

## **Marx's Capital: week school 2-5 January 2018**

Format of each two-hour session:

- Quick outline of the passages of Capital covered, and questions - 15 minutes
- Work in pairs on discussing selected extracts and comments - 40 minutes
- Report-back on that work, and discussion - 30 minutes
- Review of questions posed in Rühle booklet - 20 minutes
- Summing up - 15 minutes

### **Session 1, Tuesday 11 to 1 - The value problem**

Chapter 1 sections 1 and 2.

Extracts/ comments

1. "The interpretation which is very widespread on the left... that only by employing the category of value can the existence of capitalist exploitation be demonstrated and that to demonstrate this is the point of Marx's value theory... Marx does not, however, seem to have shared this view. '... It is a tautology to say that labour is the only source of exchange-value, and accordingly of wealth in so far as this consists of exchange-value... It would be wrong to say that labour which produces use-values is the only source of... material wealth.'" - Diane Elson, "Value: the representation of labour in capitalism", p.115.

2. "The exchange values of commodities must be reduced to a common element, of which they represent a greater or a lesser quantity... The exchange relation of commodities is characterised precisely by its abstraction from their use-values... If we disregard the use-value of commodities, only one property remains, that of being products of labour. But even the product of labour has already been transformed in our hands... [with] the disappearance of the different concrete forms of labour. They can no longer be distinguished, but are all together reduced to the same kind of labour, human labour in the abstract" - Capital ch.1 sec.1.

3. "Labour seems a quite simple category. The conception of labour in this general form - as labour as such - is also immeasurably old... [Only] in the most modern form of existence of bourgeois society - in the United States... for the first time, the point of departure of modern economics, namely the abstraction of the category 'labour', 'labour as such', labour pure and simple becomes true in practice" - Marx, Introduction to the Critique of Political Economy.

4. "I was the first to point out and examine critically this twofold nature of the labour contained in commodities... This point is crucial to an understanding of political economy" - Capital ch.1 sec.2

## **Session 2, Tuesday 1.30 to 3:30 - Commodity fetishism**

### Chapter 1, section 4

1. "To the producers... social relations between their private labours appear as what they are, i.e. they do not appear as direct social relations between persons in their work, but rather as material relations between persons and social relations between things" - Capital ch.1 sec.4
2. "Political economy has indeed analysed value and its magnitude... But it has never once asked the question why this content has assumed that particular form, that is to say, why labour is expressed in value, and why the measurement of labour by its duration is expressed in the magnitude of the value of the product" - Capital ch.1 sec.4
3. "The chapter in Capital entitled The Fetishism of Commodities and the Secret thereof seems to us one of the most important in the book, to which every student ought to pay special attention. It is precisely this chapter which has been most neglected by the opponents, and even by the supporters, of the Marxian doctrines... It is this fetishism which makes it difficult to perceive the peculiarities of the commodity, and, until its importance has been properly appreciated, it is impossible to reach a clear understanding of commodity-value" - Karl Kautsky, The Economic Doctrines of Karl Marx.
4. "Pre-bourgeois forms of the social organisation of production are treated by political economy in much the same way as the Fathers of the Church treated pre-Christian religions" - Capital ch.1 sec.4

## **Session 3, Tuesday 4 to 6 - Value-forms and money**

### Chapter 1, section 3, and chapters 2 and 3

1. "To show the origin of this money-form, we have to trace the development of the expression of value from its simplest, almost imperceptible outline to the dazzling money-form" - Capital, chapter 1, section 3.
2. "An important fact... prevented Aristotle from seeing that, to attribute value to commodities, is merely a mode of expressing all labour as equal human labour, and consequently as labour of equal quality. Greek society was founded upon slavery, and had, therefore, for its natural basis, the inequality of men and of their labour powers. The secret of the expression of value, namely, that all kinds of labour are equal and equivalent, because, and so far as they are human labour in general, cannot be deciphered, until the notion of human equality has already acquired the fixity of a popular prejudice. This, however, is possible only in a society in which the great mass of the produce of labour takes the form of commodities" - Capital, chapter 1, section 3
3. "Owen's 'labour money'... is no more 'money' than a theatre ticket is. Owen presupposes directly socialised labour, a form of production diametrically opposed to the production of commodities" -

Capital, chapter 3.

4. "When one commodity replaces another, the money-commodity always sticks to the hands of some third person. Circulation sweats money from every pore. Nothing can be more childish than the dogma, that because every sale is a purchase, and every purchase a sale, therefore the circulation of commodities necessarily implies an equilibrium of sales and purchases... No one is forthwith bound to purchase, because he has just sold" - Capital, ch.3.

