



Classical Sociological Theory and Foundations of American Sociology

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PART I
MARX AND ENGELS

I. Capital, part 2

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“Accumulate, accumulate! That is Moses and the prophets!”

NOTE ON SOURCE: The source of the following passages is the first volume of *Das Kapital: Kritik der politischen Ökonomie*, published in Germany in 1867 by Verlag. Although Marx would write two more volumes before his death, neither was published in his lifetime. The first translated publications were in Russia and France (both in 1872), largely under Marx's direction. The first English translation was translated by Samuel Moore and Edward Aveling (the partner of Marx's youngest daughter) and overseen by Engels and published in 1887, four years after Marx's death. It has since been translated into every major language and is even available in Manga form. A recommended translation of the entire works is that by Ben Fowkes, available through Penguin Classics.

Introduction – Why this is important and what to look for

Included here are passages from parts 7 and 8 of the first book of Capital. In these chapters Marx explains why capitalists must push production ever further and how, historically speaking, the initial funds for capital development were amassed. Rather than merely describing the elements that constitute capitalism and the social relationships that result through its operation, Marx here makes a case for why reform of capitalism is not really an option. See if you can figure out why.

Part 7. The Accumulation of Capital

The conversion of a sum of money into means of production and labor-power, is the first step taken by the quantum of value that is going to function as capital. This conversion takes place in the market, within the sphere of circulation. The second step, the process of production, is complete so soon as the means of production have been converted into commodities whose value exceeds that of their component parts, and, therefore, contains the capital originally advanced, plus a surplus-value. These commodities must then be thrown into circulation. They must be sold, their value realized in money, this money afresh converted into capital, and so over and over again. This circular movement, in which the same phases are continually gone through in succession, forms the circulation of capital

The capitalist who produces surplus-value – i.e., who extracts unpaid labor directly from the laborers, and fixes it in commodities, is, indeed, the first appropriator, but by no means the ultimate owner, of this surplus-value. She has to share it with capitalists, with landowners, etc., who fulfill other functions in the

complex of social production. Surplus-value, therefore, splits up into various parts. Its fragments fall to various categories of persons, and take various forms, independent the one of the other, such as profit, interest, rent, &c.

Whatever the form of the process of production in a society, it must be a continuous process, must continue to go periodically through the same phases. A society can no more cease to produce than it can cease to consume. When viewed, therefore, as a connected whole, and as flowing on with incessant renewal, every social process of production is, at the same time, a process of reproduction.

If we look at capitalists as a class, and workers as a class, we see that the capitalist profits, not only by what he receives from, but by what she gives to, the laborer. The capital given in exchange for labor-power is converted into necessaries, by the consumption of which the muscles, nerves, bones, and brains of existing workers is maintained. The maintenance and reproduction of the working class is, and must ever be, a necessary condition to the reproduction of capital. But the capitalist may safely leave its fulfillment to the laborer's instincts of self-preservation and of propagation.

The worker consumes (buys) that which is necessary to maintain herself and her family, thereby contributing to the realization of the capitalist's surplus value. When Hilda buys a bottle of tequila, or a pair of sneakers, she is using her wages to keep alive the circulation of capital. The capitalist cannot realize any surplus value if no one buys his commodities.

The Roman slave was held by fetters: the wage laborer is bound to his owner by invisible threads. The appearance of independence is kept up by means of a constant change of employers, and by the legal fiction of an employment contract.

Hitherto we have investigated how surplus-value emanates from capital; we have now to see how capital arises from surplus-value. Employing surplus-value as capital, reconvertng it into capital, is called accumulation of capital

Here's an example. An original capital of \$10,000 buys materials and hires workers and brings in a surplus-value of \$2,000, which is capitalized, or rolled back into production to hire more workers. The new capital of \$2,000 brings in a surplus-value of \$400, and this, too, is capitalized, converted into a second additional capital, which, in its turn, produces a further surplus-value of \$80. And so, the ball rolls on.

The original capital was formed by the advance of \$10,000. How did the owner become possessed of it?

Perhaps his grandmother gave him it as a gift? We will return to this a little later on. If you were to set yourself up as a capitalist today, where would you get your original pot of capital?

