Does it require deep intuition to comprehend that man's ideas, views and conceptions, in one word, man's consciousness, changes with every change in the conditions of his material existence, in his social relations and in his social life?

What else does the history of ideas prove, than that intellectual production changes its character in proportion as material production is changed? The ruling ideas of each age have ever been the ideas of its ruling class.

When people speak of the ideas that revolutionize society, they do but express that fact, that within the old society, the elements of a new one have been created, and that the dissolution of the old ideas keeps even pace with the dissolution of the old conditions of existence.

When the ancient world was in its last throes, the ancient religions were overcome by Christianity. When Christian ideas succumbed in the eighteenth century to rationalist ideas, feudal society fought its death battle with the then revolutionary bourgeoisie. The ideas of religious liberty and freedom of conscience merely gave expression to the sway of free competition within the domain of knowledge.

"Undoubtedly," it will be said, "religious, moral, philosophical and juridicial ideas have been modified in the course of historical development. But religion, morality, philosophy, political science, and law, constantly survived this change."

"There are, besides, eternal truths, such as Freedom, Justice, etc., that are common to all states of society. But communism abolishes eternal truths, it abolishes all religion, and all morality, instead of constituting them on a new basis; it therefore acts in contradiction to all past historical experience."

What does this accusation reduce itself to? The history of all past society has consisted in the development of class antagonisms, antagonisms that assumed different forms at different epochs.

But whatever form they may have taken, one fact is common to all past ages, *viz.*, the exploitation of one part of society by the other. No wonder, then, that the social consciousness of past ages, despite all the multiplicity and variety it displays, moves within certain common forms, or general ideas, which cannot completely vanish except with the total disappearance of class antagonisms.

The communist revolution is the most radical rupture with traditional property relations; no wonder that its development involved the most radical rupture with traditional ideas.

But let us have done with the bourgeois objections to communism.

We have seen above, that the first step in the revolution by the working class, is to raise the proletariat to the position of ruling class, to win the battle of democracy.

The proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeoisie, to centralize all instruments of production in the hands of the state, *i.e.*, of the proletariat organized as the ruling class; and to increase the total productive forces as rapidly as possible.

Of course, in the beginning, this cannot be effected except by means of despotic inroads on the rights of property, and on the conditions of bourgeois production; by means of measures, therefore, which appear economically insufficient and untenable, but which, in the course of the movement, outstrip themselves, necessitate further inroads upon the old social order, and are unavoidable as a means of entirely revolutionizing the mode of production.

These measures will of course be different in different countries.

Nevertheless in most advanced countries, the following will be pretty generally applicable.

1. Abolition of property in land and application of all rents of land to public purposes.
2. A heavy progressive or graduated income tax.
3. Abolition of all right of inheritance.
4. Confiscation of the property of all emigrants and rebels.
5. Centralization of credit in the hands of the state, by means of a national bank with state capital and an exclusive monopoly.
6. Centralization of the means of communication and transport in the banks of the state.
7. Extension of factories and instruments of production owned by the state; the bringing into cultivation of waste-lands, and the improvement of the soil generally in accordance with a common plan.
8. Equal obligation of all to work. Establishment of industrial armies, especially for agriculture.
9. Combination of agriculture with manufacturing industries; gradual abolition of all the distinction between town and country, by a more equable distribution of the populace over the country.

10. Free education for all children in public schools. Abolition of children's factory labor in its present form. Combination of education with industrial production, etc.

When, in the course of development, class distinctions have disappeared, and all production has been concentrated in the hands of a vast association of the whole nation, the public power will lose its political character. Political power, properly so called, is merely the organised power of one class for oppressing another. If the proletariat during its contest with the bourgeoisie is compelled, by the force of circumstances, to organise itself as a class, if, by means of a revolution, it makes itself the ruling class, and, as such, sweeps away by force the old conditions of production, then it will, along with these conditions, have swept away the conditions for the existence of class antagonisms and of classes generally, and will thereby have abolished its own supremacy as a class.

In place of the old bourgeois society, with its classes and class antagonisms, we shall have an association, in which the free development of each is the condition for the free development of all.

Introduction to *Capital*

In this section, we turn to what many consider Marx's masterpiece of economic analysis: *Capital*. Here, we provide excerpts from two chapters: "Commodities" and "The General Formula for Capital."

In "Commodities," Marx explores the sources of "value" by asking what determines the worth or price of goods bought and sold on the market. In answering this question, Marx again borrowed from the work of Adam Smith to draw a distinction between "use-value" and "exchange-value." Use-value refers to the utility of a commodity or its ability to satisfy wants.[1] A commodity has use-value only if it is consumed or otherwise put to use. For instance, a one-legged stool cannot readily satisfy a person's desire to sit; therefore, it has no use-value for most individuals. The use-value of a commodity, however, does not determine its actual price; although the usefulness of a commodity may differ between individuals (maybe you really do prefer sitting on a one-legged stool), the cost of the good does not likewise change (we'll all pay the same price for it). Moreover, because use-value refers to the *qualities* of commodities—what they do—it cannot establish a *quantifiable* standard for measuring the price of goods. After all, how can one quantify and compare the usefulness of a lightbulb with that of a fork?

Exchange-value, on the other hand, does express equivalencies—how much of a given commodity (e.g., corn) it takes to equal the value of another commodity (e.g., iron). Because exchange-value is derived from trade, it cannot be a property inherent in the commodity itself. Instead, it is dependent on what goods are being exchanged. For instance, one DVD player might be exchanged fairly for one guitar, two jackets, or three CD burners. Thus, a DVD player has not one, but many exchange-values. But if different quantities of different commodities can nevertheless be equal in exchange-value, then the value of the commodities must be determined by something else separate from yet common to the commodities themselves.

[1]Marx explicitly excluded questions concerning the origins of "wants" as well as how commodities actually satisfied them. Some Marxist-inspired theorists, most notably those associated with the Frankfurt School, would later turn their attention to precisely such questions—that is, how the continued expansion of capitalism requires the production of "false" needs.

For Marx, this common "something else" is labor. In Marx's **labor theory of value** (which he appropriated from Adam Smith and David Ricardo), the value of an object is determined ultimately by the amount of labor time (hours, weeks, months, etc.) that it took to produce it. "Commodities, therefore, in which equal quantities of labour are embodied, or which can be produced in the same time, have the same value. . . . As values, all commodities are only definite masses of congealed labour-time" (Marx [1867] 1978:306). By equating the value of goods with labor time, Marx not only outlined the economic principles that purportedly guide exchange; he also unmasked the root source of exploitation inherent in capitalist production.

In a capitalist economy, those who do not own the means of production have no choice but to sell their labor power in order to survive. The worker's labor power is thus treated as a commodity exchanged, in this case, for a wage. But at what rate is the worker paid? What determines the exchange-value of labor? Like all other commodities, the value of labor power is a function of the amount of labor time necessary to produce itself. In other words, the value of labor power is equivalent to the costs incurred by the worker for food, clothing, shelter, training, and other goods necessary to ensure both the survival of his family and his return to work the next day.

