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Introduction to Marxist Economics

How is the working class exploited?

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Capitalism's Big Con: Understanding Marxist Economics

by Pete Watson, 2002

The following was originally published by the Socialist Party, the England & Wales affiliate of the Committee for a Workers International to which WASP is also affiliated. In places, small changes have been made to the language, and some examples changed, in order to make it more suitable for a South African audience.

Although the ruling class claims that economics is too complicated for ordinary people to understand, it is important for Marxists. It explains the production and share out of society's wealth. Today, things that people need aren't being made, or if they are, we can't afford them.

Government policy can affect the economy. But capitalist governments cannot get rid of the basic problems we face, exploitation, unemployment, mass poverty and periodic economic crises. That is why socialists, while fighting for the best possible deal under capitalism, also fight to overthrow capitalism and replace it with socialism. An understanding of what makes capitalism tick is important if we're going to get rid of it.

What is capitalism?

Capitalism is based on the private ownership of production - the firms, workplaces and finance system. Capitalists make a living on this ownership by getting profit on their investments, instead of selling their labour power like the working class. There may be some parts of the economy under public ownership (e.g. parastatals such as Eskom or PRASA), but the privately run big companies are the most important part.

Private ownership did not start with capitalism. Slave society and feudalism were also based on private ownership. Ordinary people were exploited then as well. Slaves worked for only food and shelter; serfs in feudal times worked part of the week for the landowner or gave a part of their crops to them (or both).

The way workers are exploited under capitalism is different. The serf usually owned or had rights to land. Most food and other necessities were made by the serfs themselves. Most workers today cannot grow their own food or make their own clothes. They are forced to work for the boss to make ends meet [1].

Today we have the so-called "consumer society". That means we must buy and sell to live. All parts of life become a commodity, something to be bought and sold, whether it is a TV, the latest music or our ability to work - that is why Marx called capitalism "generalised commodity production".

This is the idea of the "market system" where everything is for sale. Right-wingers call it the "free market". But there's nothing free about the market when you're low-paid. Neither can there be freedom when the world is divided out and stitched up by giant companies.

Workers create the wealth

Just a glance at the income and lifestyles of the top bosses and the wealthy, or a glimpse of the large and sometimes beautiful buildings in our cities, brings one conclusion. Society is not poor. But who created that wealth? Who built the skyscrapers, the highways and railways?

Nature provides the resources, the air, water, minerals and food that we need to live. But we can't use most of nature's resources directly - they need to be worked on to make them useful. Rain for example only takes on a value when it is processed to become drinkable. It is bottled and turned into a commodity.

It is labour that gives commodities value in the Marxist sense of the word [2].

The source of all commodity values in capitalist society comes from the labour of the working class, the vast majority of people who live by selling their labour power [3] (also see definition at end).

Working-class people do not have investments in the way that the capitalists do. We can only make ends meet by selling our ability to work for wages. Some workers may own a few shares, but they will still have to go out to work to earn a living. Unemployed and part-time workers are still members of the working class - it is the fault of the system that they are denied the right to work.

We make the money

Wandering round the supermarket can be a frustrating business. There are a vast variety of prices for goods on the shelves. Why are all the prices different?

Capitalist economists say it is all down to "supply and demand". If I have a thousand ice creams to sell and only one person wants to buy one, they are going to be very cheap (and very messy!). If I have one ice cream and a thousand people want one, it will be sold for a fortune.

No-one can deny this occurs as far as it goes. But it all evens itself out. If there are a thousand people wanting an ice cream some more ice cream vans are going to get wind of it and try and get in on the act.

The factor that makes one thing more expensive than another is not down to supply and demand in the long run. It is down to the length of labour time taken in its production. This is the core of the Labour Theory of Value that Marx helped to develop. Supply and demand may explain why a BMW sells at one time for R1,250,000 and at another for R1,000,000. But it cannot explain why a silicon chip generally sells for much more than an ice cream. A silicon chip will almost always sell for more than an ice cream because vastly more labour time is spent in making it.

To give an example of how the labour theory of value works: It may take four hours to make a table and just two to make a chair.

To this labour time is added the labour time taken in producing the wood, screws and tools used up in making the table and chair. In the example below this makes the table twice the cost of the chair.

LABOUR TIME + RAW MATERIALS etc. = TOTAL TIME

TABLE: 4 hours + 4 hours = 8 hours

CHAIR: 2 hours + 2 hours = 4 hours

What has this got to do with prices? Money seems to rule our lives. There's never enough of it. But at root it is the working class that makes the money.

Money is the measure of the value of something we buy. Instead of "the number of labour minutes" spent making the tin of beans there's a price tag: money is the expression of value in the real world. Obviously it's totally impractical for everyone to exchange goods with one another through barter: capitalist society needs a universal expression of exchange value. And that's why we have money.

But in the real world the amount of money in circulation in a particular country can get totally out of alignment with the value of the goods and services being produced, leading to major problems for the capitalist. In the modern economy there is speculation and money swindling. Sometimes governments print money to overcome short-term problems. But if there is more money around than real values of goods the result is inflation - money is worth less. If more and more money floods into the economy it becomes valueless – that is completely worthless. This happened in Zimbabwe through the 2000s.

When hyperinflation hit Germany in 1923 people traded in cigarettes rather than money. Money is therefore tied to real values produced by workers. Like a piece of elastic it can go so far before it twangs back to measure true value as measured by workers' labour.

We produce the profits

Capitalism has been mentioned, but what is capital? [4] A suitcase full of R100 notes under the bed is nice to have, but it isn't capital. Capital is money, land, plant, machinery and materials, which are brought together to employ workers. Workers are the source of the wealth of the capitalist class. But, more than that, they are the source of new wealth, new capital, stocks and shares, which feeds the lifestyle and investment plans of the bosses.

How can this be? The rip-off is not obvious. If somebody works 40 hours they get the "going rate" and come out with 40 hours' worth of money before deductions. This is one of capitalism's big myths - that employment is based on "a fair day's work for a fair day's pay". A look at the working day helps clear up the fog.

The working day

A person may be employed for eight hours in a day. In that time, eight hours of labour time is spent in producing goods or services. As most workers know, they create a huge amount of wealth, or 'value' for the bosses they work for in those eight hours. The employee will never receive the value produced in those eight hours back in form of pay. If s/he did, no profit would be made and the company would go bust. In this example, the person receives wages equal to the value produced by only four hours work. But he/she cannot go home after four hours: the worker has to carry on working free for the boss for the other four hours contracted in their eight hour day.

Every day, in fact every hour of the day, people are making their employers richer. They are allowed no say in how that wealth should be used. They can only improve their wages by fighting for it. This extra four hours of labour in our example produces what Marx called 'surplus value' [5]. It is this unpaid labour, the unpaid labour of the working class, which is divided into rent to the workplace landlord, interest to the banker and profit to the workplace boss.

Everything sold in the shops has a piece of surplus value in it. Everything bought makes the bosses richer. Capital accumulates and grows. The bosses don't invest because they like to see people in work - they invest solely to make a profit. If there's no profit, there's no production. And profit comes from the unpaid labour of the working class.

Some argue that it is the consumers not workers that are exploited. They argue that employers "overcharge" - they mark up their goods to rob the consumer. It is certainly true that shops will try and rob us if they can. But new wealth doesn't mainly come from overcharging. If I have a car that's worth R25,000 and I sell it to you for R28,000, I've gained R3,000 and you have lost R3,000. There's been a transfer of money from you to me. But there's been no new wealth created. (And in any case, it is likely that the dealer down the road will undercut me.)

A capitalist starts with a load of money. He rents a workplace, machines, employs workers and ends with more than s/he started with. This comes from the unpaid labour of the working class.

What decides how much should go to the worker and how much to the boss? The employer will try and keep wages or "necessary labour time" [6] (also see definition at end) down as low as possible to keep profits up. The bottom line is sufficient money to keep the worker fit enough to come back to work the next day and raise a new generation of workers. But even that is not definite.

In times of high unemployment bosses would not be bothered if bad health hits workers due to low pay - as long as there are others to take their place. Nowadays it takes two incomes to have enough money to raise a new generation of workers.

Workers need to push the balance the other way. Through union organisation they can force the employer to give ground and raise wage rates.

Workers' wage increases are usually blamed when inflation takes off. A glance at the working day example shows this is untrue. If there is a pay rise it just means the "cake" is divided in a different way: the dividing line between necessary labour and surplus value changes in favour of the workers. For instance, in our example, the worker might get wages to the value of five hours labour, and only work 3 hours for free for the boss. Workers get more and the bosses less. The total value of goods hasn't altered. The cause of inflation lies not in pay rises, but in the "money swindles" of financiers and governments.

Every battle in the workplace boils down to a battle over the "line" between wages and surplus value. Every dispute over tea breaks, bonuses and overtime is about how much "free labour" workers are going to give to the boss. The existence of surplus value shows that workers are never "overpaid".

We call for a 35-hour working week without loss of pay (and with regular or compulsory overtime consolidated into the pay also). With determined, fighting trade union leadership this can be achieved. For many workers, however, long hours of overtime are the only way to make ends meet. Overtime suits the employer. It cuts down the need to employ more staff.

One way for bosses to increase surplus value is through unpaid overtime.

The working day

A. necessary labour (wages)	***surplus value***
four hours	four hours
B. necessary labour (wages)	***surplus value***
four hours	eight hours

In example A of a working day the boss gets four hours' surplus value. By making the working day longer and keeping wages the same surplus value goes up to eight hours (working day B). This is called absolute surplus value.

Back in feudal times serfs on the land worked with the seasons and daylight. Work was hard and starvation never far away. But production of food was stopped when there was enough. Under capitalism night becomes day, working hours become limited only by union power and the need for sleep.

The fact that many workers get time and a half or double time for overtime shows that surplus value exists. The employers can pay higher rates and still make a profit.

Many workers would like to work a well-paid 35 hour week, but are forced into low-paid, part-time jobs due to a lack of real jobs and provision of cheap nurseries and childcare. These part-time and casual jobs give workers few rights and are therefore very profitable for the boss.

Another way for employers to increase surplus value is through speeding up production.

The working day

A. necessary labour (wages)	***surplus value***
four hours	four hours
B. necessary labour (wages)	***surplus value***
two hours	six hours

In working day A there is four hours' surplus value. If production speed is doubled the worker makes up his/her wages in half the time. In working day B wages have not been cut, but by working twice as hard the worker has produced enough goods to cover wages in only two hours instead of four. By speed-ups the employer gets six hours surplus value instead of four. This is called relative surplus value [7].

How does the capitalist increase productivity? One way is to force workers to work harder. Plain terror tactics may be used. Or else bonus schemes, "the carrot that bites", may be used to coax people. Bonus schemes will rarely compensate workers for the extra surplus value produced or else the employer would not introduce them. Most bonus schemes are divisive - they set worker against worker.

The boss will seek to drive workers into the ground. But the human body can only take so much before we start getting angry. And employers are greedy for more profits than our sweat can provide.

The machine rules our lives

The secret of capitalism's development lies in the use of machinery. Someone using modern machinery will generally always be more productive and therefore more profitable than a worker without it. From steam power to the most modern "computer integrated manufacture" the story has been the same. Speed up production to cover wage costs as quickly as possible and therefore increase surplus value per worker massively.

In modern car plants wages are made up so quickly that workers work free for the boss for much of the year.

New technology has the potential to reduce the working week to just a few hours. But under capitalism this "labour saving device" becomes a stick to break our backs. The cost of machinery is so great that the employer steps up production to pay off debt. Work becomes unending in 24-hour shift rotas.

And machinery replaces labour. This fact was hidden, for example, in Europe and North America, and even to an extent in South Africa, during the world economic upswing of 1950-1973. While big investment took place in assembly line production (for example in big car plants) large numbers of workers were still needed to staff the machinery. Today's technology needs far fewer workers.

Today's manufacturing workers are worked to death and stress at work results in millions of days lost. Meanwhile, unemployed workers sit idle, unable to produce goods and services useful to society. A socialist society, as stated, would reduce the working week without loss of pay so that the available work is shared out, until all the unemployed are employed on proper union rates of pay.

The service industries

A lot of people today do not work in manufacturing industry. There has been a growth of "services" like finance and shopping. Many employees in service industries make surplus value for their bosses. Workers in McDonald's make profit through their ability to cook burgers at very low pay rates. People don't need to "make" something to produce surplus value. A care assistant in a private nursing home produces a profit for her employer, just like a manufacturing worker does.

A lot of service industries are involved in selling goods and services. Shops present goods in an attractive way to coax people to buy. Many finance companies just spend their time marketing money to capitalists and workers.

These services are largely "unproductive" in the capitalist sense in that they do not produce surplus value directly. The bosses in this sector make money by taking a share of the surplus value produced by the companies they provide services for. It certainly doesn't make them any nicer to their own workforce!

Profit's "logic" says that a public sector is also "unproductive". Being paid out of government taxes and income means that they don't make surplus value for bosses. The capitalists often rely on transport infrastructure and power laid on by the state to help their profiteering. The aim of privatisation is to bring socially useful jobs directly into the profit system. This gives the rich a double bonus: a chance to turn a profit while gaining government tax cuts. Service to the public is at the bottom of the priority list [8].

They gamble with our money

In the early days of capitalism the family-owned firm was normal. As more "efficient" firms swallowed others, great monopolies began to run the world. As surplus value became greater and greater, the money created through workers' labour began to be traded through finance companies. Big banks became giants.

Building societies, insurance companies and pension funds have developed to trade people's money for a profit. The capitalist may never visit the company s/he invests in. The stock exchange lists shares in the big firms and government stocks. The capitalist's leisurely pastime involves gambling with our money by picking out the stocks and shares she or he thinks will be the best bet.

The biggest gamble is on the money markets. By buying and selling the world's currencies trillions of dollars are traded worldwide every day! And then we're told there is no money for public services or social grants.

The market doesn't work

If capitalism keeps making profits why does the economy keep crashing? Why is there mass unemployment? What's wrong with the 'market economy'? At one time capitalist economists thought economic crisis was due to sunspots or the movement of the planet Venus. Today they sometimes blame computers for stock exchange crashes. The truth lies within the guts of capitalism itself.

Capitalist production has limits. When these limits are reached workplaces shut and people are thrown onto into unemployment. And these crises are caused because there is too much capital to maintain profits (this is called "over-accumulation"). Too much capital thrown at the 'free' market, too many goods and too little demand.

How can there be "too much capital"? Under a socialist plan there can never be "too much". Investment would simply be sufficient to meet people's needs. But capitalism depends on profits and the rate of return. Yet if profits aren't high enough production suddenly comes crashing down.

"Over-accumulation" shows itself in a number of ways. Here are two:

a) Tendency for the rate of profit to fall

Capitalists invest large sums in machinery to get surplus value from each worker. While each worker makes enormous profits there can be a trend for the costs of machinery to cut the rate of return for the boss.

b) Problems in the market

Workers are not paid for their full day's work. As we have seen, they are not paid equal to the value of the goods they produce. They therefore cannot buy back all the goods they produce. Capitalism tries to overcome this by the sale of the extra goods between members of the capitalist class. There is always the possibility of "overproduction" producing more than society can buy. In the market there is no democratic control of production. Anarchy and crisis can result [9].

Economic boom followed by recession is as natural to capitalism as breathing to a human being. Workers build up production during a boom only to see it destroyed later.

At the height of a boom capitalism hits barriers it cannot break through. Investment has raised the costs of machinery, possibly leading to a decline of profit rates. The lack of buying power can hit sales. Bankers and governments are fearful for the future and raise interest rates. Raising the cost of borrowing raises the cost for the industrial capitalist, eating into profits. Inflation can take off as financiers look away from industry towards speculating on the money markets and property. There is an "overaccumulation" of capital and the house of cards collapses.

In the depths of a recession factories are on short time or shut, unemployment is high and shops have permanent sales. Banks normally have low interest rates to encourage people to borrow.

