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FREDERICK ENGELS

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Now we know where Bastiat learnt his lesson,[a] I nearly said his "Schmalz".

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[a] The German phrase used by Marx here contains the word *Fett* (English, fat), making a word play with the name Schmalz (fat or grease).— *Ed.*

FREDERICK ENGELS

[SYNOPSIS OF VOLUME ONE OF *CAPITAL* BY KARL MARX[180]]

only ideally, as *money of account* or measure of values. In so far as actual payments have to be made, it does not appear as a circulation medium, as only the vanishing and mediating form of interchange of matter, but as the individual embodiment of social labour, as the independent existence of exchange-value, as the *absolute commodity*. This *direct contradiction* breaks out in that moment of production and commercial crises *that is called a monetary crisis*. It occurs only where the progressing chain of payments, and an artificial system of settling them, are fully developed. With more general disturbances of this mechanism, no matter what their origin, money changes suddenly and immediately from its merely ideal shape of *money of account into hard cash*; profane commodities can no longer replace it. (P. 99.)

Credit money originates in the function of money as a means of payment; certificates of debt themselves circulate in turn to transfer these debts to others. With the system of credit the function of money as a means of payment again expands; in that capacity money acquires its own forms of existence, in which it occupies the sphere of large-scale commercial transactions, while coin is largely relegated to the sphere of retail trade. (P. 101.)

At a certain stage and volume of commodity production the function of money as a means of payment spreads beyond the sphere of circulation of commodities; it becomes the *universal commodity of contracts. Rents, taxes, and the like are transformed from payments in kind into money payments. Cf.* France under Louis XIV. (Boisguillebert[a] and Vauban)[182]; on the other hand, Asia, Turkey, Japan, etc. (P. 102.)

The development of money into a means of payment necessitates the accumulation of money against the date when payment is due. Hoarding which, as a distinct form of acquiring riches, vanished as society further developed, again appears as a reserve fund of the means of payment. (P. 103.)

c. World Money

In world trade the local forms of coin, small coinage, and tokens of value are discarded and only the bullion form of money is valid as *world money. Only in the world market does money function to the full extent as the commodity whose natural form* is *at the same time the immediate social materialisation of human labour in the abstract.* Its mode of existence becomes adequate to its concept. (P. 104; details p. 105.)

[a] A reference to P. Boisguillebert, "Dissertation sur la nature..." in *Économistes financiers du XVIII-e siècle,* Paris, 1843, pp. 413, 419 and 417.—*Ed.*

Chapter II

THE TRANSFORMATION OF MONEY INTO CAPITAL[a]

1. THE GENERAL FORMULA FOR CAPITAL

Commodity circulation is the starting point of capital. Hence commodity production, commodity circulation and the latter's developed form, commerce, are always the historical groundwork from which capital arises. The modern history of capital dates from the creation of modern world trade and the world market in the sixteenth century. (P. 106.)

If we consider only the economic forms produced by commodity circulation, we find that its final product is money, and the latter is the *first form in which capital appears.* Historically, capital invariably confronts landed property at first as *moneyed wealth,* merchant capital or usurer's capital, and even today all new capital first comes on the stage in the shape of *money* that by definite processes has to be transformed into capital.

Money as money and money as capital differ, to begin with, only in their **form** *of circulation.* Alongside *C—M—C,* the form *M—C—M,* buying in order to sell, also occurs. Money that describes this form of circulation in its movement *becomes* capital, is already capital in itself (i.e., by its destination).

The result of *M—C—M* is *M—M,* the indirect exchange of money for money. I buy cotton for £100 and sell it for £110; ultimately I have exchanged £100 for £110, money for money.

If this process yielded at its outcome the same money-value that was originally put into it, £100 out of £100, it would be absurd. Yet whether the merchant realises £100, £110, or merely £50 for

[a] This chapter corresponds to Part II of the 1887 English edition (Chapter IV.—The General Formula for Capital, Chapter V.—Contradictions in the General Formula of Capital, Chapter VI.—The Buying and Selling of Labour-Power).—*Ed.*

his £100, his money has described a specific movement quite different from that of commodity circulation, $C—M—C$. From the examination of the differences in form between this movement and $C—M—C$ the difference in content will also be found.

