in fact becomes productive capital, can only occur as a result of the first act and is only a consequence of the specific use value of the commodity, which is in the first act exchanged for money at *its value*. The first act, however, only takes place under certain historical conditions.²¹ The worker must be free, in order to be able to dispose of his labour capacity as his property, he must therefore be neither slave, nor serf, nor bondsman. Equally, he must on the other hand have forfeited the conditions for the realisation of his labour capacity. He must therefore be neither a peasant farming for his own needs nor a craftsman; he must have altogether ceased to be an owner of property. It is assumed that he *works as a non-proprietor* and that *the conditions of his labour confront him as alien property*. Thus these conditions also imply that the earth confronts him as alien property; that he is excluded from the use of nature and its products. This is the point at which

landed property appears as a necessary prerequisite for wage labour and therefore for capital. But in any case this does not have to be borne in mind any further in considering capital as such, since the form of landed property corresponding to the capitalist form of production is itself a historical product of the capitalist mode of production.⁹⁵ There therefore lies hidden in the existence of labour capacity offered as a commodity by the worker himself a whole range of historical conditions which alone permit labour to become wage labour, hence money to become capital.

Here, of course, it is a matter of production's resting in general on this basis; wage labour and its employment by capital should not occur as sporadic phenomena on the surface of the society, but should constitute the [II-59] dominant relation.

For labour to be wage labour, for the worker to work as a non-proprietor, for him to sell not commodities but disposition over his own labour capacity—to sell his labour capacity itself in the sole manner in which it can be sold—the conditions for the realisation of his labour must confront him as *alienated conditions*, as *alien powers*, conditions under the sway of an alien will, as alien property. *Objectified labour*, value as such, confronts him as an *entity in its own right*, as *capital*, the vehicle of which is the capitalist—hence it also confronts him as the *capitalist*.

What the worker *buys* is a result, a definite value; the quantity of labour time equal to the quantity contained in his own labour capacity, hence an amount of money necessary to keep him alive *qua* worker. For what he buys is money, hence merely another form for the exchange value he himself already possesses as labour capacity, and in the same quantity.

What the capitalist buys, in contrast, and what the worker sells, is the use value of labour capacity, i.e. labour itself, the power which creates and enhances value. This value-creating and value-enhancing power therefore belongs not to the worker but to capital. By incorporating into itself this power, capital comes alive and begins to work “as if its body were by love possessed”.^a Living labour thus becomes a means whereby objectified labour is preserved and increased. To the extent that the worker creates wealth, living labour becomes a power of capital; similarly, all development of the productive forces of labour is development of the productive forces of capital. What the worker himself sells—and this is always replaced with an equivalent—is labour capacity itself, a definite value, whose magnitude may oscillate

^a Goethe, *Faust*, Der Tragödie erster Teil, “Auerbachs Keller in Leipzig”.—Ed.

between wider or narrower limits, but which is always reducible conceptually to a definite amount of the means of subsistence required for the maintenance of labour capacity as such, i.e. so that the worker may continue to live as a worker. Objectified, past labour thereby becomes the sovereign of living, present labour. The relation of subject and object is inverted. If already in the presupposition the objective conditions for the realisation of the worker's labour capacity and therefore for actual labour appear to the worker as alien, independent powers, which relate to living labour rather as the conditions of their own preservation and increase—the tool, the material [of labour] and the means of subsistence only giving themselves up to labour in order to absorb more of it—this inversion is still more pronounced in the result. The objective conditions of labour are themselves the products of labour and to the extent that they are viewed from the angle of exchange value they are nothing but labour time in objective form.

In both directions, therefore, the objective conditions of labour are the result of labour itself, they are *its own objectification*, and it is its own objectification, labour itself as its result, that confronts labour as an *alien power*, as an *independent power*; while labour confronts the latter again and again in the same objectlessness, as mere labour capacity.⁹⁶

If the worker needs to work only for half a day in order to live for a whole day, i.e. in order to produce the means of subsistence necessary for his daily maintenance as a worker, the exchange value of his daily labour capacity=half a day's labour. The use value of this capacity, on the other hand, consists not in the labour time needed to preserve and produce, or reproduce, that capacity itself, but in the labour time it can itself work. Its use value therefore consists for example in a day's labour, whereas its exchange value is only half a day's labour. The capitalist buys it at its exchange value, at the labour time required to preserve it; what he receives, in contrast, is the labour time during which it can itself work; hence in the above case a whole day, if he has paid for a half. The size of his profit depends on the length of the period of time for which the worker places his labour capacity at his disposal. But in all circumstances the relation consists in this, that the worker puts it at his disposal for longer than the amount of labour time necessary for his own reproduction. The capitalist only buys it because it has this use value.

Capital and wage labour only express two factors of the same relation. Money cannot become capital without being exchanged

for labour capacity as a commodity sold by the worker himself; therefore without finding this specific commodity available on the market. On the other hand, labour can only appear as wage labour once the specific conditions of its realisation, its *own* objective conditions, confront it as powers in their own right, alien property, value-being-for-itself²⁵ and holding fast to [II-60] itself, in short as capital. Hence if capital from its material side—or in terms of the use values in which it exists—can only consist of the objective conditions of labour itself, the means of subsistence and means of production (the latter in part material of labour, in part means of labour), from its formal side these objective conditions must confront labour as *alienated*, as *independent* powers, as value—objectified labour—which relates to living labour as the mere means of its own preservation and increase.

Wage labour—or the wage system—(the wage as the price of labour) is therefore a necessary social form of labour for capitalist production, just as capital, potentiated value, is a necessary social form the objective conditions of labour must have for labour to be wage labour. One thus sees what a deep understanding of this social relation of production is possessed by e.g. a Bastiat, who says the form of the wage system is not to blame for the evils the socialists complain of. // More on this subject later. // The fellow thinks that if the workers had enough money to live until the sale of the commodity, they would be able to share with the capitalists on more favourable terms. That is, in other words, if they were not wage labourers, if they could sell the product of their labour instead of their labour capacity. The fact that they cannot do this makes them precisely wage labourers and their buyers capitalists. Thus the essential form of the relation is regarded by Mr. Bastiat as an accidental circumstance.⁹⁷

There are a few more questions attached to this, which will be looked at immediately. First, though, one more remark. We have seen that by adding new labour in the labour process—and this is the only labour he sells to the capitalist—the worker preserves the value of the labour objectified in the material of labour and the means of labour. And indeed he does this for nothing. It happens in virtue of the living quality of labour as labour, not that a fresh quantity of labour would be required for this.

// Where e.g. the instrument of labour has to be improved, etc., requires new labour for its maintenance, it is the same thing as if a new tool or an aliquot part of a new means of labour were to be bought by the capitalist and thrown into the labour process. //

The capitalist receives this for nothing. Just *as the worker advances*

his labour to him, in that it is only paid for after it is objectified. (This is a point to be made against those who speak of the price of labour's being advanced.⁹⁸ The labour is paid for after it has been provided. The product as such does not concern the worker. The commodity he sells has already passed into the possession of the capitalist before it is paid for.)

But yet a further result comes to pass owing to the whole transaction, and the capitalist also gets this for nothing. After the end of a labour process of, for example, one day the worker has turned the money he receives from the capitalist into means of subsistence and has thereby preserved, reproduced his labour capacity, so that the same exchange between capital and labour capacity can begin again afresh.* But this is a condition for the valorisation of capital, for its further existence in general, which allows it to be a continuous relation of production. This reproduction of labour capacity as such means the reproduction of the sole condition under which commodities can be transformed into capital. The worker's consumption of his wage is productive for the capitalist not only because the latter receives in return labour, and a greater quantity of labour than is represented by the wage, but also because it reproduces for him the condition [for capital's further existence], labour capacity. Hence the result of the capitalist process of production is not just commodities and surplus value; it is the *reproduction of this relation* itself (its reproduction on an ever growing scale, as will be seen later).¹⁰⁰

In so far as labour is objectified in the production process, it is objectified as *capital*, as not-labour, and in so far as capital yields itself up in the exchange to the worker, it only turns into the means of reproducing his *labour capacity*. At the end of the process, therefore, its original conditions, its original factors and their original [mutual] relation, are again in place. The relation of *capital and wage labour* is therefore reproduced by this mode of production just as much as commodities and surplus value are

* [II-61] "The material undergoes changes.... The instruments, or machinery, employed ... undergo changes. The several instruments, in the course of production, are gradually destroyed or consumed.... The various kinds of food, clothing, and shelter, necessary for the existence and comfort of the human being, are also changed. They are consumed, from [II-62] time to time, and their value reappears, in that new vigor imparted to his body and mind, which forms a fresh capital, to be employed again in the work of production" (F. Wayland, *The Elements of Political Economy*, Boston, 1843, [p.] 32). [II-62]^a⁹⁹

^a Marx quotes in English.— *Ed.*

produced. All that emerges at the end of the process is what entered at the start: on the one hand objectified labour as capital, on the other hand objectless labour as mere labour capacity, so that the same exchange is constantly repeated afresh. In colonies, where the domination of capital—or the basis of capitalist production—is not yet sufficiently developed, so that the worker receives more than [II-61] is required for the reproduction of his labour capacity and very soon becomes a peasant farming independently, etc., the original relation is not constantly reproduced; hence great lamentations by the capitalists and attempts to introduce the relation of capital and wage labour artificially (*Wakefield*⁶⁷).

Linked with this reproduction of the total relationship—with the fact that by and large the wage labourer only emerges from the process to find himself in the same position in which he entered it—is the importance for the workers of the nature of the original conditions under which they reproduce their labour capacity and of the average wage or the limits within which they have traditionally to live in order to live as workers. This is more or less obliterated in the course of capitalist production, but it takes a long time. What means of subsistence are needed to maintain the worker—i.e. what kind of means of subsistence and in what quantity in general they are considered necessary—on this see *Thornton*.^a But this is a striking demonstration that wages are made up of means of subsistence alone, and that the worker continues to result merely as labour capacity. The difference lies only in the more or the less of a thing that counts as the measure of his requirements. He always works only for consumption; the difference is only in whether his consumption costs (=production costs) are larger or smaller.

Wage labour is therefore a necessary condition for the formation of capital and it remains the constant, necessary prerequisite for capitalist production. Therefore although the first act, the exchange of money for labour capacity or the sale of labour capacity, does not enter as such into the direct production process (labour process), it does enter into the production of the whole relation. Without it, money does not become capital, labour does not become wage labour and therefore the whole labour process is not brought under the control of capital, either, not subsumed under it; hence the production of surplus value in the manner defined earlier does not take place either. This question—

^a W. Th. Thornton, *Over-population and its Remedy*, London, 1846, p. 19.—Ed.

of whether this first act belongs to the production process of capital—is the actual subject of discussion in the dispute between the economists as to whether the part of capital laid out in wages—or, what is the same thing, the means of subsistence for which the worker exchanges his wage—does constitute a part of capital. (See Rossi, Mill, Ramsay.)¹⁰¹

The question: are *wages productive* is in fact the same misunderstanding as the question: is capital productive?

In the latter case capital is understood to mean nothing other than the use values of the commodities in which it exists (the physical objects which comprise capital), not the formal determination, the definite social relation of production of which the commodities are the vehicles. In the former case the emphasis is on the fact that the wage as such does not enter into the direct labour process.

It is not the price of a machine which is productive but the machine itself, to the extent that it functions as a use value in the labour process. When the value of the machine reappears in the value of the product, the price of the machine in the price of the commodity, this only occurs because it has a price. This price produces nothing; it does not preserve, still less does it increase itself. From one aspect wages are a deduction from the productivity of labour; for surplus labour is limited by the labour time the worker requires for his own reproduction, preservation. Hence the surplus value is limited. From another aspect they are productive, in so far as they produce labour capacity itself, which is the source of valorisation altogether and the basis of the whole relation.

The portion of capital expended in wages, i.e. the price of labour capacity, does not enter directly into the labour process, although it does indeed in part, since the worker has to consume means of subsistence several times a day in order to continue with his work. Nevertheless, this consumption process falls outside the actual labour process. (Like coal, oil, etc., in the case of the machine, perhaps?¹⁰²) As *matière instrumentale* of labour capacity? The preposited values only enter into the valorisation process at all to the extent that they are available. With the wage it is different, for this is reproduced; replaced by fresh labour. In any case, if wages themselves—split up into means of subsistence—are regarded merely as the coal and oil needed to keep the machine of labour in motion, they only enter into the labour process as use values to the extent to which they are consumed by the worker as means of subsistence and they are productive to the extent to which they keep him in motion as a working machine. But they do

this in so far as they are means of subsistence, not because these means of subsistence [II-62] have a price. The price of these means of subsistence, however, the wage, does not come in here, for the worker must reproduce it. With the consumption of the means of subsistence the value contained in them is annihilated. He replaces this value with a fresh quantity of labour. It is therefore this labour which is productive, not its price.

//We have seen that the value contained in the material and means of labour is simply preserved by their being used up as material and means of labour, hence by their becoming factors of new labour, hence by the addition of new labour to them.^a

Let us now assume [that this is done] in order to carry on a production process on a particular scale—and this scale is itself determined, for only necessary labour time is to be employed, hence only as much labour time as is necessary at the given social stage of development of the productive forces. This given stage of development is however expressed in a certain quantity of machinery, etc., a certain quantity of products required for fresh production. Hence do not weave with a handloom when the POWERLOOM is predominant, etc. In other words, in order that only necessary labour time be applied, labour must be placed in conditions which correspond to the mode of production. These conditions are themselves expressed as a certain quantity of machinery, etc., in short as means of labour which are prerequisites for ensuring that only as much labour time be employed for the manufacture of the product as is necessary at the given stage of development. Thus to spin yarn at least a minimum size of factory is needed, a steam engine with so and so much horsepower, MULES with so and so many spindles, etc. Hence in order to preserve the value contained in these conditions of production—and spinning with machines in turn implies that a definite quantity of cotton must be consumed every day—it is necessary not only to add fresh labour but to add a *certain quantity* of that labour, so that the quantity of material determined by the stage of production itself should be used up as material, and that the particular time during which the machine must be in motion (must be utilised every day as instrument) should really be available as the machine's period of utilisation.

If I have a machine which is constructed in such a way as to require the spinning of 600 lbs of cotton a day, and if 1 working

^a See this volume, pp. 70-80.—*Ed.*

day is needed to spin 6 lbs, 100 working days must be absorbed by these means of production, so as to preserve the value of the machinery. It is not that the fresh labour is in any way employed in the preservation of this value; all it does is add new value, while the old value re-appears unchanged in the product. But the old value is only preserved by the addition of new value. To re-appear in the product it must proceed as far as the product. Hence if 600 lbs of cotton must be spun so that the machinery is used as machinery, this 600 lbs must be transformed into product, i.e. there must be added to it the quantity of labour time which is necessary to transform it into product. In the product itself the value of the 600 lbs of cotton and the aliquot part of the machine that has been worn out simply reappears; the freshly added labour changes nothing in this, but it increases the value of the product. One part of it replaces the price of the wage (of labour capacity); another creates surplus value. If, however, the whole of this labour had not been added, the value of the raw material and the machinery would not have been preserved either. This part of the labour, in which the worker reproduces only the value of his own labour capacity, hence only adds this afresh, therefore preserves only the part of the value of material and instrument which has absorbed this quantity of labour. The other part of the labour, which creates the surplus value, preserves a further component of the value of the material and the machinery.

Let us assume that the raw material (the 600 lbs) costs 600d.=50s.=£2 10s. The worn out machinery=£1, but the 12 hours of labour add £1 10s. (replacement of wage, and surplus value), so that the total price of the commodity=£5. Assuming the wage amounts to £1, 10s. expresses the surplus labour. Value preserved in the commodity=£2 10s., or half of it [of the £5]. The total product of the working day (one may imagine that this is a working day×100, i.e. a working day of 100 workers, since each one works for 12 hours)=£5. This makes $8\frac{1}{3}$ s. per hour, or 8s. 4d. In one hour, therefore, 4s. 2d. of raw material and machinery is replaced and 4s. 2d. is added in labour (necessary and surplus labour).

The product of 6 hours of labour is [11-63]=50s.=£2 10s.; preserved in this are raw material and machinery to the value of £1 5s. But in order to use machines so productively, 12 hours must be worked, hence as much raw material must be consumed as 12 hours of labour will absorb. The capitalist can therefore view the matter like this: in the first 6 hours alone the price of the raw material is replaced, amounting to precisely £2 10s. (50s.), the

value of the product of 6 hours of labour. 6 hours of labour can only preserve, through the labour thereby added, the value of the material needed for 6 hours of labour. But the capitalist makes his calculations as if the first 6 hours had merely preserved the value of the cotton and machinery, because he must use his machine as a machine, let 12 hours be worked, hence also consume 600 lbs of cotton, in order to extract a definite surplus value. On our assumption, however, the *value of the cotton was £1 10s.=30s., $\frac{3}{10}$ of the whole.*¹⁰³

To simplify matters—since the figures are here a matter of indifference—let us assume that £2 worth of cotton (hence 80 lbs, each lb. costing 6d.) is spun in 12 hours of labour; that £2 worth of machinery is used up in 12 hours of labour; and finally that £2 of value is added by fresh labour, of which £1 for wages, £1 for surplus value, surplus labour. £2 (40s.) for 12 hours would come to $3\frac{1}{3}$ s. per hour (3s. 4d.), expressing the value of an hour of labour in money; similarly $3\frac{1}{3}$ s. worth of cotton is used up each hour, on our assumption $6\frac{2}{3}$ lbs; lastly $3\frac{1}{3}$ s. worth of machinery is worn out each hour. The value of the commodities finished each hour=10s. But of this 10s. $6\frac{2}{3}$ s. (6s. 8d.) or $66\frac{2}{3}\%$ is merely preposited value, which only re-appears in the commodity because $3\frac{1}{3}$ s. of machinery and $6\frac{2}{3}$ lbs of cotton are required to absorb 1 hour of labour; because they have entered into the labour process as material and machinery—as material and machinery in these proportions—hence the exchange value contained in this quantity [of material and machinery] has gone over to the new commodity, the twist for example.

The value of the yarn produced in 4 hours=40s. or £2, of which in turn $\frac{1}{3}$ (namely $13\frac{1}{3}$ s.) is newly added labour, and $\frac{2}{3}$ or $26\frac{2}{3}$ s. is merely the preservation of the value contained in the worked up material and the machinery. And indeed this is only preserved because the new value of $13\frac{1}{3}$ s. is added to the material, i.e. 4 hours of labour are absorbed in it; or this is the quantity of material and machinery needed by the 4 hours of spinning labour for its realisation. In these 4 hours no value has been created apart from the 4 hours of labour which, objectified,= $13\frac{1}{3}$ s. But the value of the commodity, or of the product of these 4 hours, $\frac{2}{3}$ of which is preposited value preserved,=£2 (or 40s.), is exactly equal to the value of the cotton which needs to be spun (consumed) in 12 hours of labour by the spinning process. If, therefore, the manufacturer sells the product of the first 4 hours, he has thereby replaced the value of the cotton which he requires over the 12 hours, or which he requires

so as to absorb 12 hours of labour time. But why? Because on our assumption the value of the cotton that enters into the product of 12 hours = $\frac{1}{3}$ of the value of the total product. In $\frac{1}{3}$ of the labour time he consumes only $\frac{1}{3}$ of the cotton and therefore only preserves the value of this one third. If he adds another $\frac{2}{3}$ of labour, he thereby consumes $\frac{2}{3}$ more cotton and in 12 hours he has preserved in the product the total value of the cotton, because all 80 lbs of cotton have really entered into the product, into the labour process. Now, if he were to sell the product of 4 hours of labour, whose value = $\frac{1}{3}$ of the total product, which is also the part of the value of the total product formed by the cotton, he might imagine that he had reproduced the value of the cotton in these first 4 hours, that it had been reproduced in 4 hours of labour. In actual fact, however, only $\frac{1}{3}$ of the cotton enters these 4 hours, hence only $\frac{1}{3}$ of its value. He assumes that the cotton consumed in the 12 hours was reproduced in the 4 hours. But the calculation only works because he included in the cotton $\frac{1}{3}$ for the instrument and $\frac{1}{3}$ for labour (objectified), which together form $\frac{2}{3}$ of the price of the product of the 4 hours. They = $26\frac{2}{3}s.$, and in price therefore = $53\frac{1}{3}$ lbs of cotton. If he were only to work for 4 hours, he would only have in his commodity $\frac{1}{3}$ of the value of the total product of 12 hours. Since the cotton forms $\frac{1}{3}$ of the value of the total product, he can reckon that in the product of 4 hours he brings forth the value of the cotton needed for 12 hours of labour.

[II-64] If he works for a further 4 hours, this again = $\frac{1}{3}$ of the value of the total product, and since the machinery = $\frac{1}{3}$ of the latter, he can imagine that in the 2nd third of the labour time he has replaced the value of the machinery needed for 12 hours. Indeed, if he sells the product of this 2nd third, or of these other 4 hours, the value of the machinery used up in 12 hours has been replaced. On this calculation the product of the last 4 hours contains neither raw material nor machinery, whose value it would include, but simply labour. Newly created value, therefore, so that 2 hours = the reproduced wage (£1) and 2 hours are surplus value, surplus labour (also £1). In reality, the labour added in the last 4 hours only adds 4 hours of value, hence $13\frac{1}{3}s.$ But it is presupposed that the value of the raw material and means [of labour], which enter to $66\frac{2}{3}\%$ into the product of these 4 hours, merely replaces the labour added. The value added by labour in the 12 hours is thus conceived as if it were added by labour in 4 hours. The whole calculation comes out because it is presupposed that $\frac{1}{3}$ of the labour time not only creates itself but also the value

of the $\frac{2}{3}$ of the preposited values contained in the labour's product.^a

If it is assumed in this way that the product of a whole third part of the labour time is merely the value added by labour—although this value is only $\frac{1}{3}$ —the result is naturally the same as if over 3×4 hours the real third part were calculated on labour and the $\frac{2}{3}$ on the preposited values. This calculation may be quite practical for the capitalist, but it entirely distorts the real relationship and leads to the greatest absurdity, if it is supposed to have theoretical validity. The *preposited* value of raw material and machinery alone forms $66\frac{2}{3}\%$ of the new commodity, whilst the added labour only forms $33\frac{1}{3}\%$. The $66\frac{2}{3}\%$ represents 24 hours of objectified labour time; how ridiculous therefore the requirement that the 12 hours of new labour should objectify not only itself but in addition a further 24 hours, hence 36 hours altogether.

The point, then, is this:

The price of the product of 4 hours of labour, i.e. of a third of the total working day of 12 hours, = $\frac{1}{3}$ of the price of the total product. According to our assumption, the price of the cotton forms $\frac{1}{3}$ of the price of the total product. Hence the price of the product of 4 hours of labour, of $\frac{1}{3}$ of the total working day, = the price of the cotton that enters into the total product, or is spun in 12 hours of labour. The manufacturer therefore says that the first 4 hours of labour replace only the price of the cotton that is consumed during the 12 hours of labour. But in fact the price of the product of the first 4 hours of labour = $\frac{1}{3}$ of the value added in the labour process, i.e. $13\frac{1}{3}s.$ labour (in our example), $13\frac{1}{3}s.$ cotton, and $13\frac{1}{3}s.$ machinery, the last two components only re-appearing in the price of the product because they have been consumed by the four hours' labour in their shape as use values, hence re-appear in a new use value, and have therefore preserved their old exchange value.

What is added in the 4 hours to the $26\frac{2}{3}s.$ of cotton and machinery (which possessed this value before they entered into the labour process, and only re-appear in the value of the new product because they have entered into the new product through the agency of the four-hour spinning process) is nothing other than $13\frac{1}{3}s.$, i.e. the newly added labour. (The quantity of newly added labour time.) If we therefore deduct the 4 hours from the

^a This should read: "...but also the value of the preposited values, contained in the labour's product to the amount of $\frac{2}{3}$ of that product".— *Ed.*

price of the product, the $26\frac{2}{3}s.$ advanced from the 40s., only $13\frac{1}{3}s.$ remains as value really created in the process, the four hours of labour expressed in money. If now $\frac{2}{3}$ of the price of the product, namely the one third or $13\frac{1}{3}s.$ which represents the machinery, and the other third or $13\frac{1}{3}s.$ which represents the labour, is evaluated in cotton, there emerges the price of the cotton that is consumed in the 12 hours.

In other words: In 4 hours of labour time only 4 hours of labour time is in fact added to the values previously present. But these values appear again—the values of the quantities of cotton and machinery—because they have absorbed this 4 hours of labour time or because as factors in the spinning they have become constituents of the yarn. The price of the cotton which re-appears in the value of the product of 4 hours of labour therefore=only the value of the quantity of cotton which has really entered as material into this 4-hour labour process, has been consumed; hence it= $13\frac{1}{3}s.$, according to the [original] assumption. But the *price* of the total product of 4 hours of labour=the *price* of the cotton consumed in 12 hours, because the product of 4 hours of labour time= $\frac{1}{3}$ of the total product of 12 hours, and the price of the cotton constitutes $\frac{1}{3}$ of the price of the total product of 12 hours.

[11-65] What is true of 12 hours of labour is true of one hour. The proportion between 4 hours and 12 hours is the same as between $\frac{1}{3}$ hour and 1 hour. Hence in order to simplify the whole example even more let us reduce it to 1 hour. On the given assumption the value of the product of 1 hour= $10s.$, of which $3\frac{1}{3}s.$ is cotton ($6\frac{2}{3}$ lbs of cotton), $3\frac{1}{3}$ machinery, and $3\frac{1}{3}$ labour time. If an hour of labour time is added, the value of the whole product= $10s.$ or 3 hours of labour time, because the values of the material consumed and the machinery consumed, which re-appear in the new product, the yarn,= $6\frac{2}{3}s.$, which= 2 hours of labour on our assumption. The manner in which the values of the cotton and the spindle re-appear in the value of the yarn and the manner in which the freshly added labour enters into it are now to be distinguished.

Firstly: The value of the whole product= 3 hours of labour time, or $10s.$ Of this, 2 hours were labour time contained in the cotton and spindle and *in existence prior to* the labour process, i. e. they were values of cotton and spindle before these entered into the labour process. They therefore simply re-appear, are merely preserved, in the value of the total product, of which they form $\frac{2}{3}$. The excess of the value of the new product over the values of

its material constituents is only $=\frac{1}{3}, = 3\frac{1}{3}s$. This is the sole new value created in this labour process. The old values, which existed independently of it, have merely been preserved.

But, *secondly*: How have they been preserved? Through being applied by living labour as material and means, through being consumed by it as factors in the formation of a new use value, that of yarn. The labour has only preserved their exchange value because it related to them as use values, i. e. consumed them as the elements in the formation of a new use value, of yarn. The exchange values of the cotton and the spindle therefore re-appear in the exchange value of the yarn, not because labour in general, abstract labour, pure labour time—labour as it forms the element of exchange value—has been added to them, but this particular, real labour, spinning, useful labour which is realised in a particular use value, in yarn, and which as this specific purposeful activity consumes cotton and spindle as its use values, utilises them as its factors, making them, through its own purposeful activity, into the formative elements of yarn.

If the spinner—therefore the labour of spinning—were able to convert $6\frac{2}{3}$ lbs of cotton into yarn in half an hour instead of 1 hour with a more ingenious machine, which nevertheless had the same value relation, the value of the product would $= 3\frac{1}{3}s$. (for cotton) $+ 3\frac{1}{3}s$. (for machine) $+ 1\frac{2}{3}s$. of labour, since half an hour of labour time would be expressed in $1\frac{2}{3}s$. on our assumption. The value of the product would therefore $= 8\frac{1}{3}s$., in which the value of the cotton and the machinery would re-appear entirely, as in the first case, although the labour time added to them would amount to 50% less than in the first case. They would re-appear entirely, because no more than half an hour of spinning was required to convert them into yarn. Hence they re-appear entirely because they entered entirely into the product of half an hour's spinning, into the new use value, yarn. The labour, so far as it preserves them as exchange values, does so only to the extent that it is real labour, a specific purposeful activity aimed at producing a particular use value. It does this as spinning, not as abstract social labour time which is indifferent to its content. Only as *spinning* does the labour preserve here the values of cotton and spindle in the product, the yarn.

On the other hand, in this process in which it preserves the exchange values of cotton and spindle the labour, spinning, relates to them not as exchange values, but as use values, elements of this particular labour, spinning. If by using certain machinery the spinner can convert $6\frac{1}{3}$ lbs of cotton into yarn, it is for this

process quite irrelevant whether the lb. of cotton costs 6d. or 6s., for he consumes it in the spinning process as cotton, as the material of spinning. There must be as much of this material as is required to absorb 1 hour of spinning labour. The price of the material has nothing to do with this. The same applies to the machinery. If the same machinery cost only half the price and performed the same service, this would not affect the spinning process in any way. The sole condition for the spinner is that he should possess material (cotton) and spindle (machinery) to the extent, in such *quanta*, as are required for spinning over the course of an hour.^a The values or prices of cotton and spindle do not concern the spinning process as such. They are the result of the labour time objectified in themselves. They therefore only re-appear in the product to the extent that they were preposited to it as given values, and they re-appear only because the commodities cotton and spindle are required as use values, in their material determinateness, for the spinning of yarn, because they enter as factors into the spinning process.

On the other hand, however, spinning adds to the value of cotton and spindle a new value not to the extent that it is this particular labour of spinning but only because it is labour in general, and the labour time of the spinner is general labour time, for which it is a matter of indifference whatever [II-66] use value it is objectified in and whatever specific useful character, specific purpose it has, or whatever the specific kind or mode of existence of the labour as whose time (measure) it is present. An hour of spinning labour is here equated with an hour of labour time as such (whether this=one hour or several has no bearing on the matter). This hour of objectified labour time adds to the combination of cotton and spindle $3\frac{1}{3}s.$, for example, because this sum objectifies the same labour time in money.

If the 5 lbs of yarn (6 lbs of spun COTTON)¹⁰⁴ could be produced in half an hour instead of a whole hour, the same use value would be preserved at the end of half an hour as in the other case at the end of the whole hour. The same quantity of use value of the same quality, 5 lbs of yarn of a given quality. The labour, to the extent that it is concrete labour, spinning, activity directed at producing a use value, would have achieved in the half hour as much as previously in the whole hour, it would have created the same use value. As spinning it achieves the same in both cases, although the duration of the spinning is twice as long in one case

^a Above the words "an hour" Marx wrote: "a definite time".— *Ed.*

as in the other. To the extent that labour itself is use value, i.e. purposeful activity directed at producing a use value, the necessary time required, the time labour must last, to produce this use value is completely irrelevant; whether labour needs 1 hour or $\frac{1}{2}$ hour to spin 5 lbs of yarn. On the contrary. The less time it needs to produce the same use value, the more productive and useful it is. But the value it adds, the value it creates, is measured purely by the labour's duration. In 1 hour, the labour of spinning adds twice as great a value as in $\frac{1}{2}$, and in 2 hours twice as great a value as in one, etc. The value it adds is measured by the labour's own duration and, as value, the product is nothing but the materialisation of a definite amount of labour time in general. It is not the product of this specific labour of spinning, or spinning only comes into consideration to the extent that it is labour in general and its duration is labour time in general. The values of cotton and spindle are preserved because the labour of spinning converts them into yarn, hence because they are employed as the material and means of this specific mode of labour; the value of the 6 lbs of cotton is only increased because it has absorbed 1 hour of labour time; in the product, yarn, 1 hour more of labour time is objectified than was contained in the value elements cotton and spindle.

However, labour time can only be added to existing products or, in general, to existing material of labour to the extent that it is the time of a specific labour, which relates to the material and means of labour as to *its own* material and means; hence 1 hour of labour time can only be added to the cotton and the spindle in that an hour of spinning labour is added to them. The fact that their values are preserved derives merely from the specific character of the labour, from its material determinateness, from its being spinning, precisely the particular labour for which cotton and spindle serve as the means for the production of yarn; and further, from its being living labour in general, purposeful activity. The fact that value is added to them derives merely from spinning labour's being labour in general, abstract social labour in general, and from the hour of spinning labour being equivalent to an hour of social labour in general, an hour of social labour time. Hence the values of the material and means of labour are preserved and re-appear as value components in the total value of the product merely through the process of valorisation—which is in fact merely an abstract expression for actual labour—through the process of adding new labour time—since this must be added in a particular useful and purposeful form. But the work is not

done twice, once to add value, the next time to preserve the existing values; instead, since the *labour time can only be added in the form of useful labour, specific labour, like spinning, it automatically preserves the values of material and means [of labour] by adding new value to them, i.e. by adding labour time.*

It is now clear, furthermore, that the quantity of existing values preserved by the new labour stands in a definite relation to the quantity of value the new labour adds to them, or that the quantity of already objectified labour that is preserved stands in a definite relation to the quantity of new labour time that is added, is objectified for the first time; that, in a word, a definite relation occurs between the direct labour process and the valorisation process.

