

THEORIES OF S.V. BY KARL MARX, Translated into Russian by S. Salitan
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(Part 1 of Vol. II is translated however by Tuchapsky)

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Vol. II, Part II, p. 155-217 - Acc. of Capital & Crisis

1. Simple reprod.

p. 155 - 1st of all it is necessary clearly to describe the
reprod. of c.c. Where we consider annual reprod., or we
take a yr. as the measure of the time of the process of reprod....

A considerable part of the c.c.--basic cap.--goes into the annual
process of capital, not (fully) entering into the annual process
of creation of values....

p. 156: A second part of c.c. annually is consumed in the prod. of
commodities & therefore must be annually reproduced....

A considerable part of that which c.c.--materials & mp--
of one sphere of prod. simultaneously is the product of a
parallel sphere of prod. For ex., yarn serves as c.c. for cotton
(weaving), it is the product of the weaver & could have on the
eye still been in the process of prod.. When we use here the
expression "simultaneously" we have in view the fact that it is
produced within the same yr.

p. 157: Further, there is a part of c.c. which is annually consumed
& does not enter as component part of the sphere of prod.,
presenting m.c.

2. Transformation of income into cap.

pp. 163-164 ²⁰ Even if the whole capital expended on machine construc-

tion re: chca only such dimensions as are necessary to replace the annual utilization of the machine, there would still be produced more machines than are needed annually since wear & tear partly exist ideally & in reality it must be replaced in natura only during a series of yrs. Applied capital thus presents, consequently, a mass of machines which are to be used for new expenditures of capital & exceed these new expenditures of capital.....Here, consequently, even in the case when in this sphere of prod. only the capital included in it is reproduced, a constant acc. of cap. is necessary in the remaining spheres of prod. ...

(p.165--Credit about which we do not stop here serves as a means for acc. cap. to be applied not in the sphere in which it is created but where it has the best chances of increasing its value...If the cap. then invests it into another undertaking than his own, he becomes a money capitalist & instead of profit gets only interest)

p.168: Is the new capital expended on wages, is it exchanged only for new labor?

as The following speaks in favor of this variant: every value has/its 1st source, labor. Every c.c. at 1st is the prod. of labor even as v.c. And here we again evidently have the direct appearance of capital from labor.

Against this proposition we have the following: Does the formation of additional capital have to arise under the worst circumstances of prod., the reprod. of the old capital? Does it have to let itself out at the lowest degree (step) in method of prod.? This however must occur if the new value were expended only for direct labor which, consequently, without basic cap., etc. should have from the 1st produced this, even as at 1st labor itself must create its c.c. There results a complete stupidity. But such is the presupposition of Ricardo & other. We must develop this further.

3. Transformation of Acc. S.V. into V.C. & C.C.

p.173: The relation in which the surplus product is divided between v.c. & c.c. depends on the average composition of capital; the more developed cap. prod. is, the less relatively will be that part which is immediately spent on wages. The opinion that since surplus prod. represents merely the product of labor, then newly added within the year, then it becomes transformed only into v.c., is expended only on wages--that opinion in general corresponds to the mistaken description since the product is only a result or materialisation of labor, then its value results only in income--wages, profit & rent; the mistaken view of Smith & Ricardo.

4. Crises

a) Causes of crises

p.173: but the whole process of acc. can be reduced 1st of all to the expansion of prod., which, 1stly corresponds to the ~~xxxxxxxxxxxx~~ natural increase in population, 2ndly, form the immanent basis of the phenomena which are revealed in crises. The measure of this expansion of prod. is served by capital itself; the present degree of the conditions of prod. & the striving of capitalists for enrichment & augmentation of capital, which knows no limits, ~~but not at all consumption~~, the latter is from the beginning limited since the most significant part of the population, i.e. the working population, can expand its consumption only to known, limited ends; besides, to the extent that capitalism develops the demand for labor decreases relatively, altho absolutely it grows.

besides this, all equalisations are accidental, altho there constantly continued the process of equalisation in the proportions between capitalists, invested in different spheres, but the very constancy of this process presupposes also constant disproportions which it must always equalise, often by violent methods.

p.174: We must here consider only the forms which capital assumes in different stages of its development. In our task there do not enter a description of the real conditions thru which the real process of prod. goes thru. Here we at all times presuppose that the commodity is sold at its value. We are not concerned with the competition of capitals, nor credits, nor the actual structure of society, which does not at all consist only consist of the working class and the industrial capitalists where, consequently, the consumers & producers are not identical; the 1st category (consumers) (whose income in part are derivative a product of profit & wages, & not primary) is considerably wider than the second (the category of producers); therefore the method of consumption of its income & the nature of these latter condition very wide differences in the eco. life & specially in the process of exchange & reprod. of capital. However, already in the analysis of money we saw that to the extent that they in general represent a form, different from the natural form of a commodity, even as in their form of money means, they include in themselves the possibility of crisis, but this is even more clear when we consider the general nature of capital, even before the development of further real relations which form the whole sum of prerequisites of the real process of prod....

p.176: We must never forget that under cap. prod. the question is not one directly about use value but about ex. v. & especially about the augmentation of s.v. This serves as the motive force of cap. prod. & remarkable is that explanation which, in order to in its thoughts separate itself from the contradictions of cap. prod., it moves away (otvlekaetsya) from its basis & transforms it into a production meant for direct consumption of the producers.