Capitalists will only invest so long as they make money out of it. Once companies start to turn in a loss, or a much-reduced profit, capitalists will take their money somewhere else - often out of industry and into finance markets. Company closures and putting people on the dole are the result.

As well as the recessions and booms of the short-term "trade cycle", there are also long-term trends in capitalism. 1950 to 1973 were years of upturn with high growth and profit rates. A change was detonated in 1974-75 by massive oil price rises and problems with the US dollar.

The underlying reasons, however, were more deep-seated than this. Large assembly line production methods brought rising profits and full employment in the main capitalist countries. But these methods were unable to sustain rising profits indefinitely. By the end of the 1960s, profit rates and productivity improvements were tailing away. US economic control over the globe was starting to be challenged by Japan and Germany.

Since 1974 the world economy has stagnated, a long period of problems and crisis for capitalism. Growth and profit rates are low compared to the 1950-73 period. New technology has been developed in the workplace. But it has not solved the problems. Capitalism has become increasingly parasitic.

The massive investment in machinery increases costs and therefore attacks profitability. New technology under capitalism means redundancies. The huge pool of unemployed in the advanced capitalist countries means less money around to buy the goods that the "state of the art" factories produce [10].

Capitalism makes the few rich at the expense of the many. Despite marvellous inventions it cannot solve the basic killers in the world, malnutrition, malaria and war. The market doesn't work. It has outlived itself. Only a democratic plan of production can link the talents of the human race harmoniously with the earth's resources. Once a democratic socialist planned economy is established, the end of the world's suffering beckons.

Value, Price & Profit

by Karl Marx, 1865

The following chapters were originally presented by Marx as a report to the General Council of the First International in London in June 1865. It was the first public explanation of one of the cornerstones of Marxist economics – the labour theory of value.

Chapter 6

Value and Labour

Citizens, I have now arrived at a point where I must enter upon the real development of the question. I cannot promise to do this in a very satisfactory way, because to do so I should be obliged to go over the whole field of political economy. I can, as the French would say, but "effleurer la question," touch upon the main points.

The first question we have to put is: What is the value of a commodity? How is it determined?

At first sight it would seem that the value of a commodity is a thing quite relative, and not to be settled without considering one commodity in its relations to all other commodities. In fact, in speaking of the value, the value in exchange of a commodity, we mean the proportional quantities in which it exchanges with all other commodities. But then arises the question: How are the proportions in which commodities exchange with each other regulated?

We know from experience that these proportions vary infinitely. Taking one single commodity, wheat, for instance, we shall find that a quarter of wheat exchanges in almost countless variations of proportion with different commodities. Yet, *its value remaining always the same*, whether expressed in silk, gold, or any other commodity, it must be something distinct from, and independent of, these *different rates of exchange* with different articles. It must be possible to express, in a very different form, these various equations with various commodities.

Besides, if I say a quarter of wheat exchanges with iron in a certain proportion, or the value of a quarter of wheat is expressed in a certain amount of iron, I say that the value of wheat and its equivalent in iron are equal to *some third thing*, which is neither wheat nor iron, because I suppose them to express the same magnitude in two different shapes. Either of them, the wheat or the iron, must, therefore, independently of the other, be reducible to this third thing which is their common measure.

To elucidate this point I shall recur to a very simple geometrical illustration. In comparing the areas of triangles of all possible forms and magnitudes, or comparing triangles with rectangles, or any other rectilinear figure, how do we proceed? We reduce the area of any triangle whatever to an expression quite different from its visible form. Having found from the nature of the triangle that its area is equal to half the product of its base by its height, we can then compare the different values of all sorts of triangles, and of all rectilinear figures whatever, because all of them may be resolved into a certain number of triangles.

The same mode of procedure must obtain with the values of commodities. We must be able to reduce all of them to an expression common to all, and distinguishing them only by the proportions in which they contain that identical measure.

As the *exchangeable values* of commodities are only *social functions* of those things, and have nothing at all to do with the *natural* qualities, we must first ask: What is the common *social substance* of all commodities? It is *labour*. To produce a commodity a certain amount of labour must be bestowed upon it, or worked up in it. And I say not only *labour*, but *social labour*. A man who produces an article for his own immediate use, to consume it himself, creates a *product*, but not a *commodity*. As a self-sustaining producer he has nothing to do with society. But to produce a *commodity*, a man must not only produce an article satisfying some social want, but his labour itself must form part and parcel of the total sum of labour expended by society. It must be subordinate to the *division of labour within society*. It is nothing without the other divisions of labour, and on its part is required to *integrate* them.

If we *consider* commodities as *values*, we consider them exclusively under the single aspect of *realized*, *fixed*, or, if you like, *crystallized social labour*. In this respect they can *differ* only by representing greater or smaller quantities of labour, as, for example, a greater amount of labour may be worked up in a silken handkerchief than in a brick. But how does one measure *quantities of labour*? By the *time the labour lasts*, in measuring the labour by the hour, the day, etc. Of course, to apply this measure, all sorts of labour are reduced to average or simple labour as their unit.

We arrive, therefore, at this conclusion. A commodity has a *value*, because it is a *crystallization of social labour*. The *greatness* of its value, or its *relative* value, depends upon the greater or less amount of that social substance contained in it; that is to say, on the relative mass of labour necessary for its production. The *relative values of commodities* are, therefore, determined by the *respective quantities or amounts of labour, worked up, realized, fixed in them*. The *correlative* quantities of commodities which can be produced in the *same time of labour* are *equal*. Or the value of one commodity is to the value of another commodity as the quantity of labour fixed in the one is to the quantity of labour fixed in the other.

I suspect that many of you will ask: Does then, indeed, there exist such a vast or any difference whatever, between determining the values of commodities by *wages*, and determining them by the *relative quantities of labour* necessary for their production? You must, however, be aware that the *reward* for labour, and *quantity* of labour, are quite disparate things. Suppose, for example, *equal quantities of labour* to be fixed in one quarter of wheat and one ounce of gold. I resort to the example because it was used by Benjamin Franklin in his first Essay published in 1721, and entitled *A Modest Enquiry into the Nature and Necessity of a Paper Currency*, where he, one of the first, hit upon the true nature of value. Well. We suppose, then, that one quarter of wheat and one ounce of gold are *equal values* or *equivalents*, because they are *crystallizations of equal amounts of average labour*, of so many days' or so many weeks' labour respectively fixed in them. In thus determining the relative values of gold and corn, do we refer in any way whatever to the *wages* of the agricultural labourer and the miner? Not a bit. We leave it quite *indeterminate* how their day's or their week's labour was paid, or even whether wage labour was employed at all. If it was, wages may have been very unequal. The labourer whose labour is realized in the quarter of wheat may receive two bushels only, and the labourer employed in mining may receive one-half of the ounce of gold. Or, supposing their wages to be equal, they may deviate in all possible proportions from the values of the commodities produced by them. They may amount to one-fourth, one-fifth, or any other proportional part of the one quarter of corn or the one ounce of gold. Their *wages* can, of course, not *exceed*, not be *more* than the values of the commodities they produced, but they can be *less* in every possible degree. Their *wages* will be *limited* by the *values* of the products, but the v*alues of their products* will not be limited by the wages. And above all, the values, the relative values of corn and gold, for example, will have been settled without any regard whatever to the value of the labour employed, that is to say, to *wages*. To determine the values of commodities by *the relative quantities of labour fixed in them*, is, therefore, a thing quite different from the tautological method of determining the values of commodities by the value of labour, or by *wages*. This point, however, will be further elucidated in the progress of our inquiry.

In calculating the exchangeable value of a commodity we must add to the quantity of labour *previously* worked up in the raw material of the commodity, and the labour bestowed on the implements, tools, machinery, and buildings, with which such labour is assisted. For example, the value of a certain amount of cotton yarn is the crystallization of the quantity of labour added to the cotton during the spinning process, the quantity of labour previously realized in the cotton itself, the quantity of labour realized in the coal, oil, and other auxiliary substances used, the quantity of labour fixed in the steam-engine, the spindles, the factory building, and so forth. Instruments of production properly so-called, such as tools, machinery, buildings, serve again and again for longer or shorter period during repeated processes of production. If they were used up at once, like the raw material, their whole value would at once be transferred to the commodities they assist in producing. But as a spindle, for example, is but gradually used up, an average calculation is made, based upon the average time it lasts, and its average waste or wear and tear during a certain period, say a day. In this way we calculate how much of the value of the spindle is transferred to the yarn daily spin, and how much, therefore, of the total amount of labour realized in a pound of yarn, for example, is due to the quantity of labour previously realized in the spindle. For our present purpose it is not necessary to dwell any longer upon this point.

It might seem that if the value of a commodity is determined by the *quantity of labour bestowed upon its production*, the lazier a man, or the clumsier a man, the more valuable his commodity, because the greater the time of labour required for finishing the commodity. This, however, would be a sad mistake. You will recollect that I used the word "*social* labour," and many points are involved in this qualification of "social." In saying that the value of a commodity is determined by the *quantity of labour* worked up or crystallized in it, we mean the *quantity of labour necessary* for its production in a given state of society, under certain social average conditions of production, with a given social average intensity, and average skill of the labour employed. When, in England, the power-loom came to compete with the hand-loom, only half the former time of labour was wanted to convert a given amount of yarn into a yard of cotton or cloth. The poor hand-loom weaver now worked seventeen or eighteen hours daily, instead of the nine or ten hours he had worked before. Still the product of twenty hours of his labour represented now only ten social hours of labour, or ten hours of labour socially necessary for the conversion of a certain amount of yarn into textile stuffs. His product of twenty hours had, therefore, no more value than his former product of ten hours.

If then the quantity of socially necessary labour realized in commodities regulates their exchangeable values, every increase in the quantity of labour wanted for the production of a commodity must augment its value, as every diminution must lower it.

If the respective quantities of labour necessary for the production of the respective commodities remained constant, their relative values also would be constant. But such is not the case. The quantity of labour necessary for the production of a commodity changes continuously with the changes in the productive powers of labour, the more produce is finished in a given time of labour; and the smaller the productive powers of labour, the less produce is finished in the same time. If, for example, in the progress of population it should become necessary to cultivate less fertile soils, the same amount of produce would be only attainable by a greater amount of labour spent, and the value of agricultural produce would consequently rise. On the other hand, if, with the modern means of production, a single spinner converts into yarn, during one working day, many thousand times the amount of cotton which he could have spun during the same time with the spinning wheel, it is evident that every single pound of cotton will absorb many thousand times less of spinning labour than it did before, and consequently, the value added by spinning to every single pound of cotton will be a thousand times less than before. The value of yarn will sink accordingly.

Apart from the different natural energies and acquired working abilities of different peoples, the productive powers of labour must principally depend: —

Firstly. Upon the *natural* conditions of labour, such as fertility of soil, mines, and so forth.

Secondly. Upon the progressive improvement of the *social powers of labour*, such as are derived from production on a grand scale, concentration of capital and combination of labour, subdivision of labour, machinery, improved methods, appliance of chemical and other natural agencies, shortening of time and space by means of communication and transport, and every other contrivance by which science presses natural agencies into the service of labour, and by which the social or co-operative character of labour is developed. The greater the productive powers of labour, the less labour is bestowed upon a given amount of produce; hence the smaller the value of the produce. The smaller the productive powers of labour, the more labour is bestowed upon the same amount of produce; hence the greater its value. As a general law we may, therefore, set it down that: —

The values of commodities are directly as the times of labour employed in their production, and are inversely as the productive powers of the labour employed.

Having till now only spoken of *value*, I shall add a few words about *price*, which is a peculiar form assumed by value.

Price, taken by itself, is nothing but the *monetary expression of value*. The values of all commodities of the country, for example, are expressed in gold prices, while on the Continent they are mainly expressed in silver prices. The value of gold or silver, like that of all other commodities is regulated by the quantity of labour necessary for getting them. You exchange a certain amount of your national products, in which a certain amount of your national labour is crystallized, for the produce of the gold and silver producing countries, in which a certain quantity of *their* labour is crystallized. It is in this way, in fact by barter, that you learn to express in gold and silver the values of all commodities, that is the respective quantities of labour bestowed upon them. Looking somewhat closer into the *monetary expression of value*, or what comes to the same, the conversion of value into price, you will find that it is a process by which you give to the *values* of all commodities an *independent* and *homogeneous form*, or by which you express them as quantities of equal social labour. So far as it is but the monetary expression of value, price has been called *natural price* by Adam Smith, "*prix necessaire*" by the French physiocrats.

What then is the relation between *value* and *market prices*, or between *natural prices* and *market prices*? You all know that the *market price* is the *same* for all commodities of the same kind, however the conditions of production may differ for the individual producers. The market price expresses only the *average amount of social labour* necessary, under the average conditions of production, to supply the market with a certain mass of a certain article. It is calculated upon the whole lot of a commodity of a certain description.

So far the *market price* of a commodity coincides with its *value*. On the other hand, the oscillations of market prices, rising now over, sinking now under the value or natural price, depend upon the fluctuations of supply and demand. The deviations of market prices from values are continual, but as Adam Smith says:

> "The natural price is the central price to which the prices of commodities are continually gravitating. Different accidents may sometimes keep them suspended a good deal above it, and sometimes force them down even somewhat below it. But whatever may be the obstacles which hinder them from settling in this centres of repose and continuance, they are constantly tending towards it."

I cannot now sift this matter. It suffices to say the *if* supply and demand equilibrate each other, the market prices of commodities will correspond with their natural prices, that is to say with their values, as determined by the respective quantities of labour required for their production. But supply and demand *must* constantly tend to equilibrate each other, although they do so only by compensating one fluctuation by another, a rise by a fall, and *vice versa*. If instead of considering only the daily fluctuations you analyse the movement of market prices for longer periods, as Mr. Tooke, for example, has done in his *History of Prices*, you will find that the fluctuations of market prices, their deviations from values, their ups and downs, paralyze and compensate each other; so that apart from the effect of monopolies and some other modifications I must now pass by, all descriptions of commodities are, on average, sold at their respective *values* or natural prices. The average periods during which the fluctuations of market prices compensate each other are different for different kinds of commodities, because with one kind it is easier to adapt supply to demand than with the other.

If then, speaking broadly, and embracing somewhat longer periods, all descriptions of commodities sell at their respective values, it is nonsense to suppose that profit, not in individual cases, but that the constant and usual profits of different trades spring from *surcharging* the prices of commodities, or selling them at a price over and above their *value*. The absurdity of this notion becomes evident if it is generalized. What a man would constantly win as a seller he would constantly lose as a purchaser. It would not do to say that there are men who are buyers without being sellers, or consumers without being producers. What these people pay to the producers, they must first get from them for nothing. If a man first takes your money and afterwards returns that money in buying your commodities, you will never enrich yourselves by selling your commodities too dear to that same man. This sort of transaction might diminish a loss, but would never help in realizing a profit.

To explain, therefore, the *general nature of profits*, you must start from the theorem that, on an average, commodities are *sold at their real values*, and that *profits are derived from selling them at their values*, that is, in proportion to the quantity of labour realized in them. If you cannot explain profit upon this supposition, you cannot explain it at all. This seems paradox and contrary to every-day observation. It is also paradox that the earth moves round the sun, and that water consists of two highly inflammable gases. Scientific truth is always paradox, if judged by every-day experience, which catches only the delusive appearance of things.