If the labour time *necessary* to spin 6 lbs of cotton, using up x amount of machinery, is 1 hour under given general conditions of production, only 6 lbs of cotton can be converted into yarn in the one hour and only x amount of machinery can be used up, hence only 5 lbs of yarn can be produced; so that for every hour of labour by which the value of the yarn is higher than the value of the cotton and x spindles there would be 2 hours of labour (of objectified labour time), 6 lbs of cotton and x spindles ($3\frac{1}{3}s.$) preserved in the yarn. Cotton can only be valorised (i.e. obtain a surplus value) by 1 hour of labour, $3\frac{1}{3}s.$, in so far as 6 lbs of cotton and x amount of machinery is used up; on the other hand, these can only be used up, and therefore their values can only re-appear in the yarn, if 1 hour of labour time is added. Thus if the value of 72 lbs¹⁰⁴ of cotton is to re-appear in the product [II-67] as a value component of the yarn, 12 hours of labour must be added. A definite quantity of material only absorbs a definite quantity of labour time. Its value is only preserved in proportion as it absorbs the latter (with a given productivity of labour). Therefore the value of the 72 lbs of cotton cannot be preserved unless it is all spun into yarn. But this requires a labour time of 12 hours, on our assumption.

If the productivity of labour—i.e. the quantity of use value it can provide in a definite time—is given, the quantity of given values it preserves depends purely on its *own duration*; or the amount of value of material [and] means [of labour] that is preserved depends purely on the labour time that is added, hence on the measure in which new value is created. The preservation of values falls and rises in direct proportion to the fall or rise in the addition of value. If on the other hand the material and means of labour are given, their preservation as values depends purely on

the productivity of the labour added, on whether this labour needs more or less time to convert them into a new use value. Here, therefore, the preservation of the given values stands in an inverse relation to the addition of value,^a i.e. if the labour is more productive, they require less labour time to be preserved; and vice versa.

//But now a peculiar circumstance comes into the picture, through the division of labour, and still more through machinery.

Labour time as the element, substance, of value is *necessary labour time*; hence labour time required under given general social conditions of production. If for example 1 hour is the labour time necessary for the conversion of 6 lbs of COTTON into yarn, it is the duration of a labour of spinning which needs certain conditions for its realisation: e.g. a MULE with so and so many spindles, a steam engine with such and such horse-power, etc. The whole of this apparatus would be necessary to convert 6 lbs of COTTON into yarn over a period of 1 hour. But this CASE belongs to a later discussion.^b//

Now back to our example. 6 lbs of cotton spun in one hour. Value of the cotton= $3\frac{1}{3}$ s., value of the spindle, etc., used up= $3\frac{1}{3}$ s., value of the labour added= $3\frac{1}{3}$ s. Therefore value of the product= 10 s. The given values= 2 hours of labour, as the cotton and the spindle are each equal to 1 hour of labour. The price of the total product at the end of the hour= $\text{the sum of prices; }=10$ s.; or 3 hours of objectified labour time, of which 2 hours, the hours accounted for by the cotton and the spindle, merely re-appear in the product, and 1 hour alone represents the creation of new value or added labour. The price of each of the factors forms $\frac{1}{3}$ of the total price of the product of 1 hour of labour. Hence the price of the product of $\frac{1}{3}$ of an hour of labour= $\text{the price of } \frac{1}{3}$ of the total product, hence= $\text{the price of the labour, or cotton, or machinery, contained in the total product, as each of these 3 elements of the total product constitutes } \frac{1}{3}$ of its price. Therefore, if $\frac{1}{3}$ of an hour's work is done, the product= 2 lbs of yarn of a value of $3\frac{1}{3}$ s., with which I could buy cotton to the amount of 6 lbs. Or the price of the product of $\frac{1}{3}$ of an hour= $\text{the price of the cotton consumed in a whole hour of labour. The price of the 2nd third}=\text{the price of the machinery used up. The price of the product, e.g. } \frac{1}{3}$ of an hour= $\text{the price of the whole of the labour added (both the part}$

^a Above "the addition of value" Marx wrote "labour productivity".— *Ed.*

^b See this volume, pp. 318-43.— *Ed.*

which constitutes an equivalent for the wage and the part which constitutes surplus value or profit).

The manufacturer can therefore calculate as follows: I work $\frac{1}{3}$ of an hour to pay the price of the cotton, $\frac{1}{3}$ of an hour to replace the price of the machinery worn out, and $\frac{1}{3}$ of an hour of which $\frac{1}{6}$ replaces wages, $\frac{1}{6}$ forms the surplus value. Correct as this calculation is in practice, it is completely absurd if it is meant to explain the real formation of value (valorisation process) and therefore the relation between necessary and surplus labour. In particular the preposterous notion creeps in here that $\frac{1}{3}$ of an hour of labour creates or replaces the value of the cotton that has been used, $\frac{1}{3}$ replaces the value of the worn out machinery, while $\frac{1}{3}$ forms the newly added labour or the newly created value, which is the common fund for wages and profit. It is in fact only a trivial method of expressing the relation in which the given values of cotton and means of labour re-appear in the product of the whole of the labour time (the hour's labour), or the relation in which given values, objectified labour, are preserved in the labour process by the addition of an hour of labour time.

If I say: the price of the product of $\frac{1}{3}$ of an hour of labour = the price of the cotton spun in a whole hour of labour, let us say = the price of 6 lbs of cotton, $3\frac{1}{3}$ s., I know that the product of 1 hour of labour = 3 times the product of $\frac{1}{3}$ of an hour of labour. If, then, the price of the product of $\frac{1}{3}$ of an hour of labour = the price of the cotton which is spun in $\frac{3}{3}$, or 1 hour of labour, this only means that the price of the cotton = $\frac{1}{3}$ of the price of the total product, that 6 lbs of cotton enter into the total product, hence its value re-appears and this value forms $\frac{1}{3}$ of the value of the total product. Ditto with the value of the machinery. Ditto with the labour.

If I therefore say that the price of the product of $\frac{2}{3}$ of the time that labour is [II-68] in general carried on, i. e. for example the price of the product of $\frac{2}{3}$ of the hour of labour = the price of the material and the price of the machinery which is worked up in $\frac{3}{3}$ or 1 hour of labour, this is only another way of expressing the fact that the prices of the material and means of labour enter to an extent of $\frac{2}{3}$ into the price of the total product of the hour, hence the hour of labour added is only $\frac{1}{3}$ of the whole value objectified in the product. The fact that the *price of the product* of a part of the hour, $\frac{1}{3}$, or $\frac{2}{3}$, etc., is equal to the price of the raw material, the machinery, etc., definitely does not mean, therefore, that the price of the raw material, the machinery, is produced or even *reproduced* in the proper sense of the word in the course of $\frac{1}{3}$ or

$\frac{2}{3}$, etc., of an hour; it means rather that the price of these partial products, or these products of aliquot parts of labour time=the price of the raw material, etc., which re-appears, is preserved, in the total product.

The absurdness of the other conception is best seen if one looks at the final third, which represents the price of the labour added, the quantity of value added, or the quantity of new objectified labour. The *price of the product* of this last third is on our assumption equal to $1\frac{1}{9}$ s. of cotton= $\frac{1}{3}$ of an hour of labour; + $1\frac{1}{9}$ s. of machinery= $\frac{1}{3}$ of an hour of labour; + $\frac{1}{3}$ of an hour of labour, which is, however, newly added. The sum total therefore= $\frac{3}{3}$ of an hour of labour, or 1 hour of labour. This price is therefore, in fact, the monetary expression of the whole of the labour time added to the raw material. But according to the confused notion mentioned earlier $\frac{1}{3}$ of an hour of labour would be represented by $3\frac{1}{3}$ s., i.e. by the product of $\frac{3}{3}$ of an hour of labour. Similarly in the first third, where the *price of the product* of $\frac{1}{3}$ of an hour of labour=the price of the cotton. This price consists of the price of 2 lbs of cotton at $1\frac{1}{9}$ s. ($\frac{1}{3}$ of an hour of labour), the price of the machinery at $1\frac{1}{9}$ s. ($\frac{1}{3}$ of an hour of labour) and $\frac{1}{3}$ of what really is newly added labour, the labour time, indeed, that was required to convert 2 lbs of cotton into yarn. The sum total therefore=1 hour of labour, = $3\frac{1}{3}$ s. But this is also the price of the cotton that is required in $\frac{3}{3}$ of an hour of labour. In fact, therefore, the value of $\frac{2}{3}$ of an hour of labour (= $2\frac{2}{9}$ s.) is only preserved in this first third, as in every subsequent third, of an hour of labour because x amount of cotton has been spun, and hence the value of the cotton and the machinery used up re-appears. Only the $\frac{1}{3}$ of newly objectified labour has been added to this as new value.

But in this way it does look as if the manufacturer is right in saying that the first 4 hours of labour (or $\frac{1}{3}$ of an hour of labour) only replace the price of the cotton he needs in 12 hours of labour, the second 4 hours of labour only replace the price of the machinery he uses up in 12 hours of labour, and the last 4 hours of labour alone form the new value, one part of which replaces the wages and the other constitutes the surplus value he gets as the result of the whole production process. He thereby forgets, however, that he is assuming that the product of the last 4 hours objectifies only newly added labour time, hence 12 hours of labour, namely the 4 hours of labour in the material, the 4 hours of labour in the machinery used up, and finally the 4 hours of labour that have really been newly added; and he obtains the

result that the price of the total product consists of 36 hours of labour, 24 of which merely represent the value the cotton and the machinery had before they were worked up into yarn, while 12 hours of labour, $\frac{1}{3}$ of the total price, represent the newly added labour, the new value, which is exactly equal to the newly added labour.//

// The fact that the worker, placed face to face with money, offers his labour capacity for sale as a commodity implies²¹:

1) That the conditions of labour, the objective conditions of labour, confront him as *alien powers*, alienated conditions. Alien property. This also implies, among other things, the earth as landed property, it implies that the earth confronts him as alien property. *Mere labour capacity*.

2) That he is related as a person both to the conditions of labour, which have been alienated from him, and to his own labour capacity; that he therefore disposes of the latter as proprietor and does not himself belong among the objective conditions of labour, i. e. is not himself possessed by others as an instrument of labour. *Free worker*.

3) That the objective conditions of his labour themselves confront him as merely *objectified labour*, i. e. as value, as money and commodities; as objectified labour which only exchanges with living labour to preserve and increase itself, to valorise itself, to turn into more money, and for which the worker exchanges his labour capacity in order to gain possession of a part of it, to the extent that it consists of his own means of subsistence. Hence in this relation the objective conditions of labour appear only as *value*, which has become *more independent*, holds onto itself and aims only at increasing itself.

The whole content of the relation, and the mode of appearance of the conditions of the worker's labour alienated from labour, are therefore [II-69] present in their pure economic form, without any political, religious or other trimmings. It is a pure money-relation. Capitalist and worker. Objectified labour and living labour capacity. Not master and servant, priest and layman, feudal lord and vassal, master craftsman and journeyman, etc. In all states of society the class that rules (or the classes) is always the one that has possession of the objective conditions of labour, and the repositories of those conditions, in so far as they do work, do so not as workers but as proprietors, and the serving class is always the one that is either itself, as labour capacity, a possession of the proprietors (slavery), or disposes only over its labour capacity (even if, as e. g. in India, Egypt, etc., it possesses land, the

proprietor of which is however the king, or a caste, etc.). But all these forms are distinguished from capital by this relation being veiled in them, by appearing as a relation of masters to servants, of free men to slaves, of demigods to ordinary mortals, etc., and existing in the consciousness of both sides as a relation of this kind. In capital alone are all political, religious and other ideal trimmings stripped from this relation. It is reduced—in the consciousness of both sides—to a relation of mere purchase and sale. The conditions of labour confront labour nakedly as such, and they confront it as *objectified labour, value, money*, which knows itself as mere form of labour and only exchanges with labour in order to preserve and increase itself as *objectified labour*. The relation therefore emerges in its purity as a mere relation of production—a purely economic relation. And where relations of domination develop again on this basis, it is known that they proceed purely from the relation in which the buyer, the representative of the conditions of labour, confronts the seller, the owner of labour capacity.//⁹³

Let us therefore now return to the question of the wage system.

We have seen that in the labour process—hence in the production process, to the extent that it is production of a use value, realisation of labour as purposeful activity—the values of the material and means of labour simply do not exist for labour itself.^a They exist only as objective conditions for the realisation of labour, as objective factors of labour, and as such they are consumed by it. However, the fact that the exchange values of the material and means of labour do not enter into the labour process as such signifies, in other words, simply that they do not enter into it as commodities. The machine serves as a machine, cotton as cotton, and neither of them because they represent a definite quantity of social labour. Rather, as materialisation of this social labour their use value is extinguished in them, they are money. There are in fact labour processes in which the material costs nothing, e. g. fish in the sea, coal in the mine.

But it would be wrong to conclude from this that their character as a commodity has absolutely nothing to do with the production process; for this process produces not only use value, but exchange value, not only product, but commodity; or its product is no mere use value, but a use value with a definite exchange value, and the latter is in part determined by the exchange values which

^a See this volume, p. 117.—*Ed.*

the material and means of labour themselves possess as commodities. They enter into the production process as commodities; otherwise they could not emerge from it as commodities. If one were to say, therefore, that the values of the material and means of labour had nothing to do with the production process, their quality as commodities had nothing to do with it, because they figure in the labour process not as commodities, but simply as use values, this would be the same thing as saying that it was irrelevant for the production process that it is not only a labour process, but at the same time a valorisation process; and this in turn amounts to saying that the production process takes place for personal consumption.⁶⁸ Which contradicts the presupposition. But with respect to the pure valorisation process too, their values are not productive for they merely re-appear in the product, are merely preserved.

Now let us consider the wage, or price of labour capacity. The price of labour capacity or the wage *is not productive*, i. e. if it is understood by "productive" that it must enter as an element into the labour process as such. It is the worker himself—the human being bringing his labour capacity into action—who produces use value, purposefully employs the material and means of labour, not the price at which he has sold his labour capacity. Or, when he enters into the labour process, he enters as the activation, the energy of his labour capacity—as labour. Now it can be said [II-70] that the wage comes down to the means of subsistence necessary for the worker to live as a worker, for his self-preservation as living labour capacity, in short, for the maintenance of his life during the work. The means of subsistence which keep the worker in motion as a worker enter into the labour process just as much as the coal and oil, etc., which are consumed by the machine.¹⁰² The worker's costs of maintenance during the work are just as much a moment of the labour process as are the *matières instrumentales* consumed by the machine, etc. Even so, here too—in the case of the machine—the coal, oil, etc., in short the *matières instrumentales*, enter into the labour process as use values alone. Their prices have nothing to do with the matter. Is this also true of the price of the worker's means of subsistence, his wage?

Here the question only has importance in the following way:

Are the means of subsistence the worker consumes—and which therefore form his cost of maintenance as a worker—to be viewed as if capital itself consumes them as a moment of its production process (in the way that it consumes the *matières instrumentales*)? This

is of course the case in practice. Nevertheless the first act always remains an act of exchange.

The point at issue among the economists is this: Do the means of subsistence the worker consumes, which are represented by the price of his labour, the wage of labour, constitute a part of capital, just as much as the means of labour?¹⁰¹ (Material and means of labour.) The means of labour are, *d'abord*,^a also means of subsistence, as it is assumed that the individuals only confront each other as commodity owners, whether in the form of buyers or sellers²⁰; hence he who lacks the means of labour has no commodity to exchange (assuming also that production for one's own consumption is OUT OF THE QUESTION; assuming that the product being considered is, in general, a commodity) and therefore no means of subsistence to get in return. On the other hand, the direct means of subsistence are equally means of labour; for in order to work he must live, and in order to live he must consume such and such an amount of the means of subsistence every day.

Labour capacity, which confronts the material conditions of its realisation, its own reality, as mere labour capacity, deprived of the object, therefore stands in the same position towards the means of subsistence or the means of labour, or both of them confront it uniformly as *capital*. Capital is admittedly money, the independent existence of exchange value, objectified general social labour. But this is only its form. Once it has to realise itself as capital—i. e. as self-preserving and self-increasing value—it must transform itself into the conditions of labour; in other words, these conditions form its material existence, they are the real use values within which it exists as exchange value. But the chief condition for the labour process is the worker himself. What is essential, therefore, is the component of capital which buys labour capacity. If there were no means of subsistence on the market, it would be pointless for capital to pay the worker in money. The money is only a promissory note the worker receives on a definite quantity of the means of subsistence available on the market. The capitalist therefore has these δυνάμει^b and they form a component part of his power. Moreover, even if there were no capitalist production, the costs of maintenance (originally provided by nature free of charge⁵⁸) would continue to be just as necessary conditions of the labour process as the material and means of labour. All the objective moments, however, which labour needs at all for its

^a In the first place.—*Ed.*

^b Potentially.—*Ed.*

realisation, appear as alienated from it, as standing on the side of capital, the means of subsistence no less than the means of labour.⁸⁰

Rossi,¹⁰⁵ etc., want to say, or say in fact (whether they want to or not) nothing more, actually, than that *wage labour* as such is not a necessary condition of the labour process. They only forget that the same would then be true of *capital*.

// We must go into this further (in the additions^a) in countering Say's nonsense about the same capital—but here he means value—which is *doubly* consumed, productively for the capitalist, unproductively for the worker. //

// *Property in the instrument of labour* is characteristic of guild industry, or the medieval form of labour.¹⁰⁶ //

The social mode of production in which the production process is subsumed under capital, or which rests on the relation of capital and wage labour, and indeed in such a way that it is the determining, dominant mode of production, we call *capitalist production*.

The worker goes through the form of circulation $C—M—C$. He sells in order to buy. He exchanges his labour capacity for money, in order to swap the money for commodities—to the extent that they are use values, means of subsistence. The purpose is individual consumption. In line with the nature of simple circulation, he can proceed at most to the formation of a hoard, through thrift and extraordinary industry; he cannot create wealth. The capitalist, in contrast, goes through $M—C—M$. He buys in order to sell. The purpose of this [II-71] movement is exchange value, i.e. enrichment.

By wage labour we understand exclusively free labour which is exchanged for capital, is converted into capital and valorises capital. All so-called *services* are excluded from this. Whatever their character otherwise, money is expended for them; it is not advanced. With them, money is always exchange value as evanescent form, a means of getting hold of a use value. There is as little connection between the services the capitalist consumes as a private person—outside the process of the production of commodities—and productive consumption, i.e. productive from the capitalist point of view, as there is between the purchase of commodities in order to consume them (not to consume them through labour) and productive consumption. No matter how

^a See this volume, pp. 137-39.—Ed.

useful, etc., they are. Their content is here completely irrelevant. Of course, the services themselves are differently valued—in so far as they are estimated in economic terms—on the basis of capitalist production from under other relations of production. But an investigation of this only becomes possible once the fundamental factors of capitalist production have themselves been made clear.¹⁰⁷

With all services, whether they themselves directly create commodities, e.g. the tailor who sews a pair of trousers for me; or not, e.g. the soldier who protects me, similarly the judge, etc., or the musician whose music-making I buy to provide me with aesthetic enjoyment, or the doctor I buy to set a leg back into position, it is always a matter of the material content of the labour, its usefulness, while the circumstance that it is labour is quite irrelevant to me. With wage labour, which creates capital, the content is in fact irrelevant. The particular mode of labour only counts for me in so far as it is social labour as such and therefore the substance of exchange value; money. The above-mentioned workers, performers of services, from prostitute to pope, are therefore never employed in the direct production process. // As for the rest, it would be better to put closer consideration of “productive labour” into the section “Capital and Labour”.¹⁰⁸ // With the purchase of one kind of labour I make money, with that of the other I spend money. The one enriches, the other impoverishes. It is possible that the latter may itself be one of the conditions for making money, as policemen, judges, soldiers, executioners. But as such a condition it is always merely an “aggravating circumstance” and has nothing to do with the direct process.

We started out from circulation in order to come to capitalist production. This is also the course of events *historically*, and the development of capitalist production therefore already presupposes in every country the development of trade on another, earlier production basis. // We shall have to speak of this in more detail.¹⁰⁹ //

What we have to consider more closely in the following is the development of *surplus value*. In doing so we shall see that as the production of surplus value becomes the actual purpose of production or as production becomes capitalist production, the originally merely formal subsumption of the labour process under capital, of living labour under objectified, of present labour under past, considerably modifies the manner in which the labour process is itself carried on: hence the capital-relation—where it

emerges in a developed form—implies a particular mode of production and development of the productive forces.⁵⁵

// With services too I admittedly consume the labour capacity of the person performing the service; but not because the use value of the labour capacity is labour, rather because his labour has a particular use value.//¹⁰⁷

ADDITIONS

It says in *An Inquiry into those Principles, Respecting the Nature of Demand and the Necessity of Consumption, Lately Advocated by Mr. Malthus etc.*, London, 1821, in reference to Say's comments in his *letters to Malthus*, Paris-Londres, 1820 (p. 36):

"THESE AFFECTED WAYS OF TALKING CONSTITUTE, IN GREAT PART, WHAT M. Say CALLS HIS *DOCTRINE*.... 'If all these propositions appear paradoxical to you, look at the *things* they express, and I venture to believe that they will then appear very simple and very rational.' DOUBTLESS; AND, AT THE SAME TIME, THEY WILL VERY PROBABLY APPEAR, BY THE SAME PROCESS, NOT AT ALL ORIGINAL OR IMPORTANT. 'Without this analysis I defy you to explain the whole of the *facts*; to explain for example how *the same* [II-72] *capital is consumed twice: productively* by a manufacturer and unproductively by his worker.' IT SEEMS TO BE AGREED 'in most parts of Europe', TO CALL A FANTASTICAL MODE OF EXPRESSION A *FACT*' (l.c., p. 110, Note XI).^a

The joke is that exchange, in the particular case, purchase, is called by Say *consumption* of money, which is sold.

If the capitalist buys labour for 100 thalers, Say thinks these 100 thalers have been consumed twice, productively by the capitalist, unproductively by the worker. If the capitalist exchanges 100 thalers for labour capacity, he has not consumed the 100 thalers, either productively or unproductively, although he has expended them for a "productive" purpose. He has done nothing but convert them from the money form to the commodity form, and it is this commodity—labour capacity—which he has bought with the money, that he productively consumes. He could also consume it unproductively if he employed the workers to provide him with use values for his own consumption, i.e. if he used them to perform services. The money first becomes capital precisely through this exchange with labour capacity: it is not *consumed* as capital but rather produced, preserved, confirmed.

The worker on the other hand does not consume capital; the money in his hand has just ceased to be capital, and for him it is only means of circulation. (And at the same time, of course, like

^a Marx quotes partly in English and partly in French.—*Ed.*

every means of circulation for which a commodity is exchanged, it is the existence of his commodity in the form of exchange value, which here is and must be, however, only an evanescent form given up in exchange for the means of subsistence.) Labour capacity, in so far as it is consumed, is converted into capital; the capitalist's money, in so far as it is consumed by the worker, is converted into means of subsistence for him and ceases to be capital or a component of capital (δυνάμει^a) once it is transferred from the hand of the capitalist to that of the worker.

But what actually underlies Say's nonsense is this: He believes that the same value (with him capital is nothing but a *sum of values*¹¹⁰) is consumed twice, once by the capitalist, the second time by the worker. He forgets that here two commodities with the same value are being exchanged, not 1 value but 2 values are involved; money on the one hand, the commodity (*labour capacity*) on the other. What the worker consumes unproductively (i.e. without thereby creating wealth for himself) is his own labour capacity (not the money of the capitalist); what the capitalist consumes productively is not his money but the labour capacity of the worker. On both sides the consumption process is mediated through exchange.

In every purchase or sale where the purpose of the buyer is individual consumption of the commodity and the purpose of the seller is production, *the same* value would according to Say be consumed twice, productively by the seller, who converts his commodity into money (exchange value), and unproductively by the buyer, who dissolves his money into transient enjoyments. However, there are 2 commodities and 2 values involved here. Say's phrase would have a meaning only in the sense in which he does not mean it. Namely that the capitalist productively consumes the same value twice: first by his productive consumption of labour capacity and second by the unproductive consumption of his money by the worker, the result of which is the reproduction of labour capacity, hence the reproduction of the relation on which the functioning of capital as capital depends. Hence Malthus rightly hits on the last point. // Malthus's point is this: in so far as his consumption is, in general, a condition for his working, hence for his producing for the capitalist.//

* "He" (the workman) "is a *productive consumer to the person who employs him and to the state but not strictly speaking to himself*"* (Malthus, *Definitions in Political Economy*, ed. John Cazenove, London, 1853, p. 30).

^a Potentially.—Ed.

Ramsay declares that the part of capital which is converted into the wage is not a *necessary* part of capital, but only forms part of it *accidentally* owing to the “DEPLORABLE” poverty of the workers. By *FIXED CAPITAL* he understands namely the material and means of labour. By *CIRCULATING CAPITAL* the worker’s means of subsistence. He then says:

*“*Circulating Capital* consists only of subsistence and other necessities advanced to the workmen, previous to the completion of the produce of their labour”* (George Ramsay, *An Essay on the Distribution of Wealth*, Edinburgh, 1836, [p.] 23).

“Fixed capital alone, not circulating, is properly speaking a source of national wealth” (l.c.).

*“*Were we to suppose* the labourers not to be paid until the completion of the product, there would be no occasion whatever [11-73] for circulating capital.”*

(What does that mean except that an objective condition of labour—the means of subsistence—will not assume the form of capital? This already contains the admission that these objective conditions of production are, as such, not capital, but only become capital as the expression of a particular social relation of production.) (The means of subsistence will not cease to be means of subsistence; just as little would they cease to be a necessary condition of production; but they would cease to be—*capital*.)

“Production would be just as great. This proves that **circulating capital*¹¹¹ is not an *immediate agent* in production, *not even essential to it at all*, but *merely a convenience rendered necessary by the deplorable poverty of the mass of the people*”* (l.c., [p.] 24).

I.e., in other words: Wage labour is not an absolute, but rather a historical form of labour. It is not necessary for production that the worker’s means of subsistence should confront him in an alienated form as *capital*. But the same is true of the other elements of capital and of capital in general. Conversely. If this one part of capital did not assume the form of capital, the other would not either, for the whole relation whereby money becomes capital, or the conditions of labour confront labour as an independent power, would not come into existence. What constitutes the essential form of capital therefore appears to him as “MERELY A CONVENIENCE RENDERED NECESSARY BY THE DEPLORABLE POVERTY OF THE MASS OF THE PEOPLE” [p. 24]. The means of subsistence become capital by being “ADVANCED TO THE WORKMEN” [p. 23]. The wider sense of Ramsay’s remarks emerges still more clearly in the proposition:

“The fixed capital” (material and means of labour)* “alone constitutes an *element of cost of production* in a national point of view”* (l. c., [p.] 26).

For the capitalist the wage, i.e. the price he pays for labour

capacity, is a cost of production—*money advanced*, advanced to make more money, money that is a mere means to make money. If the worker were not a worker but a working proprietor, the means of subsistence he consumes before the product is finished would not appear to him as *costs of production* in this sense, since the whole production process would appear to him inversely only as a means to create his means of subsistence. Ramsay, on the other hand, thinks that the material and means of labour, products which must be employed, consumed, in order to create new products, are necessary conditions of the production process and must always enter into it, not only from the capitalist's standpoint but from the nation's—i.e., with him, from the point of view of production for society and not for particular classes of society. So here *capital* means nothing to him but the objective conditions of the labour process as such, and, expressing absolutely no social relation, is merely another name for the *objects* that are required in every production process, whatever social form it may have; capital is accordingly only a thing, technologically determined. The precise feature that makes it capital is thereby extinguished.⁵⁶ Ramsay might just as well have said: it is merely a "CONVENIENCE" that the means of production appear as value in its own right, as independent powers over against labour. If they were the social property of the workers, there would be no opportunity there for "fixed capital". And production would remain just the same as before.¹¹²

//The valorisation process is in reality nothing but the labour process in a particular social form—or a particular social form of the labour process. It is not, as it were, two distinct real processes, but *the same* process, viewed at one time in terms of its content, at the other time according to its form. Despite this, we have already seen that in the valorisation process the relation of the different factors of the labour process takes on new determinations. One further aspect should be brought out here (which will be important later on in dealing with circulation, the determination of fixed capital, etc.). The means of production, e.g. the tool, machinery, factory building, etc., is employed as a whole in the labour process; but, with the exception of the so-called *matières instrumentales*, it is only exceptionally *consumed* (all at once) in the same (single, unique) labour process. It serves in repeated processes of the same kind. But it only enters into the [II-74] valorisation process—or, what is the same thing, it only re-appears as an element in the value of the product—in so far as it is used up in the *labour process*.¹¹³ //

Similar to Ramsay is Rossi. First, in *leçon XXVII*, he gives a general definition of capital.^a

“Capital is that portion of the wealth *produced* which is *destined* for reproduction” (p. 364).

However this only applies to capital in so far as it is use value—applies to its *material* content, not to its form. No wonder, then, that the same Rossi proclaims the component of capital explicable solely from its form—the *approvisionnement*,^b the part that is exchanged for labour capacity—to be no necessary component of capital, in fact not to be part of capital’s *concept* at all. Thus he says, on the one hand, that *capital* is a necessary agent of production, and, on the other hand, that *wage labour* is not a necessary agent of production or relation of production. Actually he understands by capital only “*instrument of production*”.¹⁰⁵ According to him one could, it is true, distinguish between *capital-instrument* and *capital-matière*, but actually the political economists are wrong to call raw materials capital; for

“Is it” (the raw material) “really an instrument of production there? Is it not rather an object which is acted upon by the instrument of production?” (*leçons. etc.*, p. 367).

Later on he says:

“*Instrument of production*, that is to say a material which operates on itself, which is at once object and subject, thing acted upon and agent” (l.c., p. 372).

He also calls capital simply “*moyen de production*”^c on p. 372. In reference to Rossi’s polemic against the idea that *approvisionnement* forms a part of capital, we must distinguish two things; or, he confuses two things.

Firstly he views wage labour in general—the capitalist’s advancing of the wage—as not a necessary form of production; or wage labour as not a necessary form of labour; thereby forgetting only that *capital* is not a necessary form (i.e. not an absolute, rather merely a particular historical form) of the conditions of labour or production. In other words: the labour process can take place without being subsumed under capital; this particular social form is not a necessary prerequisite for it; the production process as such is not a necessarily capitalist production process. But here he again makes the mistake of viewing the purchase of labour

^a P. Rossi, *Cours d’économie politique. Année 1836-1837*. In: *Cours d’économie politique*, Brussels, 1843. Marx quotes Rossi in French.—*Ed.*

^b Means of subsistence, provisions.—*Ed.*

^c Means of production.—*Ed.*

capacity by capital as not *essential* for wage labour but as something accidental. For production the conditions of production are required; but not *capital*, i.e. not the relation which emerges from the appropriation of the conditions of production by a specific class and the existence of labour capacity as a commodity. His stupidity consists in recognising wage labour (or also the independent form of capital) and seeking to argue out of existence the relation of wage labour to capital, which constitutes the former. To say that *capital* is not a necessary form of social production is merely to say that *wage labour* is only a transitory historical form of social labour.

Not only does the rise of capitalist production presuppose a historical process of the separation of the workers from the conditions of labour; capitalist production *reproduces this relation on an ever increasing scale* and gives it a sharper character.¹⁰⁰ This is already evident in considering the general concept of capital, and becomes still clearer later on in the context of competition, which essentially effects this separation (concentration, etc.).¹¹⁴ In the actual production process the objects of which capital consists do not confront the worker as capital but as the material and means of labour.^a He is of course conscious that they are alien property, etc., capital. But the same thing is true of his *sold* labour, which belongs not to him but to the capitalist.^b

[II-75] *Secondly*, however, one further point creeps into the Rossian polemic. (The first point was: exchange of money for labour capacity. Rossi is right in so far as he declares that this operation is not necessary for production as such. He is wrong in so far as he views this relation, without which capitalist production would not exist at all, as an inessential, accidental moment of the latter.)