#### **Session 4, Wednesday 11 to 1 - Capital and labour-power**

Chapters 4 to 6

1. "Use-values must therefore never be looked upon as the real aim of the capitalist; neither must the profit on any single transaction. The restless never-ending process of profit-making alone is what he aims at. This boundless greed after riches, this passionate chase after exchange-value, is common to the capitalist and the miser; but while the miser is merely a capitalist gone mad, the capitalist is a rational miser" - Capital, chapter 4.

2. "Living labour itself appears as alien vis-a-vis living labour capacity, whose labour it is, whose own life's expression it is, for it has been surrendered to capital... Labour capacity relates to its labour as an alien... Just as the worker relates to the product of his labour as an alien thing, so does he relate to... his own labour as an expression of his life, which, although it belongs to him, is alien to him and coerced from him... Capital is the existence of social labour" - Marx, Grundrisse.

3. "The worker cannot become rich in this exchange, since, in exchange for his labour capacity as a fixed, available magnitude, he surrenders its creative power, like Esau his birthright for a mess of pottage. Rather, he necessarily impoverishes himself... because the creative power of his labour establishes itself as the power of capital, as an alien power confronting him" - Marx, Grundrisse.

4. "This sphere... within whose boundaries the sale and purchase of labour-power goes on, is in fact a very Eden of the innate rights of man. There alone rule Freedom, Equality, Property and Bentham... On leaving this sphere of simple circulation... we think we can perceive a change in the physiognomy of our dramatis personae. He, who before was the money-owner, now strides in front as capitalist; the possessor of labour-power follows as his labourer. The one with an air of importance, smirking, intent on business; the other, timid and holding back, like one who is bringing his own hide to market and has nothing to expect but — a hiding" - Capital chapter 6.

#### **Session 5, Wednesday 1:30 to 3:30 - Interlude: Wages, Price, and Profit**

1. "If in one country the rate of wages is higher than in another, in the United States, for example, than in England, you must explain this difference... The will of the capitalist is certainly to take as much as possible. What we have to do is not to talk about his will, but to enquire into his power, the limits of that power, and the character of those limits" - WPP.

2. [With a rise in wages] "the consequent rise in the rate of profit in some, and the consequent fall in the rate of profit in other branches of industry will produce a change in the distribution of capital and labour, going on until the supply is brought up to the increased demand in the one department of industry, and brought down to the diminished demand in the other departments of industry... The general rise in the rate of wages will ultimately result in nothing else but a general fall in the rate of profit" - WPP.

3. "The English factory operatives, miners, shipbuilders, and so forth, whose labour is relatively high-priced, undersell by the cheapness of their produce all other nations; while the English agricultural labourer... whose labour is relatively low-priced, is undersold by almost every other nation because of the dearness of his produce. By comparing article with article in the same country, and the commodities of different countries, I might show, apart from some exceptions more apparent than real, that on an average the high-priced labour produces the low-priced, and low priced labour produces the high-priced commodities" - WPP.

4. "An immense scale of variations is possible [in profit rates]. The fixation of its actual degree is only settled by the continuous struggle between capital and labour... The matter resolves itself into a question of the respective powers of the combatants... [If workers did not press for higher wages when they can] by cowardly giving way in their everyday conflict with capital, they would certainly disqualify themselves for the initiating of any larger movement" - WPP.

## **Session 6, Wednesday 4 to 6 - The working day**

Capital chapters 7-11

1. "Our capitalist... exclaims: 'Oh! but I advanced my money for the express purpose of making more money'. The way to Hell is paved with good intentions, and he might just as easily have intended to make money, without producing at all... He tries persuasion. 'Consider my abstinence; I might have played ducks and drakes with the 15 shillings; but instead of that I consumed it productively, and made yarn with it'. Very well, and by way of reward he is now in possession of good yarn instead of a bad conscience" - Capital ch.7

2. "It is every bit as important, for a correct understanding of surplus-value, to conceive it as a mere congelation of surplus labour-time, as nothing but materialised surplus-labour, as it is, for a proper comprehension of value, to conceive it as a mere congelation of so many hours of labour, as nothing but materialised labour. The essential difference between the various economic forms of society, between, for instance, a society based on slave-labour, and one based on wage-labour, lies only in the mode in which this surplus-labour is in each case extracted from the actual producer, the labourer" - Capital ch.9

3. "For protection... the labourers must put their heads together, and, as a class, compel the passing of a law, an all-powerful social barrier that shall prevent the very workers from selling, by voluntary contract with capital, themselves and their families into slavery and death. In place of the pompous

catalogue of the 'inalienable rights of man' comes the modest Magna Charta of a legally limited working-day, which shall make clear 'when the time which the worker sells is ended, and when his own begins'" - Capital ch.10

4. "Life for [the worker] begins where this activity [labour] ceases, at the table, at the tavern, in bed. The 12 hours' work... has no meaning for him as weaving, spinning, boring, and so on, but only as earnings, which enable him to sit down at a table, to take his seat in the tavern, and to lie down in a bed" - Marx, Wage Labour and Capital.