The two phases of the process taken separately are the same as in $C—M—C$. But there is a great difference in the process as a whole. In $C—M—C$ money constitutes the intermediary, the commodity the starting point and the finish; in this case the commodity is the intermediary, with money the starting point and the finish. In $C—M—C$ the money is spent once for all; in $M—C—M$ it is merely *advanced*, it is to be got back again. *It flows back to its starting point.* Here, therefore, is already a palpable difference between the circulation of money as money and money as capital.

In $C—M—C$ money can return to its starting point only through the *repetition of the whole process,* through the sale of *fresh* commodities. Hence the reflux is independent of the process itself. In $M—C—M$, on the other hand, it is conditioned from the outset by the structure of the process itself, which is incomplete if the reflux fails. (P. 110.)

The ultimate object of $C—M—C$ is use-value, that of $M—C—M$ *exchange-value itself.*

In $C—M—C$ both extremes possess the same definiteness of economic form. Both are *commodities,* and of *equal value.* But at the same time they are qualitatively different use-values, and the process has social interchange of matter as its content. In $M—C—M$ the operation, at first glance, seems tautological, meaningless. To exchange £100 for £100, and in a roundabout way to boot, seems absurd. One sum of money is distinguishable from another only by its *size*; $M—C—M$ acquires its meaning, therefore, only through the *quantitative difference* in the extremes. More money is withdrawn from circulation than has been thrown into it. The cotton bought for £100 is sold, say, for £100+£10; the process thus follows the formula $M—C—M'$, where $M'=M+\Delta M$. This ΔM, *this increment is* **surplus-value.** The value originally advanced not only *remains intact* in circulation, but adds to itself a surplus-value, *expands itself*—and *this movement* **converts money into capital.**

In $C—M—C$ there may also be a difference in the value of the extremes, but it is purely accidental in this form of circulation, and $C—M—C$ does not become absurd when the extremes are equivalent—on the contrary, this is rather the necessary condition for the normal process.

The repetition of $C—M—C$ is regulated by an ultimate object outside itself: consumption, the satisfaction of definite needs. In $M—C—M$, on the other hand, the beginning and the end are the same, money, and that already makes the movement endless. Granted, $M+\Delta M$ differs quantitatively from M, but it too is merely a *limited* sum of money; if it were spent, it would no longer be capital; if it were withdrawn from circulation, it would remain stationary as a hoard. Once the need for expansion of value is given, it exists for M' as well as for M, and the movement of capital is boundless, because its goal is as much unattained at the end of the process as at the beginning. (Pp. 111-13.) As the representative of this process, the owner of money becomes a *capitalist.*

If in commodity circulation the exchange-value attains at most a form independent of the use-value of a commodity, *it suddenly manifests itself here as a substance in process, endowed with motion of its own, for which commodity and money are mere forms. More than that, as original value it is differentiated from itself as surplus-value.* It becomes money in process, and as such, capital. (P. 116.)

$M—C—M'$ appears indeed to be a form peculiar to merchant capital alone. But industrial capital, too, is money which is converted into commodities, and by the latter's sale reconverted into more money. Acts that take place *between purchase and sale, outside the sphere of circulation,* effect no change in this. Lastly, in interest-bearing capital, the process appears directly as $M—M'$, value that is, as it were, greater than itself. (P. 117.)

2. CONTRADICTIONS IN THE GENERAL FORMULA

The form of circulation by which money becomes capital contradicts all previous laws bearing on the nature of commodities, of value, of money and of circulation itself. Can the purely formal difference of inverted sequence cause this?

What is more, this inversion exists only for one of the three transacting persons. As a capitalist I buy commodities from A and sell them in turn to B. A and B appear merely as simple buyer and seller of commodities. In each of the two cases I confront them merely as a simple owner of money or owner of commodities, confronting one as buyer or money, the other as seller or commodity, but neither of them as a capitalist or a representative of something that is more than money or commodity. For A the transaction began with a *sale*; for B it ended with a *purchase,* hence, just as in commodity circulation. Moreover, if I base the right to surplus-value upon the inverted sequence, *A* could sell to *B directly* and the chance of surplus-value would be eliminated.

Assume that *A* and *B* buy commodities from each other directly. As far as *use-value* is concerned, *both* may profit; *A* may even produce more of his commodity than *B* could produce in the same time, and *vice versa,* whereby both would profit again. But otherwise with *exchange-value.* Here *equal values* are exchanged for each other, even if money, as the medium of circulation, intervenes. (P. 119.)