Namely this: we have seen: First the worker sells his labour capacity, i.e. temporary disposition over it.^c This includes his bartering it for the means of subsistence that are necessary to preserve him as a worker at all, and more specifically his possession of the means of subsistence “during the work of production” [p. 370]. This is a prerequisite for his entry as a worker into the production process, and for his activation, realisation, of his labour capacity during that process. As we have seen, Rossi understands by capital nothing but the means of

^a See this volume, p. 58.—*Ed.*

^b *Ibid.*, pp. 66-67.—*Ed.*

^c *Ibid.*, pp. 51, 81 and 103.—*Ed.*

production (*matière, instrument*) required for the manufacture of a new product. The question is: Do the worker's means of subsistence belong there, like, e.g., the coal, oil, etc., consumed by the machine or the fodder eaten by the cattle? In short the *matières instrumentales*.¹⁰² Do the worker's means of subsistence belong to this category as well? With the slave there is no question but that his means of subsistence are to be counted among the *matières instrumentales*; he is a mere instrument of production, hence what he consumes is a mere *matière instrumentale*. (As we have already remarked, this confirms the point that the price of labour (the wage) does not enter into the labour process proper any more than the prices of the material and means of labour do; although all three, even if in different ways, enter into the valorisation process.^a) To answer the question it is necessary to subdivide it into two questions:

Firstly: To consider the labour process as such, independently of capital; since the people who raise the question here call the moments of the labour process as such capital.⁵⁶ *Secondly*: To ask how far this is modified once the labour process is subsumed under capital.

Firstly, then: If we consider the labour process as such, its objective conditions are the material of labour and the means of labour, they are simply objective conditions of labour itself, as the purposeful activity of a human being directed at producing a use value.^b The worker relates to them as subject. To be sure, he is presupposed as worker, to allow his labour capacity to function, and the provisions necessary for his subsistence, for the development of labour capacity, are therefore also presupposed. But they do not enter as such into the labour process.

He enters the process as a working proprietor. However, if the different moments of the labour process are viewed with regard to its result, the product, the relation is altered. With regard to the product all 3 moments appear as moments of its mediation, hence as means of production. The material of production, the instrument of production, and productive activity itself, are all means for the manufacture of the product, hence means of production.^c Here the means of maintaining the machine (oil, coal, etc.), entirely leaving aside their *price*, form part of the means of production, but so equally do the means of maintaining the

^a See this volume, pp. 117 and 131-32.— *Ed.*

^b *Ibid.*, p. 71.— *Ed.*

^c *Ibid.*, pp. 55-58.— *Ed.*

worker during the production process itself.¹⁰² For all that, the working proprietor will continue to regard the product as such only as a means of subsistence, not his means of subsistence as prerequisites for the manufacture of the product. However, the way of looking at things does not alter the state of affairs one whit. The proportion of the means of subsistence he must consume as worker, without which his labour capacity cannot function as such at all, is just as indispensable for the production process as the coal and oil consumed by the machine. In that sense the consumption fund of society forms part of its means of production (this disappears again on further consideration, in so far as the whole production process itself appears as simply the reproduction process of society or of the social human being), and the worker's consumption is not economically distinguished within these limits from the consumption of the working horse or the machine.

Thus the part of capital that pays labour capacity or forms the wage enters into the actual production process in so far as the means of subsistence the worker consumes are directly consumed, and have to be consumed, in the production process itself. But the part of the capital given out in this way which does not enter directly into the production process also forms a part of the capital before it is exchanged for labour capacity, and for the formation of the capital-relation this is a necessary prerequisite.

[II-76] The capitalist has paid for labour capacity. The major part of the means of subsistence the workers have thus obtained is expended during the labour process itself, and necessarily so. If the workers were slaves, the capitalist would have to advance this part to them as simple *matières instrumentales*. Here the worker does this for him. For him the worker is a mere agent of production, and the means of subsistence he consumes are the coal and oil necessary to keep this agent of production in motion. This is how the capitalist sees it, and he acts accordingly. If an ox or a machine is a cheaper agent of production, the worker is replaced by one or the other. The opinion is economically incorrect in so far as it is of the essence of wage labour that the 2 processes are distinguished, namely 1) the exchange of money for labour capacity; 2) the consumption process of this labour capacity—the labour process (production process).

Let us now look in some detail at Rossi's criticisms, without coming back to the case considered last (under 2).

With regard to this Rossi makes the following statement:

“Those who only regard *economic science from the point of view of the entrepreneur*, and who only consider the net and exchangeable product that each entrepreneur can obtain, such people must in fact see no difference between a man, an ox and a steam-engine: in their eyes there is only one question worthy of serious attention, and that is the question of the cost price, the question of knowing how much it costs the entrepreneur to obtain what he requires from the steam, the ox, the worker” (Rossi, *De la méthode en économie politique etc.*, in *Économie politique. Recueil de monographies etc. Année 1844*, Vol. I, Brussels, 1844, p. 83).^a

It does appear, then, that the point of view of the entrepreneur, i.e. of the capitalist, is in any case an essential moment in considering capitalist production. But that belongs to the relation of capital and labour.

Our essential concern, however, in considering Mr. Rossi is the way he on the one hand admits that *wage labour*, hence also capitalist production, is not a necessary (absolute) form of labour and production; but then repudiates this admission, being ALTOGETHER miles away from any historical understanding.

Rossi's first objection is this:

“If the worker lives from his income, if he lives from the remuneration of his labour, how can the same thing appear twice in *the phenomenon of production*, in the calculation of *productive forces*, once as the *remuneration of labour* and a second time as capital?” (*leçons*, p. 369).^b

Here one must remark at the outset: This means, expressed in general terms, that the wage appears twice, once as relation of production, once as relation of distribution. Rossi holds this to be incorrect, and he is right as against the political economists in so far as they view the two different forms in which *the same thing* appears as two mutually independent relations which have nothing to do with each other. We shall return to this subject and demonstrate in general that the relation of production is a relation of distribution and vice versa.⁶² But, in addition to this, the wage can enter into the phenomenon of production, i.e. constitute a relation of production, without entering into the *calculation of productive forces*, namely if Mr. Rossi understands by productive force not the development of the productive forces in so far as it is conditioned by the relation of production, but nothing other than the moments that belong to the labour process in general or the production process in general, as such, disregarding all particular social forms.

On the other hand: The means of subsistence form a component of capital as long as they have not yet been *exchanged*

^a Marx quotes in French.—*Ed.*

^b Marx quotes partly in German and partly in French.—*Ed.*

for labour capacity. This exchange would not, however, take place unless they formed a component of capital *before* it happened. If they are exchanged, they cease to be capital and become income. Indeed it is not the wage but only labour capacity that enters into the direct production process itself. If I have produced grain, it forms a part of my capital until I have sold it. It forms the income of a consumer. (At least it can do so, if it is employed in individual consumption, not in production.) But in fact the means of subsistence [II-77] continue to be a *productive force of capital* even after the worker has received it as income and consumed it as income, for the reproduction of the worker is the reproduction of the principal productive force of capital.

“One says the remuneration of the worker is capital, because the capitalist *advances* it to him. If only there were families of workers who had sufficient to subsist for a year, *wages would not exist*. The worker could say to the capitalist: you advance the capital for the common project, I will bring the labour to it; the product will be shared among us in certain proportions. As soon as the product has been realised, each of us will take his share. Then there would be no *advance* for the workers. Even if work were at a standstill, they would still consume. What they would consume belongs to the consumption fund, not to capital. Therefore: the advances for the workers are not *necessary*. Therefore *wages are not a constituent element of production*. *They are only of an accidental nature, a form arising from our social condition*. Capital, land, labour, on the other hand, are necessary for production. *Secondly*: The word wages is employed in a double sense. One says that wages are a capital, but what do they represent? Labour. He who says wages says labour and vice versa. Hence, if the wages advanced constituted a part of capital, one would have to speak only of 2 instruments of production: capital and land” (l.c., p[p. 369-]370).¹¹⁵

In the same way as Rossi says: if the worker possessed the means of subsistence for a year, the capitalist would not need to advance them to him, he could just as well continue: if the worker possessed the material and means of labour for a year, he would not need the interposition of the capitalist for these conditions of labour. Thus the circumstance that “material of labour and means of labour” appear as capital is “*not a constituent element of production*”. “*They are only of an accidental nature, a form arising from our social condition*”, which makes them into this. They would still belong to the “production fund”, by no means to capital. Capital would not exist at all. If the particular form which makes labour into *wage labour* is a social accident, a particular historico-social form of labour, the same can be said of the form which makes the objective conditions of labour into *capital* or the *conditions of production* into capital. And it is the same social accident that makes labour into *wage labour* and the *conditions of production* into *capital*. Indeed, if the workers had in their possession even this one condition of production—a year’s means of subsistence—their labour would

not be wage labour, and they would have possession of all the *conditions of production*. They would only need to sell a part of these surplus means of subsistence in order to buy in return the means of production (material and instrument) and produce commodities themselves. What Mr. Rossi is trying to get clear about here, without entirely succeeding, is that a particular social form of production, although it may be a *historical* necessity, is not on that account an *absolute* necessity, and therefore cannot be described as an eternal, unalterable condition of production. The admission we shall accept, but not its incorrect application.

So, in order to produce it is not absolutely necessary for labour to be wage labour and therefore, among other things, for the means of subsistence to have confronted the worker originally as a component of capital. But Rossi continues: "Capital, land, labour by contrast are necessary for production." If he had said: "*Land* (material of labour, working space and in the first instance means of subsistence); *means of labour* (instruments, etc.); and *labour* by contrast are necessary for production", but "rent, capital and wage labour" are not necessarily required, the proposition would have been correct. But his way of speaking strips away from labour and land the particular social form in which they may appear in the bourgeois economy—their forms as wage labour and landed property, and allows the means of labour in contrast to retain their economic character as *capital*. He [11-78] conceives them not only as material conditions of production but in their particular social form of *capital* and therefore arrives at the absurd conclusion that capital is possible without the appropriation of the soil and without wage labour.

Further: If the wage advanced forms part of capital, says Rossi, there are only 2 instruments of production, land and capital, and not 3, as the political economists all assume, land, capital and labour. In reality, here it is a question of the simple moments of the labour process as such, and in this there figure only the material of labour (land), the means of labour (which Rossi incorrectly calls capital) and labour. But definitely not capital. Yet in so far as the whole labour process is subsumed under capital, and the 3 elements which appear in it are appropriated by the capitalist, all 3 elements, material, means, labour, appear as material elements of *capital*; they have been subsumed under a particular social relation, which has absolutely nothing to do with the labour process considered *abstractly*—i.e. in so far as it is equally common to all social forms of the labour process. It remains characteristic of Rossi that he regards the relation

between the personified product of labour and living labour capacity, a relation which forms the quintessence of the relation of capital and wage labour, as an *inessential* form, a mere accident of capitalist production itself. (See the wretched *Bastiat*.⁹⁷ With Rossi there is at least an inkling that capital and wage labour are not eternal social forms of production.)

We have now already had the argument twice from Rossi that if the wage forms a part of capital (originally), the same thing appears twice. First as a relation of production and second as a relation of distribution. Secondly: that in that case one should not enumerate 3 factors of production (material, means, labour) in the labour process, but only 2, namely material (which he calls here *land*) and means of labour, which he calls here capital.

“What occurs between the entrepreneur and the worker? If all products were started in the morning and finished in the evening, and if there were always buyers present on the market, ready to buy the commodities offered, there would be *properly speaking no wage*. It is not so. Months, years are required to realise a product.... The *worker, who possesses only his arms*, cannot wait for the completion (the end) of the project. He says to the entrepreneur, capitalist, farmer, manufacturer what he could say to a third party, a bystander. He could propose to him (the third party) that he buy his claim on the product. He could say to him: I contribute to the production of so-and-so many lengths of cloth, will you buy the remuneration to which I am entitled? Assuming that the third person, the bystander, accepts the proposal and pays the agreed price, can one say that the money expended by the bystander forms a part of the capital of the entrepreneur? That his contract with the worker is one of the phenomena of production? No, he has made a good or bad speculation, which adds nothing to public wealth and takes nothing away from it. *That is wages*. The worker proposes to the manufacturer what he could have proposed to a third party. *The entrepreneur goes along with this arrangement in so far as it may facilitate production. But this is nothing but a second operation, an operation of a quite different nature grafted on to a productive operation. It is not a fact indispensable to production. It could disappear if labour were organised differently*. Even today there are spheres of production in which it has no place. *Wages are therefore a form of the distribution of wealth, not an element of production*. The part of the fund which the entrepreneur devotes to the payment of wages does not constitute a part of capital, any more than the sums of money a manufacturer might employ to discount bills of exchange, or to speculate on the stock-exchange. It is a *distinct operation*, which undoubtedly may promote the course of production but which cannot be called a *direct instrument of production*” (l.c., p. 370).

[II-79] Here the point emerges clearly. A *relation of production* (however the social relation between individuals within production as a whole is viewed) is “*not a direct instrument of production*”. The relation of capital and wage labour, whereby the exchange of labour capacity for money is conditioned, is not a “direct instrument of production”. Thus the value of the commodity is not a “direct instrument of production”, although the essence of the production process changes according to whether it is only a

question of the production of products as such or of the production of commodities. The “*value*” of the machine, its existence as fixed capital, etc., is not a “direct instrument of production”. A machine would also be productive in a society where there were no commodities at all, no exchange value. The question is by no means whether this “relation of production could disappear in another organisation of labour”; it is rather to investigate the significance of this relation in the capitalist organisation of labour. Rossi concedes that there would be “properly speaking no wage” under such conditions (p. 370). And he will permit me to cease describing as a wage what is “not properly a wage”. He only forgets that there would then be no longer any “capital proper” either.

“Since everyone could wait for the products of one’s labour, the *present form of the wage could disappear*. There would be partnership between the workers and the capitalists, just as today there is partnership between the capitalists properly so called and the capitalists who are simultaneously workers” (p. 371).^a

Rossi is not clear about what would become of the present form of production in these circumstances. To be sure, he may treat this as completely irrelevant if he views production as a purely technological process, disregarding the social forms of production, and if, on the other hand, he understands by capital nothing but a product used for the fabrication of new products. He has at least in his favour his pronouncement that the form of the wage is not a “fact indispensable to production”.

“To conceive the power of labour, while ignoring the workers’ means of subsistence during the work of production, is to conceive *an imagined being*. He who says labour or the power of labour says worker and means of subsistence, worker and wage ... The same element re-appears under the name of capital; as if the same thing could simultaneously form part of two distinct instruments of production” (l.c., pp. 370, 371).^a

Pure labour capacity is indeed “*a phantom*”. But this phantom exists. Hence when the worker ceases to be able to sell his labour capacity, he starves. And capitalist production is based on the reduction of the labour capacity to such a phantom.

Sismondi is therefore correct to say:

“*Labour capacity ... is nothing if it is not sold*” (Sismondi, *Nouveaux principes etc.*, Vol. 1, p. 114).

What is stupid about Rossi is his attempt to present “wage labour” as “inessential” for capitalist production.

^a Marx quotes in French.— *Ed.*

He could also say of the machine: It is the machine that constitutes part of capital, not its value. The *value* of the machine, he could say, is paid to the machine manufacturer, and perhaps consumed by him as income. The value of the machine, therefore, ought not to figure twice in the production process, the first time as the takings of the machine manufacturer, the other time as capital or a constituent of the capital of the COTTON spinner, etc.

Incidentally, it is characteristic that Rossi says wages, i.e. wage labour, would be superfluous if the workers were rich, while Mr. John Stuart Mill says they would be superfluous if labour were to be had for *nothing*:

“Wages have *NO PRODUCTIVE POWER*; they are the price of a *PRODUCTIVE POWER*. *WAGES* do not contribute, apart from labour, to the production of commodities //should be: to the production of products, use values//, no more than the *price of machines* contributes *ALONG WITH THE MACHINES THEMSELVES*. *If labour could be had without purchase, WAGES MIGHT BE DISPENSED WITH*” (John Stuart Mill, *Essays on Some Unsettled Questions of Political Economy*, London, 1844, p[. 90-]91).

[II-80] Where the purely general form of capital as self-preserving and self-valorising value is being considered, it is declared to be something immaterial, and therefore, from the point of view of the political economist, a mere idea; for he knows of nothing but either tangible objects or ideas—relations do not exist for him. As value, capital is indifferent towards its particular material forms of existence, the use values of which it consists. These material elements do not make capital into capital.

“*Capital is always immaterial by nature, since it is not matter which makes capital, but the value of that matter, value which has nothing corporeal about it*” (Say, *Traité d'économie politique*, 3rd ed., Vol. 2, Paris, 1817, p. 429).

Or, Sismondi:

“Capital is a commercial *idea*” (Sismondi, LX, *Études etc.*, Vol. 2, p. 273).^{a 116}

While all capitals are values, the values as such are still not capital. And so the political economists take flight once again back to the material shape of capital within the labour process. In so far as the labour process itself appears as the production process of capital and is subsumed under capital, and according to whether some specific aspect of the labour process is fixed upon (as we have seen, the labour process as such by no means presupposes capital but is a feature of all modes of production), it can be said that capital becomes a product, or is a means of production, a raw material, an instrument of labour.⁵⁶ Thus Ramsay says that raw

^a Marx quotes Say and Sismondi in French.—Ed

material and means of labour form capital.^a Rossi says that only the instrument is actually capital.^b The elements of the labour process are viewed here outside any specific economic determinateness. (It will become evident later that also within the labour process this *extinction of the determinateness of form* is only a semblance.¹¹⁷) The labour process (production process of capital), reduced to its simple form, does not appear as production process of capital, but as production process in the absolute sense, and capital appears here *in distinction from labour* solely in its material determinateness of raw material and instrument of labour. (But here too *labour* is in fact capital's own existence, is embodied in it.) The political economists fix on this side, which is not only an arbitrary abstraction, but one which itself vanishes in the process, in order to present capital as a necessary element of all production.¹¹⁸ Of course, they only do this by arbitrarily fixing on a single aspect.

* "Labour and capital ... the one, *immediate labour* ... the other, *hoarded labour*, that which has been the result of former labour" * (James Mill, *Elements of Political Economy*, London, 1821, [p.] 75).

* "*Accumulated labour* ... immediate labour" * (R. Torrens, *An Essay on the Production of Wealth etc.*, London, 1821, Ch. 1).¹¹⁹

Ricardo, *Principles*, p. 89: "*Capital* is that part of the wealth of a country which is employed in production, and consists of FOOD, CLOTHING, TOOLS, RAW MATERIAL, MACHINERY, etc., necessary TO GIVE EFFECT TO LABOUR."

"*Capital*... is but A PARTICULAR SPECIES OF WEALTH, namely that which is destined, not TO THE IMMEDIATE SUPPLYING OF OUR WANTS, BUT TO THE OBTAINING OF OTHER ARTICLES OF UTILITY" (Torrens, l.c., p. 5).

"In the first stone which the savage flings at the wild animal he pursues, in the first stick that he seizes to strike down the fruit which hangs ABOVE HIS REACH, we see the appropriation of one article for the purpose OF AIDING IN THE ACQUISITION OF ANOTHER, and THUS DISCOVER THE ORIGIN OF CAPITAL" (Torrens, l.c., pp. 70-71).

CAPITAL "ALL ARTICLES POSSESSING EXCHANGEABLE VALUE", THE ACCUMULATED RESULTS OF PAST LABOUR (H. C. Carey, *Principles of Political Economy*, Part I, Philadelphia, 1837, p. 294).

"When a fund is devoted to material production, it takes the name of *capital*" (H. Storch, *Cours d'économie politique*, ed. Say, Vol. I, Paris, 1823, [p.] 207).^c

"Wealth is only capital in so far as it serves for production" (l.c., p. 219).^c

"The elements of the national capital are^d: 1) improvements of the soil; 2) buildings; 3) tools or instruments of the trade; 4) means of subsistence; 5) materials; 6) completed work" (l.c., pp. 229 sq.).

[11-81] "Every productive force which is neither land nor labour is *capital*. It comprises all the forces, either completely or partially produced, that are applied to reproduction" (Rossi, l.c., p. 271).^c

^a See this volume, p. 139.—*Ed.*

^b *Ibid.*, p. 141.—*Ed.*

^c Marx quotes in French.—*Ed.*

^d Marx quotes the rest of the paragraph in French.—*Ed.*

“There is no difference between *capital* and any other part of wealth; a thing only becomes *capital* by the *use* that is made of it, that is to say, when it is employed in a productive operation, as raw material, as instrument, or as means of subsistence” (Cherbuliez, *Richesse ou pauvreté*, 1841, p. 18).^a

But in capitalist production it is by no means just a matter of producing a product or even a commodity; what is aimed at is a greater value than was thrown into production.^b Hence these definitions:

Capital is the part of WEALTH which is employed in production and GENERALLY FOR THE PURPOSE OF OBTAINING PROFIT (Th. Chalmers, *On Political Economy etc.*, London, 1832, 2nd ed., [p.] 75).

It is above all Malthus who has introduced this element into the definition of capital. (Sismondi’s definition is more precise; since profit is already a more developed form of surplus value.^c)

*“*Capital*. That portion of the stock” (i.e. accumulated wealth) “of a country which is kept or employed with a view to profit in the production and distribution of wealth”* (T. R. Malthus, *Definitions in Political Economy*, New Ed. etc. by John Cazenove, London, 1853, [p.] 10).

*“*Antecedent labour* (capital) ... *present labour*”* (E. G. Wakefield’s commentary to A. Smith, *Wealth of Nations*, Vol. 1, London, 1835, note to p[.p. 230-]31).

Thus we have 1) capital is money; capital is commodity; if the first form in which it emerges is being considered; 2) ACCUMULATED (ANTECEDENT) LABOUR as opposed to IMMEDIATE, PRESENT LABOUR, where it is being considered in contrast to living labour, and value simultaneously as its substance; 3) means of labour, material of labour, in general products used to form new products, where the labour process, the material production process, is being considered. Means of subsistence, where the component of capital which is exchanged for labour capacity is being considered, according to its use value.

In so far as the whole labour process (direct production process) comes together in the product as its result, capital now exists as product. This is, however, simply its presence as use value, except that now the latter is available as the result of the labour process or production process—the process capital has passed through. If this is taken as fixed, and it is forgotten that the labour process is at the same time a process of valorisation, hence its result is not only use value (product) but at the same time exchange value, a unity of use value and exchange value (=the commodity), the absurd notion may arise that capital has been transformed into a

^a Marx quotes in French.—*Ed.*

^b See this volume, p. 97.—*Ed.*

^c *Ibid.*, p. 12.—*Ed.*

simple product, and will only become capital again by being sold, by becoming a commodity. The same absurd notion can be put forward from another point of view. In the labour process itself it is irrelevant (the fact disappears) that the material and means of labour are already products, hence commodities (since on our assumption every product is a commodity). Hence the commodity, and the product itself, only counts here to the extent that it is a use value, e.g. raw material. It can therefore be said that what was previously capital has now been converted into raw material; this is a form of expressing the fact that what was the result of one production process is the raw material (the prerequisite) of the other (or the instrument of labour). Proudhon, for example, argues in this manner:

“What causes the sudden transformation of the *notion of product* into that of *capital*? It is the *idea of value*. This means that the product, in order to become capital, must have passed through an authentic valuation, must have been bought or sold, its price discussed and fixed by a kind of legal convention.” E.g. “hides, coming from the butcher’s shop, are the *product of the butcher*. Have these hides been bought by a tanner? At once he adds either them or their value to his working capital. By the work of the tanner this capital becomes a product again” (*Gratuité du crédit* [pp. 178-80]) (see XVI, 29 etc.).^{a 120}

[II-82] Mr. Proudhon altogether has a penchant for appropriating elementary notions, combining them with an incorrect metaphysical apparatus and reproducing this for the public. Does he perhaps believe that the leather does not figure as a value in the butcher’s ledger before leaving the butcher’s shop? In reality all he is saying is that the commodity=capital, which is wrong, since though every capital exists as commodity or money, this does not yet make commodity or money as such into capital. What is needed is precisely to develop how the “notion” of capital develops out of the “notion” of money and commodity. He sees the labour process, but not the valorisation process; it is a result of the latter that the product of the overall production process is not only a use value, but a use value with a definite exchange value, i.e. a commodity. Whether this commodity is sold above or below its value, its passage through a legal convention gives it no new determination of form, it does not make the product into a commodity, still less does it make the commodity into capital. The production process of capital is here fixed upon one-sidedly as a labour process, with its result use value. Capital is viewed as a thing; a thing pure and simple.

^a Marx quotes in French.—Ed.

Equally stupidly—and this is characteristic of the way in which declamatory socialism regards *society* in relation to economic determinations—Proudhon says:

“For *society*, the difference between *capital* and *product* does not exist. This difference is entirely *subjective*, and related to individuals” [p. 250].^a

He calls the specific social form subjective and he calls the subjective abstraction society. The product as such is a feature of every mode of labour, whatever its specific social form may be. The product only becomes *capital* to the extent that it expresses a particular, historically determined, social relation of production. Mr. Proudhon’s contemplation from the standpoint of society means overlooking, abstracting from, precisely the *differences* which express the particular *social* relation or the determinateness of the economic form. As if someone were to say: Looking from the point of view of society there are no slaves and CITIZENS, both are human beings. They are much rather this *outside* society. To be a slave, to be a CITIZEN, are particular modes of the social existence of human beings *a* and *b*. Human being *a* is as such not a slave. He is a slave in and through the society he belongs to. To be a slave, to be a CITIZEN, are social determinations, relations between human beings *a* and *b*. What Proudhon says here about capital and product means for him that from the point of view of society there is no difference between capitalists and workers; a difference which exists precisely from the social standpoint alone.¹²¹ It is characteristic of him to conceal his inability to proceed from the category (notion) commodity to the category capital beneath a high-sounding phrase.

Incidentally, one finds other political economists talking the same nonsense about the transformation of the product into capital—in fact this is only a special application of the general narrow-minded conception of capital as a thing—but there it is presented less pretentiously.⁵⁶ E.g. Francis Wayland, *The Elements of Political Economy*, Tenth Thousand, Boston, 1843, p. 25.

*“The material which ... we obtain for the purpose of combining it with our own industry, and forming it into a product, is called *capital*; and, after the labour has been exerted, and the value created, it is called a *product*. Thus, the same article may be *product* to one, and *capital* to another. Leather is the product of the currier, and the capital of the shoemaker.”*

[11-83] With Mr. J. B. Say nothing would surprise us. He tells us for example:

^a Marx quotes in French.—*Ed.*

“Work on the land, that of animals and machines, is also a *value*, because a price is set upon it and it is bought.”^{a 122}

He does so after he has told us that “value” is “what a thing is worth”, and “price” is the “value of a thing expressed [in money]”.^a Then he declares the wage to be “*le loyer d’une faculté industrielle*”—the rent of labour capacity—and continues, as a sign that he does not understand his own expression, “*ou plus rigoureusement le prix de l’achat d’un service productif industriel*”.^{b 123}

Here labour is taken merely as it appears in the labour process: as an activity aimed at producing a *use value*. In this sense *services productifs* are also performed in the labour process by raw material, by the land, using this expression in a general way, and by the means of production (capital). The labour process is precisely the activity of their *use value*. Once all the elements of production have been reduced in this way to mere factors of the use values involved in the labour process, profit and rent then appear as the prices of the *services productifs* of land and products, just as the wage appears as the price of the *services productifs* of labour. The specific forms of exchange value are always explained here by reference to use value, although they are entirely independent of it.

// The whole of the Mercantile System is based on the notion that surplus value arises simply from circulation, i.e. from the altered distribution of already existing values.^{c //}

// The extent to which the concept of capital implies not only the preservation and reproduction of value but *its valorisation*, i.e. the multiplication of value, the positing of surplus value, can be seen from, among other examples (as we shall see later, this is most strikingly evident in the case of the Physiocrats^d), the earlier Italian political economists, who applied the term *reproduction of value* only to this production of surplus value. For example Verri:

“The *value reproduced* is that part of the price of an agricultural or industrial product which exceeds the *original value* of the material and the outlay on consumption incurred while it is being produced. In agriculture the seed and the consumption of the peasant must be deducted: equally in manufacture one must deduct the raw material and the worker’s consumption; and so every year a *reproduced value* is created, to the amount of the part that remains” (P. Verri,

^a Marx quotes in French.— *Ed.*

^b “Or, strictly speaking, the purchasing price of a productive labour service.”— *Ed.*

^c See this volume, p. 351.— *Ed.*

^d *Ibid.*, pp. 352-76.— *Ed.*

Meditazioni sulla economia politica, Custodi, *Parte Moderna*, Vol. XV, [pp.] 26-27).^a124//

//The same *P. Verri* (although a Mercantilist) admits that if commodities are sold at their value or their average price (*prezzo comune*) it is unimportant who is the buyer and who the seller; or, in other words, that the surplus value cannot originate from the difference between buyer and seller. He says: We must regard it as irrelevant whether someone is buyer or seller in the act of exchange.

“The average price is that in which the buyer can become seller and the seller buyer without perceptible loss or gain. If for example the average price of silk is a *gigliato* per pound, I say that a person who possesses 100 pounds of silk is just as rich as he who possesses 100 *gigliati*, since the first can easily have 100 *gigliati* by handing over the silk, and similarly the second can have 100 pounds of silk by handing over 100 *gigliati*.... *The average price is that at which none of the contracting parties becomes poorer*” (i.e., [pp.] 34, 35).^a//

[II-84] Only that which preserves and increases capital has *use value* for capital as such. *Labour*, therefore, or *labour capacity*. (Labour is after all only a function, realisation, activity of labour capacity.) //The conditions for the realisation of labour are *eo ipso*^b included, since capital cannot employ, consume labour capacity without them. // Labour is therefore not *a use value* for capital. It is *the use value* of the latter.

*“The immediate market for capital, or field for capital, may be said to be *labour*” * (*An Inquiry into those Principles, Respecting the Nature of Demand and the Necessity of Consumption, Lately Advocated by Mr. Malthus*, London, 1821, [p.] 20).

// *On the exchange of capital with labour capacity*:

“WAGES ARE NOTHING MORE THAN THE MARKET PRICE OF LABOUR, and when the labourer has received them, he has received the full value of the commodity he has disposed of. Beyond this he can have no claim” (John Wade, *History of the Middle and Working Classes*, 3rd ed., London, 1835, p. 177).//

// *Productive consumption*.

*“Productive consumption, where the consumption of a commodity is a part of the *process of production*.... In these instances there is *no consumption of value*, the same value existing in a new form” * (S. P. Newman, *Elements of Political Economy*, Andover and New York, 1835, [p.] 296).//

(“*Capital* is consumed just as much as the consumption *fund*; but in being consumed it is *reproduced*. A capital is a quantity of wealth destined for *industrial consumption*, that is for *reproduction*” (H. Storch, *Cours d'économie politique*, ed. Say, Vol. I, Paris, 1823, p. 209)).^c

It is labour *capacity*, not *labour*, which is exchanged for capital in the buying process:

^a Marx quotes in Italian.— *Ed.*

^b By that very fact.— *Ed.*

^c Marx quotes in French.— *Ed.*

*“If you call labour a *commodity*, it is not like a commodity which is first produced in order to exchange, and then brought to market where it must exchange with other commodities according to the respective quantities of each which there may be in the market at the time; labour is *created* at the moment it is brought to market; nay it is brought to market *before* it is created”* (*Observations on Certain Verbal Disputes in Political Economy etc.*, London, 1821, [pp.] 75-76).

Viewed as a whole, the production process of capital is divided into 2 sections:

1) exchange of capital for labour capacity, which includes as a corollary the exchange of certain components of capital existing as money (value) for the objective conditions of labour, in so far as they themselves are commodities (hence also products of previous labour). This first act includes the conversion of a part of the existing capital into the worker’s means of subsistence, hence simultaneously into the means of the preservation and reproduction of labour capacity. // In that a part of these means of subsistence has been consumed *during* the labour process itself, in order to produce labour, the means of subsistence the worker consumes can be counted (as maintenance costs) among the objective conditions of labour into which capital is divided in the production process just as much as can the raw material and the means of production. Or they can be regarded as a moment in reproductive consumption. Or, finally, they can be regarded just as much as means of production of the product, rather like the coal and oil the machine consumes during the production process.¹⁰² // 2) In the actual labour process *labour* is converted into *capital*. I.e. it becomes *objectified labour* (objective labour)—and indeed objectified labour which confronts living labour capacity *independently*, as the property of the capitalist, the economic existence of the capitalist. *On this conversion of labour into capital:*

“They” (the workers) “exchange their labour for grain” // i.e. means of subsistence in general //. “This becomes income *for them*” // consumption fund // “...while *their labour* has become *capital* for their master” (Sismondi, *Nouveaux principes*, Vol. 1, p. 90).

“He” (the worker) “required the *means of subsistence to live*, the boss required *labour to make a profit*” (Sismondi, l.c., p. 91).^a

“The workers who, giving their labour for the exchange, convert it into *capital*” (Sismondi, l.c., p. 105).

“Whatever advantages a rapid growth of wealth may provide for the wage workers, it does not heal the causes of their misery.... They remain deprived of any right to capital, consequently obliged to *sell their labour* and to renounce any pretensions to the products of that labour” (Cherbuliez, *Richesse ou pauvreté*, p. 68).

