Notes and questions on Marx’s *Capital*, Volume 1

Chapter 1: The Commodity

The next assignment is to read Marx’s Preface to the first edition of *Capital* (pp. 89–93), and the first chapter. You may skim section 3 of this chapter; concentrate on pp. 125–137 (sections 1 and 2) and pp. 163–177 (section 4). Below are some focus questions: please write up a couple of pages of notes in answer to these.

1. (Section 1) What argument does Marx provide to support his claim that labor must be the ‘substance of value’?

2. (section 1) If the value of a commodity is determined by the amount of labor time it contains, it might appear that the product of an inefficient worker (who takes more time to accomplish any given task) ought to be more valuable than the product of an efficient worker. How does Marx get around this problem?

3. (section 2) What exactly does Marx mean by the ‘dual character’ of labor?

4. (section 4) “Political economy has indeed analysed value and its magnitude, however incom-pletely, and has uncovered the content concealed within these forms. But it has never once asked why this content has assumed that particular form, that is to say, why labour is expressed in value...” (pp. 173–4). Marx, however, does ask this question. Try to put his answer into your own words.

Chapters 2–6

Below is a brief guide to this reading. Be prepared to discuss the particular points to which I have drawn attention.

1. Chapter 2 (Exchange). Notice in particular the discussion on p. 182 of the origin of commodity exchange. Compare with Smith’s idea of man’s natural propensity to ‘truck, barter and exchange’. Other than that, you may skim this chapter.

2. Chapter 3 (Money). Pay particular attention to the following points: (a) p. 192, the idea that money is able to serve as such only because it itself has value (i.e., costs labor-time to produce). Compare Adam Smith. (b) The notion of the ‘circuit’ of commodity exchange, C-M-C (pp. 199–206). (c) Marx’s discussion of paper money, pp. 224–6. Again, compare with Smith.

3. Chapter 4 (General formula for capital). Note the different circuit of exchange, now M-C-M. This chapter is short; read all of it.

4. Chapter 5 (Contradictions in the General Formula). Note in particular the argument that surplus value (profit) cannot arise from the process of circulation of commodities as such. Again, a short chapter; read all.

5. Chapter 6 (Labor Power). A very important chapter for Marx’s overall view of things. Again short. Note the distinction between labor-power and labor itself.

Chapters 7–10

Below is a guide to this reading. Again, be prepared to discuss the particular points to which I have drawn attention, as well as raising any additional questions that occur to you in the course of your reading.
1. Chapter 7 (labor process and valorization process). On pp. 283–292 we find Marx’s discussion of the labor process in general. This is for the most part very clear. Note that on p. 291 (footnote 10), Marx registers his disagreement with the general definition of ‘capital’ as simply previously-produced means of production. (Question: What is Marx’s own definition of capital?) As regards pp. 293 ff, on the valorization process, check your understanding of Marx’s numerical example (the spinning of cotton yarn) by setting out the example in schematic form, along with the assumptions Marx is making. Also pay attention to pp. 299–300, where Marx treats various contemporary theories of profit in ironic mode. Check your understanding by expressing these theories in your own words. Finally, with respect to pp. 301–2: What is Marx’s own theory of the origin of surplus-value or profit?

2. Chapter 8 (constant capital and variable capital). The basic idea here is quite straightforward: In Marx’s theory ‘living labor’ creates value during the labor process, while previously-produced means of production merely transfer their value to the product. Since capital in the form of previously-produced means of production simply transfers a given quantum of value to the product, Marx calls it ‘constant capital’. On the other hand, capital advanced in the form of wages is not merely replaced, but is augmented by a surplus value; hence Marx calls the latter ‘variable capital’.

3. Chapter 9 (rate of surplus value). There is a certain amount of rather tedious arithmetic in this chapter, but the basic idea is clear enough. The working day is (analytically) divided into two portions: during one portion the worker carries out an amount of labor sufficient to replace (produce the equivalent of) the value of his own labor-power; during the other portion he produces a surplus-value for his employer. The monetary equivalent of the first portion of labor time is labeled v, and the monetary equivalent of the latter is labeled s. The ‘rate of exploitation’ is then s/v. Note that s/v has a minimum of zero, but is unbounded on the upside. An alternative, and in some ways better, measure of Marxian exploitation would be s/(s + v), the fraction of the social working day spent producing surplus value (bounded by zero and unity). Challenging question: See if you can figure out, and express in your own words, what is going on in the discussion of ‘Senior’s last hour’, on pp. 333–338.

4. Chapter 10 (the working day). This chapter is for the most part historical rather than analytic/theoretical. Note the discussion on pp. 345–6 of different historical forms of ‘exploitation’. From p. 349 to the end of the chapter, Marx is mainly concerned with illustrating his conception of struggle over the length of the working day by reference to the English case. Note the very remarkable quotations from the English Factory Inspectors and the Children’s Employment Commission. It is necessary to read this sort of thing to get a sense of the basis for the intense moral indignation that pervades Marx’s Capital.

Chapters 11–14

Below is a guide to this reading. Again, be prepared to discuss the particular points to which I have drawn attention, as well as raising any additional questions that occur to you in the course of your reading.