Abstractly considered, only a *change in form* of the commodity takes place in simple commodity circulation, if we except the substitution of one use-value for another. So far as it involves only a change in form of its exchange-value, it involves the *exchange of equivalents,* if the phenomenon proceeds in a *pure* form. Commodities can, indeed, be sold at prices differing from their values, but only when the law of commodity exchange is violated. In its pure form it is an exchange of equivalents, hence no medium for enriching oneself. (P. 120.)

Hence the error of all endeavours to derive surplus-value from commodity circulation. Condillac[a] (p. 121), Newman[b] (p. 122).

But let us assume that the exchange does not take place in a pure form, that *non-equivalents are exchanged.* Let us assume that each seller sells his commodity at 10 per cent above its value. Everything remains the same; what each one gains as a seller, he loses in turn as a buyer. Just as if the value of money had changed by 10 per cent. Likewise if the *buyers* bought everything at 10 per cent *below* value. (P. 123, Torrens.[c])

The assumption that surplus-value arises from a rise in prices presupposes that a class exists which *buys and does not sell,* i.e., **consumes and does not produce,** which constantly receives money *gratis.* To sell commodities above their value to this class means merely to get back, by cheating, part of the money given away gratis (Asia Minor and Rome). Yet the seller always remains the cheated one and cannot grow richer, cannot form surplus-value thereby.

[a] E. B. Condillac, "Le commerce et le gouvernement" (1776) in *Mélanges d'économie politique,* Paris, 1847, pp. 267 and 290-91.—*Ed.*

[b] S. P. Newman, *Elements of Political Economy,* Andover and New York, 1835, p. 175.—*Ed.*

[c] R. Torrens, *An Essay on the Production of Wealth,* London, 1821, p. 349.—*Ed.*

Let us take the case of **cheating.** *A* sells to *B* wine worth £40 in exchange for grain worth £50. *A* has gained £10. But *A* and *B* together have only 90. *A* has 50 and *B* only 40; value has been transferred but not *created.* The capitalist class, as a whole, in any country cannot cheat itself. (P. 126.)

Hence: if equivalents are exchanged, no surplus-value results; and if non-equivalents are exchanged, still no surplus-value results. Commodity circulation creates no new value.

That is why the oldest and most popular forms of capital, merchant capital and usurers' capital, are not considered here. If the expansion of merchant capital is not to be explained by mere *cheating,* many intermediate factors, lacking here as yet, are required. Even more so for usurers' and interest-bearing capital. It will later be seen that both are derived forms, and why they occur historically *before* modern capital.

Hence surplus-value cannot originate in circulation. But outside it? Outside it the commodity owner is the simple producer of his commodity, the value of which depends upon the quantity of his own labour contained in it, measured according to a definite social law; this value is expressed in money of account, e.g., in a price of £10. But this value is not at the same time a value of £11; his labour creates values, but not self-expanding values. It can add more value to existing value, but this occurs only through the addition of *more labour.* Thus the commodity producer *cannot produce surplus-value outside the sphere of circulation* without coming in contact with other commodity owners.

Hence capital must originate **in** commodity circulation and yet **not in** it. (P. 128.)

Thus: the transformation of money into capital has to be explained on the basis of the laws inherent in the exchange of commodities, the exchange of equivalents forming the starting point. Our owner of money as yet the mere chrysalis of a capitalist, has to buy his commodities at their value, to sell them at their value, and yet at the end of this process to extract more value than he put into it. His development into a butterfly must take place in the sphere of circulation and yet not in it. These are the conditions of the problem. *Hic Rhodus, hic salta!*[a] (P. 129.)

[a] "Here is Rhodes, leap here!" (figuratively meaning: here is the main point, now show us what you can do!)—words addressed to a Swaggerer in a fable by Aesop, "The Boasting Traveller" who claimed that he had made tremendous leaps in Rhodes.—*Ed.*

3. THE BUYING AND SELLING OF LABOUR-POWER

The change in value of money that is to be converted into capital cannot take place in money itself, for in buying, it merely realises the price of the commodity, and on the other hand, as long as it *remains money,* it does not change the magnitude of its value; and in selling, too, it merely converts the commodity from its natural form into its money-form. The change must, therefore, take place in the *commodity* of $M—C—M$; but not in its *exchange-value,* since equivalents are exchanged; it can only arise from its *use-value as such,* that is, from its *consumption.* For that purpose a commodity is required *whose use-value possesses the property of being the source of exchange-value*—and this does exist—**labour-power.** (P. 130.)