// “In the social order, wealth has *acquired the characteristic* of reproducing itself

^a Marx quotes this sentence in French.— Ed.

by means of *alien labour*, without any assistance from its owner. Wealth, like labour and through labour, yields an *annual fruit*, which can be destroyed every year without making the rich man poorer thereby. The fruit is the *income* which arises from *capital*" (Sismondi, *Nouveaux principes*, Vol. 1, p. 82).//

[II-85] //The different forms of income (leaving aside wages), such as profit, interest, rent, etc. (taxes too), are only the different elements into which *surplus value* divides, is distributed among different classes. For the moment we shall simply examine them in their general form, surplus value. Of course, whatever subdivision it may subsequently undergo changes nothing, either in its quantity or its quality. Moreover, it is also well known that the industrial capitalist is the person in the middle, who pays interest, rent, etc.

"Labour is the source of wealth; wealth is its product; income, as a part of wealth, must emerge from this common origin; it is customary to derive 3 kinds of income, *rent, profit, wages*, from 3 different sources, land, accumulated capital and labour. These 3 subdivisions of income are only 3 different ways of participating in the fruits of human labour" (Sismondi, *Nouveaux principes*, Vol. 1, p. 85).//

//"The products are appropriated before they are converted into capital; this conversion^a does not release them from appropriation" (Cherbuliez, [*Richesse ou pauvreté*], p. 54).//

//"In *selling* his labour for a definite amount of *approvisionnement* the worker completely renounces any right to the other parts of capital. The allocation of these products remains the same as before; it is in no way modified by the above-mentioned contract" (l.c., p. 58).//

In this conversion of labour into capital lies, in fact, the whole secret of the capital-relation.

If one looks at capitalist production as a whole, the conclusion is: We should not regard the *commodity* alone (still less the mere *use value* of the commodity, the *product*) as the actual product of this process; not just the *surplus value* either, although it is a result that is kept in view as the purpose of the whole process, and characterises it. It is not just this single thing that is produced—the commodity, a commodity greater in value than the capital originally advanced—but also capital and wage labour; or, the relation is reproduced and perpetuated. This will in any case be shown in more detail after the production process has been further discussed.¹²⁵

Both the surplus value and the wage appear here in a form we have not yet met, namely the form of *income*, hence a *distribution form*, on the one hand, and therefore a particular mode of the *consumption fund*, on the other. But since this determination is still superfluous (although it will become necessary once we get to I,4,

^a Marx quotes the rest of the sentence in French.—Ed.

primitive accumulation¹²⁶), we shall only investigate the characteristics of this form when we have examined the production process of capital more closely. Here the wage appears to us as a *production form* because it is as wage system the prerequisite for capitalist production; just as we have included *surplus value* and its creation in the concept of *capital* as a relation of production. Only in the SECOND INSTANCE must it be demonstrated how these relations of production appear simultaneously as relations of distribution⁶² (in this context we must also throw more light on the stupidity of considering labour capacity to be the capital of the worker⁹²). This is necessitated in part by the need to show what nonsense it is to regard bourgeois relations of production and of distribution as different in kind. Thus J. St. Mill and many other political economists conceive the relations of production as natural, eternal laws, but regard relations of distribution as artificial, of historical origin, and subject to the control, etc., of human society.⁶¹ On the other hand, the description of surplus value e.g. as income (hence the category of income in general) is a formula for simplification, as e.g. in examining the accumulation of capital.¹²⁷

The questions of what labour is productive, whether wages or capital are productive, and the use of the formulation "income" for wages and surplus value, are to be dealt with at the end of the examination of relative surplus value (or also in part in the relation of wage labour and capital?). (Similarly the worker as $C-M-C$, the capitalist as $M-C-M$, saving and HOARDING by the former, etc.¹²⁸)

// *Additions from my Notebook.*¹²⁹ As *use value*, labour exists *only for capital*, and is *the use value* of capital itself, i.e. the mediating activity through which it *valorises* itself. Therefore labour does not exist as a use value for the worker, it is not a *force productive* of wealth for him, in the sense of a means or activity of enrichment. A *use value* for [II-86] capital, labour is a *mere exchange value* for the worker, an available exchange value. It is posited as such in the act of exchange with capital, through its sale for money. The use value of a thing does not concern the seller as such, only its buyer. The labour (capacity) which the worker sells as a *use value* to capital is for the worker his *exchange value*, which he wishes to realise, but which is already *determined* (like the prices of commodities in general) before this act of exchange, and presupposed to it as a condition. The exchange value of labour capacity, the realisation of which occurs in the process of the exchange with capital, is therefore *presupposed*, determined in advance, and only undergoes formal modification (through

conversion into money). It is not determined by the use value of labour. For the worker himself labour only has use value in so far as it *is exchange value*, not in so far as it produces exchange value. For capital it only has exchange value in so far as it is use value. It is a use value, as distinct from its exchange value, not for the worker himself, but only for capital. The worker therefore exchanges labour as a simple, previously determined exchange value, determined by a past process—he exchanges labour as itself *objectified labour*, only in so far as this is a definite quantity of labour; hence only in so far as its equivalent is already measured, given. Capital obtains it through exchange as living labour, as the general productive force of wealth; activity which increases wealth. It is clear, therefore, that the worker cannot *enrich* himself through this exchange, since in exchange for the available value magnitude of his labour capacity he surrenders its *creative power* like Esau his birthright for a mess of pottage.^a Rather, he has to impoverish himself, because the creative power of his labour becomes established as the power of capital, as an *alien power* confronting him. He *divests* himself of labour as the force productive of wealth; capital appropriates it, as such. The separation of labour from property in the product of labour, of labour from wealth, is thus posited in this very act of exchange. What appears paradoxical as result is already implied by the presupposition itself. Thus the productivity of the worker's labour *comes to confront him as an alien power*; as indeed does his labour in general, in so far as it is *actual* labour, not a *capacity* but motion. Capital, inversely, valorises itself through the *appropriation of alien labour*. At least, the possibility of valorisation is thereby posited, as a result of the exchange between capital and labour. The relation is first *realised* in the act of production itself (where capital really consumes the alien labour). Just as labour capacity, as a *presupposed* exchange value, is exchanged for an equivalent in money, so the latter is again exchanged for an equivalent in commodities, which are consumed. In this process of exchange, labour is not productive; it becomes so only for capital. It can take out of circulation only what it has thrown in, a predetermined quantity of commodities, which are as little its own product as they are its own value. // Thus all advances of civilisation, in other words every increase in the productive forces of society—the productive forces of labour itself—enrich not the worker, but the capitalist. Hence they only magnify the power ruling over labour, only increase the

^a Genesis 25:27-32.— Ed.

productive power of capital—the *objective power* over labour.// The transformation of labour into capital is *in itself* the result of the act of exchange between capital and labour. *This transformation is posited only in the production process itself.*//

//With *Say* and his associates the instrument, etc., has a claim to REMUNERATION owing to the *service productif* it performs, and this remuneration is handed over to the owner of the instrument. The *independence* of the instrument of labour, its *social* determination, i.e. its determination as capital, is presupposed in this way so as to substantiate the claims of the capitalist.//

//*“Profit is not made by exchanging. Had it not existed before, neither could it after that transaction”* (Ramsay, l.c., p. 184).//

//“Every space of land is the raw material of agriculture” (P. Verri, l.c., [p.] 218).^a//

[II-87] // Engels gave me this example¹⁸⁰: 10,000 spindles at 1 lb. per week=10,000 lbs=£550 of yarn=1 lb. of yarn for 1¹/₁₀s.

Raw material =10,000 lbs of yarn.

Waste 15% = 1,500=11,500.

at 7d. a lb. =11,500 £336.

Profit 60.

10,000 spindles at £1 per spindle cost £10,000

Annual wear and tear 12¹/₂% = £1,250

Hence per week	24	}	84 (5 ⁵ / ₆ of 490)
Coal, oil, etc.	40		
Wear and tear on the steam engine	20		

Wages 70; price of lb. of yarn 1¹/₁₀s.; hence price of the
10,000 lbs £550

£490

£ 60

490. (Wages are ¹/₇ of 490.)

Therefore *raw material* ⁴⁹⁰/₃₃₆=68⁴/₇%. Wages. 14²/₇%.

Machinery, etc., 17¹/₇%. Therefore raw material and machinery=85⁵/₇; wages 14²/₇. Wages ¹/₇ (70), raw material and machinery ⁶/₇ (420). Hence ¹/₇ wages, ⁶/₇ machinery and raw material. Out of this ⁶/₇, ⁴/₇ comes under raw material+⁴/₅ of ¹/₇. ¹/₇ and ¹/₅ of ¹/₇ come under machinery. Thus *raw material* accounts for somewhat less than ⁵/₇, *machinery* for somewhat over ¹/₇, and *workers* for ¹/₇.//

^a Marx quotes in Italian.—Ed.

This comment from *The Manchester Guardian*, September 18, 1861, MONEY ARTICLE¹³¹:

*“In reference to coarse spinning we have received the following statement from a gentleman of high standing:

	Per lb.	Margin	Cost of Spinning per lb.
Sept. 17, 1860			
His cotton cost	6 1/4d.	} -----4d.	} -----3d.
His 16's warps sold for	10 1/4d.		
	Profit 1d. per lb.		
Sept. 17, 1861			
His cotton costs	9d.	} -----2d.	} -----3 1/2d.
For his 16's warps to ask	11d.		
	Loss 1 1/2d. per lb."*		

From the *first* example it follows that the value of lb. WARPS is 10 1/4d. (1860), of which 1d. is profit. His outlay is 9 1/4d. 1d. on this comes to 10^{30/37}%. But if we subtract the raw material (6 1/4) there remain 4d.; of which 3d. must be deducted for COST OF SPINNING. Even if we assume that wages here amount to one half of this, which is wrong, we arrive at a surplus value of 1d. on 1 1/2d. Hence 3:2, or 66^{2/3}%. 66^{2/3}% is exactly = ²/₃ of the unit. [II-88] Expressing this in hours, the worker works 2 hours for his MASTER for every 3 hours he works for himself. Thus for each hour ...²/₃ of an hour. Hence if he works for 10 hours altogether, 6 hours belong to him, and 4 (¹²/₃) to his MASTER. (3:2=6:4) If he gives 4 hours out of 10 to his MASTER, he gives ⁴/₁₀ of an hour out of 1 hour = 24 minutes. In 1 hour he works 36 minutes for himself (36:24=3:2) // for 36×2=72 and 24×3=72 //.

We have seen in the labour process that all its factors can be characterised with reference to the result—the product—as *means of production*. If, in contrast to this, one looks at the *value* of the different factors required for the manufacture of the product—the values *advanced* for its manufacture (values expended)—they are called the *production costs* of the product. The production costs therefore come down to the sum of labour time required for the manufacture of the product (whether this is the labour time contained in the material and means of labour, or the labour time newly added in the labour process)—the total labour time objectified, worked up, in the product. The formula *production costs* is for us a mere name initially; it adds nothing new to the definitions already arrived at. The value of the product = the sum of the values of the material, the means [of labour] and the labour added to the material through the agency of the means of labour.

The proposition is purely analytic. It is in reality only another way of saying that the value of the commodity is determined by the quantity of the labour time objectified in it. Only later on in this investigation shall we find an opportunity to discuss the formula of the production costs. (Namely in dealing with capital and profit; there an antinomy enters because on the one hand the value of the product = the production costs, i.e. the value advanced for the manufacture of the product, while on the other hand (this is of the nature of profit) the value of the product, in that it includes the surplus value, is greater than the value of the production costs. This results from the fact that the production costs for the capitalist are only the sum of the values he has advanced; hence the value of the product = the value of the capital advanced. On the other hand, the real production cost of the product = the sum of the labour time contained in that product. But the sum of the labour time contained in it is greater than the sum of the labour time advanced or paid for by the capitalist. And this surplus value of the product over and above the value *paid for* or *advanced* by the capitalist forms, precisely, the surplus value; in our definition the *absolute magnitude* of which the profit consists.¹³²)

[II-89]¹³³ *On the Division of Labour.*

Thomas Hodgskin, *Popular Political Economy etc.*, London, 1827.

"INVENTION and KNOWLEDGE necessarily precedes the division of labour. Savages learned TO MAKE BOWS and ARROWS, TO CATCH ANIMALS AND FISH, TO CULTIVATE THE GROUND AND WEAVE CLOTH, BEFORE SOME OF THEM DEDICATED THEMSELVES EXCLUSIVELY TO MAKING THESE INSTRUMENTS, TO HUNTING, FISHING, AGRICULTURE AND WEAVING.... THE ART OF WORKING IN METALS, LEATHER OR WOOD, WAS UNQUESTIONABLY KNOWN TO A CERTAIN EXTENT, BEFORE THERE WERE SMITHS, SHOEMAKERS and CARPENTERS. IN VERY MODERN TIMES, STEAM ENGINES AND SPINNING MULES WERE INVENTED, BEFORE SOME MEN MADE IT THEIR CHIEF OR ONLY BUSINESS TO MANUFACTURE MULES AND STEAM ENGINES" ([pp.] 79-80).

"IMPORTANT INVENTIONS are the RESULT OF THE NECESSITY TO LABOUR AND OF THE NATURAL INCREASE OF POPULATION. If for example the SPONTANEOUS FRUITS are exhausted, man becomes a fisherman, etc." ([p.] 85).

"NECESSITY IS THE MOTHER OF INVENTION; and the CONTINUAL EXISTENCE OF NECESSITY CAN ONLY BE EXPLAINED BY THE CONTINUAL INCREASE OF PEOPLE. E.g. the RISE in the PRICE OF CATTLE is caused by an INCREASE OF PEOPLE AND BY AN INCREASE IN THEIR MANUFACTURING OR OTHER PRODUCE. The RISE in the PRICE OF CATTLE LEADS TO CULTIVATING FOOD FOR THEM, AUGMENTING MANURE AND OCCASIONING THAT INCREASED QUANTITY OF PRODUCE, which in this country amounts to nearly 1/3 of the whole" ([pp.] 86-87).

"No one doubts that *RAPID COMMUNICATION* between the different parts of the country CONTRIBUTES BOTH TO THE INCREASE OF KNOWLEDGE AND WEALTH.... *NUMBERS OF MINDS* ARE INSTANTLY SET TO WORK EVEN BY A HINT; and every DISCOVERY IS INSTANTLY APPRECIATED, and almost as instantaneously improved. The CHANCES OF IMPROVEMENT are great in proportion as the *PERSONS ARE MULTIPLIED* WHOSE ATTENTION IS DEVOTED TO ANY PARTICULAR SUBJECT. An INCREASE IN THE NUMBER OF

PERSONS PRODUCES THE SAME EFFECT AS *COMMUNICATION*; for the latter only operates BY BRINGING NUMBERS TO THINK ON THE SAME SUBJECT" ([pp.] 93-94).

Causes of the division of labour.

"*D'abord*^a division of labour between the sexes in the family. Then differences of age. Then PECULIARITIES OF CONSTITUTION. THE DIFFERENCE OF SEX, OF AGE, OF BODILY AND MENTAL POWER, OR DIFFERENCE OF ORGANIZATION, IS THE CHIEF SOURCE OF DIVISION OF LABOUR, AND IT IS CONTINUALLY EXTENDED IN THE PROGRESS OF SOCIETY BY THE DIFFERENT TASTES, DISPOSITIONS, AND TALENTS OF INDIVIDUALS, AND THEIR DIFFERENT APTITUDES FOR DIFFERENT EMPLOYMENTS" ([pp.] 111 et seq.).

"Apart from the different APTITUDES in those who WORK there are DIFFERENT APTITUDES AND CAPACITIES IN THE NATURAL INSTRUMENTS THEY WORK WITH. DIVERSITIES OF SOIL, CLIMATE, AND SITUATION, AND PECULIARITIES IN THE SPONTANEOUS PRODUCTIONS OF THE EARTH, AND OF THE MINERALS CONTAINED IN ITS BOWELS, ADAPT CERTAIN SPOTS TO CERTAIN ARTS ... *TERRITORIAL DIVISION OF LABOUR*" ([pp.] 127 et seq.).

Limits to the division of labour.

1) "*EXTENT OF MARKET*.... THE COMMODITY PRODUCED BY ONE LABOURER ... CONSTITUTES IN REALITY AND ULTIMATELY THE MARKET FOR THE COMMODITIES PRODUCED BY OTHER LABOURERS; AND THEY AND THEIR PRODUCTIONS ARE MUTUALLY THE MARKET FOR ONE ANOTHER ... THE *EXTENT OF THE MARKET* must mean the NUMBER OF LABOURERS AND THEIR PRODUCTIVE POWER; and rather the former than the latter.... AS THE NUMBER OF LABOURERS INCREASES, THE PRODUCTIVE POWER OF SOCIETY AUGMENTS IN THE COMPOUND RATIO OF THAT INCREASE, MULTIPLIED BY THE EFFECTS OF THE DIVISION OF LABOUR AND THE INCREASE OF KNOWLEDGE.... *IMPROVED METHODS OF CONVEYANCE*, like RAIL-ROADS, STEAM-VESSELS, CANALS, ALL MEANS OF FACILITATING INTERCOURSE BETWEEN DISTANT COUNTRIES, have, as far as division of labour is concerned, the same effects as AN *ACTUAL INCREASE IN THE NUMBER OF PEOPLE*; THEY BRING MORE LABOURERS INTO COMMUNICATION with each other, and MORE PRODUCE TO BE EXCHANGED" ([pp.] 115 et seq.).

Second limit. THE NATURE OF DIFFERENT EMPLOYMENTS.

"As science advances, this apparent limit disappears. In particular, machinery moves it farther away. THE APPLICATION OF STEAM ENGINES TO WORKING POWERLOOMS ENABLES ONE MAN TO PERFORM THE OPERATIONS OF SEVERAL; OR TO WEAVE AS MUCH CLOTH AS 3 OR 4 PERSONS CAN WEAVE BY THE HANDLOOM. THIS IS A COMPLICATION OF EMPLOYMENTS ... but then there follows in turn a SUBSEQUENT SIMPLIFICATION ... hence a PERPETUAL RENEWAL OF OCCASIONS FOR THE FARTHER DIVISION OF LABOUR" ([pp.] 127 et seq.).

[II-90] *SURPLUS LABOUR.*

"Owing to the CUPIDITY of the CAPITALISTS, etc., there is a *CONSTANT TENDENCY TO EXTEND THE NUMBER OF WORKING HOURS*, AND THUS BY AUGMENTING THE SUPPLY OF LABOUR, TO LESSEN ITS REMUNERATION.... *THE INCREASE OF FIXED CAPITAL* tends to the same result. FOR WHERE SO GREAT A VALUE IS LODGED IN MACHINERY, BUILDINGS, etc., THE MANUFACTURER IS STRONGLY TEMPTED NOT TO LET SO MUCH STOCK LIE IDLE AND, THEREFORE, WILL EMPLOY NO WORKMEN WHO WILL NOT ENGAGE TO REMAIN FOR MANY HOURS DURING THE DAY. HENCE ALSO THE HORRORS OF NIGHT LABOUR

^a First of all.— *Ed.*

PRACTISED IN SOME ESTABLISHMENTS, ONE SET OF MEN ARRIVING AS OTHERS DEPART” (G. Ramsay, *An Essay on the Distribution of Wealth*, Edinburgh, [London,] 1836, [p.] 102).

In the case of *absolute surplus value*, the capital laid out in labour, the *variable capital*, retains the same magnitude of value while the value of the total product grows; but it grows on account of the increase in the portion of the value of the product which represents the reproduction of the variable capital. In this case (this relates not to the surplus value as such but to it as profit) there is, apart from this, a necessary growth in the part of the constant capital which constitutes raw materials and *matières instrumentales*. It should not be assumed, except to a very slight DEGREE, that the outlay (the *real* wastage, even if it is *written off in advance*) on machinery, buildings, etc., increases thereby.

In the case of *relative surplus value* the portion of the value of the product in which the variable capital is reproduced remains the same; but its distribution CHANGES. A LARGER PART REPRESENTS SURPLUS LABOUR and A SMALLER NECESSARY LABOUR. In this case the given *variable* capital is diminished by the amount of the reduction in wages. The constant capital remains the same, except as far as raw material and *matières instrumentales* are concerned. A part of the capital, previously laid out in wages, is set free, and can be converted into machinery, etc. We have investigated the CHANGES in constant capital elsewhere (in dealing with profit).¹³⁴ This can therefore be left out here, and our consideration confined to the CHANGES in variable capital. Let the old capital be = c (constant capital) + £1,000. Let this £1,000 represent the variable capital. Say the weekly wages of 1,000 men. Now two situations can be distinguished. The variable capital falls because of falls in the NECESSARIES produced in other branches of industry (e.g. corn, meat, boots, etc.). In this case c remains unchanged, and the number of workers employed, the total amount of labour, remains the same. No CHANGE has occurred in the *conditions of production*. Let us assume that owing to falls in the necessaries the variable capital is reduced (i.e. its value is reduced) by $\frac{1}{10}$; it therefore falls from 1,000 to 900. Assume the surplus value was £500, hence = half the variable capital. Then £1,500 would represent the total value of the labour of 1,000 men (since their working day remains *the same* on our assumption, its magnitude is not altered) no matter how these £1,500 may be divided between capital and labour.

In this case the old capital was:

1) $c+1,000 (v)+500$ (surplus value). Hence surplus labour= $\frac{1}{3}$ of the working day.

The new capital would be: 2) $c+900 [v]+600$. Hence surplus labour= $\frac{2}{5}$ of the working day. The surplus labour would have risen from $\frac{5}{15}$ to $\frac{6}{15}$; the working day=12 hours, thus $\frac{1}{3}$ =4 hours and $\frac{2}{5}$ = $4\frac{4}{5}$ hours of labour. Assume that after an INTERVAL the variable capital (wages) again fell by $\frac{1}{10}$ as a result of the cheapening of means of subsistence which were not produced in this sphere. $\frac{1}{10}$ of 900=90. The variable capital would fall to 810. We should therefore have:

New capital: 3) $c+810 (v)+690$ (surplus). Therefore the surplus labour= $\frac{23}{50}$ of the working day, or $\frac{3}{50}$ more than previously. A capital of 100 is set free in the first case, of 90 in the second; together=£190. This release of capital is also a form of accumulation; it is at once the release of *money capital*, in the form in which we shall find it again when we consider profit.

$c+v+s$ is the product. $v+s$ is a constant magnitude. If now under the given circumstances wages fall, the formula will be $c+(v-x)+(s+x)$.

[II-91] If, in contrast, the relative surplus labour is a result of the cheapening of the article itself, therefore of a *CHANGE in the productive conditions* of the article, e.g. the introduction of machinery, let us assume that $\frac{1}{2}$ of the variable capital of 1,000 is converted into machinery. There remains a variable capital of 500, or the labour of 500 men instead of 1,000. The value of their labour=750, since the value of the 1,000 was £1,500. According to this, then, we should have:

Old capital. $c+1,000 (v)+500 (s)$.

New capital. $(c+500)$, or $c+\frac{v}{2}$, which we shall call c' ,

$$c'+500 (v)+250.$$

But since it is presumed that the SURPLUS VALUE grows in consequence of the introduction of machinery, the variable capital declines, by say $\frac{1}{10}$. We can now either assume that the 500 work up *as much* (raw material) as before or that they are working up more. For the sake of simplification we shall assume that they work up only as much. $\frac{1}{10}$ of 500=400. Therefore:

Old capital. $c+1,000 (v)+500 (s)=(c+1,000 (v)+\frac{v}{2})$.

New capital. $(c+500)$, = $c'+400 (v)+350 (s)=(c'(c+\frac{1}{2}v)+400 (v)+\frac{7}{8}v)$.

£100 would be set free thereby. But this would only occur if no addition of at least that proportion were needed to the supply of raw materials and *matières instrumentales*. Only in this case can

money capital which WAS previously EXPENDED IN THE FORM OF WAGES be released by the introduction of machinery.

In the case of absolute *surplus value* the *matières brutes*^a and *matières instrumentales* must grow in the same proportion as the absolute amount of labour grows.

Old capital, $c+1,000 (v)+500 (s)$. s here= $\frac{1}{3}$ of the working day of 1,000 working days. If the working day=12 hours, $s=4$ hours. Assume now that s grows from 500 to 600, hence by $\frac{1}{5}$. Since here the value of 12 hours \times 1,000= $\pounds 1,500$, a value of $\pounds 100$ represents 800 hours of labour for the 1,000 men, or $\frac{4}{5}$ of an hour of surplus labour for each man. The amount of material, etc., 1 man can work up in $\frac{4}{5}$ of an hour depends on how much he can work up in 1 hour, since the working conditions remain the same. We shall denote this by x . Thus:

New capital: $(c+x, \text{ or } c')+1,000 (v)+500 (s)+100 (s')$. Here there is an increase in the capital laid out and a double increase in the product: due to the increase in the capital laid out and due to the increase in the surplus value.

The determination of value itself remains the essential matter—the foundation—hence the basis is that the value is determined, regardless of the level of the productivity of labour, by the necessary labour time¹⁰; hence it is, for example, always expressed in the same sum of money, if money is assumed to be of constant value.

By the *Urbarium*^b of Maria Theresia,¹³⁵ which abolished serfdom proper in Hungary, the peasants owed the LANDLORDS, in return for the SESSIONS they received //LANDS ON EACH ESTATE, ALLOTTED TO THE MAINTENANCE OF THE SERFS, 35-40 ENGLISH ACRES each//, *unpaid labour* of 104 DAYS per annum, not to mention a series of lesser obligations, [the handing over of] FOWLS, EGGS, etc., [II-92] the spinning of 6 lbs of wool or hemp, provided by the LANDLORD, and besides all this a further $\frac{1}{10}$ of all their products to be paid to the church, and $\frac{1}{2}$ (??) to the LANDLORD.^c In the year 1771 the LANDLORDS still constituted $\frac{1}{21}$ of a population of 8 MILLIONS in Hungary, and there were only 30,921 ARTISANS: these are the kind of FACTS which give the doctrine of the Physiocrats its historical backing.⁶⁴

^a Raw materials.—*Ed.*

^b Land survey.—*Ed.*

^c Jones has: "...and one-ninth to the lord".—*Ed.*

15 men are KILLED every week in the English coal mines ON AN AVERAGE.¹³⁶ In the course of the 10 years CONCLUDING WITH 1861 ABOUT 10,000 PEOPLE WERE KILLED. MOSTLY BY THE SORDID AVARICE OF THE OWNERS OF THE COAL MINES. This *generally to be remarked. The capitalistic production is—to a certain degree, when we abstract from the whole process of circulation and the immense complications of commercial and monetary transactions resulting from the basis, the value in exchange—most economical of *realised labour*, labour realised in commodities. It is a greater spendthrift than any other mode of production of man, of living labour, spendthrift not only of flesh and blood and muscles, but of brains and nerves. It is, in fact, only at the greatest waste of individual development that the development of general men is secured in those epochs of history which prelude to a socialist constitution of mankind.*

“Should this torture then torment us
 Since it brings us greater pleasure?
 Were not through the rule of Timur
 Souls devoured without measure?”^a

* * *

We have to distinguish between more parts in the *value of the product* than in the *value* of the capital advanced. The latter = $c + v$. The former = $c + a$. (The part of the product which expresses the newly added labour.) But $a = v + s$, = the value of the variable capital + the surplus value.

* * *

If *concentration* of the means of production in the hands of relatively few people—AS COMPARED TO THE MASS OF THE LABOURING MULTITUDE—is in general the condition and prerequisite of capitalist production, because, WITHOUT IT, THE MEANS OF PRODUCTION WOULD NOT SEPARATE THEMSELVES FROM THE PRODUCERS, AND THE LATTER WOULD, THEREFORE, NOT BE CONVERTED INTO WAGES LABOURERS—this concentration is also a technological condition for the development of the capitalist mode of production and, with it, of the productive power of society. It is in short a *material* condition for production on a large scale. [II-93] Labour *in common* is developed through concentration—

^a Goethe, “An Suleika”, from *Westöstlicher Diwan*.—Ed.

association, division of labour, the employment of machinery, science and the forces of nature. BUT THERE IS STILL ANOTHER POINT CONNECTED WITH IT, which must be considered under the *rate of profit*,¹³⁷ but not yet in the analysis of *SURPLUS VALUE*. The concentration of workers and of the means of labour in a small area, etc., involves *ECONOMY OF POWER*, the common use by many people of means such as buildings, etc., heating, etc., the cost of which does not increase in proportion to the numbers they serve; lastly labour too, economy on the overhead costs of production. This is particularly clear in the case of agriculture.

"With the progress of civilisation ALL, AND PERHAPS MORE THAN ALL THE CAPITAL AND LABOUR WHICH ONCE LOOSELY OCCUPIED 500 ACRES, ARE NOW CONCENTRATED FOR THE MORE COMPLETE TILLAGE OF 100" (R. Jones, *An Essay on the Distribution of Wealth etc.*, Part I. *On Rent*, London, 1831, [p. 190-] 91).

"The COST of getting 24 BUSHELS from 1 ACRE is less than was the cost of getting 24 from 2; the *CONCENTRATED SPACE*

// this *CONCENTRATION of space* is also important in manufacture. Yet the employment of a shared MOTOR, etc., is still more important here. In agriculture, although SPACE IS CONCENTRATED RELATIVELY TO THE AMOUNT OF CAPITAL AND LABOUR EMPLOYED, IT IS AN ENLARGED SPHERE OF PRODUCTION, AS COMPARED TO THE SPHERE OF PRODUCTION FORMERLY OCCUPIED OR WORKED UPON BY ONE SINGLE, INDEPENDENT AGENT OF PRODUCTION. The sphere is absolutely greater. HENCE THE POSSIBILITY OF EMPLOYING HORSES, etc. //

"in which the OPERATIONS of HUSBANDRY are carried on, MUST GIVE SOME ADVANTAGES AND SAVE SOME EXPENSE; THE FENCING, DRAINING, SEED, HARVEST WORK, etc., LESS WHEN CONFINED TO ONE ACRE, etc." (l.c., [p.] 199).

Ten Hours' BILL and OVERWORKING.

* "Though the *health of a population* is so important a part of the national capital, we are afraid it must be said that the class of employers of labour have not been the most forward to guard and cherish this treasure. 'The men of the West Riding' "* (quotes *The Times* from the Report of the *Registrar General* for October 1861³) * "'became the clothiers of mankind, and so intent were they on this work, that 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 labour, etc.' The consideration of the health of the *operatives*"* (adds *The Times*) * "'was forced upon the millowners by society."*

In the larger tailoring SHOPS in London a given piece of work, e.g. on trousers, a coat, etc., is called "an hour", "a half hour". (The "hour"=6d.) How much the AVERAGE product of an hour

^a "Every government has its traditions. ...", *The Times*, No. 24082, November 5, 1861.— *Ed.*

comes to is naturally determined by practice. If new fashions or particular improvements and methods of mending emerge, a contest arises between EMPLOYER and WORKMEN over whether a particular piece of work=1 hour, etc., until here too experience has decided the question. Similarly in many London furniture workshops, etc.

(It goes without saying that, apart from certain arrangements for apprenticeship, etc., only those workers are taken on who possess the AVERAGE SKILL and can deliver during the day the AVERAGE amount of product. At times when business is bad, where there is NO CONTINUITY OF LABOUR, this latter circumstance is naturally a matter of indifference to the EMPLOYER.)

[III-95a/A] As one of the main advantages of the FACTORY ACTS:

* "A still greater boon is the distinction at last made *clear between the worker's own time and his master's*. The worker knows now *when that which he sells is ended, and when his own begins*; and, by possessing sure foreknowledge of this, is enabled to pre-arrange his own minutes for his own purposes"* (*Reports of the Inspectors of Factories for the Half Year Ending 31st October 1859*. Report of Mr. Robert Baker, p. 52).¹³⁸

For the worker himself, *labour capacity* only has *use value* in so far as it is *exchange value*, not in so far as it *produces* exchange values.¹³⁹ As use value labour exists only for capital, and it is *the* use value of capital itself, i.e. it is the mediating activity through which capital is *increased*. Capital is autonomous exchange value as *process*, as *valorisation process*.

The separation of property from labour appears as a necessary law of the exchange between capital and labour. As *not-capital, not-objectified labour* labour capacity appears: 1) *Negatively*. Not-raw material, not-instrument of labour, not-product, not-means of subsistence, not-money: *labour* separated from all the means of labour and life, from the whole of its objectivity, as a mere possibility. This complete denudation, this *possibility of labour* devoid of all objectivity. Labour capacity as *absolute poverty*, i.e. the complete exclusion of objective wealth. The objectivity possessed by labour capacity is only the bodily existence of the worker himself, his own objectivity.

2) *Positively*. Not-*objectified* labour, the unobjective, subjective existence of labour itself. Labour not as object but as activity, as living source of value. In contrast to capital, which is the reality^a of general wealth, it is the general possibility of the same, asserting itself in action. As *object*, on the one hand, labour is *absolute poverty*; as subject and activity, [on the other,] it is the general possibility of wealth. This is labour, such as it is *presupposed* by capital as antithesis, as the objective existence of capital, and such as for its part it in turn presupposes capital.