Chapter 7

Labour Power

Having now, as far as it could be done in such a cursory manner, analysed the nature of *value*, of the v*alue of any commodity whatever*, we must turn our attention to the specific *value of labour*. And here, again, I must startle you by a seeming paradox. All of you feel sure that what they daily sell is their Labour; that, therefore, Labour has a price, and that, the price of a commodity being only the monetary expression of its value, there must certainly exist such a thing as the *value of labour*. However, there exists no such thing as the *value of labour* in the common acceptance of the word. We have seen that the amount of necessary labour crystallized in a commodity constitutes its value. Now, applying this notion of value, how could we define, say, the value of a ten hours working day? How much labour is contained in that day? Ten hours' labour. To say that the value of a ten hours working day is equal to ten hours' labour, or the quantity of labour contained in it, would be a tautological and, moreover, a nonsensical expression. Of course, having once found out the true but hidden sense of the expression "*value of labour*," we shall be able to interpret this irrational, and seemingly impossible application of value, in the same way that, having once made sure of the real movement of the celestial bodies, we shall be able to explain their apparent or merely phenomenal movements.

What the working man sells is not directly his *labour*, but his *labouring power*, the temporary disposal of which he makes over to the capitalist. This is so much the case that I do not know whether by the English Laws, but certainly by some Continental Laws, the *maximum time* is fixed for which a man is allowed to sell his labouring power. If allowed to do so for any indefinite period whatever, slavery would be immediately restored. Such a sale, if it comprised his lifetime, for example, would make him at once the lifelong slave of his employer.

One of the oldest economists and most original philosophers of England — Thomas Hobbes — has already, in his Leviathan, instinctively hit upon this point overlooked by all his successors. He says:

> "*the value or worth of a man* is, as in all other things, his *price*: that is so much as would be given for the *use of his power*."

Proceeding from this basis, we shall be able to determine the *value of labour* as that of all other commodities.

But before doing so, we might ask, how does this strange phenomenon arise, that we find on the market a set of buyers, possessed of land, machinery, raw material, and the means of subsistence, all of them, save land in its crude state, *the products of labour*, and on the other hand, a set of sellers who have nothing to sell except their labouring power, their working arms and brains? That the one set buys continually in order to make a profit and enrich themselves, while the other set continually sells in order to earn their livelihood? The inquiry into this question would be an inquiry into what the economists call "*previous or original accumulation*," but which ought to be called *original expropriation*. We should find that this so-called *original accumulation* means nothing but a series of historical processes, resulting in a *decomposition of the original union* existing between the labouring Man and his Instruments of Labour. Such an inquiry, however, lies beyond the pale of my present subject. The *separation* between the Man of Labour and the Instruments of Labour once established, such a state of things will maintain itself and reproduce itself upon a constantly increasing scale, until a new and fundamental revolution in the mode of production should again overturn it, and restore the original union in a new historical form.

What, then, is the *value of labouring power*?

Like that of every other commodity, its value is determined by the quantity of labour necessary to produce it. The labouring power of a man exists only in his living individuality. A certain mass of necessaries must be consumed by a man to grow up and maintain his life. But the man, like the machine, will wear out, and must be replaced by another man. Beside the mass of necessaries required for *his own* maintenance, he wants another amount of necessaries to bring up a certain quota of children that are to replace him on the labour market and to perpetuate the race of labourers. Moreover, to develop his labouring power, and acquire a given skill,another amount of values must be spent. For our purpose it suffices to consider only *average* labour, the costs of whose education and development are vanishing magnitudes. Still I must seize upon this occasion to state that, as the costs of producing labouring powers of different quality differ, so much differ the values of the labouring powers employed in different trades. The cry for an *equality of wages* rests, therefore, upon a mistake, is an inane wish never to be fulfilled. It is an offspring of that false and superficial radicalism that accepts premises and tries to evade conclusions. Upon the basis of the wages system the value of labouring power is settled like that of every other commodity; and as different kinds of labouring power have different values, or require different quantities of labour for their production, they *must* fetch different prices in the labour market. To clamour for *equal or even equitable retribution* on the basis of the wages system is the same as to clamour for *freedom* on the basis of the slavery system. What you think just or equitable is out of the question. The question is: What is necessary and unavoidable with a given system of production?

After what has been said, it will be seen that the *value of labouring power* is determined by the *value of the necessaries* required to produce, develop, maintain, and perpetuate the labouring power.

Chapter 8

Production of Surplus Value

Now suppose that the average amount of the daily necessaries of a labouring man require *six hours of average labour* for their production. Suppose, moreover, six hours of average labour to be also realized in a quantity of gold equal to 3s. Then 3s. would be the *price*, or the monetary expression of the *daily value* of that man's *labouring power*. If he worked daily six hours he would daily produce a value sufficient to buy the average amount of his daily necessaries, or to maintain himself as a labouring man.

But our man is a wages labourer. He must, therefore, sell his labouring power to a capitalist. If he sells it at 3s. daily, or 18s. weekly, he sells it at its value. Suppose him to be a spinner. If he works six hours daily he will add to the cotton a value of 3s. daily. This value, daily added by him, would be an exact equivalent for the wages, or the price of his labouring power, received daily. But in that case *no surplus value* or *surplus produce* whatever would go to the capitalist. Here, then, we come to the rub.

In buying the labouring power of the workman, and paying its value, the capitalist, like every other purchaser, has acquired the right to consume or use the commodity bought. You consume or use the labouring power of a man by making him work, as you consume or use a machine by making it run. By buying the daily or weekly value of the labouring power of the workman, the capitalist has, therefore, acquired the right to use or make that labouring power during the *whole day or week*. The working day or the working week has, of course, certain limits, but those we shall afterwards look more closely at.

For the present I want to turn your attention to one decisive point.

The *value* of the labouring power is determined by the quantity of labour necessary to maintain or reproduce it, but the use of that labouring power is only limited by the active energies and physical strength of the labourer. The daily or weekly *value* of the labouring power is quite distinct from the daily or weekly exercise of that power, the same as the food a horse wants and the time it can carry the horseman are quite distinct. The quantity of labour by which the *value* of the workman's labouring power is limited forms by no means a limit to the quantity of labour which his labouring power is apt to perform. Take the example of our spinner. We have seen that, to daily reproduce his labouring power, he must daily reproduce a value of three shillings, which he will do by working six hours daily. But this does not disable him from working ten or twelve or more hours a day. But by paying the daily or weekly *value* of the spinner's labouring power the capitalist has acquired the right of using that labouring power during *the whole day or week*. He will, therefore, make him work say, daily, *twelve hours*. *Over and above* the six hours required to replace his wages, or the value of his labouring power, he will, therefore, have to work *six other hours*, which I shall call hours of *surplus labour*, which surplus labour will realize itself in a *surplus value* and a *surplus* *produce*. If our spinner, for example, by his daily labour of six hours, added three shillings' value to the cotton, a value forming an exact equivalent to his wages, he will, in twelve hours, add six shillings' worth to the cotton, and produce *a proportional surplus of yarn*. As he has sold his labouring power to the capitalist, the whole value of produce created by him belongs to the capitalist, the owner *pro tem*. of his labouring power. By advancing three shillings, the capitalist will, therefore, realize a value of six shillings, because, advancing a value in which six hours of labour are crystallized, he will receive in return a value in which twelve hours of labour are crystallized. By repeating this same process daily, the capitalist will daily advance three shillings and daily pocket six shillings, one half of which will go to pay wages anew, and the other half of which will form *surplus value*, for which the capitalist pays no equivalent. It is this *sort of exchange between capital and labour* upon which capitalistic production, or the wages system, is founded, and which must constantly result in reproducing the working man as a working man, and the capitalist as a capitalist.

The rate of surplus value, all other circumstances remaining the same, will depend on the proportion between that part of the working day necessary to reproduce the value of the labouring power and the *surplus time or surplus labour* performed for the capitalist. It will, therefore, depend on the *ratio in which the working day is prolonged over and above that extent*, by working which the working man would only reproduce the value of his labouring power, or replace his wages.

Chapter 9

Value of Labour

We must now return to the expression, "*value, or price of labour*."

We have seen that, in fact, it is only the value of the labouring power, measured by the values of commodities necessary for its maintenance. But since the workman receives his wages *after* his labour is performed, and knows, moreover, that what he actually gives to the capitalist is his labour, the value or price of his labouring power necessarily appears to him as the *price* or *value of his labour itself*. If the price of his labouring power is three shillings, in which six hours of labour are realized, and if he works twelve hours, he necessarily considers these three shillings as the value or price of twelve hours of labour, although these twelve hours of labour realize themselves in a value of six shillings. A double consequence flows from this.

Firstly. The *value or price of the labouring power* takes the semblance of the *price or value of labour itself*, although, strictly speaking, value and price of labour are senseless terms.

Secondly. Although one part only of the workman's daily labour is *paid*, while the other part is *unpaid*, and while that unpaid or surplus labour constitutes exactly the fund out of which *surplus value* or *profit* is formed, it seems as if the aggregate labour was paid labour.

This false appearance distinguishes *wages labour* from other *historical* forms of labour. On the basis of the wages system even the *unpaid* labour seems to be *paid* labour. With the *slave*, on the contrary, even that part of his labour which is paid appears to be unpaid. Of course, in order to work the slave must live, and one part of his working day goes to replace the value of his own maintenance. But since no bargain is struck between him and his master, and no acts of selling and buying are going on between the two parties, all his labour seems to be given away for nothing.

Take, on the other hand, the peasant serf, such as he, I might say, until yesterday existed in the whole of East of Europe. This peasant worked, for example, three days for himself on his own field or the field allotted to him, and the three subsequent days he performed compulsory and gratuitous labour on the estate of his lord. Here, then, the paid and unpaid parts of labour were sensibly separated, separated in time and space; and our Liberals overflowed with moral indignation at the preposterous notion of making a man work for nothing.

In point of fact, however, whether a man works three days of the week for himself on his own field and three days for nothing on the estate of his lord, or whether he works in the factory or the workshop six hours daily for himself and six for his employer, comes to the same, although in the latter case the paid and unpaid portions of labour are inseparably mixed up with each other, and the nature of the whole transaction is completely masked by the *intervention of a contract* and the *pay* received at the end of the week. The gratuitous labour appears to be voluntarily given in the one instance, and to be compulsory in the other. That makes all the difference.

In using the word "*value of labour*," I shall only use it as a popular slang term for "*value of labouring power*."

Chapter 10

Profit is Made by Selling a Commodity at its Value

Suppose an average hour of labour to be realized in a value equal to sixpence, or twelve average hours of labour to be realized in six shillings. Suppose, further, the value of labour to be three shillings or the produce of six hours' labour. If, then, in the raw material, machinery, and so forth, used up in a commodity, twenty-four hours of average labour were realized, its value would amount to twelve shillings. If, moreover, the workman employed by the capitalist added twelve hours of labour to those means of production, these twelve hours would be realized in an additional value of six shillings. The *total value of the product* would, therefore, amount to thirty-six hours of realized labour, and be equal to eighteen shillings. But as the value of labour, or the wages paid to the workman, would be three shillings only, no equivalent would have been paid by the capitalist for the six hours of surplus labour worked by the workman, and realized in the value of the commodity. By selling this commodity at its value for eighteen shillings, the capitalist would, therefore, realize a value of three shillings, for which had paid no equivalent. These three shillings would constitute the surplus value or profit pocketed by him. The capitalist would consequently realize the profit of three shillings, not by selling his commodity at a price *over and above* its value, but by selling it *at its real value*.

The value of a commodity is determined by the *total quantity of labour* contained in it. But part of that quantity of labour is realized in a value for which and equivalent has been paid in the form of wages; part of it is realized in a value for which NO equivalent has been paid. Part of the labour contained in the commodity is *paid* labour; part is *unpaid* labour. By selling, therefore, the commodity at its *value*, that is, as the crystallization of the *total quantity of labour* bestowed upon it, the capitalist must necessarily sell it at a profit. He sells not only what has cost him an equivalent, but he sells also what has cost him nothing, although it has cost his workman labour. The cost of the commodity to the capitalist and its real cost are different things.

I repeat, therefore, that normal and average profits are made by selling commodities not *above*, but at *their real values*.

Chapter 11

The Different Parts into which Surplus Value is Decomposed

The *surplus value*, or that part of the total value of the commodity in which the *surplus labour* or *unpaid labour* of the working man is realized, I call *profit*. The whole of that profit is not pocketed by the employing capitalist. The monopoly of land enables the landlord to take one part of that *surplus value*, under the name of *rent*, whether the land is used for agricultural buildings or railways, or for any other productive purpose. On the other hand, the very fact that the possession of the *instruments of labour* enables the employing capitalist to produce a *surplus value*, or, what comes to the same, to *appropriate to himself a certain amount of unpaid labour*, enables the owner of the means of labour, which he lends wholly or partly to the employing capitalist — enables, in one word, the money-lending capitalist to claim for himself under the name of *interest* another part of that surplus value, so that there remains to the employing capitalist *as such* only what is called *industrial* or *commercial profit*.

By what laws this division of the total amount of surplus value amongst the three categories of people is regulated is a question quite foreign to our subject. This much, however, results from what has been stated.

Rent, *interest*, and *industrial profit* are only different names for different parts of the *surplus value* of the commodity, or the *unpaid labour enclosed in it*, and they are *equally derived from this source and from this source alone*. They are not derived from *land* as such or from *capital* as such, but land and capital enable their owners to get their respective shares out of the surplus value extracted by the employing capitalist from the labourer. For the labourer himself it is a matter of subordinate importance whether that surplus value, the result of his surplus labour, or unpaid labour, is altogether pocketed by the employing capitalist, or whether the latter is obliged to pay portions of it, under the name of rent and interest, away to third parties. Suppose the employing capitalist to use only his own capital and to be his own landlord, then the whole surplus value would go into his pocket.

It is the employing capitalist who immediately extracts from the labourer this surplus value, whatever part of it he may ultimately be able to keep for himself. Upon this relation, therefore between the employing capitalist and the wages labourer the whole wages system and the whole present system of production hinge. Some of the citizens who took part in our debate were, there, wrong in trying to mince matters, and to treat this fundamental relation between the employing capitalist and the working man as a secondary question, although they were right in stating that, under given circumstances, a rise of prices might affect in very unequal degrees the employing capitalist, the landlord, the moneyed capitalist, and, if you please, the tax-gatherer.

Another consequence follows from what has been stated.

That part of the value of the commodity which represents only the value of the raw materials, the machinery, in one word, the value of the means of production used up, forms *no revenue* at all, but replaces *only capital*. But, apart from this, it is false that the other part of the value of the commodity *which forms revenue*, or may be spent in the form of wages, profits, rent, interest, is *constituted* by the value of wages, the value of rent, the value of profits, and so forth. We shall, in the first instance, discard wages, and only treat industrial profits, interest, and rent. We have just seen that the *surplus value* contained in the *commodity*, or that part of its value in which *unpaid labour* is realized, resolves itself into different fractions, bearing three different names. But it would be quite the reverse of the truth to say that its value is *composed* of, or *formed* by, the *addition* of the *independent values of these three constituents*.

If one hour of labour realizes itself in a value of sixpence, if the working day of the labourer comprises twelve hours, if half of this time is unpaid labour, that surplus labour will add to the commodity a *surplus value* of three shillings, that is of value for which no equivalent has been paid. This surplus value of three shillings constitutes the *whole fund* which the employing capitalist may divide, in whatever proportions, with the landlord and the money-lender. The value of these three shillings constitutes the limit of the value they have to divide amongst them. But it is not the employing capitalist who adds to the value of the commodity an arbitrary value for his profit, to which another value is added for the landlord, and so forth, so that the addition of these arbitrarily fixed values would constitute the total value. You see, therefore, the fallacy of the popular notion, which confounds the *decomposition of a given value* into three parts, with the *formation* of that value by the addition of three *independent* values, thus converting the aggregate value, from which rent, profit, and interest are derived, into an arbitrary magnitude.

If the total profit realized by a capitalist is equal to 100 Pounds, we call this sum, considered as *absolute* magnitude, the *amount of profit*. But if we calculate the ratio which those 100 Pounds bear to the capital advanced, we call this *relative* magnitude, the *rate of profit*. It is evident that this rate of profit may be expressed in a double way.