But for the owner of money to find labour-power in the market as a *commodity,* it must be sold by its own possessor, that is, it must be **free** labour-power. Since buyer and seller as contracting parties are both *juridically equal* persons, labour-power must be sold only *temporarily,* since in a sale *en bloc* the seller no longer remains the seller, but becomes a commodity himself. But then the owner, instead of being able to sell *commodities* in which his labour is embodied, must rather be in a position where he has to sell **his labour-power itself as a commodity.** (P. 131.)

For the conversion of his money into capital, therefore, the owner of money must find in the commodity market the *free* labourer, free in the double sense that as a free man he can dispose of his labour-power as *his* commodity and that, on the other hand, he has no *other* commodities to sell, has got rid of, is free of all *things* necessary for the realisation of his labour-power. (P. 132.)

Parenthetically, the relation between money owner and labour-power owner is not a natural one, or a social one common to all ages, but a *historical* one, the product of many economic revolutions. So, too, do the economic categories considered up to now bear their historical stamp. To become a commodity, a product must no longer be produced as the immediate means of subsistence. The mass of products can assume commodity-form only *within a specific mode of production,* the *capitalist mode,* although commodity production and circulation can take place even where the mass of products never become commodities. Likewise, money can exist in all periods that have attained a certain level of commodity circulation; the specific money-forms, from mere equivalent to world money, presuppose various stages of development; nevertheless, a very slightly developed circulation of commodities can give rise to all of them. *Capital,* on the other hand, arises only under the above condition, and this one condition comprises a world's history. (P. 133.)

Labour-power has an exchange-value which is determined, like that of all other commodities, by the labour-time required for its production, and hence for its reproduction as well. The value of labour-power is the value of the means of subsistence necessary for the maintenance of its owner, that is, his maintenance in a state of normal capacity for work. This depends upon *climate, natural conditions,* etc., and also on the given *historical* STANDARD OF LIFE in each country. These vary, but they are *given* for each particular country and for each particular epoch. Moreover, his maintenance includes the means of subsistence for his *substitutes,* i.e., his *children,* in order that the race of these peculiar commodity owners may perpetuate itself. Furthermore, for skilled labour, the cost of *education.* (P. 135.)

The minimum limit of the value of labour-power is the value of *the physically indispensable means of subsistence.* If the price of labour-power falls to this minimum, it falls below its *value,* since the latter presupposes *normal,* not stunted, quality of labour-power. (P. 136.)

The nature of labour implies that labour-power is consumed only *after* conclusion of the contract, and, as money is usually the *means of payment* for such commodities in all countries with the capitalist mode of production, the labour-power is paid for only after it is *consumed.* Everywhere, therefore, *the labourer gives credit to the capitalist.* (Pp. 137, 138.)

The process of consuming labour-power is at the same time *the process of producing commodities and surplus-value* and this consumption takes place outside *the sphere of circulation.* (P. 140.)

Chapter III

THE PRODUCTION OF ABSOLUTE SURPLUS-VALUE[a]

1. THE LABOUR PROCESS AND THE PROCESS OF PRODUCING SURPLUS-VALUE

The purchaser of labour-power consumes it by setting its seller to work. This labour to produce commodities at first turns out use-values, and in this property it is independent of the specific relation between capitalist and labourer... Description of the labour process as such. (Pp. 141-49.)

The labour process, on a capitalist basis, has two peculiarities. 1. The labourer works under the capitalist's control. 2. The product is the capitalist's property, since the labour process is now only a process between two *things* purchased by the capitalist: labour-power and means of production. (P. 150.)

But the capitalist does not want the use-value produced *for its own sake,* but only as the depository of exchange-value and especially of *surplus-value.* Labour under this condition—where the commodity was a unity of use-value and exchange-value—becomes

[a] This chapter corresponds to Part III of the 1887 English edition (Chapter VII.—The Labour-Process and the Process of Producing Surplus-Value, Chapter VIII.—Constant Capital and Variable Capital, Chapter IX.—The Rate of Surplus-Value, Chapter X.—The Working-Day, Chapter XI.—Rate and Mass of Surplus-Value).—*Ed.*

the *unity of the production process and of the process of creating value.* (P. 151.)