What the capitalist pays the worker, as with the buyer of any other commodity, is the *exchange value* of his commodity, which is therefore determined in advance of this exchange process; what the capitalist receives is the *use value* of the labour capacity—labour itself, the enriching activity of which therefore belongs to *him* and *not* to the worker. Hence the worker is not enriched by this process; he rather creates wealth as a power *alien* to him and ruling over him.

^a Here the word "Entelechy" is written in Marx's hand above the line.—*Ed.*

[III-95] 2) ABSOLUTE SURPLUS VALUE

The view presented here is also correct in strictly mathematical terms. Thus in the differential calculus let us take e.g. $y=f(x)+c$, where c is a constant magnitude. THE CHANGE OF x INTO $x+\Delta x$ DOES NOT ALTER THE VALUE OF c . dc would=0, because the constant magnitude does not alter. HENCE THE DIFFERENTIAL OF A CONSTANT IS ZERO.¹⁴⁰

a) *SURPLUS VALUE IS TO BE CONCEIVED AS
A SIMPLE RELATION TO A DEFINITE PORTION
OF CAPITAL, NAMELY THAT LAID OUT IN WAGES*

At the end of the production process capital has a surplus value, which means, expressed in accordance with the general concept of exchange value: The labour time objectified in the product (or the quantity of labour contained in it) is greater than the labour time contained in the original capital, the capital advanced during the production process. This is only possible (assuming that the commodity is sold at its value) because the labour time objectified in the price of labour (the wage of labour) is less than the living labour time by which it is replaced in the production process. What appears as surplus value on the side of capital, appears as *surplus labour*^a on the side of the worker. Surplus value is nothing but the excess labour provided by the worker over and above the quantity of objectified labour he has received in his own wage as the value of his labour capacity.

^a Marx uses two synonymous terms: "*Mehrarbeit* (Surplusarbeit)".— *Ed.*

We have seen that equivalents are exchanged in the exchange between capital and labour capacity.^a But the result of the transaction, as it appears in the production process and as it forms on the part of the capitalist the whole purpose of the transaction, is this, that the capitalist buys a greater quantity of living labour for a definite quantity of objectified labour, or that the labour time which is objectified in the wage is less than the labour time which the worker works for the capitalist and which is accordingly objectified in the product. The mediatory role of the exchange between capital and labour capacity (or the fact that the labour capacity is sold *at its value*) is a circumstance which is irrelevant in this context, where the question at issue is the analysis of surplus value. What is at stake here is rather the magnitude of the labour time objectified in the wage (the value of labour capacity), on the one hand, and on the other hand the magnitude of the labour time the worker really gives to the capitalist IN RETURN, or *how much* use is made of his labour capacity.

The relation in which objectified labour is exchanged for living labour—hence the difference between the *value of labour capacity* and the *valorisation of that labour capacity* by the capitalist—assumes another form in the production process itself. For there it presents itself as a splitting up of living labour itself into two quantities, both measured by time, and as the ratio between these two quantities. For firstly the worker replaces the value of his labour capacity.

Let us assume the value of his daily means of subsistence to be equal to 10 hours of labour. He reproduces this value by working for 10 hours. Let us call this part of the labour time the *necessary labour time*. Let us assume that the material of labour and the means of labour—the objective conditions of labour—are the property of the worker himself. On our assumption he would have to work 10 hours a day, reproduce a value of 10 hours of labour time a day, in order to be able every following day to appropriate for himself means of subsistence to the amount of 10 hours of labour, to reproduce his own labour capacity, to be able to continue living. The product of his 10 hours of labour would be equal to the labour time contained in the worked up raw material and the tool used up in the process of labour+the 10 hours of new labour he would have added to the raw material. He could only consume the latter portion of the product if he wished to continue producing, i.e. to preserve his conditions of production.

^a See this volume, pp. 50-54.— *Ed.*

For he must deduct the value of the raw material and the means of labour from the value of his product every day in order to be able to replace constantly the raw material and the means of labour; in order to have afresh at his disposal every day as much raw material and means of labour as is required for the realisation (application) of ten hours of labour. If the value of the worker's average daily necessary means of subsistence is equal to 10 hours of labour, he must work a daily average of 10 hours of labour to be able to replace his daily consumption, and provide himself with the conditions needed for his life as a worker. This labour would be *necessary* for him personally, for his [III-96] own self-preservation, quite irrespective of whether he is or is not himself the owner of the conditions of labour—material of labour and means of labour, whether his labour is or is not subsumed under capital. This labour time is necessary for the preservation of the working class itself, and we can call this part of labour time *necessary labour time*.

But we can also call it this from another point of view.

The labour time which is necessary to reproduce the value of labour capacity itself—i.e. the daily production of the worker which is required so that the worker's consumption can be repeated every day—or the labour time with which the worker adds to the product the value he himself receives every day and destroys every day in the form of wages—is also *necessary labour time* from the standpoint of the capitalist in so far as the whole capital-relation presupposes the continuous existence of the working class, its continuing reproduction, and capitalist production has as its necessary prerequisite the continuous availability, preservation and reproduction of a working class.

Further: Let us suppose that the value of the capital advanced for production has to be simply preserved and reproduced, i.e. the capitalist creates no new value in the production process. It is then clear that the value of the product will only be equal to the value of the capital advanced, if the worker adds to the raw material as much labour time as he has received in the form of wages, i.e. if he reproduces the value of his own wage. The labour time which is necessary for the worker to reproduce the value of his own daily means of subsistence is at the same time the labour time necessary for capital simply to preserve and reproduce its value.

We have assumed that a labour time of 10 hours=the labour time contained in the wage; hence the labour time during which the worker only gives back to the capitalist an equivalent for the value of the wage is at the same time the *necessary labour time*, the

labour time necessary both for the preservation of the working class itself and for the simple preservation and reproduction of the capital advanced, and, finally, for the possibility of the capital-relation altogether.

On our assumption, then, the first 10 hours the worker works are *necessary labour time* and this is at the same time nothing but an equivalent for the objectified labour time he has received in the form of the wage. Let us call *surplus labour* all the labour time the worker works over and above these 10 hours, this necessary labour time. If he works 11 hours, he has provided 1 hour of surplus labour, if 12, two hours of surplus labour, and so on. In the first case the product possesses a surplus value of one hour in excess of the value of the capital advanced, in the second case a surplus value of 2 hours, and so on. But in all circumstances the surplus value of the product is only the objectification of surplus labour. Surplus value is simply *objectified* surplus labour time, just as value in general is merely objectified labour time. Thus surplus value amounts to labour time the worker works for the capitalist in excess of the necessary labour time.

We have seen that the capitalist pays the worker an equivalent for the daily value of his labour capacity; but he receives in return the right to extract from that labour capacity a value greater than its own value. If 10 hours of labour a day are necessary for the daily reproduction of labour capacity, he sets the worker to work for e.g. 12 hours. In reality, therefore, he exchanges 10 hours of objectified labour time (objectified in the wage) for 12 hours of living labour time. The ratio in which he exchanges objectified labour time (objectified in the capital advanced) for living labour time is the same as the ratio of the worker's necessary labour time to his surplus labour, the labour time he works over and above the necessary labour time. It therefore presents itself as a ratio between two portions of the labour time of the worker himself—necessary labour time and surplus labour. The necessary labour time is the same as the labour time necessary to reproduce the wage. It is therefore a simple equivalent given back to the capitalist by the worker. The latter has received a certain labour time in money; he gives it back in the form of living labour time. The necessary labour time is therefore *paid* labour time. On the other hand, no equivalent has been paid for the surplus labour.* It is rather the valorisation of labour [III-97] capacity by the capitalist in excess of that capacity's own value. It is therefore

* Id est, it has not been objectified in an equivalent *for the worker himself*.

unpaid labour time. The ratio in which objectified labour is exchanged for living labour can be resolved into the ratio between the necessary labour time of the worker and his surplus labour, and the latter ratio can be resolved into the ratio of *paid* to *unpaid* labour time. Surplus value is equal to surplus labour is equal to unpaid labour time. Surplus value can therefore be resolved into *unpaid labour time*, and the level of surplus value depends on the ratio in which surplus labour stands to necessary labour, or unpaid to paid labour time.

If we look now at capital, we find that it is originally split up into 3 constituent parts (only two in some industries, such as the extractive industries^a; but we are taking the most complete form, that of manufacturing industry): raw material, instrument of production, and finally the part of capital which is exchanged for labour capacity in the first instance. Here we are concerned only with the exchange value of capital. As regards the part of the capital's value that is contained in the used up raw material and means of production, we have seen that it simply re-appears in the product.^b This part of capital never adds more to the value of the product than the value it itself possesses independently of the production process. In reference to the value of the product, we can call this part of the capital its *constant* part. As noted under *heading I*, its value may rise or fall, but this rising or falling has nothing to do with the production process, in which these values enter as values of the material and the instrument of production.^c

If 12 hours are worked instead of 10, more raw material is of course necessary so as to absorb the two hours of surplus labour. What we call constant capital will therefore enter the production process in an amount, i.e. an amount of value, a magnitude of value, which varies according to the quantity of labour the raw material has to absorb, in general the quantity of labour to be objectified in the production process. But it is *constant* in so far as its magnitude of value, whatever its ratio towards the total amount of capital advanced, re-appears unchanged in the product. We have seen that it is not itself reproduced in the proper sense of the word.^d It is rather just preserved because the material and means of labour are (in accordance with their use value), made into factors of the new product by labour, as a result of which the

^a See this volume, p. 56.—*Ed.*

^b *Ibid.*, pp. 73-75.—*Ed.*

^c *Ibid.*, pp. 79-80.—*Ed.*

^d *Ibid.*, pp. 74-78.—*Ed.*

constant capital's value re-appears in this product. And this value is determined simply by the labour time required for its own production. They add to the labour time contained in the product only as much labour time as they themselves contained *before* the production process.

It is therefore only the 3rd part of capital, the part exchanged for labour capacity or advanced in wages, which is *variable*. Firstly, it is really reproduced. The value of labour capacity, or the wage of labour, is annihilated (the value and the use value), consumed by the worker. But it is replaced by a new equivalent; an equal quantity of living labour time, added by the worker to the raw material or materialised in the product, steps into the place of the labour time objectified in the wage. And secondly, this part of the value of the capital is not only reproduced, and simply replaced by an equivalent, but also exchanged in the actual production process for a quantity of labour=the labour contained in it+an excess quantity of labour, the surplus labour the worker performs over and above the labour time which is necessary for the reproduction of his own wage, hence is contained in the component of the value of the capital which can be resolved into wages. Therefore, if we call the labour time contained in constant capital c , that contained in variable capital v , and the time the worker has to work over and above the necessary labour time s , the labour time contained in P, or the value of the product, $=c+(v+s)$. The original capital was equal to $c+v$. The excess of its value over its original value therefore $=s$. But the value of c simply re-appears in the product, whereas the value of v is firstly reproduced in v and secondly increased by s . It is therefore only the part of the value of the capital denoted by v which has changed, in that v has reproduced itself as $v+s$. s is therefore only a result of an alteration in v *; and the ratio in which surplus value is created is expressed as $v:s$, the ratio in which the labour time contained in the v component of the value of the total capital has been exchanged for living labour time, [III-98] or, which is the same thing, the ratio of necessary to surplus labour, of $v:s$. The newly created value results from the alteration in v alone, its transformation into $v+s$. It is only this part of capital which increases its value or posits surplus value. The *ratio*, therefore, in which surplus value is posited, is the ratio in which s stands to v , in which the part of the value of capital

* If it is assumed that $c=0$ and that the capitalist has advanced wages alone (variable capital), the magnitude of s remains *the same* although no part of the product replaces c .

expressed in v is not only reproduced but magnified. The best demonstration of this is that if v is simply replaced by an amount of labour time equal to that contained in v itself, no surplus value at all is created; on the contrary, the value of the product is equal to the value of the capital advanced.

If, therefore, surplus value is, in general, nothing but the excess of living labour for which the labour objectified in capital is exchanged, or, which is the same thing, nothing but the unpaid labour time worked by the worker over and above the necessary labour time, the magnitude of the surplus value, the ratio in which it stands to the value it replaces, the ratio in which it grows, is simply determined by the ratio $s:v$, surplus labour to necessary labour, or, and this is the same, the ratio of the labour time advanced by the capitalist in wages to the surplus of labour, etc. Thus if the necessary (wage-reproducing) labour time = 10 hours, and the worker works for 12, the surplus value is equal to 2 hours, and the ratio in which the value advanced has increased = $2:10 = \frac{1}{5} = 20\%$, whatever may be the amount of labour time contained in c , the constant part of capital, whether it is 50, 60, 100, in short x hours of labour, whatever may be the ratio of the variable to the constant part of capital. As we have seen,^a the value of this [the constant] part of capital simply re-appears in the product and has absolutely nothing to do with the value-creation that occurs during the production process itself.*

It is very important to keep a strong hold on the idea that surplus value = surplus labour, and that the ratio of surplus value is the ratio of surplus labour to necessary labour. In this connection the customary notion of profit and the rate of profit should initially be entirely forgotten. What kind of relation exists between surplus value and profit will be seen later on.¹⁴²

* [I-A] // If the original ratio of necessary labour to surplus labour = 10 hours: 2 hours = 5:1, and if now 16 hours are worked instead of 12, hence 4 more hours, the worker would have to receive $3\frac{1}{3}$ and the capitalist only $\frac{2}{3}$ of an hour from those 4 hours for the ratio to remain the same; for $10:2 = 3\frac{1}{3}:\frac{2}{3} = 10\frac{1}{3}:\frac{2}{3} = 10:2$. But under the mathematical law that "A RATIO OF GREATER INEQUALITY IS DIMINISHED, AND OF LESS INEQUALITY INCREASED, BY ADDING ANY QUANTITY TO BOTH ITS TERMS", the RATIO of wages to surplus value is unchanged if the OVERTIME is divided in accordance with the above ratio. Previously the ratio of [necessary] labour to surplus was $10:2 = 5:1$ (5 times greater). Now it will be $13\frac{1}{3}:2\frac{2}{3} = 40\frac{1}{3}:8\frac{8}{3} = 40[:8 = 5:1]$. // ¹⁴¹

^a See this volume, pp. 73-75.—Ed.

We shall therefore use a few examples to clarify this conception of surplus value and the rate of surplus value, the ratio in which it grows—the yardstick by which its magnitude is to be measured. These examples are borrowed from statistical sources.^a Hence labour time always appears here expressed in money. Furthermore, different ITEMS bearing different names appear in the calculations, e.g. side by side with profit there is interest, taxes, rent, etc. These are all different portions of surplus value under different names.¹⁴³ How surplus value is distributed among the different classes, i.e. how much of it the industrial capitalist gives up under various headings, and how much he keeps for himself, is completely irrelevant to the conception of surplus value itself. It is, however, entirely clear that all those people—whatever heading they figure under—who do not themselves work, who do not take part in the material process of production themselves as workers, can only participate in the value of the material product in so far as they divide the product's surplus value among themselves, for the value of raw material and machinery, the *constant* part of the value of capital, must be replaced. Similarly with the necessary labour time, for the working class absolutely must first of all work the quantity of labour time necessary to preserve its own life before it can work for others. Only the value x , equal to the workers' surplus labour, hence also the use values that can be purchased with this surplus value, is available for distribution among the non-workers.

It is only the variable part of capital, the quantity of objectified labour which is exchanged in the production process for a greater quantity of living labour time, that undergoes any change at all, that changes its value, posits a surplus value, and the magnitude of this newly created value depends entirely on the ratio between the quantity of living surplus labour obtained in exchange for the variable part of capital and the labour contained in it before the production process.

[III-99] Senior must be cited here as a second example illustrating the political economists' failure to understand surplus labour and surplus value.¹⁴⁴

Now the following points are still to be examined under surplus value:

// 1) Extent of surplus labour. Drive of capital to spin this out to infinity. 2) Surplus value depends not only on the number of hours the individual worker works over and above the necessary

^a See this volume, pp. 206, 209 and 211.—*Ed*

labour time, but also on the number of simultaneous working days, or the number of workers the capitalist employs. 3) The relation of capital as producer of surplus labour: working more than is needed. Civilising character of capital, labour time and free time. Opposition. Surplus labour and surplus product. Hence in the last instance relation of population and capital. 4) Mr. Proudhon's thesis that the worker cannot buy back his own product, or the price of the portion of the product, etc.¹⁴⁵ 5) This form of surplus value is the absolute form. Persists in all modes of production which are founded on the opposition between classes one of which is the possessor of the conditions of production and the other of labour.^a//

b) *RATIO OF SURPLUS LABOUR TO NECESSARY LABOUR.
MEASURE OF SURPLUS LABOUR*

Capital has in common with hoarding the boundless tendency to self-enrichment.^b Because surplus value is reducible to surplus labour, capital has a boundless drive to increase surplus labour. Capital endeavours, in return for the objectified labour expended in wages, to obtain the greatest possible quantity of living labour time, i.e. the greatest possible excess of labour time over and above the labour time required for the reproduction of the wage, i.e. the reproduction of the value of the daily means of subsistence of the worker himself. The whole of capital's history is a proof of its unrestrained extravagances in this respect. The tendency is evident everywhere without concealment, and it is only held in check in part by physical conditions, and in part by social obstacles, which we shall not go into in any more detail here (and which that tendency itself is the first to create). All we need do here is note the tendency. In this respect it is interesting for example to compare the modern factory system in England with *corvée* labour, perhaps in the Danubian Principalities. The two forms, of which one is a developed capitalist form and the other is among the crudest forms of serfdom, display with equal clarity the appropriation of alien excess labour, of surplus labour, as the direct source of enrichment.^c The special circumstances additionally present in the factory system, in the developed capitalist mode of production, which allow labour time to be

^a See this volume, pp. 252-53.—*Ed.*

^b *Ibid.*, p. 18.—*Ed.*

^c *Ibid.*, pp. 212-15.—*Ed.*

lengthened unnaturally, beyond its natural bounds, can only be indicated more closely in the course of this investigation.^a

In comparing Walachian *corvée* labour with English wage labour the following point is to be kept in view. If the total daily labour time of a worker consists of 12 or 14 hours, and the necessary labour time in each case amounts to only 10 hours, the worker would provide in the course of 6 days of the week in the first case 6×2 or 12 hours of surplus labour, in the second case 6×4 or 24 hours of surplus labour. In the first case [he] would work one day out of 6 for the capitalist without equivalent, in the second case 2 days. Over the whole year, week in week out, the situation can be resolved into this: he works 1, 2 or x days a week for the capitalist, but the other days of the week he works for himself. This is the form in which the relation appears directly in *corvée* labour, that of Walachia for example. In essence the general relation is in both cases the same, although the form—the mediation of the relation—is different.

There are, however, natural barriers to the duration of the daily labour time of a particular individual. Leaving aside the time required for the intake of food, the individual needs sleep, relaxation, needs a break during which labour capacity and its organ can enjoy the rest without which they are incapable of continuing the work or starting afresh. The *day* itself can be characterised as the natural measure of labour's duration, and indeed in England the 12 hour day is called the "WORKING DAY". The limits of the working day are however indistinct, and we find it extended from 10 to 17 (18) hours among different nations and in specific branches of industry within the same nation. The periods of work and rest can be displaced, so that for example work can be done during the night, with the daytime for resting, sleeping. Or the working day can be distributed between day and night. In the Russian factories in Moscow, for example, we find that work proceeds for 24 hours, day and night. (This was also the case in large part in the early days of the English cotton industry.) But then two teams (SETS) of workers are employed. The first team works 6 hours during the day and is then replaced by the second team. After that the first team again works for 6 hours during the night and is then again replaced for the following 6 hours by the second team. Or (as in the case of the dressmaker, which is to be cited) (BAKERS TOO) 30 hours can be worked, one after another, and then a break, etc.¹⁴⁶

^a See this volume, pp. 331-36.—*Ed.*

[III-100]^a The examples (to be brought in here) on the extraction of labour time are also useful, because they show strikingly how value, i. e. wealth as such, can simply be reduced to labour time.

We have seen that the capitalist pays labour capacity its equivalent, and that the valorisation of labour capacity beyond its value does not stand in contradiction to this operation, which occurs according to the law of the exchange of commodities^b—namely the law that commodities exchange in proportion to the labour time contained in them, or in proportion to the labour time required to produce them—on the contrary, that it proceeds from the specific nature of the use value of the commodity which is being sold here. Hence the degree to which labour capacity is valorised by the capitalist, or the extent to which the duration of labour time in the actual production process is increased, appears to be a matter of complete indifference, i. e. it does not appear to be given by the nature of the relation itself. That is to say, in other words: The magnitude of the living surplus labour, hence also of the total living labour time obtained by capital in exchange for a particular quantity of objectified labour, determined by the cost of production of labour capacity itself, appears to be subject to just as little restriction by the nature of this economic relation itself as the manner in which a buyer utilises the use value of a commodity is determined by the relation of sale and purchase as such. It is much rather independent of this. The limits that develop here—e. g., later, economically from the relation of supply and demand or from state intervention and the like—do not, by contrast, appear to be included in the general relation itself.

Nevertheless, the following point must be considered: What on capital's side is the valorisation of labour capacity (or, as we previously called it, the consumption of labour capacity^c—it is of the nature of labour capacity that its consumption is at the same time a process of valorisation, objectification of labour) is on the worker's side work, hence the expenditure of vital force. If labour is prolonged beyond a certain period—or labour capacity is valorised to more than a certain extent—labour capacity will be temporarily or definitively destroyed, instead of being preserved. If the capitalist sets the worker to work for e. g. 20 hours today, tomorrow he will be incapable of working the normal labour time

^a Corrected page number. Marx has [III-160].—*Ed.*

^b See this volume, pp. 87-88 and 105.—*Ed.*

^c *Ibid.*, pp. 55-56 and 93-94.—*Ed.*

of 12 hours or perhaps any labour time at all. If the overwork extends over a long period, the worker will perhaps only preserve himself and therefore his labour capacity for 7 years instead of the 20 or 30 years for which he might otherwise have preserved it. It is well known, for example, that before the invention of the COTTON GIN the 2 hours of manufacturing labour (domestic labour) the slaves in the southern states of North America had to perform to separate the cotton wool from its seed, after they had worked in the fields for 12 hours, reduced their average life expectancy to 7 years. This is still at this moment the case in Cuba, where after 12 hours in the fields the Negroes have a further two hours of manufacturing labour to perform in connection with the preparation of sugar or tobacco.

But if the worker sells his labour capacity at its *value*—and we are proceeding from this assumption in our investigation, just as we proceed altogether from the presupposition that commodities are sold at their value^a—all that is assumed thereby is that he receives an average daily wage which enables him to continue living in his customary manner as a worker, hence that he is in the same normal state of health the day afterwards as the day before (leaving aside the degeneration brought about naturally through age or through the kind of work he does); that his labour capacity is reproduced or preserved, hence can be valorised again in the same way as on the previous day, over a definite normal period of time, e. g. 20 years. Thus if surplus labour is stretched out to an extent of overwork which forcibly shortens, temporarily annihilates, i. e. damages or entirely destroys, the normal duration of labour capacity this condition is breached. The worker places the use of his labour capacity at [the capitalist's] disposal^b—if he sells it at its value—but only to such an extent as to rule out the destruction of the value of the labour capacity itself, or rather, only to an extent sufficient to ensure that the wage enables him to reproduce his labour capacity, to preserve it throughout a certain normal average time. If the capitalist uses the worker for longer than this normal labour time, he destroys the labour capacity and with that its value. He has, after all, only bought the labour capacity's average daily [III-101] value, hence by no means the value it possesses on the next day as well. In other words, he has not bought in 7 years the value it possesses during 20.

Hence, as, on the one hand, the specific use value of this

^a See this volume, p. 33.—*Ed*

^b *Ibid.*, p. 104.—*Ed*

commodity—labour capacity—implies that its consumption is itself valorisation, the creation of value, so on the other hand, the specific nature of this use value implies that the extent to which it can be consumed, valorised, must be kept within certain limits to prevent the destruction of its own exchange value.

Here, where we are making the overall assumption that the worker sells his labour capacity at its value, we also assume that the total period, the sum of the necessary labour time and the surplus labour time, does not exceed the normal working day, whether this is set at 12, 13 or 14 hours, worked by the worker in order to preserve his labour capacity in its customary state of health and ability to work for a certain normal average period, and to reproduce it every day afresh.

It follows from what has been said, however, that there is an antinomy here in the general relation itself. This antinomy arises in the following way: On the one hand, if we disregard the natural limit which absolutely prohibits the extension of labour time beyond a certain duration, the general relation between capital and labour—the sale of labour capacity—posits no limit to surplus labour. But on the other hand, in so far as surplus labour destroys the value of labour capacity itself, whereas labour capacity's use is only sold to the extent to which it preserves and reproduces itself as labour capacity, implying also the preservation of its value throughout a definite normal period of time, surplus labour which goes beyond a certain indeterminate boundary contradicts the very nature of the relation which is given with the worker's sale of his labour capacity.

We know that in practice it depends on the relative power of the buyer and the seller (which is determined each time economically) whether a commodity is sold at less or more than its value. Similarly here. Whether the worker provides surplus labour of more than the normal amount or not will depend on the power of resistance he is able to oppose to the measureless demands of capital. The history of modern industry teaches us, however, that the measureless demands of capital could never be held in check by the isolated efforts of the worker. The struggle had instead to take on the form of a class struggle, and thereby call forth the intervention of the state power, before the overall daily labour time was confined within certain limits (as yet mostly within certain spheres alone).

One might think that, just as the slaveowner, when he has consumed the Negro in 7 years, is compelled to replace him with a fresh purchase of Negroes, so capital must itself pay for the rapid

exhaustion of the workers, since the continuous existence of the working class is capital's fundamental prerequisite. The individual Capitalist A may have enriched himself through this "KILLING NO MURDER",¹⁴⁷ whereas Capitalist B has perhaps to pay the EXPENSES, or Generation B of the capitalists does. Nevertheless, the individual capitalist perpetually rebels against the overall interest of the capitalist class. On the other hand, the history of modern industry has shown that continuous overpopulation is possible, although it consists of a stream of human generations plucked so to speak before they are ripe, quickly wasted and following each other in rapid succession. (See the passage in *Wakefield*.¹⁴⁸)

c) *ADVANTAGE OF OVERWORK*

Let us assume that the average necessary labour time=10 hours, and that the normal surplus labour=2 hours, hence the total daily labour time of the worker=12 hours. Now assume that the capitalist sets the worker to work for 13 hours a day during 6 days of the week, hence 1 hour over the normal or average surplus labour time. These 6 hours amount to $\frac{1}{2}$ working day in the week. Now one has to take into consideration more than this surplus value of 6 hours. In order to appropriate 6 hours of surplus labour, the capitalist would under normal conditions have had to employ 1 worker for 3 days or 3 workers for one day, i. e. he would have had to pay for 30 (3×10) hours of necessary labour time. With this daily extra hour of surplus labour he obtains half a day of surplus labour a week, without having to pay for the 3 days of necessary labour time he would have had to pay for under normal conditions, so as to appropriate the 6 hours of surplus labour. In the first case a surplus value of only 20%; in the second, one of 30%; but the last 10% of surplus value do not cost him any necessary labour time.

[III-102] d) *SIMULTANEOUS WORKING DAYS*

The *amount of surplus value* evidently depends not only on the surplus labour performed by an individual worker above and beyond the necessary labour time; it depends just as much on the number of workers employed simultaneously by capital, or the number of simultaneous working days it makes use of, each of these=necessary labour time+surplus labour time.¹⁴⁹ If the necessary labour time=10 hours, the surplus labour=2, and the total working day of a worker therefore equals 12 hours, the mag-

nitude of the surplus value will depend on its own magnitude \times by the number of workers employed by capital, or by the number of simultaneous working days from which the surplus value has resulted. By simultaneous working days we mean the period during which a certain number of workers work on the same day.

If a capitalist employs e.g. 6 workers, each of whom works for 12 hours, the 6 simultaneous working days, or 72 hours, objectified by him in the production process, are transferred to the objective form of value. If the surplus labour of a worker amounts to 2 hours, on top of 10 hours of necessary labour time, the surplus labour of 6 workers $= 6 \times 2 = 12$ hours. (That is, the surplus labour of the individual worker multiplied by the number of workers simultaneously employed.) With n workers, then, $n \times 2$, and it is clear that the magnitude of the product $n \times 2$ depends on the magnitude of n , the factor which expresses the number of workers or the number of simultaneous working days. It is equally clear that if the *mass*, the total amount, of surplus value grows with the number of workers and depends on it, the *ratio* of surplus value to necessary labour time, or the ratio in which the capital advanced in the purchase of labour valorises itself, the *proportionate magnitude* of the surplus value, is not thereby altered, hence there is no change in the ratio between the paid and the unpaid labour. 2:10 is 20%, and so is $2 \times 6 : 10 \times 6$, or 12:60. (2:10 = 12:60.) (Or, expressed more generally, $2:10 = n \times 2 : n \times 10$. For $2 \times n \times 10 = 10 \times n \times 2$.) Assuming that the ratio of surplus value to necessary labour time is given, the amount of surplus value can only grow in proportion to the increase in the number of workers (of simultaneous working days). Assuming that the number of workers is given, the amount, the mass, of surplus value can only grow in the measure to which the surplus value itself grows, i.e. as the duration of the surplus labour increases. $2 \times n$ (n being the number of workers) is equal to $4 \times n^{1/2}$.

It is therefore clear that if a particular ratio between necessary labour time and surplus labour is given—or if the total time worked by the worker has reached what we shall call the *normal working day*—the amount of the surplus value depends on the number of workers who are simultaneously employed, and it can only grow in so far as this number increases.

We therefore take the normal working day as the *measure* of the consumption and valorisation of labour capacity.

The amount of surplus value therefore depends on the population and other circumstances (size of capital, etc.) which we shall investigate straight away.

This much must be noted before we proceed. For the owner of money or commodities to be able to valorise as capital his money or commodities, in short the value he possesses, and therefore for him to produce as a capitalist, it is necessary in advance that he be capable of employing a certain minimum number of workers simultaneously. From this point of view, too, a certain *minimum magnitude* of value is a prerequisite if it is to be employed as productive capital. The first condition for this magnitude is given from the outset by the fact that, in order to live as a worker, the worker would need merely the amount of raw material (and means of labour) required to absorb the necessary labour time, say 10 hours. The capitalist must be able to buy at least as much more raw material as is required to absorb the surplus labour time (or also as much more of the *matières instrumentales*, etc.). Secondly, however: Suppose the necessary labour time is 10 hours and the surplus labour time is 2 hours. The capitalist, if he does not work himself, would have already to employ 5 workers, so as to take in a value of 10 hours of labour a day in addition to the value of his capital. But what he took in every day in the form of surplus value [III-103] would only enable him to live like one of his workers. And even this only on condition that his purpose was merely the preservation of his life, as with the workers, hence not the increase of his capital, which is the presupposition with capitalist production. If he worked alongside them, so as to earn a wage himself, his mode of life would scarcely differ from that of a worker (it would merely give him the position of a somewhat better paid worker) (and this *boundary* is made hard and fast by the guild regulations). He would in any case still stand very close to the position of a worker, particularly if he were to increase his capital, i.e. capitalise a portion of the surplus value. This is the situation of the guild masters in the Middle Ages, and in part still that of the present master craftsmen. They do not produce as capitalists.

If the necessary labour time is given, and similarly the ratio of surplus labour to it—in a word, the normal *working day*, the overall sum of which=the necessary labour time+the time the surplus labour lasts—the *amount of surplus labour*, hence the *amount of surplus value*, depends on the number of simultaneous working days, or the number of workers who can be set in motion simultaneously by capital. In other words: the amount of surplus value—its total amount—will depend on the number of labour capacities available and present in the market, hence on the magnitude of the working population and the proportion in which this population grows. Hence the natural growth of population,

and therefore the increase of the number of labour capacities present in the market, is a *productive power of capital*, since it provides the basis for the growth in the absolute amount of surplus value (i.e. of surplus labour).

It is clear on the other hand that capital must grow in order to employ a greater quantity of workers. Firstly, its *constant* part must grow, i.e. the part the value of which merely re-appears in the product. More raw material is required to absorb more labour. More of the means of labour is also required, though in a more indeterminate proportion. If we assume that manual labour is the main factor, that production is carried on in a handicraft manner (and here, where we are still only considering the absolute form of surplus value, this assumption is valid; for although this form of surplus value remains the fundamental form even of the mode of production transformed by capital, it is still characteristic of capital's mode of production, and it is its sole form as long as capital has only *formally* subsumed the labour process under itself, i.e. actually a previous mode of production, in which human manual labour was the chief factor of production, has merely been brought under capital's control⁷⁵), then the number of instruments and means of labour must grow fairly uniformly with the number of the workers themselves and the quantity of raw material required for labour by the increased number of workers. Thus the value of the whole *constant* part of capital grows proportionately to the growth in the number of workers employed.