How the \$2,000 originated we know perfectly well. There is not one single atom of its value that does not owe its existence to unpaid labor. The means of production, with which the additional labor-power is incorporated, as well as the necessities with which the laborers are sustained, are nothing but component parts of the surplus-product, *of the tribute annually exacted from the working class by the capitalist class*. Though the latter with a portion of that tribute purchases the additional labor-power even at its full price, so that equivalent is exchanged for equivalent, yet the transaction is for all that only the old dodge of every conqueror who buys commodities from the conquered with the money he has robbed them of.

In every case the working class creates by the surplus labor of one year the capital destined to employ additional labor in the following year. And this is what is called: creating capital out of capital. The more the capitalist has accumulated, the more is he able to accumulate.

There are two parts of surplus value, what the capitalist consumes [*perhaps he buys himself a personal jet*] and what he capitalizes or puts back into production. Given the mass of surplus-value, then, the larger the one of these parts, the smaller is the other. The ratio of these parts determines the magnitude of the accumulation. The capitalist alone gets to decide. It is his deliberate act. That part of the tribute exacted by him which he accumulates, is said to be saved by him, because he does not eat it, *i.e.*, because he performs the function of a capitalist, and enriches himself.

To accumulate, is to conquer the world of social wealth, to increase the mass of human beings exploited by him, and thus to extend both the direct and the indirect sway of the capitalist.

The capitalist gets rich, not like the miser, in proportion to his personal labor and restricted consumption, but at the same rate as he squeezes out the labor-power of others and enforces on the laborer abstinence from all life's enjoyments.

Accumulate, accumulate! That is Moses and the prophets!

[*Next, Marx looks at how this accumulation process exemplifies and affects social relations*]

The rate of surplus-value depends, in the first place, on the degree of exploitation of labor-power. But if the laborers could live on air they could not be bought at any price. The zero of their cost is therefore a limit in a mathematical sense, always beyond reach, although we can always approximate more and more nearly to it. The constant tendency of capital is to force the cost of labor back towards this zero.

As capital accumulates, more and more of it is invested in dead labor, machinery and tools, and less of it in living labor (*v*, variable capital). Workers produce, along with the accumulation of capital, the means by which they are made relatively superfluous, and are turned into a relative surplus population. This is a law of population peculiar to the capitalist mode of production. It forms a disposable industrial reserve army, that belongs to capital quite as absolutely as if the latter had bred it at its own cost. The whole form of the movement of modern industry depends, therefore, upon the constant transformation of a part of the laboring population into unemployed or half-employed hands.

The number of laborers commanded by capital may remain the same, or even fall, while the variable capital increases. This is the case if the individual laborer yields more labor, and therefore his wages increase, and this although the price of labor remains the same or even falls, only more slowly than the mass of labor rises. *Increase of variable capital, in this case, becomes an index of more labor, but not of more laborers*

employed. It is the absolute interest of every capitalist to press a given quantity of labor out of a smaller, rather than a greater number of laborers, if the cost is about the same. In the latter case, the outlay of constant capital increases in proportion to the mass of labor set in action; in the former that increase is much smaller. The more extended the scale of production, the stronger this motive. Its force increases with the accumulation of capital.

One category of the relative surplus population, the “stagnant,” forms a part of the active labor army, but with extremely irregular employment. Hence it furnishes to capital an inexhaustible reservoir of disposable labor power. Its conditions of life sink below the average normal level of the working class; this makes it at once the broad basis of special branches of capitalist exploitation. It is characterized by maximum of working-time, and minimum of wages. Another category of the relative surplus population is the unemployed poor.

The greater the social wealth, the functioning capital, the extent and energy of its growth, and, therefore, also the absolute mass of the proletariat and the productiveness of its labor, the greater is the industrial reserve army. The more extensive the industrial reserve army, the greater is official pauperism. *This is the absolute general law of capitalist accumulation*

Part 8. Primitive Accumulation¹

We have seen how money is changed into capital; how through capital surplus-value is made, and from surplus-value more capital. But the accumulation of capital presupposes surplus-value; surplus-value presupposes capitalistic production; capitalistic production presupposes the pre-existence of considerable masses of capital and of labor power in the hands of producers of commodities. The whole movement, therefore, seems to turn in a vicious circle.

[Here is the story people like to tell:] In times long gone by there were two sorts of people; one, the diligent, intelligent, and, above all, frugal elite; the other, lazy rascals, spending their substance, and more, in riotous living. The former sort accumulated wealth, and the latter sort had at last nothing to sell except their own skins. And from this original sin dates the poverty of the great majority that, despite all its labor, has up to now nothing to sell but itself, and the wealth of the few that increases constantly although they have long ceased to work. *Such insipid childishness is every day preached to us in the defense of property.*

In themselves money and commodities are no more capital than are the means of production and of subsistence. They want transforming into capital. But this transformation itself can only take place under certain circumstances.