However, the length of the working day exceeds the time needed on the job in order for the worker to reproduce his labor power. Say, for instance, that in six hours of work a laborer is able to produce for the capitalist the equivalent value of what he needs in order to support his family and return to work. Because the worker's wage is equal to the value of the goods necessary for his family's survival, he is paid, in this case, for six hours worth of labor. Yet, the capitalist employs the worker for a longer duration, say 12 hours a day. During these additional six hours, the worker produces surplus value for the capitalist. **Surplus value** is the difference between what workers earn for their labor and the price or value of the goods that they produce. Surplus value is thus the source of the capitalist's profit: the capitalist pays the worker less than the value of what she actually produces. Human labor is thus the one commodity that is exchanged for its value while being capable of producing more than its value.

To illustrate this concept more clearly, consider a simplified example of a furniture manufacturing plant employing 100 workers. A worker paid \$10.00 an hour to assemble tables would earn \$400 for a 40-hour workweek. Annually, the worker would earn \$20,800. This annual wage would barely keep a family of four out of poverty, to say nothing of attaining the "American Dream." On the other hand, let's assume the worker assembles 100 tables over the course of a year, each sold on the market for \$300. The worker thus generates \$30,000 for the owner of the plant. The nearly \$10,000 difference between wages earned and money generated is appropriated by the capitalist both to reinvest in her business and to support her own family. While this may not seem like a significant difference, recall that the plant employs 100 workers, each of whose labor produces roughly \$30,000 in sales. Now the owner is appropriating nearly \$1 million in surplus value over the course of only one year, while the workers, whose labor produced the goods sold on the market for a profit, cling with their families to a near-poverty existence.

Additionally, private ownership of the means of the production allows the owner to control the production process and appropriate the products, thus enabling him to take this profit solely for himself. In turn, surplus value is also the source of the capitalists' **exploitation** of the worker because the worker gives more than is given in return without having any voice in this relationship of exchange.

In his effort to increase his profit and market share, the capitalist has two principal means at his disposal: increasing "absolute" or increasing "relative" surplus value. He can increase his *absolute surplus value* by extending the working day. The increase in hours on the job, in turn, increases the productivity of his workforce. With wages remaining constant, greater productivity yields higher profits for the capitalist. During Marx's time, 12- and 14-hour working days were not uncommon, and capitalists routinely opposed legislation aimed at reducing laborers' hours.

Capitalists can also increase their *relative surplus value.* This stems from increasing the productivity of labor by instituting timesaving procedures. With a decrease in the time and thus the cost of production, a capitalist is able to undersell competitors and capture a larger share of the market. For instance, production efficiency can be improved as capitalists specialize their labor force by reorganizing workers and the allocation of tasks. Specialization simplifies a worker's role in the production process so that, rather than performing a variety of tasks, his contribution is reduced to one or two operations. Often this entails adopting an assembly line system of manufacturing such as Henry Ford did when he revolutionized the automobile industry in the early twentieth century. However, although specialization increases efficiency by enabling more products to be produced in less time, it also leads to the routinization of labor and the workers' loss of self-fulfillment.

Similarly, in their competition for markets, capitalists can turn to more-sophisticated machines and technology to enable laborers to produce more goods in less time. To the extent that mechanized production decreases the necessary labor time, surplus value is increased, along with the level of worker alienation and exploitation.

Although a machine may be able to run 24 hours a day (and does not need insurance or bathroom breaks), mechanized production has its costs. In the short run, it can lead to a reduction in profits, despite the higher volume of productivity, as machines take the place of workers who are the capitalist's source of surplus value. Increasing productivity as a means for selling commodities more cheaply than one's competitors sell also *compels* a capitalist to sell more products and dominate a larger share of the market. Without selling more commodities, the capitalist cannot offset the lower selling price and the expense of adopting more costly machines, to say nothing of turning a profit. Moreover, as the capitalist's competitors begin to make use of the new technology, she is forced to seek—and pay for—ever-newer and more-efficient machines, lest she suffer the very fate she intends to inflict on others.

The competition for markets and the need to increase productivity bear long-run costs, as well. Specialization and mechanization force more workers into unstable employment and a marginal existence. Needed to perform only the most monotonous of unskilled tasks, workers become easily replaceable and expendable. Indeed, "it is the absolute interest of every capitalist to press a given quantity of labour out of a smaller, rather than a greater number of labourers," because doing so increases their relative surplus value and accumulation of capital (Marx [1867] 1978:425). As a result, an "industrial reserve army" of unemployed and underemployed laborers is created, the ranks of which swell as the employed segments of the proletariat are overworked. Thus, despite the increasing levels of productivity and growth in the amount of wealth controlled by the capitalists, the market for their products begins to shrink as a growing "relative surplus-population" of laborers is left unable to afford little more than the necessities for survival. At the same time, the increasing competition for jobs due to the expanding industrial reserve army combines with the marginalization of skills to decrease the wages of those fortunate enough to be employed. Meanwhile, competition between capitalists forever breeds greater specialization and mechanization, and all that follows in their wake. Recurring crises of overproduction and "boom or bust" are thus endemic to the capitalist system, while economic recessions and depressed wages become more severe.[2]

In this chapter, Marx also reworks his earlier analysis of alienation in the form of the "fetishism of commodities." Recall that alienation, according to Marx, is a dehumanizing consequence of the worker's estrangement or separation from the means of production and the goods produced (see our

[2]Though Marx contended that the continuing expansion of the industrial reserve army operates as "a law of population peculiar to the capitalist mode of production" (Marx [1867] 1978:423), it is clear that rising rates of unemployment are not inevitable, nor are fluctuations in rates of unemployment due entirely to changing levels of production. Instead, unemployment rates are as much a product of government policy as they are of general economic conditions. Nevertheless, a recent (2006) report issued by the International Labour Organization revealed that the number of people unemployed worldwide reached an all-time high of 191.8 million in 2005, an increase of 34.4 million (21 percent) since 1995. Additionally, of the more than 2.8 billion workers in the world, 1.4 billion earned less than \$2 dollars per day.

discussion of "Alienated Labour" earlier). Similarly, commodity fetishism refers to the distorted relationship existing between individuals and the production and consumption of goods. However, in fetishizing commodities, Marx argues that we treat the goods we buy as if they have "magical" powers. We lose sight of the fact that *we* create commodities and, in doing so, grant them a power over us that in reality they do not hold.

Perhaps you can think of how products directed at our personal appearance are marketed. Advertisements for shampoos, lotions, deodorants, toothpastes, and the like routinely convey the message that interpersonal "success" is dependent on our using these products. Boy gets girl because he buys a specific brand of mouthwash. Girl gets boy because she uses a toothpaste that "whitens" her teeth. Likewise, driving a particular type of car or drinking a particular brand of soft drink or beer magically transforms us into the "type" of person who uses the products. In each instance, our accomplishments and failures are derived not from who we are as individuals, but magically from what we buy as consumers. As a result, our social interactions as well as our sense of self are mediated through or steered by products, not by our individual qualities. When we fetishize commodities, we relate to things, not people. (Compare Marx's argument here with the one made earlier in the excerpt from "The Power of Money in Bourgeois Society.")