## **Session 7, Thursday 11 to 1 - The capitalist workplace**

Capital chapters 12-14

1. "The productive power developed by the labourer when working in co-operation, is the productive power of capital. This power is developed gratuitously, whenever the workmen are placed under given conditions, and it is capital that places them under such conditions. Because this power costs capital nothing, and because, on the other hand, the labourer himself does not develop it before his labour belongs to capital, it appears as a power with which capital is endowed by Nature – a productive power that is immanent in capital" - Capital, ch.13

2. "Co-operation itself appears to be a historical form peculiar to, and specifically distinguishing, the capitalist process of production. Just as the social productive power of labour that is developed by co-operation, appears to be the productive power of capital, so co-operation itself, contrasted with the process of production carried on by isolated independent labourers, or even by small employers, appears to be a specific form of the capitalist process of production. It is the first change experienced by the actual labour-process, when subjected to capital" - Capital, ch.13

3. "The collective labourer, formed by the combination of a number of detail labourers, is the machinery specially characteristic of the manufacturing period... Manufacture, therefore, develops a hierarchy of labour-powers, to which there corresponds a scale of wages. If, on the one hand, the individual labourers are appropriated and annexed for life by a limited function; on the other hand, the various operations of the hierarchy are parcelled out among the labourers" - Capital, ch.14

4. "It is very characteristic that the enthusiastic apologists of the factory system have nothing more damning to urge against a general organisation of the labour of society, than that it would turn all society into one immense factory" - Capital, ch.14

## Session 8, Thursday 1:30 to 3:30 - Developed capitalist industry

### Capital chapter 15

1. "By means of its conversion into an automaton, the instrument of labour confronts the labourer, during the labour-process, in the shape of capital, of dead labour, that dominates, and pumps dry, living labour-power... The special skill of each individual insignificant factory operative vanishes as an infinitesimal quantity before the science, the gigantic physical forces, and the mass of labour that are embodied in the factory mechanism and, together with that mechanism, constitute the power of the 'master'" - Capital, ch.15

2. "The production of luxuries increases... Entirely new branches of production, creating new fields of labour, are also formed, as the direct result either of machinery or of the general industrial changes brought about by it... Lastly, the extraordinary productiveness of modern industry, accompanied as it is by both a more extensive and a more intense exploitation of labour-power in all other spheres of production, allows of the unproductive employment of a larger and larger part of the working-class, and the consequent reproduction, on a constantly extending scale, of the ancient domestic slaves under the name of a servant class" - Capital, ch.15

3. "The social character inherent in its capitalistic form, dispels all fixity and security in the situation of the labourer... But if, on the one hand, variation of work at present imposes itself after the manner of an overpowering natural law, and with the blindly destructive action of a natural law... modern industry, on the other hand, through its catastrophes imposes the necessity of recognising, as a fundamental law of production, variation of work, consequently fitness of the labourer for varied work, consequently the greatest possible development of his varied aptitudes... Modern Industry, indeed, compels society, under penalty of death, to replace the detail-worker of today, grappled by life-long repetition of one and the same trivial operation, and thus reduced to the mere fragment of a man, by the fully developed individual, fit for a variety of labours, ready to face any change of production, and to whom the different social functions he performs, are but so many modes of giving free scope to his own natural and acquired powers" - Capital, ch.15

4. "[Machine industry] also generalises the direct opposition to this sway. While in each individual workshop it enforces uniformity, regularity, order, and economy, it increases by the immense spur which the limitation and regulation of the working-day give to technical improvement, the anarchy and the catastrophes of capitalist production as a whole, the intensity of labour, and the competition of machinery with the labourer... By maturing the material conditions, and the combination on a social scale of the processes of production, it matures the contradictions and antagonisms of the capitalist form of production, and thereby provides, along with the elements for the formation of a new society, the forces for exploding the old one" - Capital, ch.15

## **Session 9, Thursday 4 to 6 - Productive and unproductive labour. Forms of wages.**

Chapters 16-23

1. "That labourer alone is productive, who produces surplus-value for the capitalist, and thus works for the self-expansion of capital. If we may take an example from outside the sphere of production of material objects, a schoolmaster is a productive labourer when, in addition to belabouring the heads of his scholars, he works like a horse to enrich the school proprietor. That the latter has laid out his capital in a teaching factory, instead of in a sausage factory, does not alter the relation" - Capital ch.16

2. "The capitalist mode of production... arises and develops itself spontaneously on the foundation afforded by the formal subjection of labour to capital. In the course of this development, the formal subjection is replaced by the real subjection of labour to capital" - Capital, ch.16