Suppose £100 to be the capital *advanced in wages*. If the surplus value created is also £100 — and this would show us that half the working day of the labourer consists of *unpaid* labour — and if we measured this profit by the value of the capital advanced in wages, we should say that the *rate of profit* amounted to one hundred percent, because the value advanced would be one hundred and the value realized would be two hundred.

If, on the other hand, we should not only consider the *capital advanced in wages*, but the *total capital* advanced, say, for example, 500 Pounds, of which 400 Pounds represented the value of raw materials, machinery, and so forth, we should say that the *rate of profit* amounted only to twenty percent, because the profit of one hundred would be but the fifth part of the *total* capital advanced.

The first mode of expressing the rate of *profit* is the only one which shows you the real ratio between paid and unpaid labour, the real degree of the *exploitation* (you must allow me this French word) *of labour*. The other mode of expression is that in common use, and is, indeed, appropriate for certain purposes. At all events, it is very useful for concealing the degree in which the capitalist extracts gratuitous labour from the workman.

In the remarks I have still to make I shall use the word *profit* for the whole amount of the surplus value extracted by the capitalist without any regard to the division of that surplus value between different parties, and in using the words *rate of profit*, I shall always measure profits by the value of the capital advanced in wages.

Chapter 12

General Relation of Profits, Wages, and Prices

Deduct from the value of a commodity the value replacing the value of the raw materials and other means of production used upon it, that is to say, deduct the value representing the *past* labour contained in it, and the remainder of its value will resolve into the quantity of labour added by the working man *last* employed. If that working man works twelve hours daily, if twelve hours of average labour crystallize themselves in an amount of gold equal to six shillings, this additional value of six shillings is the *only* value his labour will have created. This given value, determined by the time of his labour, is the only fund from which both he and the capitalist have to draw their respective shares or dividends, the only value to be divided into wages and profits. It is evident that this value itself will not be altered by the variable proportions in which it may be divided amongst the two parties. There will also be nothing changed if in the place of one working man you put the whole working population, twelve million working days, for example, instead of one.

Since the capitalist and workman have only to divide this limited value, that is, the value measured by the total labour of the working man, the more the one gets the less will the other get, and *vice versa*. Whenever a quantity is given, one part of it will increase inversely as the other decreases. If the wages change, profits will change in an opposite direction. If wages fall, profits will rise; and if wages rise, profits will fall. If the working man, on our former supposition, gets three shillings, equal to one half of the value he has created, or if his whole working day consists half of paid, half of unpaid labour, the *rate of profit* will be 100 percent, because the capitalist would also get three shillings. If the working man receives only two shillings, or works only one third of the whole day for himself, the capitalist will get four shillings, and the rate of profit will be 200 per cent. If the working man receives four shillings, the capitalist will only receive two, and the rate of profit would sink to 50 percent, but all these variations will not affect the value of the commodity. A general rise of wages would, therefore, result in a fall of the general rate of profit, but not affect values.

But although the values of commodities, which must ultimately regulate their market prices, are exclusively determined by the total quantities of labour fixed in them, and not by the division of that quantity into paid and unpaid labour, it by no means follows that the values of the single commodities, or lots of commodities, produced during twelve hours, for example, will remain constant. The *number* or mass of commodities produced in a given time of labour, or by a given quantity of labour, depends upon the productive power of the labour employed, and not upon its *extent* or length. With one degree of the productive power of spinning labour, for example, a working day of twelve hours may produce twelve pounds of yarn, with a lesser degree of productive power only two pounds. If then twelve hours' average labour were realized in the value of six shillings in the one case, the twelve pounds of yarn would cost six shillings, in the other case the two pounds of yarn would also cost six shillings. One pound of yarn would, therefore, cost sixpence in the one case, and three shillings in the other. The difference of price would result from the difference in the productive powers of labour employed. One hour of labour would be realized in one pound of yarn with the greater productive power, while with the smaller productive power, six hours of labour would be realized in one pound of yarn. The price of a pound of yarn would, in the one instance, be only sixpence, although wages were relatively high and the rate of profit low; it would be three shillings in the other instance, although wages were low and the rate of profit high. This would be so because the price of the pound of yarn is regulated by the *total amount of labour worked up in it*, and not by the *proportional division of that total amount into paid and unpaid labour*. The fact I have mentioned before that high-price labour may produce cheap, and low-priced labour may produce dear commodities, loses, therefore, its paradoxical appearance. It is only the expression of the general law that the value of a commodity is regulated by the quantity of labour worked up in it, and the the quantity of labour worked up in it depends altogether upon the productive powers of labour employed, and will therefore, vary with every variation in the productivity of labour.

Chapter 13

Main Cases of Attempts at Raising Wages or Resisting their Fall

Let us now seriously consider the main cases in which a rise of wages is attempted or a reduction of wages resisted.

1. We have seen that the *value of the labouring power*, or in more popular parlance, the *value of labour*, is determined by the value of necessaries, or the quantity of labour required to produce them.

If, then, in a given country the value of the daily average necessaries of the labourer represented six hours of labour expressed in three shillings, the labourer would have to work six hours daily to produce an equivalent for this daily maintenance. If the whole working day was twelve hours, the capitalist would pay him the value of his labour by paying him three shillings. Half the working day would be unpaid labour, and the rate of profit would amount to 100 percent. But now suppose that, consequent upon a decrease of productivity, more labour should be wanted to produce, say, the same amount of agricultural produce, so that the price of the average daily necessaries should rise from three to four shillings.

In that case the *value* of labour would rise by one third, or 33 1/3 percent. Eight hours of the working day would be required to produce an equivalent for the daily maintenance of the labourer, according to his old standard of living. The surplus labour would therefore sink from six hours to four, and the rate of profit from 100 to 50 percent. But in insisting upon a rise of wages, the labourer would only insist upon getting the *increased value of his labour*, like every other seller of a commodity, who, the costs of his commodities having increased, tries to get its increased value paid. If wages did not rise, or not sufficiently rise, to compensate for the increased values of necessaries, the *price* of labour would sink below the *value of labour*, and the labourer's standard of life would deteriorate.

But a change might also take place in an opposite direction. By virtue of the increased productivity of labour, the same amount of the average daily necessaries might sink from three to two shillings, or only four hours out of the working day, instead of six, be wanted to reproduce an equivalent for the value of the daily necessaries. The working man would now be able to buy with two shillings as many necessaries as he did before with three shillings. Indeed, the *value of labour* would have sunk, but diminished value would command the same amount of commodities as before. Then profits would rise from three to four shillings, and the rate of profit from 100 to 200 percent. Although the labourer's absolute standard of life would have remained the same, his *relative* wages, and therewith his relative social position, as compared with that of the capitalist, would have been lowered. If the working man should resist that reduction of relative wages, he would only try to get some share in the increased productive powers of his own labour, and to maintain his former relative position in the social scale. Thus, after the abolition of the Corn Laws, and in flagrant violation of the most solemn pledges given during the anti-corn law agitation, the English factory lords generally reduced wages ten per cent. The resistance of the workmen was at first baffled, but, consequent upon circumstances I cannot now enter upon, the ten per cent lost were afterwards regained.

2. The *values* of necessaries, and consequently the *value of labour*, might remain the same, but a change might occur in their *money prices*, consequent upon a previous change in the *value of money*.

By the discovery of more fertile mines and so forth, two ounces of gold might, for example, cost no more labour to produce than one ounce did before. The *value* of gold would then be depreciated by one half, or fifty per cent. As the *values* of all other commodities would then be expressed in twice their former *money prices*, so also the same with the *value of labour*. Twelve hours of labour, formerly expressed in six shillings, would now be expressed in twelve shillings. If the working man's wages should remain three shillings, instead of rising to six shillings, the *money price of his labour* would only be equal to *half the value of his labour*, and his standard of life would fearfully deteriorate. This would also happen in a greater or lesser degree if his wages should rise, but not proportionately to the fall in the value of gold. In such a case nothing would have been changed, either in the productive powers of labour, or in supply and demand, or in values. Nothing would have changed except the money *names* of those values. To say that in such a case the workman ought not to insist upon a proportionate rise of wages, is to say that he must be content to be paid with names, instead of with things. All past history proves that whenever such a depreciation of money occurs, the capitalists are on the alert to seize this opportunity for defrauding the workman. A very large school of political economists assert that, consequent upon the new discoveries of gold lands, the better working of silver mines, and the cheaper supply of quicksilver, the value of precious metals has again depreciated. This would explain the general and simultaneous attempts on the Continent at a rise of wages.

3. We have till now supposed that the *working day* has given limits. The working day, however, has, by itself, no constant limits. It is the constant tendency of capital to stretch it to its utmost physically possible length, because in the same degree surplus labour, and consequently the profit resulting therefrom, will be increased. The more capital succeeds in prolonging the working day, the greater the amount of other peoples' labour it will appropriate.

During the seventeenth and even the first two thirds of the eighteenth century a ten hours' working day was the normal working day all over England. During the anti-Jacobin war, which was in fact a war waged by the British barons against the British working masses, capital celebrated its bacchanalia, and prolonged the working day from ten to twelve, fourteen, eighteen hours. Malthus, by no means a man whom you would suspect of a maudlin sentimentalism declared in a pamphlet, published about 1815, that if this sort of thing was to go on the life of the nation would be attacked at its very source. A few years before the general introduction of newly-invented machinery, about 1765, a pamphlet appeared in England under the title, *An Essay On Trade*. The anonymous author, an avowed enemy of the working classes, declaims on the necessity of expanding the limits of the working day. Amongst other means to this end, he proposes *working houses*, which, he says, ought to be "Houses of Terror." And what is the length of the working he prescribes for these "Houses of Terror"? *Twelve hours*, the very same time which in 1832 was declared by capitalists, political economists, and ministers to be not only the existing but the necessary time of labour for a child under twelve years.

By selling his labouring power, and he must do so under the present system, the working man makes over to the capitalist the consumption of that power, but within certain rational limits. He sells his labouring power in order to maintain it, apart from its natural wear and tear, but not to destroy it. In selling his labouring power at its daily or weekly value, it is understood that in one day or one week that labouring power shall not be submitted to two days' or two weeks' waste or wear and tear. Take a machine worth 1000 Pounds. If it is used up in ten years it will add to the value of the commodities in whose production it assists 100 Pounds yearly. If it is used up in five years it will add 200 Pounds yearly, or the value of its annual wear and tear is in inverse ratio to the quickness with which it is consumed. But this distinguishes the working man from the machine. Machinery does not wear out exactly in the same ratio in which it is used. Man, on the contrary, decays in a greater ratio than would be visible from the mere numerical addition of work.

In their attempts at reducing the working day to its former rational dimensions, or, where they cannot enforce a legal fixation of a normal working day, at checking overwork by a rise of wages, a rise not only in proportion to the surplus time exacted, but in a greater proportion, working men fulfil only a duty to themselves and their race. They only set limits to the tyrannical usurpations of capital. Time is the room of human development. A man who has no free time to dispose of, whose whole lifetime, apart from the mere physical interruptions by sleep, meals, and so forth, is absorbed by his labour for the capitalist, is less than a beast of burden. He is a mere machine for producing Foreign Wealth, broken in body and brutalized in mind. Yet the whole history of modern industry shows that capital, if not checked, will recklessly and ruthlessly work to cast down the whole working class to this utmost state of degradation.

In prolonging the working day the capitalist may pay *higher wages* and still lower the *value of labor*, if the rise of wages does not correspond to the greater amount of labour extracted, and the quicker decay of the labouring power thus caused. This may be done in another way. Your middle-class statisticians will tell you, for instance, that the average wages of factory families in Lancashire has risen. They forget that instead of the labour of the man, the head of the family, his wife and perhaps three or four children are now thrown under the Juggernaut wheels of capital, and that the rise of the aggregate wages does not correspond to the aggregate surplus labour extracted from the family.

Even with given limits of the working day, such as they now exist in all branches of industry subjected to the factory laws, a rise of wages may become necessary, if only to keep up the old standard *value of labour*. By increasing the *intensity* of labour, a man may be made to expend as much vital force in one hour as he formerly did in two. This has, to a certain degree, been effected in the trades, placed under the Factory Acts, by the acceleration of machinery, and the greater number of working machines which a single individual has now to superintend. If the increase in the intensity of labour or the mass of labour spent in an hour keeps some fair proportion to the decrease in the extent of the working day, the working man will still be the winner. If this limit is overshot, he loses in one form what he has gained in another, and ten hours of labour may then become as ruinous as twelve hours were before. In checking this tendency of capital, by struggling for a rise of wages corresponding to the rising intensity of labour, the working man only resists the depreciation of his labour and the deterioration of his race.

4. All of you know that, from reasons I have not now to explain, capitalistic production moves through certain periodical cycles. It moves through a state of quiescence, growing animation, prosperity, overtrade, crisis, and stagnation. The market prices of commodities, and the market rates of profit, follow these phases, now sinking below their averages, now rising above them. Considering the whole cycle, you will find that one deviation of the market price is being compensated by the other, and that, taking the average of the cycle, the market prices of commodities are regulated by their values. Well! During the phases of sinking market prices and the phases of crisis and stagnation, the working man, if not thrown out of employment altogether, is sure to have his wages lowered. Not to be defrauded, he must, even with such a fall of market prices, debate with the capitalist in what proportional degree a fall of wages has become necessary. If, during the phases of prosperity, when extra profits are made, he did not battle for a rise of wages, he would, taking the average of one industrial cycle, not even receive his *average wages*, or the *value* of his labour. It is the utmost height of folly to demand, that while his wages are necessarily affected by the adverse phases of the cycle, he should exclude himself from compensation during the prosperous phases of the cycle. Generally, the *values* of all commodities are only realized by the compensation of the continuously changing market prices, springing from the continuous fluctuations of demand and supply. On the basis of the present system labour is only a commodity like others. It must, therefore, pass through the same fluctuations to fetch an average price corresponding to its value. It would be absurd to treat it on the one hand as a commodity, and to want on the other hand to exempt it from the laws which regulate the prices of commodities. The slave receives a permanent and fixed amount of maintenance; the wage-labourer does not. He must try to get a rise of wages in the one instance, if only to compensate for a fall of wages in the other. If he resigned himself to accept the will, the dictates of the capitalist as a permanent economical law, he would share in all the miseries of the slave, without the security of the slave.

5. In all the cases I have considered, and they form ninety-nine out of a hundred, you have seen that a struggle for a rise of wages follows only in the track of previous changes, and is the necessary offspring of previous changes in the amount of production, the productive powers of labour, the value of labour, the value of money, the extent or the intensity of labour extracted, the fluctuations of market prices, dependent upon the fluctuations of demand and supply, and consistent with the different phases of the industrial cycle; in one word, as reactions of labour against the *previous* action of capital. By treating the struggle for a rise of wages independently of all these circumstances, by looking only upon the change of wages, and overlooking all other changes from which they emanate, you proceed from a false premise in order to arrive at false conclusions.

Chapter 14

The Struggle Between Capital and Labour and its Results

1. Having shown that the periodical resistance on the part of the working men against a reduction of wages, and their periodical attempts at getting a rise of wages, are inseparable from the wages system, and dictated by the very fact of labour being assimilated to commodities, and therefore subject to the laws, regulating the general movement of prices; having furthermore, shown that a general rise of wages would result in a fall in the general rate of profit, but not affect the average prices of commodities, or their values, the question now ultimately arises, how far, in this incessant struggle between capital and labour, the latter is likely to prove successful.

I might answer by a generalization, and say that, as with all other commodities, so with labour, its *market price* will, in the long run, adapt itself to its *value*; that, therefore, despite all the ups and downs, and do what he may, the working man will, on an average, only receive the value of his labour, which resolves into the value of his labouring power, which is determined by the value of the necessaries required for its maintenance and reproduction, which value of necessaries finally is regulated by the quantity of labour wanted to produce them.