1. Chapter 11 (rate and mass of surplus value). This chapter makes the basic point that the mass (i.e. total amount) of surplus value generated in the valorization of a capital depends (positively) on both (a) the amount of labor-power purchased and (b) the rate of surplus value. This is pretty straightforward. Note, however, the puzzle raised on pp. 420–421. Let the rate of surplus value (rate of exploitation) be given. Now take two capitals, of equal total monetary magnitude, one of which is laid out mostly on purchase of labor-power (plus some expenditure on means of production), and the other of which is laid out mostly on means of production (i.e. ‘constant capital’, in Marx’s terminology) and to a lesser extent on labor power. It is clear that the former capital will generate more surplus value than the latter, by virtue of its setting in motion more labor-power. Yet surely all capitals ought (in equilibrium) to generate
the same rate of profit. There appears to be a contradiction here; Marx will attempt to resolve it in Volume III of *Capital*.

2. Chapter 12 (concept of relative surplus value). A short and easy chapter. The main burden of it is contained in the short paragraph on p. 432, defining ‘absolute surplus value’ (obtained by lengthening the working day, the value of labor-power remaining constant) and ‘relative surplus value’ (obtained by shortening the time of necessary labor, and hence reducing the value of labor-power, the length of the working day remaining constant). Note also the discussion on pp. 433–435 of how an individual capitalist who manages to increase the productivity of labor in his own enterprise, will for a time realize an above-average profit.

3. Chapter 13 (co-operation). Marx begins to discuss the way in which the production process itself is transformed under capitalism, with the gathering together of the workers under the direction of the capitalist (or his managerial employees). We begin to see the sources of the tremendous increase in the productivity of labor under capitalism, as compared to previous modes of production.

4. Chapter 14 (division of labor and manufacture). Note that Marx is using the term ‘manufacture’ in the old, literal sense of ‘making by hand’. He places this phase of production in the 16th to 18th centuries. Question: What are the two ways in which manufacture originates? (See pp. 455–458.) Note the echoes of A. Smith on pp. 458–461, but then note that in the discussion of the division of labor on pp. 470–480, Marx goes beyond Smith to develop a more elaborate account. Finally, note the effects on the individual worker of the capitalist division of labor, on pp. 480 ff. Smith is again quoted sympathetically on p. 483.

### Chapters 15–24

The remaining chapters of *Capital* to which we shall pay particular attention are as follows: 15, 23, 24, 25, and 32. Here are some notes on chapters 15, 23 and 24.

1. Chapter 15 (machinery and large-scale industry). This is a long chapter and we cannot study all of it in detail. Look out for the following specific points. (1) Marx’s argument concerning the social preconditions for the ‘industrial revolution’, which he regards as more decisive than the invention of particular kinds of machines (pp. 503–4). (2) His discussion of the economizing of labor time, and his claim that this is not pursued in a socially rational manner under capitalism (pp. 513–7). (3) The discussion of the effects of the development of machine industry on the structure of the workforce (pp. 517–8). (4) The ‘paradox’ whereby the development of labor-saving machinery leads to an extension of the working day (pp. 528–32). (5) Discussion of the effects on the craft skills of the workforce (545–8). (6) Discussion of the impact on employment and unemployment of the introduction of machinery (especially pp. 570, 572–3, 575–7, 582–3).

2. Chapter 23 (simple reproduction). Here Marx considers a simplified situation in which the capitalists consume an amount equal to the entire surplus value each period. Reproduction is then ‘simple’ in the sense that it continues on the same scale from period to period (i.e. with no expansion of the stock of capital). The main point of this short chapter is summed up on its last page: “The capitalist process of production... produces not only commodities, not only surplus value, but it also produces and reproduces the capital-relation itself; on the one hand the capitalist, on the other hand the wage-labourer” (724). That is, the ‘reproduction’ in question is not just a matter of reproducing fixed capital (making good depreciation), but also of reproducing a certain set of social relations.

3. Chapter 24 (transformation of surplus-value into capital). Here Marx tackles the more complex issue of the reproduction of capital on an expanded scale, where part of the surplus value produced each period is not consumed by the capitalist but rather accumulated. Marx notes that an original ‘primitive accumulation’ of capital is needed to get the process started, but
after this point “the ownership of past unpaid labour is thenceforth the sole condition for the appropriation of living unpaid labour on a constantly increasing scale” (729). As the owner of the means of production and purchaser of labor-power, the capitalist is able to extract surplus labor from the workers, and, by using part of this surplus labor to make additional constant capital, he is then able to employ (i.e. exploit, in Marx’s view of things) progressively more labor-power. Note that on pp. 729–734 Marx returns to the issues discussed earlier in chapters 4–6, and explains more fully how it is possible, on his theory, for the exchange of equivalents (commodities containing the same amount of labor) to co-exist with the continual ‘conversion of money into capital’.

Sections 2 and 3 of the chapter are mostly devoted to a critique of what Marx considers erroneous conceptions. First he tackles the idea, advanced by Smith and Ricardo, that accumulation of capital is equivalent to increased expenditure on productive labor. This, says Marx, is to ignore the necessity of accumulating constant as well as variable capital. Part of the surplus value will serve to augment the variable capital, but part must take the form of additional means of production. Second, Marx ridicules the ‘abstinence’ theory of accumulation, although he notes the difference between the attitude towards consumption of the industrial capitalist and the landlord.