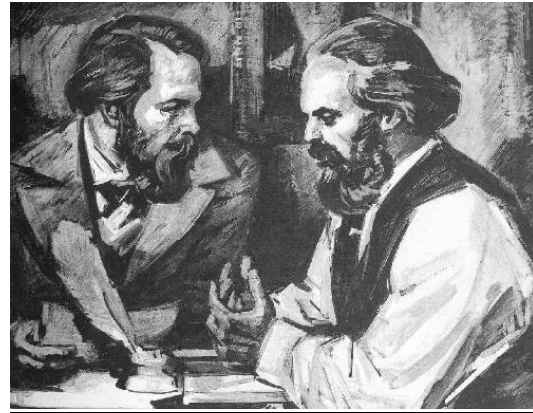


Outline

1. The 10 point Communist program.
2. Capital as a social product.
3. Marx's theory of exploitation.
4. Internal contradictions in Capitalism.
5. Productive and non-productive work.
6. Marx's criticism of capitalist culture.



Marx & Engels at work

Passages

1. The bodies of commodities are unions of two elements, matter and work. If we take away the useful work expended upon them, a material substratum is always left, which is furnished by nature without the help of man (*Capital*, p. 12).
2. The increase of stock, which raises wages, tends to lower profit. When the stocks of many rich merchants are turned into the same trade, their mutual competition naturally tends to lower its profit; and when there is a like increase of stock in all the different trades carried on in the same society, the same competition must produce the same effect in them all. (Smith, *Wealth*, 49).
3. Profits of stock fall only, because land equally well adapted to produce food cannot be procured; and the degree of the fall of profits, and the rise of rents, depends wholly on the increased expense of production (Ricardo, "Essay").
4. In the use value of each commodity there is contained useful work, i.e., productive activity of a definite kind and exercised with a definite aim... Coats and linen, like every other element of material wealth that is not the spontaneous produce of Nature, must invariably owe their existence to a special productive activity, exercised with a definite aim, an activity that appropriates particular nature-given materials to particular human needs. (*Capital*, p. 11-12).
5. Behind all attempts to represent the circulation of commodities as a source of surplus-value, there lurks a *quid pro quo*, a mixing up of use-value and exchange-value. For instance, Condillac says: "It is not true that on an exchange of commodities we give value for value. On the contrary, each of the two contracting parties in every case, gives a less for a greater value. ... If we really exchanged equal values, neither party could make a profit" ... Condillac's argument is frequently used by modern economists, more especially when the point is to show, that the exchange of commodities in its developed form, commerce, is productive of surplus-value. For instance, "Commerce ... adds value to products, for the same products in the hands of consumers, are worth more than in the hands of producers, and it may strictly be considered an act of production." But commodities are not paid for twice over, once on account of their use-value, and again on account of their value. (*Capital*, p. 134).

6. This sphere that we are deserting [the market], within whose boundaries the sale and purchase of work-power goes on, is in fact a very Eden of the innate rights of man. There alone rule Freedom, Equality, Property and Bentham. Freedom, because both buyer and seller of a commodity, say of work-power, are constrained only by their own free will. They contract as free agents, and the agreement they come to, is but the form in which they give legal expression to their common will. Equality, because each enters into relation with the other, as with a simple owner of commodities, and they exchange equivalent for equivalent. Property, because each disposes only of what is his own. And Bentham, because each looks only to himself. The only force that brings them together and puts them in relation with each other, is the selfishness, the gain and the private interests of each. Each looks to himself only, and no one troubles himself about the rest, and just because they do so, do they all, in accordance with the pre-established harmony of things, or under the auspices of an all-shrewd providence, work together to their mutual advantage, for the common weal and in the interest of all (*Capital*, p. 152).

Marx's economic categories & metrics

Constant Capital (c): that percentage of the work through the sale of which new material inputs can be purchased to replace those consumed;

Variable Capital (v): that percentage of the work through the sale of which the wage bill can be paid; and

Surplus Value (s): that which remains after c and v is deducted from total sales.

Rate of Exploitation: (1) $\frac{S}{V}$

Organic composition of capital: (2) $\frac{C}{V}$

Rate of Surplus Value: (3) $\frac{S}{C+V}$

Tendency for Rate of profit to fall:

Multiplying (3) by (1/v)/(1/v), yields:

Clearly, as c/v increases, P falls.

(4)
$$\frac{\frac{S}{V}}{\frac{C}{V} + 1}$$

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