Thus the quantity of labour objectified in the product is to be investigated.

Yarn, for example. Let 10 lbs. of cotton be necessary for making it, say 10 shillings, and instruments of labour, whose wear and tear are inevitable in the spinning—here denoted in brief as spindle share—say 2 shillings. Thus, there are 12 shillings' worth of means of production in the product, i.e., inasmuch as 1) the product has become *an actual use-value,* in this case yarn; and 2) *only* the socially necessary labour-time was represented in these instruments of labour. How much is added to it by the labour of spinning?

Thus, the labour process is here viewed from an altogether different angle. In the value of the product the labours of the cotton-planter, of the spindle-maker, etc., and of the spinner, are commensurable, qualitatively equal parts of general, human, necessary *value-creating* labour, and therefore distinguishable only quantitatively, and for that very reason *quantitatively comparable* by the length of time, presupposing that it is *socially necessary* labour-time, for only the latter is value-creating.

Assumed the value of a day's labour-power is 3 shillings, and that it represents 6 hours of labour, that $1\,^2/_3$ lbs. of yarn are made per hour, hence in 6 hours: 10 lbs. of yarn from 10 lbs. of cotton (as above); then 3 shillings of value have been added in 6 hours, and the value of the product is 15 shillings (10+2+3 shillings) or a shilling and a half per pound of yarn.

But in this case there is no surplus-value. This is of no use to the capitalist. (Vulgar-economic humbug,[183] p. 157.)

We assumed that the value of a day's labour-power was 3 shillings, because $^1/_2$ working-day, or 6 hours, is incorporated in it. *But* the fact that *only $^1/_2$ working-day is required to maintain the worker for 24 hours does not in any way prevent him from working a whole day.* The *value* of labour-power and *the value it creates* are two different quantities. Its *useful* property was only a *conditio sine qua non;* but what was decisive was the *specific* use-value of labour-power *in being the source of more exchange-value than it has itself.* (P. 159.)

Hence, the labourer works 12 hours, spins 20 lbs. of cotton worth 20 shillings and 4 shillings' worth of spindles, and his labour costs 3 shillings: total—27 shillings. But in the product there are embodied: four days' labour in the shape of spindles and cotton, and one day's labour of the spinner, in all five days at 6 shillings totalling *30 shillings' value of product. We have a surplus-value of 3 shillings: money has been converted into capital.* (P. 160.) All the conditions of the problem are fulfilled. (Details p. 160.)

As a value-creating process, the labour process becomes a *process of producing surplus-value* the moment it is *prolonged beyond* the point where it delivers a simple *equivalent* for the paid-for value of labour-power.

The value-creating process differs from the simple labour process in that the latter is considered *qualitatively,* the former *quantitatively,* and only to the extent that it comprises socially necessary labour-time. (P. 161, details p. 162.)

As the unity of labour process and *value-creating* process, the production process is the *production of commodities;* as the unity of labour process and the process *of producing surplus-value* it is the *process of capitalist production of commodities.* (P. 163.)

Reduction of complex labour to simple labour. (Pp. 163-65.)

2. CONSTANT AND VARIABLE CAPITAL

The labour process adds *new* value to the object of labour, but at the same time it *transfers* the value of the object of labour to the product, thus *preserving* it by merely adding new value. This double result is attained in this manner: the *specifically useful qualitative character* of labour converts one use-value into another use-value and *thus preserves value*; the *value-creating, abstractly general, quantitative character* of labour, however, *adds value.* (P. 166.)

E.g., let the productivity of spinning labour multiply sixfold. As *useful* (qualitative) labour it *preserves* in the same period of time six times as many instruments of labour. But it adds only the same *new* value as before, i.e., in each pound of yarn there is only $^1/_6$ of the new value previously added. As *value-creating* labour it accomplishes no more than before. (P. 167.) Conversely, if the productivity of spinning labour remains the same, but the value of the instruments of labour rises. (P. 168.)

The instruments of labour transfer to the product only *that* value which they *lose themselves.* (P. 169.) This is the case in differing degree. Coal, LUBRICANTS, etc., are consumed completely, raw materials take on a new form. Instruments, machinery, etc., transmit value only slowly and by parts, and the wear and tear are calculated by experience. (Pp. 169-70.) But the instrument remains continually *as a whole* in the labour process. Therefore, the same instrument counts *as a whole in the labour process* but only partly in the *process of producing surplus-value,* so that the difference between the two processes is reflected here in material factors. (P. 171.) Conversely, the raw material, which forms waste, enters wholly into the process of producing surplus-value, and only [partly] into the labour process, since it appears in the product minus the waste. (P. 171.)