Secondly, however, the *variable* part of capital, which is exchanged for labour capacity, must grow (as constant capital grows) in the same proportion as the number of workers or the number of simultaneous working days. This variable part of capital will experience its greatest growth under the conditions of industry of the handicraft type, where the essential factor of production, the manual labour of the individual, only delivers a small amount of product in a given time, hence the material consumed in the production process is small in proportion to the labour employed; likewise the handicraft instruments, which are simple and themselves only represent insignificant values. Since the variable part of capital forms its largest constituent, it will have to grow most of all when capital grows; or since the variable part of capital forms its greatest part, it is precisely this part which will have to grow most significantly when exchanges are made with more labour capacities. If I employ a capital $\frac{2}{5}$ of which is constant, and $\frac{3}{5}$ of which is laid out in wages, the calculation will be as follows, if the capital is to employ $2 \times n$ workers instead of n

workers: Originally the capital was $=n(\frac{2}{5}+\frac{3}{5})$. $2n/5+3n/5$. Now it will be $4n/5+6n/5$. The part of capital laid out in wages, or the variable part, always remains greater than the constant part, in the same proportion as the growth in the number of workers; in the same proportion as it was presupposed to be greater at the outset.

On the one hand, therefore, the population must grow, to allow the amount of surplus value, hence the total capital, to grow under the given conditions; on the other hand, it is presupposed that capital has already grown so that the population may grow. Thus there appears to be a *circulus vitiosus*^a here // which should be left open as such at this point and not explained. It belongs in Chapter V¹⁵⁰ //.

[III-104] If one assumes that the average wage is sufficient not only for the preservation of the working population but for its constant growth, in whatever proportion, an increasing working population is given in advance for growing capital, while a growth of surplus labour, hence also an increase of capital through the growth in population, is simultaneously given. In analysing capitalist production one must actually proceed from this assumption; for it implies a constant increase in surplus value, i.e. in capital. We do not yet need to investigate how capitalist production itself contributes to the growth of population.¹⁵¹

The population numbers working under capital as wage labourers or the number of labour capacities available on the market can grow without any absolute growth in the total population or even in the working population alone. If for example members of working-class families, such as women and children, are pressed into capital's service, and they were not in this position before, the number of wage labourers has increased without any increase in the overall size of the working population. This increase can take place without any increase in the variable part of capital, the part which is exchanged for labour. The family might receive the same wage from which they lived previously. But they would have to provide more labour for the same wage.¹⁵²

On the other hand, the overall working population may grow without any absolute growth in the population as a whole. If sections of the population which were previously in possession of the conditions of labour, and worked with them—such as independent handicraftsmen, allotment-holding peasants, and lastly small capitalists—are robbed of their conditions of labour (of property in them) in consequence of the impact of capitalist

^a Vicious circle.—Ed.

production, they may turn into wage labourers and thus increase the absolute number of the working population, without any increase having occurred in the absolute number of the population. There would merely have been an increase in the numerical size of various classes and in their proportional share in the absolute population. But this is known to be one of the effects of the centralisation brought about by capitalist production.^a In this case the amount of the working population would have risen absolutely. The amount of wealth available and employed in production would not have increased absolutely. But there would have been an increase in the portion of wealth turned into capital and acting as capital.

In both cases there is growth in the number of wage labourers without any absolute increase, in the one case, in the working population, and in the other case, in the total population; without any increase, in the one case, in the amount of capital laid out for wages, and in the other case, in the absolute amount of wealth devoted to reproduction. This would at the same time produce an increase in surplus labour and surplus value and therefore *δυνάμει*^b the increase in capital necessary to support the absolute growth of the population. //This will all be considered under Accumulation.¹⁵⁰//

e) CHARACTER OF SURPLUS LABOUR

Once there exists a society in which some people live without working (without participating directly in the production of use values), it is clear that the surplus labour of the workers is the condition of existence of the whole superstructure of the society. They [the non-workers] receive two things from this surplus labour. *Firstly*: the material conditions of life, because they share in, and subsist on and from, the product which the workers provide over and above the product required for the reproduction of their own labour capacity. *Secondly*: The free time they have at their disposal, whether for idleness or for the performance of activities which are not directly productive (as e.g. war, affairs of state) or for the development of human abilities and social potentialities (art, etc., science) which have no directly practical purpose, has as its prerequisite the surplus labour of the mass of workers, i.e. the fact that they have to spend more time in material

^a See this volume, p. 142.— *Ed.*

^b Potentially.— *Ed.*

production than is required for the production of their own material life. The *free time* of the non-working parts of society is based on the *surplus labour* or *overwork*, the *surplus labour time*, of the working part. The free development of the former is based on the fact that the workers have to employ the whole of their time, hence the room for their own development,¹⁵³ purely in the [III-105] production of particular use values; the development of the human capacities on one side is based on the restriction of development on the other side. The whole of civilisation and social development so far has been founded on this antagonism.¹⁵⁴

On the one hand, therefore, the free time of one section corresponds to the surplus labour time, the time in thrall to labour, of the other section—the time of its existence and functioning as mere labour capacity. *On the other hand*: The surplus labour is realised not only in a surplus of value but in a *surplus product*—an excess of production over and above the quantity the working class requires and consumes for its own subsistence.

The value is present in a use value. The surplus value is therefore present in a surplus product. The surplus labour is present in surplus production, and this forms the basis for the existence of all classes not directly absorbed in material production. Society thus develops in contradictory fashion through the absence of development of the mass of workers, who form its material basis. The surplus product need not express surplus value at all. If 2 quarters of wheat are the product of the same amount of labour time as previously 1 quarter, the 2 QUARTERS will not express any higher value than the 1 quarter did previously. But if we presuppose a definite, given development of the productive forces, surplus value will always be represented by a surplus product, i.e. the product (use value) created over 2 hours is twice as large as that created over 1 hour. To put it more definitely: the surplus labour time worked by the mass of workers over and above the quantity necessary for the reproduction of their own labour capacity, their own existence, over and above the *necessary labour*, this surplus labour time, which presents itself as surplus value, is simultaneously materialised in extra product, surplus product, and this surplus product is the material basis for the existence of all the classes apart from the working classes, of the whole superstructure of society. It *simultaneously provides free time*, gives them DISPOSABLE time for the development of their other capacities. Thus the production of surplus labour time on one side is at once the production of *free time* on the other. The whole of

human development, so far as it extends beyond the development directly necessary for the natural existence of human beings, consists merely in the employment of this free time and presupposes it as its necessary basis. Thus the free time of society is produced through the production of unfree time, the labour time of workers prolonged beyond that required for their own subsistence. Free time on one side corresponds to subjugated time on the other side.

The form of surplus labour we are examining here—labour prolonged beyond the necessary labour time—is common to capital and all forms of society in which development has taken place beyond the purely natural relation; a development which is therefore antagonistic, making the labour of one section into the natural basis of the social development of another section.¹⁵⁴

Surplus labour time as considered here—absolute surplus labour time—remains the basis in capitalist production too, although we shall become acquainted with yet another form.

In so far as we have here only the opposition between worker and capitalist, all the classes which do not work must share the product of surplus labour with the capitalist, so that this surplus labour time not only creates the basis of their material existence but also their *free time*, the sphere of their development.

Absolute surplus value, i.e. absolute surplus labour, later too always remains the dominant form.

Just as plants live from the earth, and animals live from the plants or plant-eating animals, so does the part of society which possesses free time, DISPOSABLE time not absorbed in the direct production of subsistence, live from the surplus labour of the workers. Wealth is therefore DISPOSABLE time.¹⁵⁵

We shall see how the political economists, etc., consider this opposition as natural.^a

Since surplus value is initially represented in the surplus product, but all other work is DISPOSABLE time in comparison with the labour time employed in the production of the means of nourishment, it is clear why the Physiocrats base surplus value on the surplus product of agriculture; they only make the mistake of regarding it as a simple gift of nature.¹²⁶

[III-106] Here the following can already be remarked:

The branches of labour employed in the production of commodities are distinguished from each other according to their degree of necessity, and this in turn depends on the extent to

^a See this volume, pp. 204-05.—Ed

which the use value they create is necessary for physical existence. This kind of *necessary* labour is related to use value, not exchange value. That is to say, we are concerned here not with the labour time necessary to create a value reducible to the sum of the products necessary to the worker for his existence; rather with the relative necessity of the needs satisfied by the products of different kinds of labour. In this respect the most necessary of all is agricultural labour (understanding by this all work required to procure the immediate means of nourishment). It is agricultural labour which first provides the DISPOSABLE FREE HANDS for industry, as Steuart says.¹⁵⁶ However, we must make a further distinction. While one person employs the whole of his DISPOSABLE time in agriculture, the other can employ it in manufacture. Division of labour. But the surplus labour in all other branches similarly depends on the surplus labour in agriculture, which provides the raw materials for everything else.

“It is obvious that the relative numbers of persons who can be maintained without agricultural labour, must be measured wholly by the productive powers of cultivation” (R. Jones, *On the Distribution of Wealth*, London, 1831, pp. 159-60).¹⁵⁷

ADDITIONS

To *b*. In the struggle in London between the workers in the building industry and the building masters (capitalists), which is still continuing, the workers make the following objections, among others, to the hour system imposed by the masters (according to which the contract between the two sides is only valid for the hour, the hour being in fact fixed as the normal day):

Firstly: This system, the workers argue, abolishes any normal day (normal working day), hence any boundary to a total day's labour (necessary and surplus labour taken together). But the establishment of a normal day of this kind is the constant goal of the working class, whose members stand at the lowest point of humiliation in every branch where such a normal day, be it in law or in practice, is not in existence, as e.g. among the jobbing labourers of the Thames docks, etc. They stress how a normal day of this kind not only forms the yardstick for the workers' average life expectancy but rules over the whole of their development.

Secondly: They argue that this hour system rules OUT EXTRA PAY for overwork, i.e. surplus labour performed in excess of its normal and traditional amount. While on the one hand this EXTRA PAY [makes it possible] for the masters to have work done over and

above the normal day in extraordinary cases, on the other hand it imposes golden chains on their drive for an indefinite extension of the working day. This was one reason why the workers demanded the EXTRA PAY. The second reason: they demand EXTRA PAY for overwork because the lengthening of the normal day brings with it not only a quantitative but a qualitative difference, and the daily *value* of labour capacity itself must therefore be subjected to an altered valuation. If, for example, a 13-hour working day replaces one of 12 hours, this must be estimated as the average working day of a labour capacity which is used up over, e.g., 15 years, whereas in the other case the average working day is that of a labour capacity which is used up in 20 years.

Thirdly: One group of workers is thereby overworked, a corresponding group becomes unemployed, and the wages of the employed are forced down by the wage at which the unemployed work.

//Taking absolute and relative surplus value together, the following is seen: If the productivity of labour remains the same, and likewise the number of workers, surplus value can only grow to the extent that surplus labour increases, hence the total working day (the yardstick for the use of labour capacity) is extended beyond its given boundary. If the total working day remains the same, and ditto the number of workers, surplus value can only grow if the productivity of labour grows, or, what is the same thing, the part of the working day required for necessary labour is shortened. If the total working day and the productivity of labour remain the same, the rate of surplus value, i.e. its ratio to the necessary labour time, will remain unalterable, but the mass of surplus value can grow in both cases with the increase in the number of simultaneous working days, i.e. with the growth of population. Inversely: The rate of surplus value can fall only if either surplus labour is reduced, hence the total working day is shortened while the productivity of labour remains the same, or if the productivity of labour falls, hence the part of the working day required for necessary labour increases, while the duration of the total working day remains the same. In both cases, the amount of surplus value can fall, while the rate of surplus value remains unchanged, if the number of simultaneous working days falls, that is the population falls (i.e. the working population).

It is presupposed in all these relations that the worker sells his labour capacity at its *value*, i.e. that the *price* of labour, or the wage, corresponds to the *value* of the labour capacity. As we have repeatedly stated, this assumption underlies the whole [III-107]

investigation.^a The question of how far the wage itself can rise above or fall below its value belongs in the chapter on wages, in exactly the same way as does the presentation of the specific forms in which the relative distribution of necessary and surplus labour can appear (daily wage, weekly wage, piece wage, hourly wage, etc.).³³ In the meantime one can make this general remark: If the minimum wage, the cost of production of labour capacity, were itself permanently depressed to a lower level, surplus value would thereby to an equal extent be constantly kept at a higher level, hence surplus labour would increase as if the productivity of labour had increased. It is evidently the same thing, from the point of view of the result, whether out of 12 hours of labour a worker works for himself for only 8 hours instead of 10 hours as previously, because his labour has become more productive and he can produce *the same* means of subsistence in 8 hours as he required 10 hours to produce previously, or whether he receives in future *inferior* means of subsistence, the production of which requires only 8 hours, whereas the previous, superior ones required 10 hours to produce. In both cases the capitalist would gain 2 hours of surplus labour, would exchange the product of 8 hours of labour for that of 12, whereas he previously exchanged the product of 10 hours for that of 12. Further: If no such fall in the value of labour capacity itself were to take place, or no decline, no constant worsening in the worker's mode of life, a temporary reduction of wages below their normal minimum, or, which is the same thing, a fall in the daily price of labour capacity below its daily value, would temporarily coincide—during its time of occurrence—with the above-mentioned case, only that what was there constant would here be temporary. If a capitalist forces wages down below their minimum, in consequence of competition among workers, etc., this means in other words simply that he deducts a portion of that part of the working day that normally forms the necessary labour time, i.e. the part of the labour time allotted to the worker himself. Every reduction in necessary labour time that is not a consequence of an increase in the productivity of labour is in reality not a reduction in necessary labour time but merely an appropriation of necessary labour time by capital, an encroachment by capital beyond its own domain of surplus labour. If the worker receives a lower wage than normal, that is the same thing as receiving the product of less labour time than is necessary for the reproduction of his labour capacity

^a See this volume, p. 33.—*Ed*

under normal conditions, so that if 10 hours of labour time are required for this, he only receives the product of 8 hours, 2 hours out of his necessary labour time of 10 hours being appropriated by capital. As far as the capitalist's surplus value is concerned, it is naturally all the same for this surplus value, i.e. surplus labour, whether he pays the worker the 10 hours he needs for his normal existence and has him perform 2 hours of surplus labour for capital, or whether he has him work only 10 hours and pays him for 8 hours, whereby he is unable to buy the means of subsistence necessary for his normal existence. A reduction of wages while the productivity of labour remains the same is an increase in surplus labour through the forcible curtailment of necessary labour time as a result of encroachments on its domain. It is clear that for the capitalist it is all one whether he pays less for the same labour time or has the worker work longer for the same wage. //

Addition to e. In so far as in capitalist production capital compels the worker to work over and above his necessary labour time—i.e. over and above the labour time required for the satisfaction of his own vital needs as a worker—capital, as this relation of domination in which past labour stands to living labour, creates, produces *surplus labour* and therewith *surplus value*. Surplus labour is the labour performed by the worker, the individual worker, beyond the limits of his requirements, it is in fact labour for society, although here this surplus labour is initially pocketed, in the name of society, by the capitalist. As we have said, this surplus labour is on the one hand the basis of society's free time, and on the other hand, by virtue of this, the material basis of its whole development and of civilisation in general.¹⁵⁴ In so far as it is capital's compulsion which enforces on the great mass of society this labour over and above its immediate needs, capital creates civilisation; performs a socio-historical function. With this there is created society's industriousness in general, which extends beyond the period necessitated by the immediate physical requirements of the workers themselves.

It is admittedly clear that this same compulsion is exerted, within certain limits, by all ruling classes—within slavery for example, in a much more direct form than in wage labour—and therefore that here too labour is forced beyond the boundaries set for it by purely natural requirements. This is true wherever society rests on class antagonism, so that there are on one side owners of the conditions of production, who rule, and on the other side propertyless people, excluded from ownership of the conditions of

production, who must work and maintain themselves and their rulers with their labour. But in all situations where *use value* predominates, the labour time is a matter of less consequence, provided only it is sufficiently extended to provide, apart from the means of subsistence of the workers themselves, a certain mass of use values, a kind of patriarchal wealth, for the rulers.¹⁵⁸ However, in proportion as *exchange value* becomes the determining element of production the lengthening of labour time beyond the measure of natural requirements becomes more and more the decisive feature. Where, for example, slavery and serfdom predominate among peoples which engage in little trade, there can be [III-108] no question of overwork. It is therefore among commercial peoples that slavery and serfdom take on their most hateful form, as e.g. among the Carthaginians; this is even more pronounced among peoples which retain slavery and serfdom as basis of their production in an epoch when they are connected with other peoples in a situation of capitalist production; thus e.g. the southern states of the American Union.

Since in capitalist production exchange value, for the first time ever, dominates over the whole of production and the whole articulation of society, the compulsion capital imposes on labour to go beyond the boundaries of its own requirements is at its greatest. Similarly, since in capitalist production *necessary labour time* (socially necessary labour time) for the first time ever completely determines the magnitude of value of all products, the intensity of labour attains a higher level under that system, since it is only there that the workers are in general compelled in producing an object to employ only the *labour time necessary* under the general social conditions of production. The whip of the slaveowner cannot produce this intensity to the same degree as the compulsion of the capital-relation. In the latter, the free worker, in order to satisfy his essential requirements, must 1) convert his labour time into *necessary labour time*, give it the general, socially determined (by competition) level of intensity; 2) provide surplus labour, in order to be allowed (to be able) to work for the labour time necessary for him himself. The slave, in contrast, has his essential requirements satisfied, like an animal, and it now depends on his natural disposition how far the whip, etc., is cause for him, an adequate motive for him, to provide labour in return for these means of subsistence. The worker works in order to create himself his means of subsistence, to gain his own life. The slave is kept alive by another person in order to be compelled by him to work.

The capital-relation is therefore more productive in this way—for one thing because what is at stake here is labour time as such, exchange value, not the product as such or the use value; and secondly because the free worker can only satisfy the requirements of his existence to the extent that he sells his labour; hence is forced into this by his own interest, not by external compulsion.

A division of labour can only exist at all if every producer of a commodity employs more labour time in the production of that commodity than is required by his own need for the commodity in question. But it does not yet follow from this that his labour time in general will be prolonged beyond the extent of his needs. On the contrary, the extent of his needs—which will of course from the outset expand with advances in the division of labour, of employments—will determine the total amount of his labour time. For example an agriculturalist who produced all his means of subsistence himself would not need to work in the fields for the whole day, but he would have to divide e.g. 12 hours between field labour and various kinds of domestic work. If he now employs the whole of his labour time of 12 hours in agriculture, and exchanges the excess product of these 12 hours for the products of other kinds of work, buys them, this is the same as if he himself had devoted a part of his labour time to agriculture and another part to other branches of business. The 12 hours he works continue to be the labour time required for the satisfaction of his *own needs*, and they are labour time within the limits of his natural or rather social needs. But capital drives beyond these natural or traditional boundaries of labour time, by making the intensity of labour at the same time dependent on the level of social production, and thus withdrawing it from the accustomed routine of the independent producer or the slave who works only under external compulsion.

If all branches of production become subject to capitalist production, it follows simply from the general growth of surplus labour—of general labour time—that there will be an increase in the division of the branches of production, the differentiation of work and the variety of the commodities being exchanged. If 100 men in a branch of business work for as long a time as 110 men did previously—with a smaller amount of surplus labour or shorter duration of labour overall—then 10 men can be thrown into another, new branch of business, and similarly the part of the capital that was previously required to employ those 10 men. The departure—transfer—of labour time beyond its

natural or traditional limits will therefore lead in itself to the application of social labour in new branches of production. This due to the fact of *labour time* becoming free, and surplus labour not only creates *free time*, it makes labour capacity which was tied down in one branch of production, labour in general, *free* (this is the point) for new branches of production. But it is a law of the development of human nature that once the satisfaction of a certain sphere of needs [III-109] has been assured *new needs* are set free, created. Therefore when capital pushes labour time beyond the level set for the satisfaction of the worker's natural needs, it impels a greater division of social labour—the labour of society as a whole—a greater diversity of production, an extension of the sphere of social needs and the means for their satisfaction, and therefore also impels the development of human productive capacity and thereby the activation of human dispositions in fresh directions. But just as surplus labour time is a condition for free time, this extension of the sphere of needs and the means for their satisfaction is conditioned by the worker's being chained to the necessary requirements of his life.

Addition to a)

Firstly. Nassau W. Senior says in his pamphlet *Letters on the Factory Act, as It Affects the Cotton Manufacture etc.*, London, 1837 (pp. 12, 13)¹⁴⁴:

“Under the present law, no mill in which persons under 18 years of age are employed can be worked more than 11 1/2 hours a day, that is, 12 hours during the first 5 days and 9 hours on Saturday. Now, the following analysis will show that in a mill so worked, the whole NET PROFIT IS DERIVED from the *last hour*. A manufacturer invests £100,000: £80,000 in factory buildings and machinery, and £20,000 in raw material and wages. The annual return of that mill, supposing the total capital to be turned once a year, and GROSS PROFITS to be 15%, ought to be goods worth £115,000, reproduced by the constant conversion and reconversion of the £20,000 circulating capital, from money into goods and from goods into money, in periods of rather more than two months. Of this £115,000 each of the 23 half hours of work produces $\frac{5}{115}$ or $\frac{1}{23}$. Of these $\frac{23}{23}$, CONSTITUTING THE WHOLE £115,000, $\frac{20}{23}$, that is to say, £100,000 out of the £115,000, simply replace the capital; $\frac{1}{23}$, or £5,000 out of the £15,000 (gain), makes up for the deterioration of the mill and machinery. The remaining $\frac{2}{23}$, that is, the last two half hours of every day, produce the net profit of 10%. If, therefore (prices remaining the same), the factory could be kept at work 13 hours instead of 11 1/2, by an addition of about £2,600 to the circulating capital, the net profit would be more than doubled. On the other hand, if the hours of working were reduced by one hour per day (prices remaining the same), net profit would be destroyed; if they were reduced by an hour and a half, even gross profit would be destroyed.”

Firstly: The correctness or incorrectness of the positive data adduced by Senior is irrelevant to the subject of our investigation. However, it may be remarked in passing that the English Factory

Inspector *Leonard Horner*, a man distinguished as much by his thorough knowledge of the facts as by his incorruptible love of truth, has demonstrated the falsity of these data, presented in 1837 by Mr. Senior, the faithful echo of the Manchester manufacturers. (See Leonard Horner, *A Letter to Mr. Senior etc.*, London, 1837.)

Secondly: the quotation from Senior is characteristic of the hopeless intellectual degeneration the interpreters of science fall victim to as soon as they degrade themselves to be sycophants of a ruling class. Senior wrote the above-quoted pamphlet in the interests of the cotton manufacturers, and before writing it he went to Manchester with the express purpose of receiving the material for the pamphlet from the manufacturers themselves.

In the passage we have quoted, Senior, Professor of Political Economy at Oxford and one of the most renowned living English economists, commits crude errors he would find unforgivable in any of his own students. He makes the assertion that a year's work in a cotton mill, or, what is the same thing, the work of $11\frac{1}{2}$ [hours], day in day out throughout the year, creates, not only the labour time or value that labour itself adds to the raw material, the cotton, by means of the machinery, [III-110] but also, additionally, the value of the raw material contained in the product and the value of the machinery and factory buildings consumed in the course of production. According to this, the workers in a spinning mill, for example, would simultaneously produce during their $11\frac{1}{2}$ hours' labour time—apart from the labour of spinning (i.e. the value)—the cotton they work on, ditto the machine with which they work the cotton and the factory building in which this process occurs. Only in this case could Mr. Senior say that the $23\frac{1}{2}$ daily hours of labour during the whole year constitute the £115,000, i.e. the value of the total annual product.

Senior calculates in this way: The workers work so and so many hours during the day to "replace", i.e. to create, the value of the cotton, so and so many hours to "replace" the value of the consumed portion of the machinery and the mill, so and so many hours to produce their own wages, and so and so many hours to produce the profit. This childishly silly notion, according to which the worker, as well as working his own labour time, simultaneously works that contained in the raw material he operates on and in the machinery he uses, that he therefore produces raw material and machinery *at the same time* as they form, as finished products, the conditions of his own labour, can be explained in the following way. Senior, being entirely under the sway of the lessons given

him by the manufacturers, introduced a confusion into their practical way of reckoning, which admittedly is itself quite correct theoretically but is for one thing entirely irrelevant to the relation Senior claims to be investigating, namely that of labour time and gain, and for another thing easily gives rise to the absurd notion that the worker produces not only the value he adds to his conditions of labour but also the value of those conditions themselves.

That practical calculation goes like this. Let us assume that the value of the total product of, say, 12 hours of labour time consists, e.g., to $\frac{1}{3}$ of the value of the material of labour, e.g. cotton, to $\frac{1}{3}$ of the value of the means of labour, e.g. machinery, and to $\frac{1}{3}$ of the value of the newly added labour, e.g. spinning. The ratio is not important here. But some particular ratio must always be assumed. Suppose the value of this product is £3 sterling. The manufacturer can calculate like this: The value of the product of $\frac{1}{3}$ of the day's labour time, or 4 hours, is equal to the value of the cotton I need over the 12 hours, or the cotton worked up in the total product. The value of the product of the second $\frac{1}{3}$ of the day's labour time is equal to the value of the machinery I wear out over 12 hours. Finally the value of the product of the third $\frac{1}{3}$ of the day's labour time is equal to wages plus profit. He can therefore say that the first $\frac{1}{3}$ of the day's labour time replaces the value of the cotton, the second $\frac{1}{3}$ replaces the value of the machinery, and finally the third $\frac{1}{3}$ forms the wages and the profit. But in reality this means quite simply that the whole of the day's labour time adds nothing but itself to the value of the cotton and the machinery, which is present independently of it; it adds nothing but the value which forms on the one hand wages, on the other hand profit. That is to say the value of the product of the first third of the day, or the first 4 hours, is equal to $\frac{1}{3}$ of the value of the total product of 12 hours of labour.

The value of the product of these first 4 hours is equal to £1, if the value of the total product of 12 hours = £3. But $\frac{2}{3}$ of the value of this £1, hence $13\frac{1}{3}$ shillings, consists of the value of cotton and machinery present in advance (on our assumption). Only $\frac{1}{3}$ of new value has been added, or the value of $6\frac{2}{3}$ shillings, of 4 hours of labour. The value of the *product* of the first $\frac{1}{3}$ of the day's labour = £1, because $\frac{2}{3}$ or $13\frac{1}{3}$ s. in this product consists of the value of the raw material and used-up machinery, which was present beforehand and merely re-appears in the product. In 4 hours the labour has created no more than $6\frac{2}{3}$ s. of value, hence it creates only 20s. or £1 of value in 12 hours. The value of the

product of 4 hours of labour is indeed something quite different from the newly created value, the value of the newly *added labour*, the labour of spinning, which on our assumption increases the existing value by only $\frac{1}{3}$. In the first 4 hours the labour of spinning works up the raw material, not of 12 hours, but of 4. If, however, the value of yarn spun in 4 hours is equal to the value of the cotton worked up during 12 hours, this is only due to the fact that on our assumption the value of the cotton forms $\frac{1}{3}$ of the value of the yarn spun in each individual hour, hence also $\frac{1}{3}$ of the value of the yarn produced in 12 hours, i.e. is equal to the value of the yarn produced in 4 hours.

The manufacturer might also calculate that the product of 12 hours of labour replaces the value of cotton for 3 days, without thereby affecting the relation in question in the least. For the manufacturer, the calculation has a practical value. On the level of production at which he works he must work up as much cotton as is required to absorb a definite quantity of labour time. If the cotton forms $\frac{1}{3}$ of the value of the total product of 12 hours, [III-111] the product of $\frac{1}{3}$ of the total working day of 12 hours, i.e. the product of 4 hours, forms the value of the cotton worked up during 12 hours. It can be seen how important it is to keep hold of the fact that in a particular process of production, e.g. spinning, the worker does not create any value apart from that measured by his own labour time (here spinning), one part of this labour time replacing the wage, the other part forming the surplus value which falls to the share of the capitalist.

(In reality the workers do not *produce* or *reproduce* one particle either of the value of the raw material or of that of the machinery, etc. They contribute nothing more than their own labour to the value of the raw material and the value of the machinery consumed in production, and this labour is the newly created value, of which one part is equal to their own wages and the other is equal to the surplus value the capitalist receives. It is therefore not the whole of the product—should production continue—that is divisible between the capitalist and the worker, but only the product less the value of the capital advanced in it. There is not a single hour of labour devoted to the “replacement” of the capital in Senior’s sense, such that the labour would produce doubly, would produce its own value and the value of its material, etc. The upshot of Senior’s assertion is simply this, that of the $11\frac{1}{2}$ hours the worker works, $10\frac{1}{2}$ form his wages and only $\frac{2}{2}$, or 1 hour, forms his surplus labour time.)

Thirdly: The whole of Mr. Senior’s treatment is entirely

unscientific, in the sense that he does not separate out what was essential here, namely the capital laid out in wages, but throws it together with the capital laid out for raw material. Moreover, if the ratio he gives were correct, the workers would, out of the $11\frac{1}{2}$ hours, or 23 half hours, work 21 half hours for themselves and only provide 2 half hours of surplus labour to the capitalist. According to this, surplus labour would be related to necessary in the proportion $2:21, = 1:10\frac{1}{2}$; hence $9\frac{11}{21}\%$, and this is supposed to give a profit of 10% on the whole of the capital! The most peculiar feature, which displays his complete ignorance of the nature of surplus value, is this: He assumes that of the 23 half hours, or $11\frac{1}{2}$ hours, only 1 hour is surplus labour, hence forms surplus value, and is therefore amazed to find that if the workers were to add to this 1 hour of surplus labour a further $1\frac{1}{2}$ hours of surplus labour, if they were to work 5 half hours instead of 2 half hours (hence 13 hours altogether), the net gain would increase *more than twofold*. Equally naive is the discovery that, on the assumption that the whole of the surplus labour or surplus value is equal to one hour, the whole net profit would disappear as soon as the labour time were reduced by this one hour, i.e. if no surplus labour were performed at all. On the one hand, we see Senior's astonishment at the discovery that the surplus value, hence the gain too, is reduced to mere surplus labour, and on the other hand simultaneously the failure to grasp this relation, which Mr. Senior, influenced as he is by the manufacturers, notes merely as a curiosity of the cotton industry.

Secondly. The money the worker receives as wages represents the labour time which is present in the commodities required for the satisfaction of his vital needs. Surplus value originates through the fact that the worker gives more labour time in exchange for these commodities than is contained in them, more living labour for a particular quantity of objectified labour. Therefore he buys these commodities, the range of which constitutes his wages, with more labour than is required to produce them.

"Whatever quantity of labour may be requisite to produce any commodity, the labourer must always, in the present state of society, give a great deal more labour to acquire and possess it than is requisite to buy it from nature. Natural Price so increased to the labourer is Social Price" (Th. Hodgskin, *Popular Political Economy*, London, [Edinburgh,] 1827, [p.]220).

"Brotherton, himself a manufacturer, stated in the HOUSE OF COMMONS that the manufacturers would add hundreds of pounds a week to their gain if they could induce their workers" (their MEN, people) "to work but one hour more a day" (Ramsay, l.c.,^a p. 102).

^a *An Essay on the Distribution of Wealth.—Ed.*

“Where there is no SURPLUS LABOUR, there can be no SURPLUS PRODUCE, hence no capital” (*The Source and Remedy of the National Difficulties etc.*, London, 1821, [p.] 4).

[III-112] * “The amount of capital which can be invested at a given moment, in a given country, or the world, so as to return not less than a *given rate of profits*, seems principally to depend on *the quantity of labour*, which it is possible, by laying out the capital, to induce the then existing number of human beings to perform” * (*An Inquiry into those Principles, Respecting the Nature of Demand etc., Lately Advocated by Mr. Malthus*, London, 1821, [p.] 20).

For pages 106, 107:

* “If the labourer can be brought to feed on potatoes, instead of bread, it is indisputably true that then more can be exacted from his labour; i.e., if when fed on bread he was obliged to retain for the maintenance of himself and family the labour of Monday and Tuesday, he will, on potatoes, require only half of Monday; and the remaining half of Monday and the whole of Tuesday are available either for the service of the state or the capitalist” * (*The Source and Remedy of the National Difficulties*, London, 1821, [p.] 26).