Not only are commodities fetishized, but so too is the process of commodity production. When we blame machines for our dissatisfaction, we endow them with human qualities of conscious intent or will. In turn, we fail to recognize that it is the owner of the means of production who is responsible for transforming the production process, not the machines. Thus, if the introduction of new technology increases the speed of the labor process or alters how that process is organized among workers, fetishizing commodity production prevents laborers from holding capitalists accountable for their growing dissatisfaction. Instead, workers will assign the source of their increasing exploitation not to the capitalists who benefit from it, but to the new technology. This carries with it important political consequences, because the intrinsically social nature of the production process is veiled, making workers less able to effectively press their class-based interests for change. The Luddites were one such group of handicraft workers who in early-nineteenth-century England destroyed the textile machines that rendered their skilled labor obsolete, displacing them with cheap, unskilled laborers. Their protests were met with repressive government actions that included hangings and imprisonment in exile.

Finally, in "The General Formula for Capital," Marx describes the cycle or circulation of commodities peculiar to capitalism. Unlike other economic arrangements, production under capitalism is driven by the quest for increasing profits and capital for reinvestment, not toward simply fulfilling needs or wants established through tradition. Guiding the profit motive is a cycle of exchange Marx labeled "M-C-M." By definition, the capitalist enters into economic exchange already possessing **capital** (raw materials, machinery for production) or, more generally, money (M). Seeking to expand her business and profits, the capitalist converts her money into a commodity (C) by purchasing additional machinery, raw materials, or labor. The capitalist then uses these commodities to produce other commodities that are then sold for money (M). Hence, the meaning of the slogan "It takes money to make money."

For the proletariat, the cycle of exchange takes an inverse path. Take a typical wage earner, for example. The worker enters into the labor market possessing only his labor power, which he sells as a commodity (C). His commodity, labor, is then exchanged for money (M) or a wage. The worker then takes the money and spends it on the commodities (C) necessary to his survival. The circulation of commodities here follows the pattern C-M-C. The worker sells his one commodity in order to purchase goods he does not otherwise possess. Such a pattern of exchange cannot generate a profit. Instead, it is a cycle of economic activity that provides solely for the satisfaction of basic needs and a subsistence level of existence. Moreover, this cycle must be repeated daily as the commodities bought by the worker—food, fuel, clothing, shelter—tied as they are to survival, are more or less immediately consumed or in need of continual replacement. Rent is paid not once, but monthly. Clothes are bought not once, but regularly, when worn out or outgrown.

Capital (1867)

Karl Marx

Commodities

The Two Factors of a Commodity: Use-Value and Value (The Substance of Value and the Magnitude of Value)

The wealth of those societies in which the capitalist mode of production prevails, presents itself as "an immense accumulation of commodities," its unit being a single commodity. Our investigation must therefore begin with the analysis of a commodity.

A commodity is, in the first place, an object outside us, a thing that by its properties satisfies human wants of some sort or another. The nature of such wants, whether, for instance, they spring from the stomach or from fancy, makes no difference. Neither are we here concerned to know how the object satisfies these wants, whether directly as means of subsistence, or indirectly as means of production.

Every useful thing, as iron, paper, etc., may be looked at from the two points of view of quality and quantity. It is an assemblage of many properties, and may therefore be of use in various ways. To discover the various uses of things is the work of history. So also is the establishment of socially recognized standards of measure for the quantities of these useful objects. The diversity of these measures has its origin partly in the diverse nature of the objects to be measured, partly in convention.

The utility of a thing makes it a use-value. But this utility is not a thing of air. Being limited by the physical properties of the commodity, it has no existence apart from that commodity. A commodity, such as iron, corn, or a diamond, is therefore, so far as it is a material thing, a use-value, something useful. This property of a commodity is independent of the amount of labour required to appropriate its useful qualities. When treating of use-value, we always assume to be dealing with definite quantities, such as dozens of watches, yards of linen, or tons of iron. The use-values of commodities furnish the material for a special study, that of the commercial knowledge of commodities.[1] Use-values become a reality only by use or consumption: they also constitute the substance of all wealth, whatever may be the social form of that wealth. In the form of society we are about to consider, they are, in addition, the material depositories of exchange-value.

Exchange-value, at first sight, presents itself as a quantitative relation, as the proportion in which values in use of one sort are exchanged for those of another sort, a relation constantly changing with time and place. Hence exchange-value appears to be something accidental and purely relative, and consequently an intrinsic value, *i.e.*, an exchange-value that is inseparably connected with, inherent in commodities, seems a contradiction in terms. Let us consider the matter a little more closely.

A given commodity, *e.g.*, a quarter of wheat is exchanged for x blacking, y silk, or z gold, etc.—in short, for other commodities in the most different proportions. Instead of one exchange-value, the wheat has, therefore, a great many. But since x blacking, y silk, or z gold, etc., each represent the exchange-value of one quarter of wheat, x blacking, y silk, z gold, etc., must, as exchange-values, be replaceable by each other, or equal to each other. Therefore, first: the valid exchange-values of a given commodity express something equal; secondly, exchange-value, generally, is only the mode of expression, the phenomenal form, of something contained in it, yet distinguishable from it.

Let us take two commodities, *e.g.*, corn and iron. The proportions in which they are exchangeable, whatever those proportions may be, can always be represented by an equation in which a given quantity of corn is equated to some quantity of iron: *e.g.*, 1 quarter corn = x cwt. iron. What does this equation tell us? It tells us that in two different things—in 1 quarter of corn and x cwt. of iron, there exists in equal quantities something common to both. The two things must therefore be equal to a

SOURCE: Marx/Engels Internet Archive.

[1]In bourgeois societies the economic fictio juris prevails, that every one, as a buyer, possesses an encyclopaedic knowledge of commodities. [Marx]

third, which in itself is neither the one nor the other. Each of them, so far as it is exchange-value, must therefore be reducible to this third.

A simple geometrical illustration will make this clear. In order to calculate and compare the areas of rectilinear figures, we decompose them into triangles. But the area of the triangle itself is expressed by something totally different from its visible figure, namely, by half the product of the base multiplied by the altitude. In the same way the exchange-values of commodities must be capable of being expressed in terms of something common to them all, of which thing they represent a greater or less quantity.

This common "something" cannot be either a geometrical, a chemical, or any other natural property of commodities. Such properties claim our attention only in so far as they affect the utility of those commodities, make them use-values. But the exchange of commodities is evidently an act characterised by a total abstraction from use-value. Then one use-value is just as good as another, provided only it be present in sufficient quantity. Or, as old Barbon says, "one sort of wares are as good as another, if the values be equal. There is no difference or distinction in things of equal value. . . . An hundred pounds' worth of lead or iron, is of as great value as one hundred pounds' worth of silver or gold." As use-values, commodities are, above all, of different qualities, but as exchange-values they are merely different quantities, and consequently do not contain an atom of use-value.