But there are some peculiar features which distinguish the *value of the labouring power*, or the value of labour, from the values of all other commodities. The value of the labouring power is formed by two elements -- the one merely physical, the other historical or social. Its *ultimate limit* is determined by the *physical* element, that is to say, to maintain and reproduce itself, to perpetuate its physical existence, the working class must receive the necessaries absolutely indispensable for living and multiplying. The *value* of those indispensable necessaries forms, therefore, the ultimate limit of the *value of labour*. On the other hand, the length of the working day is also limited by ultimate, although very elastic boundaries. Its ultimate limit is given by the physical force of the labouring man. If the daily exhaustion of his vital forces exceeds a certain degree, it cannot be exerted anew, day by day. However, as I said, this limit is very elastic. A quick succession of unhealthy and short-lived generations will keep the labour market as well supplied as a series of vigorous and long-lived generations.

Besides this mere physical element, the value of labour is in every country determined by a *traditional standard of life*. It is not mere physical life, but it is the satisfaction of certain wants springing from the social conditions in which people are placed and reared up. The English standard of life may be reduced to the Irish standard; the standard of life of a German peasant to that of a Livonian peasant. The important part which historical tradition and social habitude play in this respect, you may learn from Mr. Thornton's work on *over-population*, where he shows that the average wages in different agricultural districts of England still nowadays differ more or less according to the more or less favourable circumstances under which the districts have emerged from the state of serfdom.

This historical or social element, entering into the value of labour, may be expanded, or contracted, or altogether extinguished, so that nothing remains but the *physical limit*. During the time of the anti-Jacobin war, undertaken, as the incorrigible tax-eater and sinecurist, old George Rose, used to say, to save the comforts of our holy religion from the inroads of the French infidels, the honest English farmers, so tenderly handled in a former chapter of ours, depressed the wages of the agricultural labourers even beneath that *mere physical minimum*, but made up by Poor Laws the remainder necessary for the physical perpetuation of the race. This was a glorious way to convert the wages labourer into a slave, and Shakespeare's proud yeoman into a pauper.

By comparing the standard wages or values of labour in different countries, and by comparing them in different historical epochs of the same country, you will find that the *value of labour* itself is not a fixed but a variable magnitude, even supposing the values of all other commodities to remain constant.

A similar comparison would prove that not only the *market rates* of profit change, but its *average* rates.

But as to *profits*, there exists no law which determines their *minimum*. We cannot say what is the ultimate limit of their decrease. And why cannot we fix that limit? Because, although we can fix the *minimum* of wages, we cannot fix their *maximum*. We can only say that, the limits of the working day being given, the *maximum of profit* corresponds to the *physical minimum of wages*; and that wages being given, the *maximum of profit* corresponds to such a prolongation of the working day as is compatible with the physical forces of the labourer. The maximum of profit is therefore limited by the physical minimum of wages and the physical maximum of the working day. It is evident that between the two limits of the maximum rate of profit an immense scale of variations is possible. The fixation of its actual degree is only settled by the continuous struggle between capital and labour, the capitalist constantly tending to reduce wages to their physical minimum, and to extend the working day to its physical maximum, while the working man constantly presses in the opposite direction.

The matter resolves itself into a question of the respective powers of the combatants.

2. As to the *limitation of the working day* in England, as in all other countries, it has never been settled except by *legislative interference*. Without the working men's continuous pressure from without that interference would never have taken place. But at all events, the result was not to be attained by private settlement between the working men and the capitalists. This very necessity of *general political action* affords the proof that in its merely economical action capital is the stronger side.

As to the *limits* of the *value of labour*, its actual settlement always depends upon supply and demand, I mean the demand for labour on the part of capital, and the supply of labour by the working men. In colonial countries the law of supply and demand favours the working man. Hence the relatively high standard of wages in the United States. Capital may there try its utmost. It cannot prevent the labour market from being continuously emptied by the continuous conversion of wages labourers into independent, self-sustaining peasants. The position of a wages labourer is for a very large part of the American people but a probational state, which they are sure to leave within a longer or shorter term. To mend this colonial state of things the paternal British Government accepted for some time what is called the modern colonization theory, which consists in putting an artificial high price upon colonial land, in order to prevent the too quick conversion of the wages labourer into the independent peasant.

But let us now come to old civilized countries, in which capital domineers over the whole process of production. Take, for example, the rise in England of agricultural wages from 1849 to 1859. What was its consequence? The farmers could not, as our friend Weston would have advised them, raise the value of wheat, nor even its market prices. They had, on the contrary, to submit to their fall. But during these eleven years they introduced machinery of all sorts, adopted more scientific methods, converted part of arable land into pasture, increased the size of farms, and with this the scale of production, and by these and other processes diminishing the demand for labour by increasing its productive power, made the agricultural population again relatively redundant. This is the general method in which a reaction, quicker or slower, of capital against a rise of wages takes place in old, settled countries. Ricardo has justly remarked that machinery is in constant competition with labour, and can often be only introduced when the price of labour has reached a certain height, but the appliance of machinery is but one of the many methods for increasing the productive powers of labour. The very same development which makes common labour relatively redundant simplifies, on the other hand, skilled labour, and thus depreciates it.

The same law obtains in another form. With the development of the productive powers of labour the accumulation of capital will be accelerated, even despite a relatively high rate of wages. Hence, one might infer, as Adam Smith, in whose days modern industry was still in its infancy, did infer, that the accelerated accumulation of capital must turn the balance in favour of the working man, by securing a growing demand for his labour. From this same standpoint many contemporary writers have wondered that English capital having grown in that last twenty years so much quicker than English population, wages should not have been more enhanced. But simultaneously with the progress of accumulation there takes place a *progressive change in the composition of capital*. That part of the aggregate capital which consists of fixed capital, machinery, raw materials, means of production in all possible forms, progressively increases as compared with the other part of capital, which is laid out in wages or in the purchase of labour. This law has been stated in a more or less accurate manner by Mr.

Barton, Ricardo, Sismondi, Professor Richard Jones, Professor Ramsey, Cherbuilliez, and others.

If the proportion of these two elements of capital was originally one to one, it will, in the progress of industry, become five to one, and so forth. If of a total capital of 600, 300 is laid out in instruments, raw materials, and so forth, and 300 in wages, the total capital wants only to be doubled to create a demand for 600 working men instead of for 300. But if of a capital of 600, 500 is laid out in machinery, materials, and so forth and 100 only in wages, the same capital must increase from 600 to 3,600 in order to create a demand for 600 workmen instead of 300. In the progress of industry the demand for labour keeps, therefore, no pace with the accumulation of capital. It will still increase, but increase in a constantly diminishing ratio as compared with the increase of capital.

These few hints will suffice to show that the very development of modern industry must progressively turn the scale in favour of the capitalist against the working man, and that consequently the general tendency of capitalistic production is not to raise, but to sink the average standard of wages, or to push the *value of labour* more or less to its *minimum limit*. Such being the tendency of *things* in this system, is this saying that the working class ought to renounce their resistance against the encroachments of capital, and abandon their attempts at making the best of the occasional chances for their temporary improvement? If they did, they would be degraded to one level mass of broken wretches past salvation. I think I have shown that their struggles for the standard of wages are incidents inseparable from the whole wages system, that in 99 cases out of 100 their efforts at raising wages are only efforts at maintaining the given value of labour, and that the necessity of debating their price with the capitalist is inherent to their condition of having to sell themselves as commodities. By cowardly giving way in their everyday conflict with capital, they would certainly disqualify themselves for the initiating of any larger movement.

At the same time, and quite apart from the general servitude involved in the wages system, the working class ought not to exaggerate to themselves the ultimate working of these everyday struggles. They ought not to forget that they are fighting with effects, but not with the causes of those effects; that they are retarding the downward movement, but not changing its direction; that they are applying palliatives, not curing the malady. They ought, therefore, not to be exclusively absorbed in these unavoidable guerilla fights incessantly springing up from the never ceasing encroachments of capital or changes of the market. They ought to understand that, with all the miseries it imposes upon them, the present system simultaneously engenders the *material conditions* and the *social forms* necessary for an economical reconstruction of society. Instead of the conservative motto: "*A fair day's wage for a fair day's work!*" they ought to inscribe on their banner the *revolutionary* watchword: "*Abolition of the wages system!*"

After this very long and, I fear, tedious exposition, which I was obliged to enter into to do some justice to the subject matter, I shall conclude by proposing the following resolutions:

Firstly. A general rise in the rate of wages would result in a fall of the general rate of profit, but, broadly speaking, not affect the prices of commodities.

Secondly. The general tendency of capitalist production is not to raise, but to sink the average standard of wages.

Thirdly. Trades Unions work well as centres of resistance against the encroachments of capital. They fail partially from an injudicious use of their power. They fail generally from limiting themselves to a guerilla war against the effects of the existing system, instead of simultaneously trying to change it, instead of using their organized forces as a lever for the final emancipation of the working class that is to say the ultimate abolition of the wages system.

Capital

by Karl Marx, 1867

The following chapters from Marx's* Capital *cover important aspects of the historical development of capitalism. They develop the important idea of "primitive accumulation" which is crucial for understanding the history of colonialism and the economic interests behind the policies of colonial and imperialist governments in Africa, as well as the colonial and apartheid government in South Africa itself. The concept can also bring insight into the policies of the black elite post-independence and post-apartheid and explain how Africa became a capitalist society whatever pre-capitalist social forms continue to exist in a distorted form.

As part of the history of "primitive accumulation", Marx gives a detailed account in Chapter 27 of how the English peasantry were dispossessed of the land in the course of capitalism's development. Whilst different in detail, especially the speed of dispossession, which in capitalism's early period stretched over centuries, the parallels with how the African people were later dispossessed of land under colonialism and apartheid helps to clarify that at root this was a process dictated by the laws of capitalist economy. But everywhere, as Marx explains, "the expropriation of the mass of the people from the soil forms the basis of the capitalist mode of production".

All chapters are complete with the exception that Marx's original footnotes have not been included (with one exception in Chapter 33). We have inserted definitions in square brackets after some non-English phrases.

Chapter 26

The Secret of Primitive Accumulation

We have seen how money is changed into capital; how through capital surplus-value is made, and from surplus-value more capital. But the accumulation of capital presupposes surplus-value; surplus-value presupposes capitalist production; capitalist production presupposes the pre-existence of considerable masses of capital and of labour power in the hands of producers of commodities. The whole movement, therefore, seems to turn in a vicious circle, out of which we can only get by supposing a primitive accumulation (the previous accumulation of Adam Smith) preceding capitalist accumulation; an accumulation not the result of the capitalist mode of production, but its starting point.

This primitive accumulation plays in political economy about the same part as original sin in theology. Adam bit the apple, and thereupon sin fell on the human race. Its origin is supposed to be explained when it is told as an anecdote of the past. In times long gone by there were two sorts of people; one, the diligent, intelligent, and, above all, frugal elite; the other, lazy rascals, spending their substance, and more, in riotous living. The legend of theological original sin tells us certainly how man came to be condemned to eat his bread in the sweat of his brow; but the history of economic original sin reveals to us that there are people to whom this is by no means essential. Never mind! Thus it came to pass that the former sort accumulated wealth, and the latter sort had at last nothing to sell except their own skins. And from this original sin dates the poverty of the great majority that, despite all its labour, has up to now nothing to sell but itself, and the wealth of the few that increases constantly although they have long ceased to work. Such insipid childishness is every day preached to us in the defence of property. M. Thiers, for example, had the assurance to repeat it with all the solemnity of a statesman to the French people, once so full of wit and ingenuity. But as soon as the question of property crops up, it becomes a sacred duty to proclaim the intellectual food of the infant as the one thing fit for all ages and for all stages of development. In actual history it is notorious that conquest, enslavement, robbery, murder, briefly force, play the greatest part. In the tender annals of political economy, the idyllic reigns from time immemorial. Right and "labour" were from all time the sole means of enrichment, the present year of course always excepted. As a matter of fact, the methods of primitive accumulation are anything but idyllic.

In themselves money and commodities are no more capital than are the means of production and of subsistence. They need to be transformed into capital. But this transformation can itself only take place under particular circumstances which meet together at this point, that two very different kinds of commodity-owners must come face to face and into contact; on the one hand, the owners of money, means of production, means of subsistence, who are eager to increase the sum of values they possess, by buying other people's labour power; on the other hand, free labourers, the sellers of their own labour power, and therefore the sellers of labour. Free labourers, in the double sense that neither they themselves form part and parcel of the means of production, as in the case of slaves, bondsmen, etc., nor do the means of production belong to them, as in the case of peasant-proprietors; they are, therefore, free from, unencumbered by, any means of production of their own. With this polarization of the market for commodities, the fundamental conditions of capitalist production are given. The capitalist system presupposes the complete separation of the labourers from all property in the means by which they can realize their labour. As soon as capitalist production is once on its own legs, it not only maintains this separation, but reproduces it on a continually extending scale. The process, therefore, that clears the way for the capitalist system, can be none other than the process which takes away from the labourer the possession of his means of production; a process that transforms, on the one hand, the social means of subsistence and of production into capital, on the other, the immediate producers into wage labourers. The so-called primitive accumulation, therefore, is nothing else than the historical process of divorcing the producer from the means of production. It appears as primitive, because it forms the prehistoric stage of capital and of the mode of production corresponding with it.

The economic structure of capitalist society has grown out of the economic structure of feudal society. The dissolution of the latter set free the elements of the former.

The immediate producer, the labourer, could only dispose of his own person after he had ceased to be attached to the soil and ceased to be the slave, serf, or bondsman of another. To become a free seller of labour power, who carries his commodity wherever he finds a market, he must further have escaped from the regime of the guilds, their rules for apprentices and journeymen, and the impediments of their labour regulations. Hence, the historical movement which changes the producers into wage-workers, appears, on the one hand, as their emancipation from serfdom and from the fetters of the guilds, and this side alone exists for our bourgeois historians. But, on the other hand, these new freedmen became sellers of themselves only after they had been robbed of all their own means of production, and of all the guarantees of existence afforded by the old feudal arrangements. And the history of this, their expropriation, is written in the annals of mankind in letters of blood and fire.

The industrial capitalists, these new potentates, had on their part not only to displace the guild masters of handicrafts, but also the feudal lords, the possessors of the sources of wealth. In this respect, their conquest of social power appears as the fruit of a victorious struggle both against feudal lordship and its revolting prerogatives, and against the guilds and the fetters they laid on the free development of production and the free exploitation of man by man. The knights of industry, however, only succeeded in supplanting the knights of the sword by making use of events of which they themselves were wholly innocent. They have risen by means as vile as those by which the Roman freedman once on a time made himself the master of his *patronus*.

The starting point of the development that gave rise to the wage labourer as well as to the capitalist, was the enslavement of the labourer. The advance consisted in a change of form of this servitude, in the transformation of feudal exploitation into capitalist exploitation. To understand its march, we need not go back very far. Although we come across the first beginnings of capitalist production as early as the fourteenth or fifteenth century, sporadically, in certain towns of the Mediterranean, the capitalist era dates from the sixteenth century. Wherever it appears, the abolition of serfdom has been long effected, and the highest development of the middle ages, the existence of sovereign city-states, has been long on the wane.

In the history of primitive accumulation, all revolutions are epoch-making that act as levers for the capitalist class in course of formation; but, above all, those moments when great masses of men are suddenly and forcibly torn from their means of subsistence, and hurled as free and "unattached" proletarians on the labour-market. The expropriation of the agricultural producer, of the peasant, from the soil, is the basis of the whole process. The history of this expropriation, in different countries, assumes different aspects, and runs through its various phases in different orders of succession, and at different historical epochs. In England alone, which we take as our example, has it the classic form.