The capitalist system presupposes the complete separation of the laborers from all property in the means by which they can realize their labor. As soon as capitalist production is once on its own legs, it not only maintains this separation, but reproduces it on a continually extending scale. The process, therefore,

1. Here, read primitive as in “prime,” or first. Here Marx revisits the question of the origin of the initial \$10,000 used as capital.

that clears the way for the capitalist system, can be none other than the process which takes away from the laborer the possession of his means of production; a process that transforms, on the one hand, the social means of subsistence and of production into capital, on the other, the immediate producers into wage laborers. The so-called primitive accumulation, therefore, is nothing else than the historical process of divorcing the producer from the means of production. It appears as primitive, because it forms the prehistoric stage of capital and of the mode of production corresponding with it [see MEANS OF PRODUCTION; PRIMITIVE ACCUMULATION; MODE OF PRODUCTION]

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

The immediate producer, the laborer, could only dispose of his own person after he had ceased to be attached to the soil and ceased to be the slave, serf, or bondsman of another. The starting point of the development that gave rise to the wage laborer as well as to the capitalist, was the servitude of the laborer. The advance consisted in a change of form of this servitude, in the transformation of feudal exploitation into capitalist exploitation.

Great masses of people are suddenly and forcibly torn from their means of subsistence, and hurled as free and “unattached” proletarians on the labor-market. The expropriation of the agricultural producer, of the peasant, from the soil, is the basis of the whole process. The history of this expropriation, in different countries, assumes different aspects, and runs through its various phases in different orders of succession, and at different periods. [We saw it happen in England in the 15th-16th centuries. It was a violent and bloody process.]

If money, according to Augier, “comes into the world with a congenital blood-stain on one cheek,” *capital comes dripping from head to foot, from every pore, with blood and dirt*. The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commercial hunting of black-skins, signalized the rosy dawn of the era of capitalist production. These idyllic proceedings are the chief momenta of primitive accumulation. On their heels treads the commercial war of the European nations, with the globe for a theatre.

First Spain, then Portugal, then Holland, then France, then England rose to the forefront of global trade (and brutal colonialism). Marx did not live to see it, but he might say the US was England's successor. Is there a successor to the US? Or will capitalism cede to the next mode of production, as Marx suggested?

As soon as this process of transformation has sufficiently decomposed the old society from top to bottom, as soon as the laborers are turned into proletarians, their means of labor into capital, as soon as the capitalist mode of production stands on its own feet, then a next phase begins. That which is now to be expropriated is no longer the laborer working for himself, but the capitalist exploiting many laborers. This expropriation is accomplished by the action of the immanent laws of capitalistic production itself, by the centralization of capital. One capitalist always kills many.

Along with the constantly diminishing number of the magnates of capital, who usurp and monopolize all advantages of this process of transformation, grows the mass of misery, oppression, slavery, degradation, exploitation; but with this too grows the revolt of the working class, a class always increasing in numbers, and disciplined, united, organized by the very mechanism of the process of capitalist production itself. The monopoly of capital becomes a fetter upon the mode of production, which has sprung up and flourished along with, and under it. Centralization of the means of production and socialization of labor at last reach a point where they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated.

Questions

1. What is “saving”? How does this serve to further enrich the capitalist?
2. If there were a magical creature (like the SHMOO), that could provide all the necessities of life for free (food, clothing, building materials, etc.), that reproduced like rabbits easily and quickly on demand, how would the social relations between worker and capitalist be altered? Why might capitalists want to get rid of this magical creature?
3. A powerful weapon of capitalists today is the “capital strike,” basically removing capital from production. Use Marx’s comments on employment and unemployment to explain this. Consider the term “job-creators).
4. What is the relationship of wealth and poverty, according to Marx?
5. Why will capitalism inevitably fall, according to the highlighted paragraph? (that is, explain “The monopoly of capital becomes a fetter upon the mode of production”)

Concepts

Circulation of Capital

Capital Accumulation

Variable Capital

Industrial Reserve Army

Law of Capitalist Accumulation

Means of Production

Mode of Production

Primitive Accumulation

Feudalism

Centralization of Capital

Surplus Value

Exploitation