If then we leave out of consideration the use-value of commodities, they have only one common property left, that of being products of labour. But even the product of labour itself has undergone a change in our hands. If we make abstraction from its use-value, we make abstraction at the same time from the material elements and shapes that make the product a use-value; we see in it no longer a table, a house, yarn, or any other useful thing. Its existence as a material thing is put out of sight. Neither can it any longer be regarded as the product of the labour of the joiner, the mason, the spinner, or of any other definite kind of productive labour. Along with the useful qualities of the products themselves, we put out of sight both the useful character of the various kinds of labour embodied in them, and the concrete forms of that labour; there is nothing left but what is common to them all: all are reduced to one and the same sort of labour, human labour in the abstract.

Let us now consider the residue of each of these products; it consists of the same unsubstantial reality in each, a mere congelation of homogeneous human labour, of labour-power expended without regard to the mode of its expenditure. All that these things now tell us is, that human labour-power has been expended in their production, that human labour is embodied in them. When looked at as crystals of this social substance, common to them all, they are—Values.

We have seen that when commodities are exchanged, their exchange-value manifests itself as something totally independent of their use-value. But if we abstract from their use-value, there remains their Value as defined above. Therefore, the common substance that manifests itself in the exchange-value of commodities, whenever they are exchanged, is their value. The progress of our investigation will show that exchange-value is the only form in which the value of commodities can manifest itself or be expressed. For the present, however, we have to consider the nature of value independently of this, its form.

A use-value, or useful article, therefore, has value only because human labour in the abstract has been embodied or materialised in it. How, then, is the magnitude of this value to be measured? Plainly, by the quantity of the value-creating substance, the labour, contained in the article. The quantity of labour, however, is measured by its duration, and labour-time in its turn finds its standard in weeks, days, and hours.

Some people might think that if the value of a commodity is determined by the quantity of labour spent on it, the more idle and unskilful the labourer, the more valuable would his commodity be, because more time would be required in its production. The labour, however, that forms the substance of value, is homogeneous human labour, expenditure of one uniform labour-power. The total labour-power of society, which is embodied in the sum total of the values of all commodities produced by that society, counts here as one homogeneous mass of human labour-power, composed though it be of innumerable individual units. Each of these units is the same as any other, so far as it has the character of the average labour-power of society, and takes effect as such; that is, so far as it requires for producing a commodity, no more time than is needed on an average, no more than is socially necessary. The labour-time socially necessary is that required to produce an article under the normal conditions of production, and with the average degree of skill and intensity prevalent at the time. The introduction of power-looms into England probably reduced by one-half the labour required to weave a given quantity of yarn into cloth. The hand-loom weavers, as a matter of fact, continued to require the same time as before; but for all that, the product of one hour of their labour represented after the change only half an hour's social labour, and consequently fell to one-half its former value.

We see then that that which determines the magnitude of the value of any article is the amount of labour socially necessary, or the labour-time socially necessary for its production. Each individual commodity, in this connexion, is to be considered as an average sample of its class. Commodities, therefore, in which equal quantities of labour are embodied, or which can be produced in the same time, have the same value. The value of one commodity is to the value of any other, as the labour-time necessary for the production of the one is to that necessary for the production of the other. "As values, all commodities are only definite masses of congealed labour-time."

The value of a commodity would therefore remain constant, if the labour-time required for its production also remained constant. But the latter changes with every variation in the productiveness of labour. This productiveness is determined by various circumstances, amongst others, by the average amount of skill of the workmen, the state of science, and the degree of its practical application, the social organisation of production, the extent and capabilities of the means of production, and by physical conditions. For example, the same amount of labour in favourable seasons is embodied in 8 bushels of corn, and in unfavourable, only in four. The same labour extracts from rich mines more metal than from poor mines. Diamonds are of very rare occurrence on the earth's surface, and hence their discovery costs, on an average, a great deal of labour-time. Consequently much labour is represented in a small compass. Jacob doubts whether gold has ever been paid for at its full value. This applies still more to diamonds. According to Eschwege, the total produce of the Brazilian diamond mines for the eighty years, ending in 1823, had not realised the price of one-and-a-half years' average produce of the sugar and coffee plantations of the same country, although the diamonds cost much more labour, and therefore represented more value. With richer mines, the same quantity of labour would embody itself in more diamonds, and their value would fall. If we could succeed at a small expenditure of labour, in converting carbon into diamonds, their value might fall below that of bricks. In general, the greater the productiveness of labour, the less is the labour-time required for the production of an article, the less is the amount of labour crystallised in that article, and the less is its value; and *vice versa,* the less the productiveness of labour, the greater is the labour-time required for the production of an article, and the greater is its value. The value of a commodity, therefore, varies directly as the quantity, and inversely as the productiveness, of the labour incorporated in it.

A thing can be a use-value, without having value. This is the case whenever its utility to man is not due to labour. Such are air, virgin soil, natural meadows, etc. A thing can be useful, and the product of human labour, without being a commodity. Whoever directly satisfies his wants with the produce of his own labour, creates, indeed, use-values, but not commodities. In order to produce the latter, he must not only produce use-values, but use-values for others, social use-values. (And not only for others, without more. The medieval peasant produced quit-rent-corn for his feudal lord and tithe-corn for his parson. But neither the quit-rent-corn nor the tithe-corn became commodities by reason of the fact that they had been produced for others. To become a commodity a product must be transferred to another, whom it will serve as a use-value, by means of an exchange.)[ii] Lastly nothing can have value, without being an object of utility. If the thing is useless, so is the labour contained in it; the labour does not count as labour, and therefore creates no value. . . .

The Fetishism of Commodities and the Secret Thereof

A commodity appears, at first sight, a very trivial thing, and easily understood. Its analysis shows that it is, in reality, a very queer thing, abounding in metaphysical subtleties and theological niceties. So far as it is a value in use, there is nothing mysterious about it, whether we consider it from the point of view that by its properties it is capable of satisfying human wants, or from the point that those properties are the product of human labour. It is as clear as noon-day, that man, by his industry, changes the forms of the materials furnished by Nature, in such a way as to make them useful to him. The form of wood, for instance, is altered, by making a table out of it. Yet, for all that, the table continues to be that common, every-day thing, wood. But, so soon as it steps forth as a commodity, it is changed into something transcendent. It not only stands with its feet on the ground, but, in relation to all other commodities, it stands on its head, and evolves out of its wooden brain grotesque ideas, far more wonderful than "table-turning" ever was.

[ii] I am inserting the parenthesis because its omission has often given rise to the misunderstanding that every product that is consumed by someone other than its producer is considered in Marx a commodity. [Engels, 4th German edition]

The mystical character of commodities does not originate, therefore, in their use-value. Just as little does it proceed from the nature of the determining factors of value. For, in the first place, however varied the useful kinds of labour, or productive activities, may be, it is a physiological fact, that they are functions of the human organism, and that each such function, whatever may be its nature or form, is essentially the expenditure of human brain, nerves, muscles, etc. Secondly, with regard to that which forms the groundwork for the quantitative determination of value, namely, the duration of that expenditure, or the quantity of labour, it is quite clear that there is a palpable difference between its quantity and quality. In all states of society, the labour-time that it costs to produce the means of subsistence, must necessarily be an object of interest to mankind, though not of equal interest in different stages of development. And lastly, from the moment that men in any way work for one another, their labour assumes a social form.