* “Whatever may be *due* to the capitalist, he *can only receive* the surplus labour of the labourer; for the labourer *must live*. But it is perfectly true, that if capital does not decrease in value as it increases in amount, the capitalist will exact from the labourers the produce of every hour’s labour beyond what it is *possible* for the labourer to subsist on: and however horrid or disgusting it may seem, the capitalist may eventually speculate on the food that requires the least labour to produce it, and eventually say to the labourer: ‘You sha’n’t eat bread, because barley meal is cheaper. You sha’n’t eat meat, because it is possible to subsist on beet root and potatoes’” * (l.c., [pp.] 23-24).¹⁵⁹

Addition to e), p. 107.

* “Wealth is disposable time and nothing more” * (*The Source and Remedy etc.*, p. 6).

In capitalist production the worker’s labour is much greater than in the case of the *independent worker*, because the former relation is definitely not determined by the relation between his labour and *his need*, but by capital’s unrestricted, boundless need for surplus labour.

“The labour of, for example, the agriculturalist will amount to much more, if only because it is no longer determined by his particular needs” (J. G. Büsch, *Abhandlung von dem Geldumlauf...*, Theil 1, Hamburg and Kiel, 1800, p. 90).¹⁶⁰

Addition to e), p. 104.

The relation which compels the worker to do surplus labour is the fact that the conditions of his labour exist over against him as capital. He is not subjected to any external compulsion, but in order to live in a world where commodities are determined by their value he is compelled to sell his labour capacity as a commodity, whereas the valorisation of this labour capacity over and above its own value is the prerogative of capital. Thus his surplus labour both increases the variety of production and creates

free time for others. The political economists like to *conceive* this relation as a *natural relation* or a *divine institution*. As far as industriousness brought about by capital is concerned:

“Legal constraint” (to labour) *“is attended with too much trouble, violence and noise; creates ill will etc., whereas *hunger* is not only a peaceable, silent, unremitted pressure, but, as the most natural motive to industry and labour, it calls forth the most powerful exertions”* (*A Dissertation on the Poor Laws*. By a Well-wisher to Mankind (The Rever. Mr. J. Townsend), 1786. Republished, London, 1817, [p.] 15).

Since the capital-relation presupposes that the worker is compelled to sell his labour capacity, hence has essentially only his labour capacity to sell, Townsend says:

*“It seems to be a *law of nature*, that the poor should be to a certain degree improvident, that there always may be some to fulfil the most servile, the most sordid, and the most ignoble affairs in the community. The stock of human happiness is thereby much increased, the more delicate* are relieved from DRUDGERY, and are left at liberty, without interruption, to pursue higher CALLINGS, etc.” (l.c., [p.] 39). *“The poor law tends to destroy the harmony and beauty, the symmetry and order of that system, which god and nature [III-113] have established in the world”* (p. 41).

This parson Townsend is admittedly not the actual inventor of the so-called theory of population, but he was the first to give it the form in which Malthus appropriated it and made great literary capital therefrom. It is odd that, with the exception of the Venetian monk Ortes (whose “*Della Economia Nazionale*” *libri sei* of 1774 is much more ingenious than Malthus), it is mainly parsons of the English church who have wrestled with the “URGENT APPETITE” and the, in Townsend’s words, “CHECKS WHICH TEND TO BLUNT THE SHAFTS OF CUPID”.¹⁶¹ In opposition to Catholic dogmatism (“SUPERSTITION” says Townsend), they laid claim to the injunction “be fruitful, and multiply”^a on behalf of the priesthood itself, while preaching celibacy to the working class.

“God ordains that men who carry on trades of primary utility are born in abundance” (Galiani, *Della Moneta*, in Custodi, Vol. III, p. 78).

The progress of the nation’s wealth, says Storch, “gives birth to this *useful* class of society ... which undertakes the most tedious, sordid and distasteful tasks, which, in a word, by taking upon itself everything that is disagreeable and servile in life procures for the other classes the *time*, the peace of mind and the customary dignity of character they need to embark successfully on work of an elevated kind” (*Cours d’économie politique*, ed. Say, Vol. III, Paris, 1823, p. 223).^b

“Our zone requires labour for the satisfaction of wants, and *therefore* at least a *portion* of society must *work indefatigably*...” (Sir Morton Eden, *The State of the Poor: or*,

^a Genesis 1:28.—*Ed.*

^b Marx quotes Storch partly in German and partly in French.—*Ed.*

an History of the Labouring Classes in England, from the Conquest to the Present Period etc., Vol. I, London, 1797, Book I, Ch. 1).

Addition to d), p. 102. This law^a only implies that with a constant productivity of labour and a given normal day, the amount of surplus value will grow with the number of workers simultaneously employed. It does not follow from it that in all branches of production (e.g. agriculture) the productivity of labour remains the same in the measure to which a greater quantity of labour is employed. (This is to be put in a note.)

It follows that if other conditions remain the same the wealth of a country, on the basis of capitalist production, depends on the size of the proletariat, of the portion of the population dependent on wage labour.

"The more slaves a master has, the richer he is; it follows, assuming the masses are equally oppressed, that the more proletarians a country has the richer it is" (Colins, *L'économie politique. Sources des révolutions et des utopies prétendues socialistes*, Vol. III, Paris, 1857, [p.] 331).^b

Addition to a. Illustration of surplus value.

According to Jacob,^c writing in 1815, the wheat price was 80s. per quarter and the average product per ACRE was 22 BUSHELS (now 32), giving an average product of £11 per ACRE. He calculates that the straw pays the expense of harvesting, threshing, and carrying to the place of sale, reckoning up the ITEMS as follows:

	£	s.		£	s.
<i>Seed</i>	1	9	<i>Tithes, RATES and</i>	1	1
(wheat)			TAXES		
<i>Manure</i>	2	10	RENT	1	8
	<hr/>				
	3	19			
<i>Wages</i>	3	10	<i>Farmer's profit and</i>	1	2
			interest		
	<hr/>			<hr/>	
	7	9		3	11

In this table the right hand column, taxes, rates, rent, farmer's profit and interest, represents only the total surplus value¹⁴³ the farmer (the capitalist) receives, part of which he however gives up to the state, the LANDLORD, etc., under various names and headings. The total surplus value therefore = £3 11s. The constant capital (seed and manure) = £3 19s. The capital advanced for labour = £3 10[s].

^a See this volume, p. 185.—*Ed.*

^b Marx quotes in French.—*Ed.*

^c W. Jacob, *A Letter to Samuel Whitbread etc.*, London, 1815, p. 33.—*Ed.*

It is this [III-114] latter portion of capital, variable capital, which is alone to be considered when we are dealing with surplus value and the ratio of surplus value. In the present case, therefore, the ratio between surplus value and the capital expended on wages, or the rate at which the capital expended on wages increases is given by the ratio £3 11s. to £3 10s. The capital of £3 10[s.] expended on labour is reproduced as a capital of £7 1s. Only £3 10[s.] of this represents the replacement of the wages, whereas £3 11s. represents the surplus value, which therefore amounts to more than 100%. The necessary labour time would accordingly be slightly smaller than the surplus labour, roughly equal to it, so that 6 of the 12 hours of the normal working day would belong to the capitalist (including the various people who share in this surplus value). It may admittedly be the case that e.g., at 80s., the price of the quarter of wheat stands above its value, hence that a part of its price derives from the sale of other commodities in return for wheat at less than their value. But, firstly, it is only a matter of making clear how, in general, surplus value and hence the rate of surplus value are to be understood. On the other hand, if the market price of a bushel of wheat stands, say, 10s. above its value, this can only increase the surplus value received by the farmer provided that he does not pay the agricultural worker, whose labour has risen above its normal value, the amount by which his labour now exceeds the normal value.

Let us take another example from modern English agriculture, namely the following REAL BILL from a HIGH FORMED ESTATE:

<i>Yearly Expenditure in Production Itself</i>	<i>Farmer's Income and Outgoings</i>	
	£	£
<i>Manure</i>	686	<i>Rent</i> 843
<i>Seed</i>	150	<i>Taxes</i> 150
<i>Cattle fodder</i>	100	<i>Tithes</i> none
<i>Losses, tradesmen's bills, etc.</i>	453	<i>Profit</i> 488
	<hr/> 1,389	<hr/> 1,481
<i>Wages</i>	1,690	
	<hr/> 3,079	

(F. W. Newman, *Lectures on Political Economy*, London, 1851, p. 166 [167]).

In this example, therefore, variable capital, or capital exchanged for living labour, amounts to £1,690. It is reproduced as

£1,690 + 1,481 = £3,171. The surplus value is £1,481, and the ratio of the surplus value to the part of the capital from which it arises = 1,481/1,690, or something over 87%.

//“The inextinguishable passion for gain—the *auri sacri fames*^a—will always lead capitalists” (McCulloch, *The Principles of Political Economy*, London, 1825, p. 163).//

Addition to e, p. 104.

“It is because one works that the other can rest” (Sismondi, *Nouveaux principes d'économie politique*, Vol. 1, pp. 76-77).^b

Addition to e, p. 107. Surplus labour and the multiplication of products provides the conditions for the *production of luxuries*, for part of production throwing itself into the production of luxury products, or, what is the same thing, being exchanged for these products (through foreign trade).

“Once there is an overabundance of products, the excess labour must be devoted to luxury objects. The consumption of objects of prime necessity is limited, that of objects of luxury is unlimited” (Sismondi, *Nouveaux principes etc.*, Vol. 1, p. 78). “Luxury is only possible when it is bought with the *labour of others*; assiduous, uninterrupted labour is only possible when it is the sole means of obtaining, not the frivolities, but the necessities of life” (l.c. p. 79).

//The *demand of the workers* for capital is therefore the only thing the capitalist needs, i.e. for him everything turns on the proportion in which living labour offers itself for objectified labour.

*“As to the demand *from* labour, that is, either the giving labour [III-115] in exchange for goods, or, if you choose to consider it in another form, but which comes to the same thing, the giving, in exchange for *complete products*, a future and *accruing addition of value...*, conferred on certain particles of matter entrusted to the labourer. This is the real demand that it is material to the producers to get increased, as far as *any* demand is wanted, extrinsic to that which articles furnish to each other when increased” * (*An Inquiry into those Principles, Respecting the Nature of Demand and the Necessity of Consumption etc.*, London, 1821, [p.] 57).//

When James Mill for example says:

*“To enable a considerable portion of the community to enjoy the advantages of *leisure*, the return to capital must evidently be large” * (James Mill, *Elements of Political Economy*, London, 1821, p. 50),

he means nothing other than this: The wage labourer must slave a good deal so that many people can have leisure, or the free time of one section of society depends on the ratio of the worker's surplus labour time to his necessary labour time.

^a “Passion for accursed gold.” The original phrase in Virgil's *Aeneid*, III, 57, is *auri sacra fames* (“accursed passion for gold”).— *Ed.*

^b Here and below Marx quotes Sismondi in French.— *Ed.*

The capitalist's task is to "obtain from the capital expended" (the capital exchanged for living labour) "*the largest possible amount of labour*" (J. G. Courcelle-Seneuil, *Traité théorique et pratique des entreprises industrielles etc.*, 2nd ed., Paris, 1857, p. 62).^a

That the valorisation of capital, the surplus value it produces over and above its own value, hence its productive power, consists in the surplus labour it appropriates to itself, is stated by *J. St. Mill* for example.

"*Capital*, strictly speaking, has *no productive power*. The only productive power is that of labour; assisted, no doubt, by TOOLS, and ACTING UPON MATERIALS.... The *productive power of capital* can only mean the quantity of real productive power" (labour) "which the capitalist, by means of his capital, can *command*" (*J. St. Mill, Essays on Some Unsettled Questions of Political Economy*, London, 1844, pp. 90, 91).

Addition to a.) It is clear that in the reproduction of capital and its increase the value of the raw material and machinery as such is altogether a matter of indifference for the production process. Take a raw material, e.g. flax. The amount of labour the flax can absorb to be converted into linen for example—if the level of production, a certain degree of technological development, is given—does not depend on its *value* but on its *quantity*, and in the same way the assistance a machine can give to 100 workers depends not on its price but on its use value.

Addition to p. 114.) Or let us take another example. J. C. Symons, *Arts and Artisans at Home and Abroad*, Edinburgh, 1839 [p. 233], gives the following calculation for a Glasgow power-loom factory with 500 LOOMS, CALCULATED TO WEAVE A GOOD FABRIC OF CALICO OR SHIRTING, SUCH AS IS GENERALLY MADE IN GLASGOW:

<i>Expense of erecting the factory and machinery</i>	£18,000
<i>Annual produce, 150,000 pieces of 24 yards at 6s.</i>	£45,000
<i>Interest on fixed capital and for DEPRECIATION OF VALUE of the machinery, reckoning 900 (5%) for interest</i>	[£] 1,800
<i>Steam-power, oil, tallow, keeping up machinery, etc.</i>	2,000
<i>YARNS AND FLAX</i>	32,000
<i>Wages</i>	7,500
<i>Profit</i>	1,700
	45,000

In this case interest and profit amount to $900 + 1,700 = 2,600$.

^a Marx quotes in French.—*Ed.*

The self-reproducing and self-increasing part of capital laid out for labour is £7,500. Surplus value = 2,600; rate of surplus value therefore: nearly 33%.¹⁶²

[III-116] *Addition to b.) p. 99*

Richard Jones, in his *Essay on the Distribution of Wealth*, London, 1831, rightly regards *corvée* labour, or what he calls LABOUR RENT, as the most primitive form of rent. We have only to consider it here as a particular form of surplus value which falls to the landed proprietor.¹⁶³ It is, thus, a form in which the agricultural workers possess a part of the land, and cultivate it to obtain their own subsistence. The labour time they employ for this purpose corresponds to the necessary labour time with which the wage labourer replaces his own wage. However, whereas the modern agricultural day labourer realises the whole of his labour time—both the part that replaces his wages and the part that forms the surplus value—on the same land (which is rented from the farmer)—just as the factory worker employs the same machinery for the realisation of his necessary and his surplus labour—here, in contrast, there takes place not only a division of the time (and much more tangibly than in wage labour) but also a division of the conditions of production (the sphere of production) by means of which this labour time is realised.

For example, the *corvée* labourer cultivates the field assigned to him as his possession on certain days of the week. On other days he works on the seignorial estate, for the landowner. What this form of labour has in common with wage labour is the fact that the worker gives to the owner of the conditions of production not, as in other modes of production, the product, and not money, but *labour itself*. Surplus labour is here more distinctly marked off from necessary labour than in the wage system, because here necessary and surplus labour are performed on two different plots of land. The *corvée* labourer does the labour necessary for the reproduction of his own labour capacity on the field he himself possesses. He performs surplus labour for the landed proprietor on the seignorial estate. This spatial separation makes the division of the total labour time into two parts more clearly apparent, whereas with the wage labourer one may just as well say that he works, e.g., 2 out of 12 hours for the capitalist as that he works for the capitalist for $\frac{1}{6}$ of every hour or of any other aliquot part of the 12 hours.

Firstly, then, the division into necessary labour and surplus labour, labour for the reproduction of one's own labour capacity and labour for the owner of the conditions of production, is more

clearly, more distinctly apparent in the form of *corvée* labour than in the form of wage labour. Secondly, however, it follows from its appearing more clearly in the *corvée* form than in wage labour that surplus labour is unpaid labour and that the whole of surplus value can be reduced to surplus labour, i.e. unpaid labour. If the *corvée* labourers work 5 days of the week on their own land, and the 6th day on the landowner's, it is clear that on this 6th day they perform unpaid labour, they work not for themselves but [for] another, and that all the receipts of this other person are the product of their unpaid labour; it is called *corvée* labour precisely for that reason. If factory workers work 2 hours out of 12 every day for the capitalist, it is the same as if they worked 5 days of the week for themselves and 1 for the capitalist, hence in effect the same as if they performed 1 day of *corvée* labour a week for the capitalist.

The form of the wage is absent from the whole *corvée* system, and this makes the relation yet more tangible. The *corvée* labourer receives the conditions of production required for the realisation of his own necessary labour; he is allotted them once and for all. He therefore pays his own wages or directly appropriates the product of his necessary labour. With the wage labourer, in contrast, the whole of his product is first converted into capital, in order to flow back to him subsequently in the form of wages. If the *corvée* labourer, who works 1 day in the week for his lord, had to hand over to him the product of the whole week, so that the lord could convert it into money and pay back $\frac{5}{6}$ of this money to the *corvée* labourer, the latter would have been turned into a wage labourer in this respect. Inversely. If the wage labourer, who works 2 hours every day for the capitalist, were himself to pocket the product or the value of the product of 5 days of his labour (deductions from the value for the conditions of production and the material and means of labour take place in both situations, even if in different forms) and work for capital during the 6th day for nothing, he would have turned into a *corvée* labourer. In so far as the nature of necessary labour and surplus labour and their relationship come into consideration, the result is the same.

We find *corvée* labour in larger or smaller quantities combined with all forms of serfdom. But where it appears in its pure form, as the dominant relation of production, which was particularly the case and in part still is the case in the Slav countries and the Danubian provinces occupied by the Romans, we can certainly say [III-117] that it did not arise on the basis of serfdom; instead

serfdom arose, inversely, from *corvée* labour. The latter is based on a community, and the surplus labour the members of the commune performed over and above that required for their subsistence, which served partly as a (communal) reserve fund, and partly to cover the costs of their communal, political and religious requirements, gradually became transformed into *corvée* labour performed for the families which had usurped the reserve fund and the political and religious offices as their private property. In the Danubian Principalities, and similarly in Russia, this process of usurpation can be precisely demonstrated. A comparison between the Wallachian boyars and the English manufacturers from the point of view of their thirst for alien labour time is interesting in that the appropriation of alien labour appears in both cases as the direct source of wealth: surplus value as surplus labour.^a

//*“The employer will be always on the stretch to *economize* time and labour”* (Dugald Stewart, *Lectures on Political Economy*, Vol. I, Edinburgh, 1855, p. 318, in Vol. VIII of the COLLECTED WORKS, ED. BY SIR W. HAMILTON). *For p. 107, to the Addition to e.*//

Surplus labour appears in its most primitive “independent”, “free” form in *corvée* labour; free in so far as in slavery the whole of the slaves’ day, like the cattle’s, belongs to the proprietor, and he must naturally feed them.

Even in Moldavia and Wallachia payment in kind still exists alongside the *corvée*.¹⁶⁴ Let us take here the *Règlement organique*, put into effect in 1831.¹⁶⁵ For our present purpose it is irrelevant, and therefore only needs mentioning in passing, that the land, cattle, etc., in fact *belong* to the Wallachian peasants, that the obligations to the proprietors arose through usurpation, and that the Russian *Règlement* raised this usurpation to the level of a law. The payments in kind consist of $\frac{1}{5}$ of the hay; $\frac{1}{20}$ of the wine; and $\frac{1}{10}$ of all other products (all this in Wallachia). The peasant possesses: 1) 400 *stagenes* (a *stagne* is about 2 square metres) for house and garden on the plain, 300 in the mountains; 2) 3 *pogones* ($1\frac{1}{2}$ hectares) of ploughland; 3) 3 *pogones* of grassland (pasture for 5 horned cattle).

Here we must mention incidentally that this code of serfdom was proclaimed a code of freedom by the Russians (under Kiselev) and recognised as such by Europe. Secondly: the boyars in fact

^a See this volume, 180-81.— *Ed.*

edited the *Règlement*. Thirdly: it was much worse, relatively speaking, in Moldavia than in Wallachia.

According to the *Règlement* every peasant owes the proprietor annually: 1) 12 days of general labour; 2) 1 day of field labour; 3) 1 day of wood-carrying. However, these days are measured not by time but by the work to be accomplished. The *Règlement organique* therefore itself lays down that the 12 days of [general] labour are to be the equivalent of 36 days of manual labour, the day of field labour = 3 days, and the day of wood-carrying similarly = 3 days. *Summa summarum*^a 42 days. But there has to be added to this the so-called *jobbaggio* (service, SERVITUDE), i.e. labour for the proprietor's extraordinary production requirements. This extraordinary labour involves the provision by the villages of 4 men for each 100 families, 3 men by villages of 63-75 families, 2 men by villages of 38-50 families, and 1 by villages of 13-25 families. This *jobbaggio* is estimated at 14 working days for each Wallachian peasant. Thus the *corvée* prescribed by the *Règlement* itself = 42+14=56 working days. Owing to the severe climate the agricultural year in Wallachia consists of only 210 days, of which 40 must be deducted for Sundays and holidays, 30 on an average for bad weather; taken together this is 70 days less. There remain 140 days. Subtract from this the 56 *corvée* days. This leaves 84 days: a proportion which is even so no worse than that for the English agricultural workers, if we compare the time they work for their wages with the time they work for the creation of the surplus value which is divided between the farmer, the church, the state, the landowner, etc.

These are the days of *corvée* legally at the disposal of the proprietor, the legally established surplus labour. Yet the *Règlement* made provision for the further extension of the *corvée* without any infringement of the letter of the law. Namely, each day's task was determined in such a way that a certain amount remained over, so that it could only be completed during the next day's labour time. For example, particularly on the maize plantations, "a day's weeding was estimated at twelve perches, thereby imposing a task twice as large as a man could perform in one day".^b The day's weeding is in fact determined by the *Règlement* in such a way

"that it begins in the month of May and ends in the month of October".^b [III-118] "In Moldavia," as one of the grand boyars himself said, "the 12

^a Grand total.— *Ed.*

^b Marx quotes in French.— *Ed.*

working days of the peasant, granted by the *Règlement*, amount in fact to 365 days" [p. 311].^a

The ingenuity with which the boyars have exploited this law in order to appropriate the peasants' labour time can be explored in further detail in E. Regnault, *Histoire politique et sociale des principautés danubiennes*, Paris, 1855, pp. 305 et seq.

Let us now compare with this the greedy appetite for labour time—surplus labour time—characteristic of capitalist production in England.

It is not my intention here to go into the history of overwork in England since the invention of machinery. The fact is that as a result of these excesses there broke out epidemics whose devastating effects were equally threatening to capitalists and workers; that the state, against tremendous resistance from the capitalists, was compelled to introduce normal [working] days in the factories (later imitated in greater or lesser degree all over the Continent); that, as things are at the moment, this introduction of the normal day has yet to be extended from the factories proper to other branches of labour (bleachworks, printworks, dyeworks); and that this process is still going forward at the present time, the struggle for the normal day continues (e.g. the introduction of the Ten Hours' Bill, the extension of the FACTORY ACTS,¹⁶⁶ e.g., to the LACE MANUFACTURE in Nottingham, etc.). I refer for details on the earlier phases of this process to F. Engels, *Die Lage der arbeitenden Klasse in England*, Leipzig, 1845. Moreover, the practical resistance of the manufacturers was no fiercer than the theoretical resistance offered by their spokesmen and apologists, the professional economists. Indeed, Mr. *Newmarch*, the joint editor of Tooke's *History of Prices*, felt himself obliged, as President of the section for economic science, at the last Congress of the BRITISH ASSOCIATION FOR ARTS etc. (the name of the association to be checked), held at Manchester in September 1861, to stress that the understanding of the necessity for legal regulation and compulsory limitation of the normal working day in factories, etc., was one of the very latest achievements of present-day political economy, in virtue of which it was superior to its predecessors¹⁶⁷!

My purpose here is simply to illustrate the parallel with the greedy appetite of the boyars by adducing certain quotations from the latest Factory Reports; and similarly to bring forward one or two examples in respect of branches of industry where the FACTORY ACTS have not yet been introduced (LACEMAKING) or have only just been introduced (PRINTING WORKS). All we need here is a few

^a Marx quotes in French.—Ed.

illustrations for a tendency which does not operate any more strongly in Wallachia than in England.

*First illustration. LACE TRADE in Nottingham. "The Daily Telegraph" of January 17, 1860.*¹⁶⁸

"It was declared by Mr. Broughton, a county magistrate, who filled the chair at a meeting held in the Nottingham Town Hall on Saturday last (January 14, 1860) that there is an amount of suffering and privation among that portion of the local population connected with the lace trade such as is utterly unknown anywhere else in the civilised world ... children of 9 or 10 years are dragged from their squalid beds at 2, 3, or 4 o'clock in the morning, and compelled to work for a bare subsistence until 10, 11, or 12 at night, their limbs wearing away, their frames dwindling, their faces whitening, and their humanity absolutely sinking into stone—like torpor utterly horrible to contemplate.... We are not surprised that Mr. Mallett or any other manufacturer should stand forward and protest against discussion.... The system, as Rev. Montagu Valpy describes it, is one of unmitigated slavery, socially, physically, morally, and spiritually.... What can be thought of a town which holds a public meeting to petition that the *period of labour for men shall be diminished to 18 hours a day*.... We declaim against the Virginian and Carolinian cottonplanters. Is their black-market, however, their lash, and their barter of human flesh, more detestable than this slow sacrifice of humanity, which takes place in order that veils and collars [III-119] may be fabricated for the benefit of capitalists?" *^a

[III-119] *Second illustration. FACTORY REPORTS.*

"The fraudulent mill-owner begins work a quarter of an hour (sometimes more, sometimes less), before 6 a.m.; and leaves off a quarter of an hour (sometimes more, sometimes less) after 6 p.m. He takes 5 minutes from the beginning and end of the half hour nominally allowed for breakfast, and 10 minutes at the beginning and end of the hour nominally allowed for dinner. He works for a quarter of an hour (sometimes more, sometimes less) after 2 p.m. on Saturdays.^a

* [III-120] // *To p. 119.* Since there is in existence that incorrect view that the factory system has become completely *different*, I quote here a note from *General Register Office*, 28 October 1857 ("The Quarterly Return of the Marriages, Births and Deaths", etc. published by authority of the Registrar-General, etc., No. 35, p. 6), where it says:

"Mr. Leigh, of the Deans gate subdistrict (Manchester), makes the following judicious remarks, which deserve the careful attention of the people at Manchester: Very sad there is the life of a child.... The total number of deaths, exclusive of coroner's cases, is 224, and of this number 156 were children under 5 years of age.... So large a proportion I have *never before* known. It is evident that whilst the ordinary circumstances affecting adult life have been to a considerable extent in abeyance, those militating against the very young have been in great activity.... 87 of the children died under the age of one year. Neglected diarrhoea, close confinement to ill ventilated rooms during whooping cough, *want of proper nutrition, and free administration of laudanum*, producing marasmus and convulsions, as well as hydrocephalus and congestion of brain, these must explain why ... the mortality (of children) is still so high." //^a [III-120]

^a Marx quotes in English.—*Ed.*

“THUS HIS GAIN” // here directly identified with the surplus labour he has filched // “IS as follows:

* “Before 6 a.m.	15 minutes	
After 6 p.m.	15 ditto	
At breakfast time	10 “	Total for 5 days:
At dinner time	20	300 minutes
	—	
	60	
<i>On Saturdays</i>		
Before 6 a.m.	15 m.	
At breakfast time	10	
After 2 p.m.	15	
	—	
	40*	

* “Total weekly gain: 340 minutes, or 5 hours and 40 minutes weekly, which multiplied by 50 working weeks in the year, allowing two for holidays and occasional stoppages, are equal to 27 working days”* (*Suggestions, etc., by Mr. L. Horner, in “Factories Regulation Acts. Ordered by the House of Commons to be printed, 9 August 1859”, pp. 4-5).*

* “The profit to be gained by it (overworking over the legal time) appears to be, to many (millowners) a greater temptation than they can resist; they calculate upon the chance of not being found out; and when they see the small amount of penalty and costs, which those who have been convicted have had to pay, they find that if they should be detected there will still be a considerable *balance of gain*”* (*Report of the Inspectors of Factories for the Half Year ending 31st Oct. 1856, [p.] 34).*

* “Five minutes a day’s increased work, multiplied by weeks, are equal to 2½ days of production in the year”* (l.c., [p.] 35).

* “In cases where the additional time is gained by a *multiplication of small thefts* in the course of the day, there are insuperable difficulties to the Inspectors making out a case”* (l.c., p. 35).

(Here the OVERTIME appropriated in this way is directly characterised as “THEFT” by the official English Factory Inspectors.)

[III-120] These SMALL THEFTS are also described as “PETTY PILFERINGS OF MINUTES” (l.c., p. 48), later on AS “SNATCHING A FEW MINUTES” (l.c.), “OR AS IT IS TERMED, ‘NIBBLING’; OR ‘CRIBBLING AT MEAL TIMES’” (l.c.).

* “‘If you allow me,’ said a highly respectable master to me, “‘to work only 10 minutes in the day over time, you put one thousand a year in my pocket’”* (l.c., p. 48).

According to the Factory Inspectors, the working time is in practice still unrestricted in English PRINTWORKS, and even as late as 1857 children of 8 years and upwards had to work from 6 o’clock in the morning until 9 o’clock in the evening (15 hours).

* “The hours of labour in *printworks* may practically be considered to be unrestricted, notwithstanding the statutory limitation. The only restriction upon labour is contained in 22 of the Printwork act (8 and 9 Victoria C. 29) which enacts

that no child—that is, no child between the ages of 8 and 13 years—shall be employed *during the night*, which is defined to be between 10 p.m. and 6 a.m. of the following morning. *Children, therefore, of the age of 8 years, may be lawfully employed in labour analogous in many respects to factory labour, frequently in rooms in which the temperature is oppressive, continuously and without any cessation from work for rest or refreshment, from 6 a.m. to 10 p.m. (16 hours); and a boy, having attained the age of 13, may lawfully be employed day and night for any numbers of hours without any restriction whatever. Children of the age of 8 years and upwards have been employed from 6 a.m. to 9 p.m. during the last half-year in my district** (*Reports of the Inspectors of Factories, 31st Oct. 1857, Report of Mr. A. Redgrave, [p.] 39*).

* “An *additional hour* a day, gained by small instalments before 6 a.m. and after 6 p.m., and at the beginning and end of the times *nominally* fixed for meals, is nearly equivalent to *making 13 months in the year*”* (*Reports of the Inspectors of Factories. 30th April 1858. Report of Mr. L. Horner, p. 9 [10]*).

So concerned are the Factory Inspectors to make it clear that the GAIN is nothing but labour time, surplus labour time, and the extra GAIN is therefore surplus labour time *over and above* the normal working day.

[III-121] A period of crisis therefore does nothing to change the attempt to have the workers work OVERTIME. If only 3 or 4 days in the week are worked, the profit consists only in the surplus time that is worked during these 3 or 4 days. Hence an EXTRAORDINARY PROFIT is only to be made during the unpaid SURPLUS TIME, which is worked beyond the normal surplus time, and therefore beyond the legally determined normal working day. If I multiply 2 hours of surplus labour by 3 days of the week, the surplus value is of course only half as great as if I multiplied it by 6 days of the week. There is therefore an even greater temptation during crises to have the workers work *overtime*, i.e. more unpaid labour time than would otherwise be worked, on the days *when work actually takes place*. (Other manufacturers do the same thing in practice by reducing wages, i.e. by lessening necessary labour time during the 3 or 4 days on which work is done.) Hence in 1857-58:

* “It may seem inconsistent that there should be any overworking”*

// it is not in the least inconsistent that the manufacturer should try to SNATCH the largest possible portion of *unpaid* labour time during the crisis //

* “at a time when trade is so bad; but that very badness leads to transgressions by unscrupulous men; they get the *extra-profit of it*”* (*Reports etc. 30th April 1858. Report of Mr. L. Horner, [p. 10]*).

// The worse the time and the less business is done, the greater the profit that has to be made on the business done. // Horner therefore remarks, i.c., that at the very time when 122 MILLS in his

district had been given up, 143 stood idle, and all the rest were on SHORT-TIME WORKING, OVERWORK OVER THE LEGAL TIME was continuing (l.c.). Similarly another Factory Inspector, T. J. Howell, remarks of the same year:

* "I continue, however,"* (ALTHOUGH in most of factories only HALF TIME was WORKED owing to the BAD TIME)* "to receive *the usual number of complaints* that half or 3 quarters on an hour in the day are snatched from the workers by encroaching upon the times allowed for rest and refreshment during the working day, and by starting 5 minutes and more before the proper time in the morning and by stopping 5 minutes or more after the proper time in the evening. These petty pilferings, amounting in the whole to from half to three quarters on an hour daily, are very *difficult of detection*"* (T. J. Howell's Report, l.c., p. 25).

* "To prove a systematic course of overworking, made up of minutes taken at 6 different times of the day, could manifestly not be done by the observation of an Inspector"* (Reports L. Horner. 31st Oct. 1856 [p. 35]).

* "It is *this general acquiescence in the practice, if not approbation of the principle*, and the general concurrence that the limitation of labour is expedient, etc."* (Reports etc. 31st Oct. 1855, p. 77).

The governments on the Continent (France, Prussia, Austria, etc.) were compelled, in proportion with the development there of capitalist production, hence of the factory system, to follow the English example by limiting the working day *d'une manière ou d'une autre*.^a They have for the most part, with certain modifications, copied, and inevitably so, the English FACTORY LEGISLATION.