3. "... the decisive importance of the transformation of value and price of labour-power into the form of wages, or into the value and price of labour itself. This phenomenal form, which makes the actual relation invisible, and, indeed, shows the direct opposite of that relation, forms the basis of all the juridical notions of both labourer and capitalist, of all the mystifications of the capitalistic mode of production, of all its illusions as to liberty, of all the apologetic shifts of the vulgar economists" - Capital, ch.19

4. "Piece-wage is the form of wages most in harmony with the capitalist mode of production" - Capital, ch.21

## **Session 10, Friday 11 to 1 - How capitalist production reproduces capitalist class relations**

Chapters 24-25 and 32

1. "Capitalist production, therefore, under its aspect of a continuous connected process, of a process of reproduction, produces not only commodities, not only surplus-value, but it also produces and reproduces the capitalist relation; on the one side the capitalist, on the other the wage labourer" - Capital, ch.23

2. "'I substitute', he [bourgeois economist Nassau Senior] proudly says, 'for the word capital, considered as an instrument of production, the word abstinence'. All the conditions for carrying on the labour process are suddenly converted into so many acts of abstinence on the part of the capitalist. If the corn is not all eaten, but part of it also sown - abstinence of the capitalist. If the wine gets time to mature - abstinence of the capitalist. The capitalist robs his own self, whenever he 'lends (!) the instruments of production to the labourer'... instead of eating them up, steam-engines, cotton, railways, manure, horses, and all; or as the vulgar economist childishly puts it, instead of dissipating 'their value' in luxuries... How the capitalists as a class are to perform that feat, is a secret that vulgar economy has hitherto obstinately refused to divulge. Enough, that the world still

jogs on, solely through the self-chastisement of this modern penitent of Vishnu, the capitalist" - Capital, ch.24

3. "Capital works on both sides at the same time. If its accumulation, on the one hand, increases the demand for labour, it increases on the other the supply of labourers by the 'setting free' of them, whilst at the same time the pressure of the unemployed compels those that are employed to furnish more labour, and therefore makes the supply of labour, to a certain extent, independent of the supply of labourers. The action of the law of supply and demand of labour on this basis completes the despotism of capital" - Capital, ch.25

4. "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 knell of capitalist private property sounds. The expropriators are expropriated" - Capital, ch.32

### **Session 11, Friday 1:30 to 3:30 - The origins of capitalism**

Chapters 26-31 and 33

1. "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" - Capital, ch.26

2. "We come across the first beginnings of capitalist production as early as the 14th or 15th century, sporadically, in certain towns of the Mediterranean... the capitalistic era dates from the 16th century. Wherever it appears, the abolition of serfdom has been long effected, and the highest development of the middle ages, the existence of sovereign towns, has been long on the wane" - Capital, ch.26

3. "The dull compulsion of economic relations completes the subjection of the labourer to the capitalist. Direct force, outside economic conditions, is of course still used, but only exceptionally... It is otherwise during the historic genesis of capitalist production. The bourgeoisie, at its rise, wants and uses the power of the state to 'regulate' wages, i.e., to force them within the limits suitable for surplus-value making, to lengthen the working-day..." - Capital, ch.28

4. "A systematical combination, embracing the colonies, the national debt, the modern mode of taxation, and the protectionist system... These methods depend in part on brute force, e.g., the colonial system. But, they all employ the power of the State, the concentrated and organised force of society, to hasten, hot-house fashion, the process of transformation of the feudal mode of production into the capitalist mode, and to shorten the transition. Force is the midwife of every old society pregnant with a new one. It is itself an economic power" - Capital, ch.31

## Session 12, Friday 4 to 6 - Marx's political economy vs orthodox economics

Discussion points from Jevons.

1. Value is decided by marginal utility (the utility of the last extra bit of a commodity consumed), not by labour-time. The more apples (or diamonds) are produced, the more people get to the point where they really would prefer lots of other things to more apples (or diamonds), and the lower the average 'marginal utility' of apples falls. When it falls as low as the cost of production, then supply equals demand, and marginal utility equals cost of production equals price.
2. The production of wealth needs land, labour and capital, not just labour.
3. The owner of each factor of production - land, labour, or capital - must be paid for his factor's contribution to production. How much they are paid is determined by supply and demand, not by any process of exploitation.
4. "A capitalist, then, must have some inducement for running into these disagreeable risks; by lending his capital to the government he might get interest for it, and be nearly sure not to lose. If, then, he puts it into trade, and runs the risk of loss, he must have a recompense for the risk. This ought to be at least enough to make the profits of the successful business balance the losses of the unfortunate ones, so that on the average capitalists will get the interest of capital and the wages of superintendence free from loss. We may say, then, that: profit = wages of superintendence + interest + recompense for risk"