Whence, then, arises the enigmatical character of the product of labour, so soon as it assumes the form of commodities? Clearly from this form itself. The equality of all sorts of human labour is expressed objectively by their products all being equally values; the measure of the expenditure of labour-power by the duration of that expenditure, takes the form of the quantity of value of the products of labour; and finally, the mutual relations of the producers, within which the social character of their labour affirms itself, take the form of a social relation between the products.

A commodity is therefore a mysterious thing, simply because in it the social character of men's labour appears to them as an objective character stamped upon the product of that labour; because the relation of the producers to the sum total of their own labour is presented to them as a social relation, existing not between themselves, but between the products of their labour. This is the reason why the products of labour become commodities, social things whose qualities are at the same time perceptible and imperceptible by the senses. In the same way the light from an object is perceived by us not as the subjective excitation of our optic nerve, but as the objective form of something outside the eye itself. But, in the act of seeing, there is at all events, an actual passage of light from one thing to another, from the external object to the eye. There is a physical relation between physical things. But it is different with commodities. There, the existence of the things *quâ* commodities, and the value-relation between the products of labour which stamps them as commodities, have absolutely no connexion with their physical properties and with the material relations arising therefrom. There it is a definite social relation between men, that assumes, in their eyes, the fantastic form of a relation between things. In order, therefore, to find an analogy, we must have recourse to the mist-enveloped regions of the religious world. In that world the productions of the human brain appear as independent beings endowed with life, and entering into relation both with one another and the human race. So it is in the world of commodities with the products of men's hands. This I call the Fetishism which attaches itself to the products of labour, so soon as they are produced as commodities, and which is therefore inseparable from the production of commodities.

This Fetishism of commodities has its origin, as the foregoing analysis has already shown, in the peculiar social character of the labour that produces them.

As a general rule, articles of utility become commodities, only because they are products of the labour of private individuals or groups of individuals who carry on their work independently of each other. The sum total of the labour of all these private individuals forms the aggregate labour of society. Since the producers do not come into social contact with each other until they exchange their products, the specific social character of each producer's labour does not show itself except in the act of exchange. In other words, the labour of the individual asserts itself as a part of the labour of society, only by means of the relations which the act of exchange establishes directly between the products, and indirectly, through them, between the producers. To the latter, therefore, the relations connecting the labour of one individual with that of the rest appear, not as direct social relations between individuals at work, but as what they really are, material relations between persons and social relations between things. It is only by being exchanged that the products of labour acquire, as values, one uniform social status, distinct from their varied forms of existence as objects of utility. This division of a product into a useful thing and a value becomes practically important, only when exchange has acquired such an extension that useful articles are produced for the purpose of being exchanged, and their character as values has therefore to be taken into account, beforehand, during production. From this moment the labour of the individual producer acquires socially a two-fold character. On the one hand, it must, as a definite useful kind of labour, satisfy a definite social want, and thus hold its place as part and parcel of the collective labour of all, as a branch of a social division of labour that has sprung up spontaneously. On the other hand, it can satisfy the manifold wants of the individual producer himself, only in so far as the mutual exchangeability of all kinds of useful private labour is an established social fact, and therefore the private useful labour of each producer ranks on an equality with that of all others. The equalisation of the most different kinds of labour can be the result only of an abstraction from their inequalities, or of reducing them to their common denominator, viz., expenditure of human labour-power or human labour in the abstract. The two-fold social character of the labour of the individual appears to him, when reflected in his brain, only under those forms which are impressed upon that labour in every-day practice by the exchange of products. In this way, the character that his own labour possesses of being socially useful takes the form of the condition, that the product must be not only useful, but useful for others, and the social character that his particular labour has of being the equal of all other particular kinds of labour, takes the form that all the physically different articles that are the products of labour, have one common quality, viz., that of having value.

Hence, when we bring the products of our labour into relation with each other as values, it is not because we see in these articles the material receptacles of homogeneous human labour. Quite the contrary: whenever, by an exchange, we equate as values our different products, by that very act, we also equate, as human labour, the different kinds of labour expended upon them. We are not aware of this, nevertheless we do it. Value, therefore, does not stalk about with a label describing what it is. It is value, rather, that converts every product into a social hieroglyphic. Later on, we try to decipher the hieroglyphic, to get behind the secret of our own social products; for to stamp an object of utility as a value, is just as much a social product as language. The recent scientific discovery, that the products of labour, so far as they are values, are but material expressions of the human labour spent in their production, marks, indeed, an epoch in the history of the development of the human race, but, by no means, dissipates the mist through which the social character of labour appears to us to be an objective character of the products themselves. The fact, that in the particular form of production with which we are dealing, viz., the production of commodities, the specific social character of private labour carried on independently, consists in the equality of every kind of that labour, by virtue of its being human labour, which character, therefore, assumes in the product the form of value—this fact appears to the producers, notwithstanding the discovery above referred to, to be just as real and final, as the fact, that, after the discovery by science of the component gases of air, the atmosphere itself remained unaltered.

What, first of all, practically concerns producers when they make an exchange, is the question, how much of some other product they get for their own? In what proportions the products are exchangeable? When these proportions have, by custom, attained a certain stability, they appear to result from the nature of the products, so that, for instance, one ton of iron and two ounces of gold appear as naturally to be of equal value as a pound of gold and a pound of iron in spite of their different physical and chemical qualities appear to be of equal weight. The character of having value, when once impressed upon products, obtains fixity only by reason of their acting and re-acting upon each other as quantities of value. These quantities vary continually, independently of the will, foresight and action of the producers. To them, their own social action takes the form of the action of objects, which rule the producers instead of being ruled by them. It requires a fully developed production of commodities before, from accumulated experience alone, the scientific conviction springs up, that all the different kinds of private labour, which are carried on independently of each other, and yet as spontaneously developed branches of the social division of labour, are continually being reduced to the quantitative proportions in which society requires them. And why? Because, in the midst of all the accidental and ever fluctuating exchange-relations between the products, the labour-time socially necessary for their production forcibly asserts itself like an over-riding law of Nature. The law of gravity thus asserts itself when a house falls about our ears. The determination of the magnitude of value by labour-time is therefore a secret, hidden under the apparent fluctuations in the relative values of commodities. Its discovery, while removing all appearance of mere accidentality from the determination of the magnitude of the values of products, yet in no way alters the mode in which that determination takes place.