But in no case can an instrument of labour transfer *more* exchange-value than it possessed itself—in the labour process it acts only as a use-value and hence can give only the exchange-value that it possessed previously. (P. 172.)

This preserving of value is very advantageous to the capitalist but costs him nothing. (Pp. 173, 174.)

Yet the preserved value *only reappears,* it was already present, and only the labour process *adds new value.* That is, in capitalist production, *surplus-value, the excess of the product's value over the value of the consumed elements of the product* (means of production and labour-power). (Pp. 175, 176.)

Herewith have been described the forms of existence which the original capital value takes on in dropping its money-form, in being converted into factors of the labour process: (1) in the purchase of *instruments of labour;* (2) in the purchase of *labour-power.*

The capital invested in *instruments* of labour does *not* therefore alter the magnitude of its value in the production process. We call it *constant capital.*

The portion invested in labour-*power does change* its value; it produces: 1) its *own* value, and 2) *surplus-value*—it is *variable capital.* (P. 176.)

(Capital is *constant* only in relation to the production process specifically given, in which it does not change; it can consist sometimes of more, sometimes of fewer instruments of labour, and the purchased instruments of labour may rise or fall in value, but that does not affect their relationship to the production process. P. 177. Likewise, the percentage in which a given capital is subdivided into constant and variable capital may change, but in any given case the c remains constant and the v variable. P. 178.)

3. THE RATE OF SURPLUS-VALUE

$C=£500=\overset{c}{410}+\overset{v}{90}$. At the end of the labour process in which v is turned into labour-power we get $\overset{c}{410}+\overset{v}{90}+\overset{s}{90}=590$. Let us assume c consists of 312 raw material, 44 auxiliary material, and 54 wear and tear of machinery, in all 410. Let the value of *all* the machinery be 1,054. If this were entered as a *whole,* we would get 1,410 for c on both sides of our calculation; the surplus-value would remain 90 as before. (P. 179.)

Since the value of c merely *re-appears* in the product, the *value of the product* we get differs from the *value* created in the process; the latter, therefore, equals not $c+v+s$, but $v+s$. Hence the magnitude of c is immaterial to the process of producing surplus-value, i.e., $c=o$. (P. 180.) This also takes place in practice in commercial accounting, e.g., in calculating a country's profit from its industry, imported raw material is deducted. (P. 181.) *Cf.* Vol. III[184] for the ratio of surplus-value to total capital.

Hence: the rate of surplus-value is $s:v$, in the above case 90:90=100%.

The labour-time during which the labourer reproduces the value of his labour-power—under capitalist or other conditions—is the *necessary* labour;what goes beyond that,producing surplus-value for the capitalist, *surplus-labour.* (Pp. 183, 184.) Surplus-value is congealed surplus-labour, and only the *form of extorting* it differentiates the various social formations.

Examples of the incorrectness of including c, pp. 185-96. (*Senior.*)[a]

The sum of the necessary labour and the surplus-labour equals the *working day.*

4. THE WORKING DAY

The *necessary* labour-time is *given.* The *surplus*-labour is *variable,* but within certain limits. It can never be reduced to nil, since then capitalist production ceases. It can never go as high as 24 hours for physical reasons, and, moreover, the maximum limit is always affected by moral grounds as well. But these limits are very elastic. The economic demand is that the working-day should be no

[a] N. W. Senior, *Letters on the Factory Act,* London, 1837, pp. 12 and 13.—*Ed.*

longer than for normal wear and tear of the worker. But what is *normal?* An antinomy results and only force can decide. Hence the struggle between the working class and the capitalist class for the *normal working day.* (Pp. 198-202.)

Surplus-labour in earlier social epochs. As long as the exchange-value is not more important than the use-value, surplus-labour is milder, e.g., among the ancients; only where direct exchange-value—gold and silver—was produced, surplus-labour was terrible. (P. 203.) Likewise in the slave states of America until the mass production of cotton for export. Likewise *corvée* labour, e.g., in Romania.