[III-122] In France there existed in practice until 1848 no law for the limitation of the working day in factories. The law of March 22, 1841 for the limitation of the work of children in factories (FACTORIES, WORKS AND WORKSHOPS EMPLOYING MOVING POWER, OR A CONTINUOUS FIRE, AND ALL ESTABLISHMENTS GIVING EMPLOYMENT TO MORE THAN 20 WORKMEN), the basis of which was 3 and 4 William IV, C. 103, remained a *dead letter* and has up to this day been implemented in practice in the *Département du Nord* alone.¹⁶⁹ In any case, according to this law *children under 13 years old* can be employed even at night (BETWEEN 9 p.m. and 5 a.m.) "UPON THE OCCASION OF URGENT REPAIRS, OR THE STOPPAGE OF A WATERWHEEL". *Children more than 13 years old* can be employed even *during the night* "IF THEIR LABOUR IS INDISPENSABLE".

On March 2, 1848 the Provisional Government promulgated a law limiting the working time to 10 hours in Paris and 11 in the Departments, not only in factories but in all places of manufacture and craft workshops, not only for children but for adult WORKMEN too. The Provisional Government proceeded from the false assumption that the normal working day was 11 hours in Paris and 12 in the Departments. But:

^a In one way or another.—Ed.

"In many of the spinning mills the work lasted 14 to 15 hours a day, and even longer, greatly damaging the health and morality of the workers and particularly the children" ([J. A.] Blanqui, *Des classes-ouvrières en France, pendant l'année 1848*).

The National Assembly modified this law, by the law of *September 8, 1848*, as follows:

* "The daily labour of the workman in manufactures and works shall not exceed 12 hours. The government has the power to declare exceptions to the above enactment in those cases where the nature of the work or of the apparatus requires it."*

The government put these *exceptions* into effect by the decree of May 17, 1851. Firstly, it listed the various branches of industry to which the law of September 8, 1848 did not apply. In addition, however, the following limitations were made:

* "*The cleaning of machinery at the end of the day*; work rendered necessary by accident to the moving power, the boiler, the machinery, or the building. Labour may be extended in the following cases: For 1 hour at the end of the day for washing and stretching pieces in dye works, bleach works, and cotton print works. For 2 hours in sugar factories, and refineries, and in chemical works. For 2 hours during *120 days* a year, at the choice of the manufacturer, and with the sanction of the Préfet, in dye works, print works, and finishing establishments."*

//FACTORY INSPECTOR A. Redgrave remarks in *Reports etc. 31st October 1855*, p. 80, in regard to the implementation of this law in France:

* "I have been assured by several manufacturers that when they have wished to avail themselves of the permission to extend the working day, the workmen have objected upon the ground that an extension of the working day at one moment would be followed by a curtailment of the ordinary number of hours at another ... and they especially objected to work beyond the 12 hours per day, because the law which fixed those hours is the only good which remains to them of the legislation of the Republic."

* "*The prolongation of the working day is optional* with the workmen.... When it is mutually agreed ... the rate per hour (beyond 12) is generally higher than their ordinary pay"* (l.c., p. 80).

A. Redgrave remarks on p. 81 that as a result of overwork and the physical enervation and mental demoralisation bound up with this

* "the labouring population of Rouen and Lille ... have succumbed", become "diminutive in growth", and "many are afflicted with that species of lameness which in England has given to its victims the name of 'factory cripples'".*

* "It must be admitted that a daily labour of 12 hours is a sufficient call upon the human frame, and when the requisite intervals for meals, the time required for going to and returning from work, are added to the hours of labour, the balance at the disposal of the workman is *not excessive*"* (A. Redgrave, l.c., p. 81).

Among the hypocritical pretexts (objections) advanced by the English MANUFACTURERS AGAINST THE *TEN HOURS' BILL* there is the following:

* "One of the many objections made to the Ten Hours' Bill was the danger of throwing upon the hands of the young persons and females *so much leisure time*, which, from their defective education, they would [III-123] either waste or misuse; and it was urged that *until* education progressed, and means were provided for occupying in profitable mental or social employment the leisure Hours which the Ten Hours' Bill proposed to award to the Factory population, it was more advisable, in the interests of morality, that the *whole of the day should be spent in the factory*"* (A. Redgrave, l.c., [p.] 87).//

//How much Macaulay distorts the economic FACTS so as to be able to act as Whig apologist for the here-and-now—Cato the Censor^a towards the past alone, a sycophant towards the present—can be seen from the following passage among others:

* "The practice of setting children prematurely to work, a practice which the state, the legitimate protector of those who cannot protect themselves, has, in our time, wisely and humanely interdicted, prevailed in the 17th century to an extent which, when compared with the extent of the manufacturing system, seems almost incredible. At Norwich, the chief seat of the clothing trade, a little creature of six years old was thought fit for labour. Several writers of that time, and among them some who were considered as eminently benevolent, mention, with exultation, the fact, that in that *single city* boys and girls of tender age, created wealth exceeding what was necessary, for their own subsistence by 12,000 pounds a year. The more carefully we examine the history of the past, the more reason shall we find to dissent from those who imagine that our age has been fruitful of new social evils. The truth is, that the evils are, with scarcely an exception, old. That which is new is the intelligence which discerns and humanity which remedies them"* ([Th. B.] Macaulay, [*The History of England*, Vol. I, p. 417].

This passage proves precisely the opposite, namely that at that time child labour was still an exceptional phenomenon, noted with exultation as particularly praiseworthy by political economists. What modern writer would mention it as something particularly noteworthy that children of tender age were being used up in factories? Anyone who reads writers like Child, Culpeper, etc., with common sense would come to the same conclusion.//

The LEGAL TIME OF WORKING is often EXCEEDED

"by keeping the children, young persons, and women in the mill to clean the machinery during a part of the meal times, and on Saturdays after 2 o'clock, in place of that work being done within the restricted time" (*Reports etc. 30th April 1856*, L. Horner, p. 12).

This OVERWORKING also takes place with WORKPEOPLE

"who are not employed on piece-work, but receive weekly wages" (*Reports of the Inspectors of Factories. 30th April 1859*, L. Horner, p[p. 8-]9).

(*Mr. Horner, besides being one of the Factory Inquiry Commissioners of 1833, was one of the original Inspectors of Factories, and during the early days of factory supervision had to

^a I.e. implacable guardian of morality.—Ed.

contend with serious difficulties.*) This is what Horner says in his last report, dated *30th April 1859*¹⁷⁰:

*“The education of the children, *professedly* provided for, is, in numerous cases, an utter mockery; the protection of the workpeople against bodily injuries and death from unfenced machinery, also *professedly* provided for, has become, practically, a dead letter; the reporting of accidents is, to a great extent, a mere waste of public money.... Overworking to a very considerable extent, still prevails; and, in most instances, with that security against detection and punishment, which the *law itself affords*”* (l.c., pp. 9, 8).

(*Children above 13 years qualified to be employed for the same number of hours as adult men; half-timers children under 13 years.*)

[III-124] *“The fact is, that prior to the Act of 1833, young persons and children were worked *all night, all day, or both ad libitum*”* (*Reports etc. 30th April 1860*, p[p. 50-]51).

According to the Act of 1833 *NIGHT* lay BETWEEN 8¹/₂ p.m. and 5¹/₂ a.m. The MILLOWNERS WERE PERMITTED

* “to take their legal hours of labour at any period within 5¹/₂ a.m. and 8¹/₂ p.m.”*

This signification of “day” and “night” continued through all the subsequent Factory acts, though with restricted hours of work until 1850, when, for the first time, the day hours of permitted labour were fixed at from 6 a.m. to 6 p.m., and in winter from 7 a.m. to 7 p.m. if so desired by the mill occupier.^a

*“*The bulk of the accidents happened in the largest mills...* The perpetual scramble for every minute of time, where work is going on by an unvarying power, which is indicated at perhaps a thousand horses, necessarily *leads to danger. In such mills, moments are the elements of profit*—the attention of everybody’s every instant is demanded. It is here, where ... there may be seen a perpetual struggle between life and inorganic forces; where the mental energies must direct, and the animal energies must move and be kept equivalent to the revolutions of the spindles. They must not lag, notwithstanding the strain upon them either by excessive excitement or by heat; nor be suspended for an instant by any counter attention to the various movements around, for in every lagging there is loss”* (*Reports of the Inspectors of Factories. 30th April 1860*, p. 56).

* “The *Children’s Employment Commission*, the reports of which have been published several years, brought to light many enormities, and which still continue,—some of them much greater than any that factories and printworks were ever charged with.... Without an organized system of inspection by paid officers, responsible to Parliament, and kept to their duty by halfyearly reports of their proceedings, the law would soon become inoperative; as was proved by the inefficiency of all the Factory Laws prior to that of 1833, and as is the case at the present day in France: the Factory Law of 1841 containing no provision for systematic inspection”* (*Reports of the Inspectors etc. 31st Oct. 1858*, [p.] 10).

^a *Reports of the Inspectors of Factories ... for the Half Year Ending 30th April 1860*, p. 51.—Ed.

The Factory Acts "have put an end to the premature decrepitude of the former long-hour workers; by making them masters of their own time they have given them a moral energy which is directing them to the eventual possession of political power" (*Reports of the Inspectors of Factories. 31st Oct. 1859*, [p.] 47).

"A still greater boon is, the distinction at last made clear between the worker's own time and his master's. The worker knows now when that which he sells is ended, and when his own begins; and by possessing a sure foreknowledge of this, is enabled to pre-arrange his own minutes for his own purposes!" (l.c., p. 52.)^a

This is very important with regard to the establishment of a normal working day. Before 1833:

"The master had no time for anything but money, the servant had no time for anything but labour" (l.c., p. 48).

"The cupidity of millowners, whose cruelties in the pursuit of gain have hardly been exceeded by those perpetrated by the Spaniards on the conquest of America, in the pursuit of gold" (John Wade, *History of the Middle and Working Classes*, 3rd ed., London, 1835, p. 114).

[III-124a]¹⁷¹ *"Certain classes of workers (such as the adult males, and female weavers) have a direct interest in working overtime, and it may be supposed that they exercise some influence over the more juvenile classes, which latter have, besides, a natural dread of dismissal by giving any evidence or information calculated to implicate their employers ... even when detected (the juvenile workers) in working at illegal times, their evidence to prove the facts before a Bench of Magistrates, can seldom be relied on, as it is given at the risk of losing their employments"* (*Reports of the Inspectors of Factories for the Half Year Ending 31st Oct. 1860*, p. 8).

"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. A habit has arisen in some localities of starting systematically 5 minutes before and ceasing 5 minutes after the proper hour. There are 3 starting and 3 leaving off times each day; and thus 5 minutes at 6 different times, equal to half an hour are gained daily, not by one person only, but by 200 who work and are paid by the day. The work of these 200 people for half an hour a day is equal to one person's work for 50 hours, or $\frac{5}{6}$ of one person's labour in a week, and is a positive gain to the employer" (l.c., p. 9).

If piece-wages are paid, the worker has indeed a share in his OVERTIME, and he himself appropriates a portion of the SURPLUS TIME during which he works. But the capitalist, quite apart from the more rapid valorisation of his fixed capital, enjoys a SURPLUS PROFIT even if he pays an hour of OVERTIME at the same rate as, or even higher than, the hours of the normal working day: 1) Because he does not need to increase the number of machines on which the work is done (e.g. spindles, looms). The same worker works at the same POWER LOOM whether he works for 12 or 15 hours. Thus a part of the capital outlay is subtracted with this production of SURPLUS TIME. 2) If the normal working day is 12 hours, of which 2 hours

^a See this volume, p. 170.—Ed.

are surplus labour, 10 hours must be paid for 2 hours of surplus time.

Here of the 30 minutes ($\frac{1}{2}$ hour) $\frac{1}{6}$ is gained, = 5 minutes, and the worker is paid 25 minutes. The surplus time is otherwise dependent on the worker's having first worked 10 hours for himself. Here it is already assumed in advance that he has earned his necessary wages. He can therefore be fobbed off with 1 aliquot part of the OVERTIME.

If the OVERTIME is *gratis*, capital acquires it without paying necessary labour time; 100 hours of OVERTIME, if 10 hours a day are being worked, = the labour time of 10 workers, whose wages are *completely saved*.

[III-124b] The BLEACHING AND DYEING ACTS WERE TO COME INTO OPERATION ON AUGUST 1, 1861.

The *main* provisions of the *FACTORY ACTS proper* are:

"All persons under 16 years of age must be examined by the certifying surgeon. Children cannot be employed under the age of 8 years. Children between 8 and 13 years of age can only be employed for half-time, and must attend school daily. Females and young persons under the age of 18 years cannot be employed before 6 o'clock in the morning nor after 6 o'clock in the evening, nor after 2 o'clock in the afternoon of Saturdays. Females and young persons cannot be employed during a meal time, nor be allowed to remain in any room in a factory while any manufacturing process is carried on. Children under 13 years of age cannot be employed both before noon and after 1 o'clock on the same day" ([*Reports...*] l.c., pp. 22-23).

"The hours of work are governed by a public clock; generally the clock of the nearest railway station.... It is sometimes advanced by way of excuse, when persons are found in a factory either during a meal hour or at some other illegal time, that they will not leave the mill at the appointed hour, and that compulsion is necessary to force them to cease work, especially on Saturday afternoons. But, if the hands remain in a factory after the machinery has ceased to revolve, and occupy themselves in cleaning their machines and in other like work, they would not have been so employed if sufficient time had been set apart specially for cleaning, etc., either before 6 p.m. or before 2 p.m. on Saturday afternoons" (l.c., p. 23).

A further provision of the *FACTORY ACTS* in regard to MEALTIMES:

"One hour and a half must be given to all young persons and females, at the same time between 7.30 a.m. and 6 p.m.; of this one hour must be given before 3 p.m., and no person can be employed for more than 5 hours before 1 p.m. without an interval of 30 minutes. The usual mealhours of mechanics throughout the country are, half an hour for breakfast and an hour for dinner" (l.c., [p.] 24).

A further provision of the *FACTORY ACTS*:

"The parent is required to cause his child to attend school for 3 hours daily for 5 days in the week. The occupier is restricted from employing children unless he shall have procured on each Monday morning a schoolmaster's certificate that each child has attended school for 3 hours daily for 5 days in the preceding week" (p. 26).

In earlier centuries too, in the period preceding capitalist production, we likewise find forcible regulation, i.e. regulation by laws, on the part of governments. But the aim then was to force the workers to work for a *definite* period of time, whereas the present regulations all have the opposite objective, to force the capitalist to have them work for *no more than a definite period of time*. In the face of developed capital it is only government compulsion that can limit labour time. At the stage at which capital is only entering on its development, [III-124c] government compulsion steps in to transform the worker forcibly into a wage labourer.

* "When population is scanty, and land abundant, the free labourer is idle and saucy. Artificial regulation has often been found, not only useful, but absolutely necessary to compel him to work. At this day, according to Mr. Carlyle, the emancipated negroes in our West India Islands, having hot sun for nothing, and plenty of pumpkin for next to nothing, will not work. He seems to think legal regulations compelling work absolutely necessary, even for their own sakes. For they are rapidly relapsing into their original barbarism. So in England 500 years ago, it was found, by experience, that the poor need not, and would not work. A great plague in the 14th century having thinned the population, the difficulty of getting men to work on *reasonable terms* grew to such a height as to be quite intolerable, and to threaten the industry of the kingdom. Accordingly, in the year 1349, the Statute 23rd, Edward III, was passed, compelling the poor to work, and interfering with the wages of labour. It was followed with the same view through several centuries by a long series of statutable enactments. The wages of artisans, as well as of agricultural labourers; the prices of piece-work, as well as of day-work; the periods during which the poor were obliged to work, nay, *the very intervals for meals* (as in the Factory acts of the present day) were defined by law. Acts of Parliament regulating wages, but *against* the labourer, and in favour of the master, lasted for the long period of 464 years. Population grew. These laws were then found, and really became, unnecessary and burdensome. In the year 1813, they were all repealed" * ([J. B. Byles,] *Sophisms of Free-Trade etc.*, 7th ed., London, 1850, pp. 205-06).

"It appears from the Statute of 1496 that the diet was considered equivalent to $\frac{1}{3}$ of the income of an artificer and $\frac{1}{2}$ the income of a *LABOURER*, which indicates a greater degree of independence among the working classes than prevails at present; for the board, both of *LABOURERS* and *ARTIFICERS*, is now reckoned at a higher proportion of their *WAGES*. *The hours for MEALS and RELAXATION were more liberal than at this day*. They amounted to e.g. 1 hour for breakfast from March to September, 1 $\frac{1}{2}$ hours for dinner, and $\frac{1}{2}$ hour for 'NOON-MEATE'." (Thus 3 hours altogether.) "In winter they worked from 5 o'clock in the morning until it went dark. In the *COTTON* factories of the present time, in contrast, $\frac{1}{2}$ hour is allowed for [III-124d] breakfast, 1 hour for *DINNER*", hence only 1 $\frac{1}{2}$ hours, *exactly half as much as in the 15th century* (John Wade, *History of the Middle and Working Classes*, 3rd ed., London, 1835, pp. 24-25 and 577-78).

The *BLEACHING AND DYEING WORKS ACT*. Passed in 1860.

There are different provisions in the *PRINT WORK ACT*, *BLEACHING AND DYEING WORKS ACT* and the *FACTORY ACT*.

“The Bleaching etc Works Act limits the hours of work of all females and young persons between 6 a.m. and 8 p.m., but does not permit children to work after 6 p.m. The Print Works Act limits the hours of females, young persons and children between 6 a.m. and 10 p.m., provided the children have attended some school for 5 hours in any day but Saturday before 6 o'clock p.m.” (*Reports of the Inspectors of Factories for the Half Year Ending 31st Oct. 1861*, pp. 20-21).

“The Factory Acts require 1½ hours to be allowed during the day, and that they shall be taken between 7.30 a.m. and 6 p.m. and one hour thereof shall be given before 3 o'clock in the afternoon; and that no child, young person, or female shall be employed more than 5 hours before 1 o'clock in the afternoon of any day without an interval for meal time of at least 30 minutes.... In the Print Works Act there is no requisition ... for any meal time at all. Accordingly, young persons and females may work from 6 o'clock in the morning till 10 o'clock at night without stopping for meals” (l.c., p. 21).

“In Print Works a child may work between 6 o'clock in the morning and 10 o'clock at night.... By the Bleach Works Act a child may only work as under the Factories Act, whilst the labour of the young persons and females, with whom it has been previously working during the day, may be continued till 8 o'clock in the evening” (l.c., [p.] 22).

“To take the silk manufacture for example, since 1850, it has been lawful to employ children above 11 years of age” (from 11 to 13 years, therefore) * “in the winding and throwing of raw silk for 10½ hours a day. From 1844 to 1850 their daily work, less Saturday, was limited to 10 hours; and before that period to 9 hours. These alterations took place on the ground that labour in silk mills was lighter than in mills for other fabrics, and less likely, in other respects also, to be prejudicial to health”* (l.c., p. 26).

“The allegation put forth in 1850 about the manufacture of silk being a healthier occupation than that of other textile fabrics, not only entirely [III-124e] fails of proof, but the proof is quite the other way; for the average death rate is exceedingly high in the silk districts, and amongst the female part of the population is higher even than it is in the cotton districts of Lancashire, where, although it is true that the children only work half time, yet from the conditional causes which render cotton manufacture unhealthy, a high rate of pulmonary mortality might be supposed to be inevitable” (l.c., p. 27).

Lord Ashley said in his speech on the Ten Hours' Bill (MARCH 15, 1844) that hours of labour in Austrian factories at that time were

“15, not unfrequently 17 hours a day” (*Ten Hours' Factory Bill*, London, 1844, p. 5).

* In Switzerland the regulations are very strict*:

“In the canton of Argovia, no children are allowed to work, under 14 years, more than 12 hours and ½; and education is compulsory on the millowners.”

* In the canton of Zurich “the hours of labour are limited to 12; and children under 10 years of age are not allowed to be employed.... In Prussia, by the law of 1839, no child who has not completed his or her 16th year, is to be employed more than 10 hours a day; none under 9 years of age to be employed at all”* (p[p. 5-]6).

[V-196]¹⁷² *Subinspector Baker reports (*Factory Reports*, 1843), as to "having seen several females, who, he was sure, could only just have completed their 18th year, who had been obliged to work from 6 a.m. to 10 p.m., with only 1½ hours for meals. In other cases, he shows, females are obliged to work all night, in a temperature from 70 to 80 degrees.... I found (says Mr. Horner, *Factory Reports*, 1843) many young women, just 18 years of age, at work from half past 5 in the morning until 8 o'clock at night, with no cessation except a quarter of an hour for breakfast, and 3 quarters of an hour for dinner. They may be fairly said to labour for 15 hours and a half^a out of 24. There are (says Mr. Saunders, *Factory Reports*, 1843) among them females who have been employed for some weeks, with an interval only of a few days, from 6 o'clock in the morning until 12 o'clock at night, less than 2 hours for meals, thus giving them for 5 nights in the week, 6 hours out of its 24 to go to and from their homes, and to obtain rest in bed"* (l.c., [pp.] 20-21).

The earlier wearing out of labour capacity, in other words premature ageing, in consequence of the forcible lengthening of labour time:

* "In the year 1833, a letter was addressed to me by Mr. Ashworth, a very considerable millowner in Lancashire, which contains the following curious passage: 'You will next naturally inquire about the old men, who are said to die, or become unfit for work, when they attain 40 years of age, or soon after.' Mark the phrase 'old men' at 40 years of age!"* (l.c., p. 12).

* The government commissioner M'Intosh (one of those commissioners, sent expressly to collect evidence against that taken by the committee of 1832), says in his report of 1833: "Although prepared by seeing childhood occupied in such a manner, it is very difficult to *believe the ages* of men advanced in years, as given by themselves, so complete is their premature old age"* (l.c., p. 13).

[III-124e] In 1816 Sir R. Peel PROCURED A COMMITTEE OF THE HOUSE OF COMMONS TO EXAMINE INTO THE APPRENTICE ACT OF 1802 (among other things). According to the EVIDENCE OF John Moss, OVERSEER OF A MILL near Preston,^b the APPRENTICE ACT WAS CONSTANTLY SET AT NOUGHT. THE WITNESS DID NOT EVEN KNOW OF IT. THE CHILDREN IN THE MILL WERE ALMOST ALL APPRENTICES OF LONDON PARISHES; they WERE WORKED from 5 o'clock in the morning until 8 at night, all the year round, with 1 hour for the 2 MEALS; THEY INVARIABLY WORKED from 6 on the Sunday morning till 12, IN CLEANING THE MACHINERY FOR THE WEEK (15 hours).

Average working day among the London bakers 17 hours. Regularly 17 hours in the earliest stages of the cotton industry. Shortly after this introduction of night work.

^a Here Marx reproduces an inaccuracy contained in the *Reports*. It should be "13 hours and a half".— *Ed.*

^b J. Fielden, *The Curse of the Factory System; or, a Short Account of the Origin of Factory Cruelties*, London, [1836], p. 15.— *Ed.*

RATE OF SURPLUS VALUE

If the worker does 10 hours of NECESSARY LABOUR and 2 hours of SURPLUS LABOUR, the rate= $\frac{2}{10}=\frac{1}{5}=20\%$. It would result in an incorrect calculation, i.e. the rate of exploitation would be wrongly stated, if one were to consider the whole of the working day of 12 hours, and say, for instance, that the worker receives $\frac{5}{6}$ and the capitalist $\frac{1}{6}$ of it. The rate would then amount to $\frac{1}{6}$ ($\frac{12}{6}=2$ hours),= $16\frac{2}{3}\%$. The same error would occur if the product were calculated, and indeed not the ratio of the SURPLUS PRODUCT to the part of the PRODUCT WHICH is equivalent to the wage, but to the SURPLUS PRODUCT AS ALIQUOT PART OF THE AGGREGATE PRODUCT. This point is not only very important for the determination of surplus value but it is later of decisive importance for the correct determination of the rate of profit.¹⁷³

[III-124f] "He" (one of the entrepreneurs in the FIRST period of the development of the COTTON INDUSTRY) "communicated an admirable idea to me, I don't know whether it is his own invention, but it is truly worthy of him: it is the *organisation of night work*. The workers will be divided into two gangs, in such a way that each of them on alternate nights will be awake until the morning: the business will no longer come to a halt. The work, when confined to 17 hours, allowed an enormous capital—the value of the machines, the rent of the buildings, etc.—to lie dormant for 7 whole hours. These 7 whole hours of interest a day will no longer be lost. He explained to me a plan thanks to which he will recover, and more than recover, the expenses of lighting, simply by his way of remunerating night work" (St. Germain Leduc, *Sir Richard Arkwright etc. (1760 à 1792)*, Paris, 1842, [pp.] 145-46).^a

This is now the norm in the COTTON factories of Moscow. Much more frightful at this moment the system followed in the mirror factories of Manchester, with children being used as well. There are two gangs, which relieve each other every 6 hours, day and night, during the whole of the 24 hours. We read in Babbage (*On the Economy of Machinery etc.*, London, 1832):

"The first machines for manufacturing tulle were very expensive when first purchased, at between £1,000 and £1,200 or £1,300 sterling. Every manufacturer who possessed one of these machines soon found that he was manufacturing more, but because its work was limited to 8 hours a day he could not, in view of its price, compete with the old method of manufacture. This disadvantage stemmed from the considerable sum of money devoted to the initial establishment of the machine. Soon, however, the manufacturers noticed that with the same expenditure of initial capital and a small addition to their circulating capital they could set the same machine to work for 24 hours. The advantages thereby realised induced other people to direct their attention to the means of perfecting the machine; so that its purchase price underwent a considerable reduction simultaneously with increases in the speed and quantity of tulle manufacture" (Ch. XXII).¹⁷⁴

^a Marx quotes Leduc and, below, Macnab in French.—Ed.

Dale, Owen's predecessor in the cotton mill at New Lanark, and himself a philanthropist, still employed children for 13 hours a day, even those under 10 years old.

"To cover the expense of these so well combined arrangements, and for the general upkeep of the premises, it was absolutely necessary to employ these children in the cotton mills from 6 o'clock in the morning until 7 o'clock in the evening, summer and winter alike.... The directors of the workhouses, through misplaced motives of economy, did not want to send the children entrusted to their care, unless the owner of establishment took charge of them from the ages of 6, 7 or 8 years" (Henry Grey Macnab, *Examen impartial des nouvelles vues de M. Robert Owen, et de ses établissements à New-Lanark en Écosse*. Traduit par Laffon de Ladébat, Paris, 1821, [p.] 64).

"Thus the arrangements of Mr. Dale and his tender solicitude for the well-being of these children were in the last resort almost entirely useless and unsuccessful. He had taken these children into his service, and without their labour he could not feed them" (l.c., [p.] 65).

"The source of this evil was that the children [III-124g] sent by the workhouses were much too young for the work, and ought to have been kept for four more years, and to have received primary schooling.... If this is the true and not exaggerated picture of the situation of our apprentices emerging from the workhouses, in our present manufacturing system, even under the best and most humane regulations, how deplorable must the situation of these children be under a bad management?" (l.c., [p.] 66).

As soon as Owen took over the management:

"The system of accepting apprentices drawn from the workhouses was abolished.... They gave up the practice of employing children of six to eight years of age in the factories" ([p.] 74).

"Working hours, which were 16 out of the 24, have been reduced to 10 and a half per day" ([p.] 98).

This was naturally regarded as subversive of society. A great noise was made by the *économistes* and Benthamite "philosophers".

* * *

"But it is still easier to obtain bread in the eastern islands of the Asian archipelago, where sago grows wild in the forests. When the inhabitants have convinced themselves, by boring a hole in the trunk, that the pith is ripe, the tree is cut down and divided into several pieces, the pith is extracted, mixed with water and filtered: it is then quite fit for use as sago meal. One tree commonly yields 300 pounds, and it may yield 500-600. There, then, one goes into the forest and cuts one's own bread, just as with us one cuts firewood" (J. F. Schouw, *Die Erde, die Pflanzen und der Mensch*, 2nd ed., Leipzig, 1854, [p.] 148).

Suppose that 1 day (of 12 hours) a week is required for this bread-cutter to satisfy all his needs. If capitalist production were introduced, he would have to work 6 days a week in order to appropriate for himself the product of that one day.

Surplus labour naturally consists of the same kind of labour as NECESSARY labour. If the worker is a spinner, his surplus labour consists of spinning, and his SURPLUS PRODUCT of spun yarn. If he is a miner, similarly, etc. It can therefore be seen that the kind of labour it is, its particular quality, the particular branch it belongs to, is entirely irrelevant to the ratio of SURPLUS LABOUR TO NECESSARY LABOUR. Equally irrelevant, therefore, is the ratio between the values of different days of labour, or, which is the same thing, the ratio in which A DAY OF MORE OR LESS SKILLED LABOUR IS EQUATED WITH A DAY OF UNSKILLED AVERAGE LABOUR. This equation has no effect at all on the ratio under investigation here. In order to simplify (the presentation) we can therefore always argue as if the labour of all the workers employed by the capitalist=AVERAGE UNSKILLED LABOUR, simple labour.⁶⁹ In any case, in the capitalist's own calculations (in the monetary expression of labour), every kind of labour is reduced, in practice and in fact, to *this expression*.

[III-124h] The qualitative differences between the different kinds of AVERAGE LABOUR, whereby one requires more dexterity, the other more strength, etc., cancel each other out in practice. But as regards the *individual differences* between workers who perform *the same* labour, the following must be pointed out: These differences are greatest in handicraft production (and in the higher spheres of so-called unproductive labour). They vanish progressively as time goes on, and in developed capitalist production, where division of labour and machinery prevail, their role is limited to a sphere almost too small for calculation. (If we set aside the short period during which APPRENTICES learn their trade.) The AVERAGE wage must be high enough to preserve the AVERAGE worker's life as a worker; and an AVERAGE performance is here the prerequisite the worker must fulfil to be allowed into the workshop at all. He who stands above or below this AVERAGE is an exception, and, viewing the workshop as a whole, its entire personnel provides the AVERAGE product in the AVERAGE time of the branch in question under the AVERAGE conditions of production. In the daily or weekly wage, etc., no regard is in fact taken of these individual DIFFERENCES. They *are* taken into account in the piece-wage system, though. But this does not change the relation between capitalist and worker at all. If the labour time of A is higher than that of B, his wages are higher too, but also the SURPLUS VALUE he produces. If his performance falls below the AVERAGE, his wages fall, but also the SURPLUS VALUE. The workshop as a whole, however, must provide the AVERAGE. What is above and below the AVERAGE is mutually complementary, and the AVERAGE, which the GREAT BULK OF LABOURERS perform in any case,

remains what it was. These matters are to be considered under the wages of labour.³⁹ For the relation being considered here they are irrelevant. For the rest, the piece-wage was introduced very early on into the English factories. Once it was established how much could be performed ON AN AVERAGE in a given period of labour, the wage was determined accordingly (the number of hours in the working day being simultaneously given). And IN FACT the wage (the AGGREGATE) was then lower if 17 hours a day were worked than if 10 were worked. Only with *extraordinary* OVERTIME WORKING would the workers benefit from the distinction, so that they could APPROPRIATE TO THEMSELVES a PART of this EXTRAORDINARY SURPLUS LABOUR. Which, incidentally, is also the case where there is EXTRAORDINARY SURPLUS LABOUR under the daily wage system, etc.

We have seen that the basis of *value* is the fact that human beings relate to each other's labour as equal, and general, and in this form social, labour. This is an abstraction, like all human thought, and social relations only exist among human beings to the extent that they think, and possess this power of abstraction from sensuous individuality and contingency. The kind of political economist who attacks the determination of value by labour time on the ground that the work performed by 2 individuals during the same time is not *absolutely equal* (although in the same trade), doesn't yet even know what distinguishes human social relations from relations between animals. He is a BEAST. AS BEASTS, the same fellows then also have no difficulty in overlooking the fact that no 2 use values are absolutely identical (no 2 leaves, *Leibniz*¹⁷⁵) and even less difficulty in judging use values, which have no common measure whatever, as exchange values *according to their degree of utility*.

If the MONETARY EXPRESSION (money TO BE SUPPOSED TO KEEP ITS VALUE, AS IT REALLY DOES FOR LONGER PERIODS) of an AVERAGE working day of 12 hours were=10s., it would be clear that the worker who works for 12 hours can never add more than 10s. to the object of labour. If the total amount of the means of subsistence he needs every day is 5s., the capitalist will have to pay 5s. and receive 5s. of SURPLUS VALUE. If it comes to 6 he will only receive 4, if 7 only 3, if 3 in contrast then 7, etc. With a given labour time—length of the working day—it must be firmly grasped that the sum total of the NECESSARY and the SURPLUS LABOUR is represented in a product of constant value and of EQUAL MONETARY EXPRESSION OF THAT VALUE, AS LONG AS THE VALUE OF MONEY REMAINS CONSTANT.