Man's reflections on the forms of social life, and consequently, also, his scientific analysis of those forms, take a course directly opposite to that of their actual historical development. He begins, post festum, with the results of the process of development ready to hand before him. The characters that stamp products as commodities, and whose establishment is a necessary preliminary to the circulation of commodities, have already acquired the stability of natural, self-understood forms of social life, before man seeks to decipher, not their historical character, for in his eyes they are immutable, but their meaning. Consequently it was the analysis of the prices of commodities that alone led to the determination of the magnitude of value, and it was the common expression of all commodities in money that alone led to the establishment of their characters as values. It is, however, just this ultimate money-form of the world of commodities that actually conceals, instead of disclosing, the social character of private labour, and the social relations between the individual producers. When I state that coats or boots stand in a relation to linen, because it is the universal incarnation of abstract human labour, the absurdity of the statement is self-evident. Nevertheless, when the producers of coats and boots compare those articles with linen, or, what is the same thing, with gold or silver, as the universal equivalent, they express the relation between their own private labour and the collective labour of society in the same absurd form.

The categories of bourgeois economy consist of such like forms. They are forms of thought expressing with social validity the conditions and relations of a definite, historically determined mode of production, viz., the production of commodities. The whole mystery of commodities, all the magic and necromancy that surrounds the products of labour as long as they take the form of commodities, vanishes therefore, so soon as we come to other forms of production. . . .

The life-process of society, which is based on the process of material production, does not strip off its mystical veil until it is treated as production by freely associated men, and is consciously regulated by them in accordance with a settled plan. This, however, demands for society a certain material ground-work or set of conditions of existence which in their turn are the spontaneous product of a long and painful process of development.

Political Economy has indeed analysed, however incompletely, value and its magnitude, and has discovered what lies beneath these forms. But it has never once asked the question why labour is represented by the value of its product and labour-time by the magnitude of that value. These formulæ, which bear it stamped upon them in unmistakable letters that they belong to a state of society, in which the process of production has the mastery over man, instead of being controlled by him, such formulæ appear to the bourgeois intellect to be as much a self-evident necessity imposed by Nature as productive labour itself. Hence forms of social production that preceded the bourgeois form, are treated by the bourgeoisie in much the same way as the Fathers of the Church treated pre-Christian religions.

To what extent some economists are misled by the Fetishism inherent in commodities, or by the objective appearance of the social characteristics of labour, is shown, amongst other ways, by the dull and tedious quarrel over the part played by Nature in the formation of exchange-value. Since exchange-value is a definite social manner of expressing the amount of labour bestowed upon an object, Nature has no more to do with it, than it has in fixing the course of exchange.

The mode of production in which the product takes the form of a commodity, or is produced directly for exchange, is the most general and most embryonic form of bourgeois production. It therefore makes its appearance at an early date in history, though not in the same predominating and characteristic manner as now-a-days. Hence its Fetish character is comparatively easy to be seen through. But when we come to more concrete forms, even this appearance of simplicity vanishes. Whence arose the illusions of the monetary system? To it gold and silver, when serving as money, did not represent a social relation between producers but were natural objects with strange social properties. And modern economy, which looks down with such disdain on the monetary system, does not its superstition come out as clear as noon-day, whenever it treats of capital? How long is it since economy discarded the physiocratic illusion, that rents grow out of the soil and not out of society?

But not to anticipate, we will content ourselves with yet another example relating to the commodity-form. Could commodities themselves speak, they would say: Our use-value may be a thing that interests men. It is no part of us as objects. What, however, does belong to us as objects, is our value. Our natural intercourse as commodities proves it. In the eyes of each other we are nothing but exchange-values. Now listen how those commodities speak through the mouth of the economist. "Value"—(*i.e.,* exchange-value) "is a property of things, riches"—(*i.e.,* use-value) "of man. Value, in this sense, necessarily implies exchanges, riches do not." "Riches" (use-value) "are the attribute of men, value is the attribute of commodities. A man or a community is rich, a pearl or a diamond is valuable. . . . A pearl or a diamond is valuable" as a pearl or diamond. So far no chemist has ever discovered exchange-value either in a pearl or a diamond. The economic discoverers of this chemical element, who by-the-by lay special claim to critical acumen, find however that the use-value of objects belongs to them independently of their material properties, while their value, on the other hand, forms a part of them as objects. What confirms them in this view, is the peculiar circumstance that the use-value of objects is realised without exchange, by means of a direct relation between the objects and man, while, on the other hand, their value is realised only by exchange, that is, by means of a social process. Who fails here to call to mind our good friend, Dogberry, who informs neighbour Seacoal, that, "To be a well-favoured man is the gift of fortune; but reading and writing comes by Nature."

The General Formula for Capital

The circulation of commodities is the starting-point of capital. The production of commodities, their circulation, and that more developed form of their circulation called commerce, these form the historical groundwork from which it rises. The modern history of capital dates from the creation in the 16th century of a world-embracing commerce and a world-embracing market.

If we abstract from the material substance of the circulation of commodities, that is, from the exchange of the various use-values, and consider only the economic forms produced by this process of circulation, we find its final result to be money: this final product of the circulation of commodities is the first form in which capital appears.

As a matter of history, capital, as opposed to landed property, invariably takes the form at first of money; it appears as moneyed wealth, as the capital of the merchant and of the usurer. But we have no need to refer to the origin of capital in order to discover that the first form of appearance of capital is money. We can see it daily under our very eyes. All new capital, to commence with, comes on the stage, that is, on the market, whether of commodities, labour, or money, even in our days, in the shape of money that by a definite process has to be transformed into capital.

The first distinction we notice between money that is money only, and money that is capital, is nothing more than a difference in their form of circulation.

The simplest form of the circulation of commodities is C—M—C, the transformation of commodities into money, and the change of the money back again into commodities; or selling in order to buy. But alongside of this form we find another specifically different form: M—C—M, the transformation of money into commodities, and the change of commodities back again into money; or buying in order to sell. Money that circulates in the latter manner is thereby transformed into, becomes capital, and is already potentially capital.

Now let us examine the circuit M—C—M a little closer. It consists, like the other, of two antithetical phases. In the first phase, M—C, or the purchase, the money is changed into a commodity. In the second phase, C—M, or the sale, the commodity is changed back again into money. The combination of these two phases constitutes the single movement whereby money is exchanged for a commodity, and the same commodity is again exchanged for money; whereby a commodity is bought in order to be sold, or, neglecting the distinction in form between buying and selling, whereby a commodity is bought with a commodity. The result, in which the phases of the process vanish, is the exchange of money for money, M—M. If I purchase 2,000 lbs. of cotton for £100, and resell the 2,000 lbs. of cotton for £110, I have, in fact, exchanged £100 for £110, money for money.

Now it is evident that the circuit M—C—M would be absurd and without meaning if the intention were to exchange by this means two equal sums of money, £100 for £100. The miser's plan would be far simpler and surer; he sticks to his £100 instead of exposing it to the dangers of circulation. And yet, whether the merchant who has paid £100 for his cotton sells it for £110, or lets it go for £100, or even £50, his money has, at all events, gone through a characteristic and original movement, quite different in kind from that which it goes through in the hands of the peasant who sells corn, and with the money thus set free buys clothes. We have therefore to examine first the distinguishing characteristics of the forms of the circuits M—C—M and C—M—C, and in doing this the real difference that underlies the mere difference of form will reveal itself.

Let us see, in the first place, what the two forms have in common.