Chapter 27

Expropriation of the Agricultural Population from the Land

In England, serfdom had practically disappeared in the last part of the fourteenth century. The immense majority of the population consisted then, and to a still larger extent, in the fifteenth century, of free peasant proprietors, whatever was the feudal title under which their right of property was hidden. In the larger seignorial domains, the old bailiff, himself a serf, was displaced by the free farmer. The wage labourers of agriculture consisted partly of peasants, who utilised their leisure time by working on the large estates, partly of an independent special class of wage labourers, relatively and absolutely few in numbers. The latter also were practically at the same time peasant farmers, since, besides their wages, they had allotted to them arable land to the extent of four or more acres, together with their cottages. Moreover, like the other peasants, they enjoyed the right to the common land, which gave pasture to their cattle, furnished them with timber, fire-wood, turf, etc. In all countries of Europe, feudal production is characterised by division of the soil amongst the greatest possible number of sub-feudatories. The might of the feudal lord, like that of the sovereign, depended not on the length of his rent roll, but on the number of his subjects, and the latter depended on the number of peasant proprietors. Although, therefore, the English land, after the Norman Conquest, was distributed in gigantic baronies, one of which often included some 900 of the old Anglo-Saxon lordships, it was bestrewn with small peasant properties, only here and there interspersed with great seignorial domains. Such conditions, together with the prosperity of the towns so characteristic of the fifteenth century, allowed of that wealth of the people which Chancellor Fortescue so eloquently paints in his *De laudibus legum Angliae*; but it excluded the possibility of capitalist wealth.

The prelude of the revolution that laid the foundation of the capitalist mode of production, was played in the last third of the fifteenth, and the first decade of the sixteenth century. A mass of free proletarians was hurled on the labour market by the breaking-up of the bands of feudal retainers, who, as Sir James Steuart well says, "everywhere uselessly filled house and castle." Although the royal power, itself a product of bourgeois development, in its strife after absolute sovereignty forcibly hastened on the dissolution of these bands of retainers, it was by no means the sole cause of it. In insolent conflict with king and parliament, the great feudal lords created an incomparably larger proletariat by the forcible driving of the peasantry from the land, to which the latter had the same feudal right as the lord himself, and by the usurpation of the common lands. The rapid rise of the Flemish wool manufactures, and the corresponding rise in the price of wool in England, gave the direct impulse to these evictions. The old nobility had been devoured by the great feudal wars. The new nobility was the child of its time, for which money was the power of all powers. Transformation of arable land into sheep-walks was, therefore, its cry. Harrison, in his *Description of England*, prefixed to *Holinshed's Chronicles*, describes how the expropriation of small peasants is ruining the country. "What care our great encroachers?" The dwellings of the peasants and the cottages of the labourers were razed to the ground or doomed to decay. "If," says Harrison, "the old records of euerie manour be sought... it will soon appear that in some manour seventeene, eighteene, or twentie houses are shrunk... that England was neuer less furnished with people than at the present... Of cities and townes either utterly decaied or more than a quarter or half diminished, though some one be a little increased here or there; of townes pulled downe for sheepe-walks, and no more but the lordships now standing in them... I could saie somewhat." The complaints of these old chroniclers are always exaggerated, but they reflect faithfully the impression made on contemporaries by the revolution in the conditions of production. A comparison of the writings of Chancellor Fortescue and Thomas More reveals the gulf between the fifteenth and sixteenth century. As Thornton rightly has it, the English working class was precipitated without any transition from its golden into its iron age.

Legislation shrank back in the face of this immense change. It did not yet stand on that height of civilization where the "wealth of the nation" (i.e., the formation of capital, and the reckless exploitation and impoverishing of the mass of the people) figures as the *ultima Thule* [uttermost limit] of all state-craft. In his history of Henry VII, Bacon says: "Inclosures at that time (1489) began to be more frequent, whereby arable land (which could not be manured without people and families) was turned into pasture, which was easily rid by a few herdsmen; and tenancies for years, lives, and at will (whereupon much of the yeomanry lived) were turned into demesnes. This bred a decay of people, and (by consequence) a decay of towns, churches, tithes, and the like... In remedying of this inconvenience the king's wisdom was admirable, and the parliament's at that time... they took a course to take away depopulating enclosures, and depopulating pasturage." An Act of Henry VII, 1489, cap. 19, forbad the destruction of all "houses of husbandry" to which at least 20 acres of land belonged. By an Act, 25 Henry VIII, the same law was renewed. It recites, among other things, that many farms and large flocks of cattle, especially of sheep, are concentrated in the hands of a few men, whereby the rent of land has much risen and tillage has fallen off, churches and houses have been pulled down, and marvellous numbers of people have been deprived of the means wherewith to maintain themselves and their families. The Act, therefore, ordains the rebuilding of the decayed farmsteads, and fixes a proportion between corn land and pasture land, etc. An Act of 1533 recites that some owners possess 24,000 sheep, and limits the number to be owned to 2,000. The cry of the people and the legislation directed, for 150 years after Henry VII, against the expropriation of the small farmers and peasants, were alike fruitless. The secret of their inefficiency Bacon, without knowing it, reveals to us. "The device of King Henry VII," says Bacon, in his *Essays, Civil and Moral*, Essay 29, "was profound and admirable, in making farms and houses of husbandry of a standard; that is, maintained with such a proportion of land unto them as may breed a subject to live in convenient plenty, and no servile condition, and to keep the plough in the hands of the owners and not mere hirelings." What the capitalist system demanded was, on the other hand, a degraded and almost servile condition of the mass of the people, the transformation of them into mercenaries, and of their means of labour into capital. During this transformation period, legislation also strove to retain the four acres of land by the cottage of the agricultural wage labourer, and forbad him to take lodgers into his cottage. In the reign of James I., 1627, Roger Crocker of Front Mill, was condemned for having built a cottage on the manor of Front Mill without four acres of land attached to the same in perpetuity. As late as Charles I.'s reign, 1638, a royal commission was appointed to enforce the carrying out of the old laws, especially that referring to the four acres of land. Even in Cromwell's time, the building of a house within four miles of London was forbidden unless it was endowed with four acres of land. As late as the first half of the eighteenth century complaint is made if the cottage of the agricultural labourer has not an adjunct of one or two acres of land. Nowadays he is lucky if it is furnished with a little garden, or if he may rent, far away from his cottage, a few roods. "Landlords and farmers," says Dr. Hunter, "work here hand in hand. A few acres to the cottage would make the labourers too independent."

The process of forcible expropriation of the people received in the sixteenth century a new and frightful impulse from the Reformation, and from the consequent colossal spoliation of the church property. The Catholic church was, at the time of the Reformation, feudal proprietor of a great part of the English land. The dissolution of the monasteries, etc., hurled their inmates into the proletariat. The estates of the church were to a large extent given away to rapacious royal favourites, or sold at a nominal price to speculating farmers and citizens, who drove out, *en masse*, the hereditary sub-tenants and threw their holdings into one. The legally guaranteed property of the poorer folk in a part of the church's tithes was tacitly confiscated. "Pauper ubique jacet", ["the poor man is everywhere in subjection"] cried Queen Elizabeth, after a journey through England. In the 43rd year of her reign the nation was obliged to recognise pauperism officially by the introduction of a poor-rate. "The authors of this law seem to have been ashamed to state the grounds of it, for [contrary to traditional usage] it has no preamble whatever." By the sixteenth of Charles I, ch. 4, it was declared perpetual, and in fact only in 1834 did it take a new and harsher form. These immediate results of the Reformation were not its most lasting ones. The property of the church formed the religious bulwark of the traditional conditions of landed property. With its fall these were no longer tenable.

Even in the last decade of the seventeenth century, the yeomanry, the class of independent peasants, were more numerous than the class of farmers. They had formed the backbone of Cromwell's strength, and, even according to the confession of Macaulay, stood in favourable contrast to the drunken squires and to their servants, the country clergy, who had to marry their masters' cast-off mistresses. About 1750, the yeomanry had disappeared, and so had, in the last decade of the eighteenth century, the last trace of the common land of the agricultural labourer. We leave on one side here the purely economic causes of the agricultural revolution. We deal only with the forcible means employed.

After the restoration of the Stuarts, the landed proprietors carried, by legal means, an act of usurpation, effected everywhere on the Continent without any legal formality. They abolished the feudal tenure of land, i.e., they got rid of all its obligations to the State, "indemnified" the State by taxes on the peasantry and the rest of the mass of the people, vindicated for themselves the rights of modern private property in estates to which they had only a feudal title, and, finally, passed those laws of settlement, which, *mutatis mutandis* [with secondary differences], had the same effect on the English agricultural labourer, as the edict of the Tartar Boris Godunof on the Russian peasantry.

The "glorious Revolution" brought into power, along with William of Orange, the landlord and capitalist appropriators of surplus-value. They inaugurated the new era by practising on a colossal scale thefts of state lands, thefts that had been hitherto managed more modestly. These estates were given away, sold at a ridiculous figure, or even annexed to private estates by direct seizure. All this happened without the slightest observation of legal etiquette. The Crown lands thus fraudulently appropriated, together with the robbery of the Church estates, as far as these had not been lost again during the republican revolution, form the basis of the present princely domains of the English oligarchy. The bourgeois capitalists favoured the operation with the view, among others, to promoting free trade in land, to extending the domain of modern agriculture on the large farm-system, and to increasing their supply of the free agricultural proletarians ready to hand. Besides, the new landed aristocracy was the natural ally of the new bankocracy, of the newly-hatched *haute finance*, and of the large manufacturers, then depending on protective duties. The English bourgeoisie acted for its own interest quite as wisely as did the Swedish bourgeoisie who, reversing the process, hand in hand with their economic allies, the peasantry, helped the kings in the forcible resumption of the Crown lands from the oligarchy. This happened in the years after 1604 under Charles X and Charles XI.

Communal property — always distinct from the State property just dealt with — was an old Teutonic institution which lived on under cover of feudalism. We have seen how the forcible usurpation of this, generally accompanied by the turning of arable into pasture land, begins at the end of the fifteenth and extends into the sixteenth century. But, at that time, the process was carried on by means of individual acts of violence against which legislation, for a hundred and fifty years, fought in vain. The advance made by the eighteenth century shows itself in this, that the law itself becomes now the instrument of the theft of the people's land, although the large farmers make use of their little independent methods as well. The parliamentary form of the robbery is that of Acts for enclosures of Commons, in other words, decrees by which the landlords grant themselves the people's land as private property, decrees of expropriation of the people. Sir F. M. Eden refutes his own crafty special pleading, in which he tries to represent communal property as the private property of the great landlords who have taken the place of the feudal lords, when he, himself, demands a "general Act of Parliament for the enclosure of Commons" (admitting thereby that a parliamentary *coup d'état* is necessary for its transformation into private property), and moreover calls on the legislature for the indemnification for the expropriated poor.

While the place of the independent yeoman was taken by tenants at will, small farmers on yearly leases, a servile rabble dependent on the pleasure of the landlords, the systematic robbery of the Communal lands helped especially, next to the theft of the State domains, to swell those large farms, that were called in the eighteenth century capital farms or merchant farms, and to "set free" the agricultural population as proletarians for manufacturing industry.

The eighteenth century, however, did not yet recognise as fully as the nineteenth, the identity between national wealth and the poverty of the people. Hence the most vigorous polemic, in the economic literature of that time, on the "enclosure of commons." From the mass of materials that lie before me, I give a few extracts that will throw a strong light on the circumstances of the time. "In several parishes of Hertfordshire," writes one indignant person, "24 farms, numbering on the average 50-150 acres, have been melted up into three farms." "In Northamptonshire and Leicestershire the enclosure of common lands has taken place on a very large scale, and most of the new lordships, resulting from the enclosure, have been turned into pasturage, in consequence of which many lordships have not now 50 acres ploughed yearly, in which 1,500 were ploughed formerly. The ruins of former dwelling-houses, barns, stables, etc.," are the sole traces of the former inhabitants. "An hundred houses and families have in some open-field villages dwindled to eight or ten.... The landholders in most parishes that have been enclosed only 15 or 20 years, are very few in comparison of the numbers who occupied them in their open-field state. It is no uncommon thing for 4 or 5 wealthy graziers to engross a large enclosed lordship which was before in the hands of 20 or 30 farmers, and as many smaller tenants and proprietors. All these are hereby thrown out of their livings with their families and many other families who were chiefly employed and supported by them." It was not only the land that lay waste, but often land cultivated either in common or held under a definite rent paid to the community, that was annexed by the neighbouring landlords under pretext of enclosure. "I have here in view enclosures of open fields and lands already improved. It is acknowledged by even the writers in defence of enclosures that these diminished villages increase the monopolies of farms, raise the prices of provisions, and produce depopulation ... and even the enclosure of waste lands (as now carried on) bears hard on the poor, by depriving them of a part of their subsistence, and only goes towards increasing farms already too large." "When," says Dr. Price, "this land gets into the hands of a few great farmers, the consequence must be that the little farmers" (earlier designated by him "a multitude of little proprietors and tenants, who maintain themselves and families by the produce of the ground they occupy by sheep kept on a common, by poultry, hogs, etc., and who therefore have little occasion to purchase any of the means of subsistence") "will be converted into a body of men who earn their subsistence by working for others, and who will be under a necessity of going to market for all they want.... There will, perhaps, be more labour, because there will be more compulsion to it.... Towns and manufactures will increase, because more will be driven to them in quest of places and employment. This is the way in which the engrossing of farms naturally operates. And this is the way in which, for many years, it has been actually operating in this kingdom." He sums up the effect of the enclosures thus: "Upon the whole, the circumstances of the lower ranks of men are altered in almost every respect for the worse. From little occupiers of land, they are reduced to the state of day-labourers and hirelings; and, at the same time, their subsistence in that state has become more difficult." In fact, usurpation of the common lands and the revolution in agriculture accompanying this, told so acutely on the agricultural labourers that, even according to Eden, between 1765 and 1780, their wages began to fall below the minimum, and to be supplemented by official poor-law relief. Their wages, he says, "were not more than enough for the absolute necessaries of life."

Let us hear for a moment a defender of enclosures and an opponent of Dr. Price. "Not is it a consequence that there must be depopulation, because men are not seen wasting their labour in the open field.... If, by converting the little farmers into a body of men who must work for others, more labour is produced, it is an advantage which the nation" (to which, of course, the "converted" ones do not belong) "should wish for ... the produce being greater when their joint labours are employed on one farm, there will be a surplus for manufactures, and by this means manufactures, one of the mines of the nation, will increase, in proportion to the quantity of corn produced."

The stoical peace of mind with which the political economist regards the most shameless violation of the "sacred rights of property" and the grossest acts of violence to persons, as soon as they are necessary to lay the foundations of the capitalistic mode of production, is shown by Sir F. M. Eden, philanthropist and tory to boot. The whole series of thefts, outrages, and popular misery, that accompanied the forcible expropriation of the people, from the last third of the fifteenth to the end of the eighteenth century, lead him merely to the comfortable conclusion: “The due proportion between arable land and pasture had to be established. During the whole of the fourteenth and the greater part of the fifteenth century, there was one acre of pasture to 2, 3, and even 4 of arable land. About the middle of the sixteenth century the proportion was changed of 2 acres of pasture to 2, later on, of 2 acres of pasture to one of arable, until at last the just proportion of 3 acres of pasture to one of arable land was attained.”

By the nineteenth century, the very memory of the connexion between the agricultural labourer and the communal property had, of course, vanished. To say nothing of more recent times, have the agricultural population received a farthing of compensation for the 3,511,770 acres of common land which between 1801 and 1831 were stolen from them and by parliamentary devices presented to the landlords by the landlords?

The last process of wholesale expropriation of the agricultural population from the soil is, finally, the so-called clearing of estates, i.e., the sweeping of men off them. All the English methods hitherto considered culminated in “clearing.” As we saw in the picture of modern conditions given in a former chapter, where there are no more independent peasants to get rid of, the “clearing” of cottages begins; so that the agricultural labourers do not find on the soil cultivated by them even the spot necessary for their own housing. But what “clearing of estates” really and properly signifies, we learn only in the promised land of modern romance, the Highlands of Scotland. There the process is distinguished by its systematic character, by the magnitude of the scale on which it is carried out at one blow (in Ireland landlords have gone to the length of sweeping away several villages at once; in Scotland areas as large as German principalities are dealt with), finally by the peculiar form of property, under which the embezzled lands were held.