Corvée labour is the best means of comparison with capitalist exploitation, because the former fixes and shows the surplus-labour as a specific labour-time to be performed—*Règlement organique*[185] of Wallachia. (Pp. 204-06.)

The English FACTORY ACTS are negative expression of the greed for surplus-labour, just as the foregoing was its positive expression.

The FACTORY ACTS. That of 1850—(p. 207). $10\,^1/_2$ hours and $7\,^1/_2$ on Saturdays=60 hours per week. Millowners' profit through evasion. (Pp. 208-11.)

Exploitation in unrestricted or only later restricted branches: *lace industry* (p. 212), POTTERIES (p. 213), *lucifer matches* (p. 215), *wall-paper* (pp. 215-17), *baking* (pp. 217-22), *railway employees* (p. 223), *seamstresses* (pp. 223-25), *blacksmiths* (p. 226), *day and night workers* IN SHIFTS: (a) *metallurgy and the metal industry* (pp. 227-36).

These facts prove that capital regards the labourer as nothing else than *labour-power,* all of whose time is labour-time as far as this is at all possible at a given moment, and that the length of life of labour-power is immaterial to the capitalist. (Pp. 236-38.) But is this not against the interests of the capitalist? What about the replacement of what is rapidly worn out? The organised slave trade in the interior of the United States has raised the rapid wearing out of slaves to an economic principle, exactly like the supply of labourers from the rural districts in Europe, etc. (P. 239.) POORHOUSE SUPPLY. (P. 240.) The capitalist sees only the continuously available surplus-population and wears it out. Whether the race perishes—*après moi le déluge.*[a] *Capital is reckless of the health and length of life of the labourer, unless it is forced by society to*

[a] After me the deluge—the words attributed to Louis XV of France and Mme. de Pompadour.—*Ed.*

show consideration ... and free competition makes the inherent laws of capitalist production hold good as external coercive laws for every individual capitalist. (P. 243.)

Establishment of *a normal working day—the result of centuries of struggle between capitalist and worker.*

At the beginning laws were made to *raise* working-time; now to lower it. (P. 244.) The first STATUTE OF LABOURERS, 23rd Edward III, 1349, was passed under the pretext that the plague had so decimated the population that everyone had to do more work. Hence maximum wages and limit of the working day were fixed by law. In 1496, under Henry VII, the working day of agricultural labourers and all ARTIFICERS continued from 5 a.m. to between 7 and 8 p.m. in summer—March to September, with 1 hour, $1^1/_2$ hours and $^1/_2$ hour, in all 3 hours' break. In winter it was from 5 a.m. to dark. This statute was never strictly enforced. In the 18th century the *whole* week's labour was not yet available to capital (with the exception of agricultural labour). *Cf.* controversies of that time. (Pp. 248-51.) Only with modern large-scale industry was this, and more, achieved; it broke down *all* bounds and exploited the workers most shamelessly. The proletariat resisted as soon as it recovered consciousness. The five acts of 1802-33 were only nominal, since there were no inspectors. Only the Act of 1833 created a normal working day in the four textile industries: from 5.30 a.m. to 8.30 p.m., during which time YOUNG PERSONS from 13 to 18 years of age could be employed only 12 hours with $1^1/_2$ hours' pause, children from 9 to 13 years of age only 8 hours, while night work of children and YOUNG PERSONS was prohibited. (Pp. 253-55.)

The *relay system* and its abuse for purposes of evasion. (P. 256.) Finally, the Act of 1844 which put *women of all ages* on the same basis as YOUNG PERSONS. Children limited to $6^1/_2$ hours; the relay system curbed. On the other hand, children permitted from *8 years* on. At last in 1847 the *ten-hour bill* forced through for women and YOUNG PERSONS. (P. 259.) The capitalists' efforts against it. (Pp. 260-68.) A FLAW in the Act of 1847 led to the compromise Act of 1850 (p. 269), which fixed the working day for YOUNG PERSONS and WOMEN—5 days of $10^1/_2$, 1 day of $7^1/_2$=60 hours per week, and that *between 6 a.m. and 6 p.m.* Otherwise the Act of 1847 in force for children. The exception for the silk industry. (P. 270.) In 1853 the working-time *for children* also limited to between 6 a.m. and 6 p.m. (P. 272.)

PRINTWORKS ACT in 1845 limits almost nothing—children and women can work 16 hours!