Both circuits are resolvable into the same two antithetical phases, C—M, a sale, and M—C, a purchase. In each of these phases the same material elements—a commodity, and money, and the same economic dramatis personae, a buyer and a seller—confront one another. Each circuit is the unity of the same two antithetical phases, and in each case this unity is brought about by the intervention of three contracting parties, of whom one only sells, another only buys, while the third both buys and sells.

What, however, first and foremost distinguishes the circuit C—M—C from the circuit M—C—M, is the inverted order of succession of the two phases. The simple circulation of commodities begins with a sale and ends with a purchase, while the circulation of money as capital begins with a purchase and ends with a sale. In the one case both the starting-point and the goal are commodities, in the other they are money. In the first form the movement is brought bout by the intervention of money, in the second by ıat of a commodity.

In the circulation C—M—C, the money is in the end onverted into a commodity, that serves as a use-value; : is spent once for all. In the inverted form, M—C—M, n the contrary, the buyer lays out money in order that, s a seller, he may recover money. By the purchase of is commodity he throws money into circulation, in rder to withdraw it again by the sale of the same comıodity. He lets the money go, but only with the sly ıtention of getting it back again. The money, therefore, ; not spent, it is merely advance.

In the circuit C—M—C, the same piece of money hanges its place twice. The seller gets it from the buyer nd pays it away to another seller. The complete circuıtion, which begins with the receipt, concludes with ıe payment, of money for commodities. It is the very ontrary in the circuit M—C—M. Here it is not the piece f money that changes its place twice, but the commod-y. The buyer takes it from the hands of the seller and asses it into the hands of another buyer. Just as in the imple circulation of commodities the double change of lace of the same piece of money effects its passage rom one hand into another, so here the double change f place of the same commodity brings about the reflux f the money to its point of departure.

Such reflux is not dependent on the commodity eing sold for more than was paid for it. This circumtance influences only the amount of the money that omes back. The reflux itself takes place, so soon as the urchased commodity is resold, in other words, so soon s the circuit M—C—M is completed. We have here, herefore, a palpable difference between the circulation f money as capital, and its circulation as mere money.

The circuit C—M—C comes completely to an end, o soon as the money brought in by the sale of one comıodity is abstracted again by the purchase of another.

If, nevertheless, there follow a reflux of money to its tarting-point, this can only happen through a renewal r repetition of the operation. If I sell a quarter of corn f £3, and with this £3 buy clothes, the money, so far as am concerned, is spent and done with. It belongs to the lothes merchant. If I now sell a second quarter of corn, noney indeed flows back to me, not however as a sequel ɔ the first transaction, but in consequence of its repetiion. The money again leaves me, so soon as I complete his second transaction by a fresh purchase. Therefore, n the circuit C—M—C, the expenditure of money has ıothing to do with its reflux. On the other hand, in ⁄I—C—M, the reflux of the money is conditioned by he very mode of its expenditure. Without this reflux, the operation fails, or the process is interrupted and incomplete, owing to the absence of its complementary and final phase, the sale.

The circuit C—M—C starts with one commodity, and finishes with another, which falls out of circulation and into consumption. Consumption, the satisfaction of wants, in one word, use-value, is its end and aim. The circuit M—C—M, on the contrary, commences with money and ends with money. Its leading motive, and the goal that attracts it, is therefore mere exchange-value.

In the simple circulation of commodities, the two extremes of the circuit have the same economic form. They are both commodities, and commodities of equal value. But they are also use-values differing in their qualities, as, for example, corn and clothes. The exchange of products, of the different materials in which the labour of society is embodied, forms here the basis of the movement. It is otherwise in the circulation M—C—M, which at first sight appears purposeless, because tautological. Both extremes have the same economic form. They are both money, and therefore are not qualitatively different use-values; for money is but the converted form of commodities, in which their particular use-values vanish. To exchange £100 for cotton, and then this same cotton again for £110, is merely is roundabout way of exchanging money for money, the same for the same, and appears to be an operation just as purposeless as it is absurd. One sum of money is distinguishable from another only by its amount. The character and tendency of the process M—C—M, is therefore not due to any qualitative difference between its extremes, both being money, but solely to their quantitative difference. More money is withdrawn from circulation at the finish than was thrown into it at the start. The cotton that was bought for £100 is perhaps resold for £100 + £10 or £110. The exact form of this process is therefore M—C—M', where M'+ VM = M the original sum advanced, plus an increment. This increment or excess over the original value I call "surplus-value." The value originally advanced, therefore, not only remains intact while in circulation, but adds to itself a surplus-value or expands itself. It is this movement that converts it into capital.

Of course, it is also possible, that in C—M—C, the two extremes C—C, say corn and clothes, may represent different quantities of value. The farmer may sell his corn above its value, or may buy the clothes at less than their value. He may, on the other hand, "be done" by the clothes merchant. Yet, in the form of circulation

now under consideration, such differences in value are purely accidental. The fact that the corn and the clothes are equivalents, does not deprive the process of all meaning, as it does in M—C—M. The equivalence of their values is rather a necessary condition to its normal course.

The repetition or renewal of the act of selling in order to buy, is kept within bounds by the very object it aims at, namely, consumption or the satisfaction of definite wants, an aim that lies altogether outside the sphere of circulation. But when we buy in order to sell, we, on the contrary, begin and end with the same thing, money, exchange-value; and thereby the movement becomes interminable. No doubt, M becomes M + VM, £100 become £110. But when viewed in their qualitative aspect alone, £110 are the same as £100, namely money; and considered quantitatively, £110 is, like £100, a sum of definite and limited value. If now, the £110 be spent as money, they cease to play their part. They are no longer capital. Withdrawn from circulation, they become petrified into a hoard, and though they remained in that state till doomsday, not a single farthing would accrue to them. If, then, the expansion of value is once aimed at, there is just the same inducement to augment the value of the £110 as that of the £100; for both are but limited expressions for exchange-value, and therefore both have the same vocation to approach, by quantitative increase, as near as possible to absolute wealth. Momentarily, indeed, the value originally advanced, the £100, is distinguishable from the surplus-value of £10 that is annexed to it during circulation; but the distinction vanishes immediately. At the end of the process, we do not receive with one hand the original £100, and with the other, the surplus-value of £10. We simply get a value of £110, which is in exactly the same condition and fitness for commencing the expanding process, as the original £100 was. Money ends the movement only to begin it again.[iii] Therefore, the final result of every separate circuit, in which a purchase and consequent sale are completed, forms of itself the starting-point of a new circuit. The simple circulation of commodities—selling in order to buy—is a means of carrying out a purpose unconnected with circulation, namely, the appropriation of use-values, the satisfaction of wants. The circulation of money as capital is, on the contrary, an end in itself, for the expansion of value takes place only within this constantly renewed movement. The circulation of capital has therefore no limits.