The Highland Celts were organised in clans, each of which was the owner of the land on which it was settled. The representative of the clan, its chief or “great man,” was only the titular owner of this property, just as the Queen of England is the titular owner of all the national soil. When the English government succeeded in suppressing the intestine wars of these “great men,” and their constant incursions into the Lowland plains, the chiefs of the clans by no means gave up their time-honoured trade as robbers; they only changed its form. On their own authority they transformed their nominal right into a right of private property, and as this came up against resistance on the part of their clansmen, they resolved to drive them out by open force. “A king of England might as well claim to drive his subjects into the sea,” says Professor Newman. This revolution, which began in Scotland after the last rising of the followers of the Pretender, can be followed through its first phases in the writings of Sir James Steuart and James Anderson. In the eighteenth century the hunted-out Gaels were forbidden to emigrate from the country, with a view to driving them by force to Glasgow and other manufacturing towns. As an example of the method obtaining in the nineteenth century, the “clearing” made by the Duchess of Sutherland will suffice here. This person, well instructed in economy, resolved, on entering upon her government, to effect a radical cure, and to turn the whole country, whose population had already been, by earlier processes of the like kind, reduced to 15,000, into a sheep-walk. From 1814 to 1820 these 15,000 inhabitants, about 3,000 families, were systematically hunted and rooted out. All their villages were destroyed and burnt, all their fields turned into pasturage. British soldiers enforced this eviction, and came to blows with the inhabitants. One old woman was burnt to death in the flames of the hut, which she refused to leave. Thus this fine lady appropriated 794,000 acres of land that had from time immemorial belonged to the clan. She assigned to the expelled inhabitants about 6,000 acres on the sea-shore — 2 acres per family. The 6,000 acres had until this time lain waste, and brought in no income to their owners. The Duchess, in the nobility of her heart, actually went so far as to let these at an average rent of 2s. 6d. per acre to the clansmen, who for centuries had shed their blood for her family. The whole of the stolen clan land she divided into 29 great sheep farms, each inhabited by a single family, for the most part imported English farm-servants. In the year 1835 the 15,000 Gaels were already replaced by 131,000 sheep. The remnant of the aborigines flung on the sea-shore tried to live by catching fish. They became amphibious and lived, as an English author says, half on land and half on water, and withal only half on both.

But the brave Gaels had now to suffer still more bitterly for their romantic mountain idolization of the “great men” of the clan. The smell of their fish rose to the noses of the great men. They scented some profit in it, and let the sea-shore to the great fishmongers of London. For the second time the Gaels were hunted out.

But, finally, part of the sheep-walks are turned into deer preserves. Everyone knows that there are no real forests in England. The deer in the parks of the great are demurely domestic cattle, fat as London aldermen. Scotland is therefore the last refuge of the “noble passion.” “In the Highlands,” says Somers in 1848, “new forests are springing up like mushrooms. Here, on one side of Gaick, you have the new forest of Glenfeshie; and there on the other you have the new forest of Ardverikie. In the same line you have the Black Mount, an immense waste also recently erected. From east to west — from the neighbourhood of Aberdeen to the crags of Oban — you have now a continuous line of forests; while in other parts of the Highlands there are the new forests of Loch Archaig, Glengarry, Glenmoriston, etc. Sheep were introduced into glens which had been the seats of communities of small farmers; and the latter were driven to seek subsistence on coarser and more sterile tracks of soil. Now deer are supplanting sheep; and these are once more dispossessing the small tenants, who will necessarily be driven down upon still coarser land and to more grinding penury. Deer-forests and the people cannot co-exist. One or other of the two must yield. Let the forests be increased in number and extent during the next quarter of a century, as they have been in the last, and the Gaels will perish from their native soil... This movement among the Highland proprietors is with some a matter of ambition... with some love of sport... while others, of a more practical cast, follow the trade in deer with an eye solely to profit. For it is a fact, that a mountain range laid out in forest is, in many cases, more profitable to the proprietor than when let as a sheep-walk. ... The huntsman who wants a deer-forest limits his offers by no other calculation than the extent of his purse.... Sufferings have been inflicted in the Highlands scarcely less severe than those occasioned by the policy of the Norman kings. Deer have received extended ranges, while men have been hunted within a narrower and still narrower circle.... One after one the liberties of the people have been cloven down.... And the oppressions are daily on the increase.... The clearance and dispersion of the people is pursued by the proprietors as a settled principle, as an agricultural necessity, just as trees and brushwood are cleared from the wastes of America or Australia; and the operation goes on in a quiet, business-like way, etc.”

The spoliation of the church’s property, the fraudulent alienation of the State domains, the robbery of the common lands, the usurpation of feudal and clan property, and its transformation into modern private property under circumstances of reckless terrorism, were just so many idyllic methods of primitive accumulation. They conquered the field for capitalistic agriculture, made the soil part and parcel of capital, and created for the town industries the necessary supply of a "free" and outlawed proletariat.

Chapter 32

Historical Tendency of Capitalist Accumulation

What does the primitive accumulation of capital, i.e., its historical genesis, resolve itself into? In so far as it is not immediate transformation of slaves and serfs into wage labourers, and therefore a mere change of form, it only means the expropriation of the immediate producers, i.e., the dissolution of private property based on the labour of its owner. Private property, as the antithesis to social, collective property, exists only where the means of labour and the external conditions of labour belong to private individuals. But according as these private individuals are labourers or not labourers, private property has a different character. The numberless shades, that it at first sight presents, correspond to the intermediate stages lying between these two extremes.

The private property of the labourer in his means of production is the foundation of petty industry, whether agricultural, manufacturing, or both; petty industry, again, is an essential condition for the development of social production and of the free individuality of the labourer himself. Of course, this petty mode of production exists also under slavery, serfdom, and other states of dependence. But it flourishes, it lets loose its whole energy, it attains its adequate classical form, only where the labourer is the private owner of his own means of labour set in action by himself: the peasant of the land which he cultivates, the artisan of the tool which he handles as a virtuoso.

This mode of production presupposes parcelling of the soil and scattering of the other means of production. As it excludes the concentration of these means of production, so also it excludes cooperation, division of labour within each separate process of production, the control over, and the productive application of the forces of Nature by society, and the free development of the social productive powers. It is compatible only with a system of production, and a society, moving within narrow and more or less primitive bounds. To perpetuate it would be, as Pecqueur rightly says, "to decree universal mediocrity". At a certain stage of development, it brings forth the material agencies for its own dissolution. From that moment new forces and new passions spring up in the bosom of society; but the old social organisation fetters them and keeps them down. It must be annihilated; it is annihilated. Its annihilation, the transformation of the individualised and scattered means of production into socially concentrated ones, of the pigmy property of the many into the huge property of the few, the expropriation of the great mass of the people from the soil, from the means of subsistence, and from the means of labour, this fearful and painful expropriation of the mass of the people forms the prelude to the history of capital. It comprises a series of forcible methods, of which we have passed in review only those that have been epoch-making as methods of the primitive accumulation of capital. The expropriation of the immediate producers was accomplished with merciless Vandalism, and under the stimulus of passions the most infamous, the most sordid, the pettiest, the most meanly odious. Self-earned private property, that is based, so to say, on the fusing together of the isolated, independent labouring individual with the conditions of his labour, is supplanted by capitalistic private property, which rests on exploitation of the nominally free labour of others, i.e., on wage labour.

As soon as this process of transformation has sufficiently decomposed the old society from top to bottom, as soon as the labourers are turned into proletarians, their means of labour into capital, as soon as the capitalist mode of production stands on its own feet, then the further socialisation of labour and further transformation of the land and other means of production into socially exploited and, therefore, common means of production, as well as the further expropriation of private proprietors, takes a new form. That which is now to be expropriated is no longer the labourer working for himself, but the capitalist exploiting many labourers. This expropriation is accomplished by the action of the immanent laws of capitalistic production itself, by the centralisation of capital. One capitalist always kills many. Hand in hand with this centralisation, or this expropriation of many capitalists by few, develop, on an ever-extending scale, the cooperative form of the labour process, the conscious technical application of science, the methodical cultivation of the soil, the transformation of the instruments of labour into instruments of labour only usable in common, the economising of all means of production by their use as means of production of combined, socialised labour, the entanglement of all peoples in the net of the world market, and with this, the international character of the capitalistic regime. Along with the constantly diminishing number of the magnates of capital, who usurp and monopolise all advantages of this process of transformation, grows the mass of misery, oppression, slavery, degradation, exploitation; but with this too grows the revolt of the working class, a class always increasing in numbers, and disciplined, united, organised by the very mechanism of the process of capitalist production itself. The monopoly of capital becomes a fetter upon the mode of production, which has sprung up and flourished along with, and under it. Centralisation of the means of production and socialisation of labour at last reach a point where they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated.

The capitalist mode of appropriation, the result of the capitalist mode of production, produces capitalist private property. This is the first negation of individual private property, as founded on the labour of the proprietor. But capitalist production begets, with the inexorability of a law of Nature, its own negation. It is the negation of negation. This does not re-establish private property for the producer, but gives him individual property based on the acquisition of the capitalist era: i.e., on cooperation and the possession in common of the land and of the means of production.

The transformation of scattered private property, arising from individual labour, into capitalist private property is, naturally, a process, incomparably more protracted, violent, and difficult, than the transformation of capitalistic private property, already practically resting on socialised production, into socialised property. In the former case, we had the expropriation of the mass of the people by a few usurpers; in the latter, we have the expropriation of a few usurpers by the mass of the people.

Chapter 33

The Modern Theory of Colonisation[1]

Political economy confuses on principle two very different kinds of private property, of which one rests on the producers' own labour, the other on the employment of the labour of others. It forgets that the latter not only is the direct antithesis of the former, but grows on the former's tomb and nowhere else.

In Western Europe, the home of Political Economy, the process of primitive accumulation is more of less accomplished. Here the capitalist regime has either directly conquered the whole domain of national production, or, where economic conditions are less developed, it, at least, indirectly controls those strata of society which, though belonging to the antiquated mode of production, continue to exist side by side with it in gradual decay. To this ready-made world of capital, the political economist applies the notions of law and of property inherited from a pre-capitalistic world with all the more anxious zeal and all the greater unction, the more loudly the facts cry out in the face of his ideology.

It is otherwise in the colonies. There the capitalist regime everywhere comes into collision with the resistance of the producer, who, as owner of his own conditions of labour, employs that labour to enrich himself, instead of the capitalist. The contradiction of these two diametrically opposed economic systems, manifests itself here practically in a struggle between them. Where the capitalist has at his back the power of the mother-country, he tries to clear out of his way by force the modes of production and appropriation based on the independent labour of the producer. The same interest, which compels the sycophant of capital, the political economist, in the mother-country, to proclaim the theoretical identity of the capitalist mode of production with its contrary, that same interest compels him in the colonies to make a clean breast of it, and to proclaim aloud the antagonism of the two modes of production. To this end, he proves how the development of the social productive power of labour, co-operation, division of labour, use of machinery on a large scale, etc., are impossible without the expropriation of the labourers, and the corresponding transformation of their means of production into capital. In the interest of the so-called national wealth, he seeks for artificial means to ensure the poverty of the people. Here his apologetic armour crumbles off, bit by bit, like rotten touchwood.

It is the great merit of E.G. Wakefield to have discovered, not anything new about the Colonies, but to have discovered in the Colonies the truth as to the conditions of capitalist production in the mother country. As the system of protection at its origin attempted to manufacture capitalists artificially in the mother-country, so Wakefield's colonisation theory, which England tried for a time to enforce by Acts of Parliament, attempted to effect the manufacture of wage-workers in the Colonies. This he calls "systematic colonisation."

First of all, Wakefield discovered that in the Colonies, property in money, means of subsistence, machines, and other means of production, does not as yet stamp a man as a capitalist if there be wanting the correlative — the wage-worker, the other man who is compelled to sell himself of his own free will. He discovered that capital is not a thing, but a social relation between persons, established by the instrumentality of things. Mr. Peel, he moans, took with him from England to Swan River, West Australia, means of subsistence and of production to the amount of £50,000. Mr. Peel had the foresight to bring with him, besides, 300 persons of the working class, men, women, and children. Once arrived at his destination, "Mr. Peel was left without a servant to make his bed or fetch him water from the river." Unhappy Mr. Peel who provided for everything except the export of English modes of production to Swan River!

For the understanding of the following discoveries of Wakefield, two preliminary remarks: We know that the means of production and subsistence, while they remain the property of the immediate producer, are not capital. They become capital only under circumstances in which they serve at the same time as means of exploitation and subjection of the labourer. But this capitalist soul of theirs is so intimately wedded, in the head of the political economist, to their material substance, that he christens them capital under all circumstances, even when they are its exact opposite. Thus is it with Wakefield. Further: the splitting up of the means of production into the individual property of many independent labourers, working on their own account, he calls equal division of capital. It is with the political economist as with the feudal jurist. The latter stuck on to pure monetary relations the labels supplied by feudal law.

"If," says Wakefield, "all members of the society are supposed to possess equal portions of capital... no man would have a motive for accumulating more capital than he could use with his own hands. This is to some extent the case in new American settlements, where a passion for owning land prevents the existence of a class of labourers for hire." So long, therefore, as the labourer can accumulate for himself — and this he can do so long as he remains possessor of his means of production — capitalist accumulation and the capitalistic mode of production are impossible. The class of wage labourers, essential to these, is wanting. How, then, in old Europe, was the expropriation of the labourer from his conditions of labour, i.e., the co-existence of capital and wage labour, brought about? By a social contract of a quite original kind. "Mankind have adopted a... simple contrivance for promoting the accumulation of capital," which, of course, since the time of Adam, floated in their imagination, floated in their imagination as the sole and final end of their existence: "they have divided themselves into owners of capital and owners of labour.... The division was the result of concert and combination." In one word: the mass of mankind expropriated itself in honour of the "accumulation of capital." Now, one would think that this instinct of self-denying fanaticism would give itself full fling especially in the Colonies, where alone exist the men and conditions that could turn a social contract from a dream to a reality. But why, then, should "systematic colonisation" be called in to replace its opposite, spontaneous, unregulated colonisation? But - but - "In the Northern States of the American Union; it may be doubted whether so many as a tenth of the people would fall under the description of hired labourers.... In England... the labouring class compose the bulk of the people." Nay, the impulse to self-expropriation on the part of labouring humanity for the glory of capital, exists so little that slavery, according to Wakefield himself, is the sole natural basis of Colonial wealth. His systematic colonisation is a mere makeshift, since he unfortunately has to do with free men, not with slaves. "The first Spanish settlers in Saint Domingo did not obtain labourers from Spain. But, without labourers, their capital must have perished, or at least, must soon have been diminished to that small amount which each individual could employ with his own hands. This has actually occurred in the last Colony founded by England — the Swan River Settlement — where a great mass of capital, of seeds, implements, and cattle, has perished for want of labourers to use it, and where no settler has preserved much more capital than he can employ with his own hands."

We have seen that the expropriation of the mass of the people from the soil forms the basis of the capitalist mode of production. The essence of a free colony, on the contrary, consists in this — that the bulk of the soil is still public property, and every settler on it therefore can turn part of it into his private property and individual means of production, without hindering the later settlers in the same operation. This is the secret both of the prosperity of the colonies and of their inveterate vice — opposition to the establishment of capital. "Where land is very cheap and all men are free, where everyone who so pleases can easily obtain a piece of land for himself, not only is labour very dear, as respects the labourer's share of the produce, but the difficulty is to obtain combined labour at any price."