Bleaching and dyeing works 1860. Lace factories 1861; potteries and many other branches 1863 (under the Factory Act, special acts passed the same year for bleaching in the open air and baking). (P. 274.)

Large-scale industry thus at first creates the need for limiting working-time, but it is later found that the same overwork has gradually taken possession of all other branches as well. (P. 277.)

History further shows that the *individual* "free" labourer is defenceless against the capitalist and succumbs, especially with the introduction of women's and children's labour, so that it is here that the class struggle develops between the workers and the capitalists. (P. 277.)

In France, the twelve-hour day law for all ages and branches of work was passed only in 1848. (*Cf.*, however, p. 253, footnote on the French child labour law of 1841, which was really enforced only in 1853, and then only in the *Département du Nord.*) Complete "freedom of labour" in Belgium. The eight-hour movement in America. (P. 279.)

Thus, the labourer comes out of the production process quite different than he entered. The labour contract was not the act of a *free agent*; the time for which he *is free* to sell his labour[-power] is the time for which he *is forced* to sell it, and only the *mass* opposition of the workers wins for them *the passing of a law* that shall prevent the workers from selling, by voluntary contract with capital, themselves and their generation into slavery and death. In place of the pompous catalogue of the inalienable rights of man comes the modest *Magna Charta* of the Factory Act. (Pp. 280, 281.)

5. RATE AND MASS OF SURPLUS-VALUE

With the *rate*, the *mass* is also given. If the daily value of *one* labour-power is 3 shillings, and the rate of surplus-value is 100 per cent, its daily mass=3 shillings for one labourer.

I. Since the *variable capital* is the money expression of the value of *all* the labour-powers simultaneously employed by one capitalist, the *mass* of the surplus-value produced by them is equal to the variable capital multiplied by the rate of surplus-value. Both factors can vary, different combinations thus arising. The *mass* of surplus-value can grow, even with decreasing variable capital, if the rate rises, that is, if the working day is *lengthened.* (P. 282.)

II. This increase in the rate of surplus-value has its *absolute limit* in that the working day can never be prolonged to the full 24 hours; hence the total value of *one* worker's daily production can *never* equal the value of 24 working hours. Thus, in order to obtain the *same* mass of surplus-value, variable capital can be replaced by increased exploitation of labour only *within these limits.* This is important for the explanation of various phenomena arising from the contradictory tendency of capital: (1) to *reduce* the variable capital and the number of workers employed; and (2) to produce the greatest possible mass of surplus-value nonetheless. (Pp. 283, 284.)

III. The masses of value and surplus-value produced by different capitals, with the given value and equally high degree of exploitation of labour-power, *are related directly as the magnitudes of the variable components of these capitals.* (P. 285.) This seems to contradict all facts.

For a given society and a given working day, surplus-value can be increased only by increasing the number of workers, i.e., the population; with a given number of workers, only by lengthening the working day. This is important, however, only for *absolute* surplus-value.

It now turns out that not *every* sum of money can be transformed into capital—that a minimum exists: the cost price of *a single* labour-power and of the necessary instruments of labour. In order to be able to live *himself* like a worker, the capitalist would have to have two workers, with a rate of surplus-value of 50 per cent, and yet save nothing. Even with eight he is still a small master. Hence, in the Middle Ages people were forcibly hampered in transformation from craftsmen into capitalists by limitation of the number of journeymen to be employed by one master. The minimum of wealth required to form a real capitalist varies in different periods and branches of business. (P. 288.)

Capital has evolved into *command over labour,* and sees to it that work is done regularly and intensively. Moreover, it *compels* the workers to do more work than is necessary for their sustenance; and in pumping out surplus-value it surpasses all earlier production systems based upon *direct* compulsory labour.

Capital took over labour with the given technical conditions, and at first does not change them. Hence, with the production process considered as a *labour process,* the worker stands in relation to the means of production not as to capital, but as to the means of his own appropriate activity. But, considered as a process of *creating surplus-value,* otherwise. The means of production become means

of *absorbing the labour of others.* It is *no longer the worker who employs the means of production, but the means of production that employ the worker.* (P. 289.) Instead of being consumed *by him ... they consume him* as the leaven necessary to their own life-process, and the life-process of capital consists only in its movement *as value constantly multiplying itself....* The simple transformation of money into means of production transforms the latter into a *right by law* and a right by coercion *to the labour and surplus-labour of others.*