As the conscious representative of this movement, the possessor of money becomes a capitalist. His person, or rather his pocket, is the point from which the money starts and to which it returns. The expansion of value, which is the objective basis or main-spring of the circulation M—C—M, becomes his subjective aim, and it is only in so far as the appropriation of ever more and more wealth in the abstract becomes the sole motive of his operations, that he functions as a capitalist, that is, as capital personified and endowed with consciousness and a will. 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. The never-ending augmentation of exchange-value, which the miser strives after, by seeking to save his money from circulation, is attained by the more acute capitalist, by constantly throwing it afresh into circulation.

The independent form, *i.e.*, the money-form, which the value of commodities assumes in the case of simple circulation, serves only one purpose, namely, their exchange, and vanishes in the final result of the movement. On the other hand, in the circulation M—C—M, both the money and the commodity represent only different modes of existence of value itself, the money its general mode, and the commodity its particular, or, so to say, disguised mode. It is constantly changing from one form to the other without thereby becoming lost, and thus assumes an automatically active character. If now we take in turn each of the two different forms which self-expanding value successively assumes in the course of its life, we then arrive at these two propositions: Capital is money: Capital is commodities. In truth, however, value is here the active factor in a process, in which, while constantly assuming the form in turn of money and commodities, it at the same time changes in magnitude, differentiates itself by throwing off surplus-value from itself; the original value, in other words, expands spontaneously. For the movement, in the course of which it adds surplus-value, is its own movement, its expansion, therefore, is automatic expansion. Because it

[iii] "Capital is divisible . . . into the original capital and the profit, the increment to the capital . . . although in practice this profit is immediately turned into capital, and set in motion with the original." (F. Engels, "Umrisse zu einer Kritik der Nationalökonomie, in the "Deutsch-Französische Jahrbücher," edited by Arnold Ruge and Karl Marx." Paris, 1844, p. 99.) [Marx]

is value, it has acquired the occult quality of being able to add value to itself. It brings forth living offspring, or, at the least, lays golden eggs.

Value, therefore, being the active factor in such a process, and assuming at one time the form of money, at another that of commodities, but through all these changes preserving itself and expanding, it requires some independent form, by means of which its identity may at any time be established. And this form it possesses only in the shape of money. It is under the form of money that value begins and ends, and begins again, every act of its own spontaneous generation. It began by being £100, it is now £110, and so on. But the money itself is only one of the two forms of value. Unless it takes the form of some commodity, it does not become capital. There is here no antagonism, as in the case of hoarding, between the money and commodities. The capitalist knows that all commodities, however scurvy they may look, or however badly they may smell, are in faith and in truth money, inwardly circumcised Jews, and what is more, a wonderful means whereby out of money to make more money.

In simple circulation, C—M—C, the value of commodities attained at the most a form independent of their use-values, i.e., the form of money; but that same value now in the circulation M—C—M, or the circulation of capital, suddenly presents itself as an independent substance, endowed with a motion of its own, passing through a life-process of its own, in which money and commodities are mere forms which it assumes and casts off in turn. Nay, more: instead of simply representing the relations of commodities, it enters now, so to say, into private relations with itself. It differentiates itself as original value from itself as surplus-value; as the father differentiates himself from himself quâ the son, yet both are one and of one age: for only by the surplus-value of £10 does the £100 originally advanced become capital, and so soon as this takes place, so soon as the son, and by the son, the father, is begotten, so soon does their difference vanish, and they again become one, £110.

Value therefore now becomes value in process, money in process, and, as such, capital. It comes out of circulation, enters into it again, preserves and multiplies itself within its circuit, comes back out of it with expanded bulk, and begins the same round ever afresh. M—M', money which begets money, such is the description of Capital from the mouths of its first interpreters, the Mercantilists.

Buying in order to sell, or, more accurately, buying in order to sell dearer, M—C—M', appears certainly to be a form peculiar to one kind of capital alone, namely merchants' capital. But industrial capital too is money, that is changed into commodities, and by the sale of these commodities, is re-converted into more money.

The events that take place outside the sphere of circulation, in the interval between the buying and selling, do not affect the form of this movement. Lastly, in the case of interest-bearing capital, the circulation M—C—M' appears abridged. We have its result without the intermediate stage, in the form M—M', "en style lapidaire" so to say, money that is worth more money, value that is greater than itself.

M—C—M' is therefore in reality the general formula of capital as it appears prima facie within the sphere of circulation.

Discussion Questions

1. According to Marx's materialist conception of history, what is the relationship between property or the division of labor and consciousness? How might property relations and ideas prevent or promote social change?

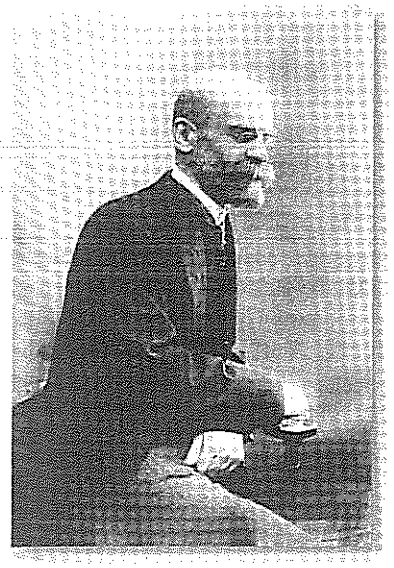
2. Do you think that truly communist societies have existed? Can they exist? What are some of the features that such a society must have in order for it to work?

3. What role does private property play in Marx's analysis of the inevitable communist revolution? In his emphasis on class, what factors might Marx have overlooked when accounting for revolutionary change or its absence?

4. Has the proletariat, or working class, sunk deeper and deeper with the advance of industry as Marx suggested? Why or why not? How prevalent is alienation in contemporary capitalist societies? Don't some people like their jobs? If so, have they been "fooled" somehow? Why or why not?

5. Discuss the prevalence of the fetishism of commodities in contemporary capitalist societies. What examples of commodity fetishism do you see in your own life and the lives of your family and friends?

3 Émile Durkheim (1858–1917)



Émile Durkheim

Key Concepts

- Social facts
- Social solidarity
  - Mechanical solidarity
  - Organic solidarity
- Anomie
- Collective conscience
- Ritual
- Symbol
- Collective representations
- Sacred and profane

There can be no society which does not feel the need of upholding and reaffirming at regular intervals the collective sentiments and the collective ideas which makes its unity and its personality. Now this moral remaking cannot be achieved except by the means of reunions, assemblies and meetings where the individuals, being closely united to one another, reaffirm in common their common sentiments.

—Durkheim ([1912] 1995:474–75)

Have you ever been to a professional sports event in a stadium full of fans? Or gone to a religious service and taken communion, or to a concert and danced in the aisles (or maybe a mosh pit)? How did these experiences make you feel? What do they have in common? Is it possible to have this same type of experience if/when you are alone? How so or why not?

These are the sorts of issues that intrigued Émile Durkheim. Above all, he sought to explain *what* held societies and social groups together—and *how*. In addressing these twin questions, Durkheim studied a wide variety of phenomena—from suicide and crime, to aboriginal religious totems and symbols. He was especially concerned about how modern, industrial societies can be held together when people don't even know each other and when their experiences and social positions are so varied. In other words, how can social ties, the very basis for society, be maintained in such an increasingly individualistic world?