As in the colonies the separation of the labourer from the conditions of labour and their root, the soil, does not exist, or only sporadically, or on too limited a scale, so neither does the separation of agriculture from industry exist, nor the destruction of the household industry of the peasantry. Whence then is to come the internal market for capital? "No part of the population of America is exclusively agricultural, excepting slaves and their employers who combine capital and labour in particular works. Free Americans, who cultivate the soil, follow many other occupations. Some portion of the furniture and tools which they use is commonly made by themselves. They frequently build their own houses, and carry to market, at whatever distance, the produce of their own industry. They are spinners and weavers; they make soap and candles, as well as, in many cases, shoes and clothes for their own use. In America the cultivation of land is often the secondary pursuit of a blacksmith, a miller or a shopkeeper." With such queer people as these, where is the "field of abstinence" for the capitalists?

The great beauty of capitalist production consists in this — that it not only constantly reproduces the wage-worker as wage-worker, but produces always, in proportion to the accumulation of capital, a relative surplus-population of wage-workers. Thus the law of supply and demand of labour is kept in the right rut, the oscillation of wages is penned within limits satisfactory to capitalist exploitation, and lastly, the social dependence of the labourer on the capitalist, that indispensable requisite, is secured; an unmistakable relation of dependence, which the smug political economist, at home, in the mother-country, can transmogrify into one of free contract between buyer and seller, between equally independent owners of commodities, the owner of the commodity capital and the owner of the commodity labour. But in the colonies, this pretty fancy is torn asunder. The absolute population here increases much more quickly than in the mother-country, because many labourers enter this world as ready-made adults, and yet the labour-market is always understocked. The law of supply and demand of labour falls to pieces. On the one hand, the old world constantly throws in capital, thirsting after exploitation and "abstinence"; on the other, the regular reproduction of the wage labourer as wage labourer comes into collision with impediments the most impertinent and in part invincible. What becomes of the production of wage-labourers, redundant in proportion to the accumulation of capital? The wage-worker of today is tomorrow an independent peasant, or artisan, working for himself. He vanishes from the labour-market, but not into the workhouse. This constant transformation of the wage-labourers into independent producers, who work for themselves instead of for capital, and enrich themselves instead of the capitalist gentry, reacts in its turn very perversely on the conditions of the labour-market. Not only does the degree of exploitation of the wage labourer remain indecently low. The wage labourer loses into the bargain, along with the relation of dependence, also the sentiment of dependence on the abstemious capitalist. Hence all the inconveniences that our E. G. Wakefield pictures so doughtily, so eloquently, so pathetically.

The supply of wage labour, he complains, is neither constant, nor regular, nor sufficient. "The supply of labour is always not only small but uncertain." "Though the produce divided between the capitalist and the labourer be large, the labourer takes so great a share that he soon becomes a capitalist.... Few, even those whose lives are unusually long, can accumulate great masses of wealth." The labourers most distinctly decline to allow the capitalist to abstain from paying for the greater part of their labour. It avails him nothing, if he is so cunning as to import from Europe, with his own capital, his own wage-workers. They soon "cease... to be labourers for hire; they... become independent landowners, if not competitors with their former masters in the labour-market." Think of the horror! The excellent capitalist has imported bodily from Europe, with his own good money, his own competitors! The end of the world has come! No wonder Wakefield laments the absence of all dependence and of all sentiment of dependence on the part of the wage-workers in the colonies. On account of the high wages, says his disciple, Merivale, there is in the colonies "the urgent desire for cheaper and more subservient labourers — for a class to whom the capitalist might dictate terms, instead of being dictated to by them.... In ancient civilised countries the labourer, though free, is by a law of Nature dependent on capitalists; in colonies this dependence must be created by artificial means."

What is now, according to Wakefield, the consequence of this unfortunate state of things in the colonies? A "barbarising tendency of dispersion" of producers and national wealth. The parcelling-out of the means of production among innumerable owners, working on their own account, annihilates, along with the centralisation of capital, all the foundation of combined labour. Every long-winded undertaking, extending over several years and demanding outlay of fixed capital, is prevented from being carried out. In Europe, capital invests without hesitating a moment, for the working class constitutes its living appurtenance, always in excess, always at disposal. But in the colonies! Wakefield tells an extremely doleful anecdote. He was talking with some capitalists of Canada and the state of New York, where the immigrant wave often becomes stagnant and deposits a sediment of "redundant" labourers. "Our capital," says one of the characters in the melodrama, "was ready for many operations which require a considerable period of time for their completion; but we could not begin such operations with labour which, we knew, would soon leave us. If we had been sure of retaining the labour of such emigrants, we should have been glad to have engaged it at once, and for a high price: and we should have engaged it, even though we had been sure it would leave us, provided we had been sure of a fresh supply whenever we might need it."

After Wakefield has constructed the English capitalist agriculture and its "combined" labour with the scattered cultivation of American peasants, he unwittingly gives us a glimpse at the reverse of the medal. He depicts the mass of the American people as well-to-do, independent, enterprising, and comparatively cultured, whilst "the English agricultural labourer is miserable wretch, a pauper.... In what country, except North America and some new colonies, do the wages of free labour employed in agriculture much exceed a bare subsistence for the labourer? ... Undoubtedly, farm-horses in England, being a valuable property, are better fed than English peasants." But, never mind, national wealth is, once again, by its very nature, identical with misery of the people.

How, then, to heal the anti-capitalist cancer of the colonies? If men were willing, at a blow, to turn all the soil from public into private property, they would destroy certainly the root of the evil, but also — the colonies. The trick is how to kill two birds with one stone. Let the Government put upon the virgin soil an artificial price, independent of the law of supply and demand, a price that compels the immigrant to work a long time for wages before he can earn enough money to buy land, and turn himself into an independent peasant. The fund resulting from the sale of land at a price relatively prohibitory for the wage-workers, this fund of money extorted from the wages of labour by violation of the sacred law of supply and demand, the Government is to employ, on the other hand, in proportion as it grows; to import have-nothings from Europe into the colonies, and thus keep the wage labour market full for the capitalists. Under these circumstances, tout sera pour le mieux dans le meilleur des mondes possibles. This is the great secret of "systematic colonisation." By this plan, Wakefield cries in triumph, "the supply of labour must be constant and regular, because, first, as no labourer would be able to procure land until he had worked for money, all immigrant labourers, working for a time for wages and in combination, would produce capital for the employment of more labourers; secondly, because every labourer who left off working for wages and became a landowner would, by purchasing land, provide a fund for bringing fresh labour to the colony." The price of the soil imposed by the State must, of course, be a "sufficient price" — i.e., so high "as to prevent the labourers from becoming independent landowners until others had followed to take their place." This "sufficient price for the land" is nothing but a euphemistic circumlocution for the ransom which the labourer pays to the capitalist for leave to retire from the wage labour market to the land. First, he must create for the capitalist "capital," with which the latter may be able to exploit more labourers; then he must place, at his own expense, a *locum tenens* [placeholder] on the labour market, whom the Government forwards across the sea for the benefit of his old master, the capitalist.

It is very characteristic that the English Government for years practised this method of "primitive accumulation" prescribed by Mr. Wakefield expressly for the use of the colonies. The fiasco was, of course, as complete as that of Sir Robert Peel's Bank Act. The stream of emigration was only diverted from the English colonies to the United States. Meanwhile, the advance of capitalistic production in Europe, accompanied by increasing Government pressure, has rendered Wakefield's recipe superfluous. On the one hand, the enormous and ceaseless stream of men, year after year driven upon America, leaves behind a stationary sediment in the east of the United States, the wave of immigration from Europe throwing men on the labour-market there more rapidly than the wave of emigration westwards can wash them away. On the other hand, the American Civil War brought in its train a colossal national debt, and, with it, pressure of taxes, the rise of the vilest financial aristocracy, the squandering of a huge part of the public land on speculative companies for the exploitation of railways, mines, etc., in brief, the most rapid centralisation of capital. The great republic has, therefore, ceased to be the promised land for emigrant labourers. Capitalistic production advances there with giant strides, even though the lowering of wages and the dependence of the wage-worker are yet far from being brought down to the normal European level. The shameless lavishing of uncultivated colonial land on aristocrats and capitalists by the Government, so loudly denounced even by Wakefield, has produced, especially in Australia, in conjunction with the stream of men that the gold diggings attract, and with the competition that the importation of English-commodities causes even to the smallest artisan, an ample "relative surplus labouring population," so that almost every mail brings the Job's news of a "glut of the Australia labour-market," and the prostitution in some places flourishes as wantonly as in the London Haymarket.

However, we are not concerned here with the conditions of the colonies. The only thing that interests us is the secret discovered in the new world by the Political Economy of the old world, and proclaimed on the housetops: that the capitalist mode of production and accumulation, and therefore capitalist private property, have for their fundamental condition the annihilation of self-earned private property; in other words, the expropriation of the labourer.

Footnotes

Capitalism's Big Con

1. See Marx's pamphlet *Genesis of Capital*
2. See Marx's pamphlet *Wages Price and profit* chapter 6.
3. See Marx's pamphlet W*age Labour and Capital* chapter 1.
4. See *Wage Labour and Capital* chapter 3.
5. See *Wages Price and Profit* chapters 7-11 and Engels' introduction to Wage Labour and Capital
6. You can find the definition of "necessary /labour time" in *Capital* Volume one, chapter 9, section one.
7. See *Capital* Volume one, chapter 12.
8. See *Capital* Volume three, Chapters 17 and 19, and Marx's *Theories of Surplus Value* Part One, Chapter 4 for more on "productive" and "unproductive" labour.

9) If you want to tackle the theory of crisis read Paul Mattick's *Economic Crisis and Crisis Theory* or Makoto Itoh's *The Basic Theory of Capitalism*. Some relevant chapters in *Capital* are Volume 3, chapters 13, 14, 15, 25,27 and 30. For how the market works read Volume 2, chapters 20 and 21 but beware these chapters are very complicated.

10. For more detailed explanation of what has happened in the world economy since 1945 and the economic turning point reached in 1973 read The World Economy - processes and prospects in *A World in Crisis* (1993) published by the Committee for a Workers' International and *Global Turmoil* (1999).

Capital

1. We treat here of real Colonies, virgins soils, colonised by free immigrants. The United States are, speaking economically, still only a Colony of Europe. Besides, to this category belong such old plantations as those in which the abolition of slavery has completely altered the earlier conditions.

Glossary

(From *Capitalism's Big Con*)

ABSOLUTE SURPLUS VALUE
Surplus value produced by making the working day longer.

CAPITAL
Wealth accumulated to exploit labour power and create surplus value. "Self-expanding value": it grows (accumulates") through exploitation.

CAPITALISM
The mode of production based on producing commodities, with a class system of wage labour and private ownership of production.

COMMODITY
Something produced for sale on the market. Its value is measured by the "average socially necessary labour time" needed to produce it - the average time taken to produce it under given social conditions.

CONSTANT CAPITAL (C)
Capital put into machinery and raw materials. Sometimes called "dead labour".

CREDIT
The general system of lending and borrowing for a profit.

EXCHANGE VALUE
The value of a commodity compared with others. For example: 1 coat = 20 pairs of socks = 2 pairs of trousers = R30. It is measured by the socially necessary labour time of the commodities being exchanged.

LABOUR POWER
The ability to produce. For its price (wages) see Necessary Labour Time.

MONEY
The commodity against which the value of all other commodities is measured.

NECESSARY LABOUR TIME
The part of the working day in which goods are produced to cover wage costs.

ORGANIC COMPOSITION OF CAPITAL
The proportion between the value of dead labour (machinery and material) and labour power in a capitalist industry or economy.

RATE OF EXPLOITATION (OR SURPLUS VALUE)
The ratio of unpaid to paid labour (S/V).

RATE OF PROFIT
How surplus value compares with the total costs of production (S/C+V).

RELATIVE SURPLUS VALUE
Surplus value produced by reducing labour time.

SURPLUS VALUE (S)
Rent, interest and profit, the unpaid labour of the working class.

USE VALUE
The usefulness of any given object.

VALUE
The "glue" that binds the capitalist economy together. The value of something is measured by the labour time taken in its production. It appears in comparison to another product, as exchange value. It shows itself in three forms: commodities, money and capital.

VARIABLE CAPITAL (V)
Wages. The section of total capital used to employ labour power.

Political Education Programme

TOPIC 1
Introduction to Marxism: who were Marx & Engels and what did they say?
Reading 1: Marx the Revolutionary (MWT)
Reading 2: The Three Sources and Three Component Parts of Marxism (Lenin)
Reading 3: Ninety Years of the Communist Manifesto (Trotsky)
Reading 4: The Communist Manifesto, Chapters 1 and 2 (Marx & Engels)

TOPIC 2
How do Marxists understand the world? Marxism's dialectical and historical materialism
Reading 1: Dialectical Materialism: the Foundation of Revolutionary Theory (WASP)
Reading 2: The Preface to "A Contribution to the Critique of Political Economy" (Marx)
Reading 3: Materialist Conception of History (Engels)
Reading 4: How Europe Underdeveloped Africa, Chapter 2 (Rodney)

TOPIC 3
How is the working class exploited? Introduction to Marxist economics
Reading 1: Introduction to Marxist Economics (CWI)
Reading 2: Value, Price and Profit, Chapters 6-14 (Marx)
Reading 3: Capital, selected chapters (Marx)

TOPIC 4
Social grants & police brutality – the Marxist theory of the State
Reading 1: State and Revolution, selected chapters (Lenin)

TOPIC 5
How can we win the working class to revolutionary socialism? Trotsky's Transitional Programme
Reading 1: The Transitional Programme (Trotsky)

TOPIC 6
The lessons of the Russian Revolution
Reading 1: 1917 (CWI)
Reading 2: Lessons of October (Trotsky)
Reading 3: South Africa's Impending Socialist Revolution, Chapter 2 (MWT)

All readings are available on the WASP website (except the Rodney reading from Topic 2). All readings can be ordered from WASP as printed booklets. See website or call 081 366 7375 for price list.

TOPIC 7
The rise and fall of Stalinism: how did Stalin betray the Russian Revolution and why did his bureaucratic dictatorship fail?
Reading 1: The Legacy of Leon Trotsky, Chapters 2-3 (MWT)
Reading 2: South Africa's Impending Socialist Revolution, Chapter 4 (MWT)
Reading 3: From Perestroika to Capitalist Restoration (CWI)

TOPIC 8
The socialist revolution in the neo-colonial world – Trotsky's Permanent Revolution vs the SACP's National Democratic Revolution
Reading 1: The Legacy of Leon Trotsky, Chapters 1 and 5 (MWT)
Reading 2: Results & Prospects (Trotsky)
Reading 3: The Right of Nations to Self-Determination (Lenin)

TOPIC 9
Lenin's theory of imperialism: why was Africa colonized and how is it exploited today?
Reading 1: Imperialism: the Highest Stage of Capitalism (Lenin)
Reading 2: South Africa's Impending Socialist Revolution, Part 3 (MWT pamphlet)
Reading 3: A History of Pan-African Revolt, excerpts (CLR James)

TOPIC 10
Apartheid and the liberation struggle
Reading 1: South Africa's Impending Socialist Revolution, Part 4 (MWT)
Reading 2: Lessons of the 1950s (MWT)
Reading 3: The Soweto Uprising (MWT/WASP)
Reading 4: The Legacy of Leon Trotsky, Chapter 6 (MWT)
Reading 5: Letter to South African Revolutionaries (Trotsky)

TOPIC 11
Africanism vs. Marxism
Reading 1: Class & Race: Marxism, Racism and the Class Struggle (WASP)
Reading 2: Africanism vs. Marxism (WASP)
Reading 3: The Third International After Lenin, selected chapters (Trotsky)
Reading 4: African Socialism Revisited (Nkrumah)

TOPIC 12
The revolutionary party & democratic centralism – organising a Bolshevik party
Reading 1: The Bolshevik Turn (WASP)

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