Further, the exchange process of capital continues not for one day, but, on the contrary, extends on a more prolonged period. while the return of capital to its first form occurs; this period coincides with the per. in which market prices become equal to production prices, ~~which~~ during which per. there occur big changes in the productivity of labor & therefore also in the real value of commodities; therefore it is completely clear that from the point of departure--of the original capital--till its return at the end of one such period there must occur great catastrophes & there must accumulate & develop elements of crisis which are not at all obviated (ystranyayutsy) by the miserable phrase that products exchanged for products. The comparison of values in one per. with values of the same commodities in a later period, which Mr. Bailey consider a scholastic invention, form, on the contrary the basic principle of the process of exchange of capital.

b) Overprod. of commodities & surplus of capital

(p.179--See Lukh.on n.B. here he quotes passages appearing on 272)

c) The unity of buying & selling, process of prod. & process of ex.

p.181: Precisely in crises there is revealed the unity, unity of differences. Theine., which the moments linked with each other & complementary to each other, assume is violently eliminated. The crisis reveals, consequently, the unity of moments which have become independent of one another. Without this inner unity, evidently, there would be no crisis of moments indifferent to each other. The apologist-economists say no; since there is unity, there can be no kind of crisis, which again signifies only that the unity of contradictory (moments) excludes contradiction....

(Product is exchanged for prod.but..) Here consequently there is, 1st of all, a commodity which includes the contradiction of ex. & use value, is transformed simply into a product (use value) & by that token the ex. of commodities is transformed simply into an exchange commerce of products only as use values. We are thus pushed back not only of cap. prod. but also of simple commodity prod. & the very complicated phenomenon of cap. prod.--the world crisis--is denied by way of denying the 1st condition of cap. prod.--precisely that a product must be a commodity & that it therefore has to be represented in money & go through a metamorphosis. Instead of speaking of wage labor, "services" are spoken of--a word which again excludes the specific determination of wage labor & its designation--precisely the augmentation of the value of commodities for which it is exchanged, the creation of s.v.; thus there is excluded that specific relation thanks to which money is transformed into capital. "A service" is labor only when looked at as a use value (secondary importance in cap. prod.), exactly as in the word "product" is hidden the essence of commodity & the contradiction included in it. Money is then consistently looked at as a simple medium in the exchange of products & not as an essential (existing) & necessary form of the existence of commodities which must (prestat) in the form of ex. value --of non-differentiated social labor. Since with the transformation of commodities only into a use value (product) there is pushed to a side the ex. v., so it is easy, or more correctly, even has to deny money as an essential form of commodity which in the process of metamorphosis becomes independent in relation to its preliminary form of commodity. Here, consequently, one takes himself out of crisis by considerations in which are forgotten or denied the 1st prerequisites of the cap. prod: the existence of products as commodities, the division (razdvoyeniye) of commodity into commodity & money, the resulting from this moments of the division (rasdeleniye) in commodity ex., finally relation of money or commodity to wages.

Notes on Marx's Theories of S.V.

p.181

"Instead of speaking about wage labor 'services' are here spoken of-- a word which again excludes the specific determination of wage labor and its designation--that is, augmentation of the value of commodities for which it is exchanged, the creation of s.v.; in this manner there is excluded the specific relation thanks to which money and commodities are transformed into capital.

Marx never forgets to point out that what kept the classical economists for a thorough explanation of bourgeois society is the failure to see the dual character of labor, for a specific labor can become merely general labor ONLY BY MEANS OF ITS ALIENATION; p.183-4:

"But this mistaken conception of money is based, with Ricardo on the fact that he has in mind only the quantitative determination of ev. v. that is, that it is equal to a definite quantity of labor time; but he forgets the qualitative determination, that individual labor must by means of its alienation be presented in the form of abstract universal social labor....

Just as the specific differentia of capitalist prod. is capital, so Marx is it of crisis: "But it is important," he says on p.188, "to explain the further dev. of a potential crisis to the extent that it flows from the determinations of the form of capital which are characteristic of it as capital and not contained in it to the extent that it exists only as commodity or money."

"The general conditions of crisis," he says further on, p.190 "must be developed from the general conditions of cap. prod. of price...must be developed from the general conditions of cap. prod."

Cf. p.197 for difference between lack of consumption and limits of capital as cause of crisis: "Can there or must there be consumed, on the basis of cap. prod., as much as was produced? The postulate of Ricardo, under a correct analysis, signifies the exact opposite of that which it wishes to say--precisely, that prod. occurs not in accordance with the existing limits of consumption, but it is limited only by capital itself. And that . in any case, is a characteristic of this method of prod."

Marx is so anxious to emphasize that the expansion of production proceeds because of INNER COMPULSION and not because of market that he goes so far as to say that even the WORLD MARKET is limited at any GIVEN MOMENT: (p.201): "However, the acknowledgment alone, that the market must expand along with production would present, on the other hand, again the acknowledgment

of the possibility of overprod. since the market has outer geographic limits; the internal market is limited in comparison with the the market which is both internal and external; the latter is again limited in comparison with the world market which is again in any given moment limited (altho) in itself it is capable of expansion. Hence if we recognize that the market must expand in order that there should not be overprod., we by that token recognize that overprod. must result because, insofar as the market and prod. (present) two independent (moments), then it is possible that expansion of one of this does not correspond to the expansion of the other, that the limits of the market are not expanded for prod. sufficient rapidly or that new market--new expansion of the market --can be rapidly outdistanced by production since expanded market now appears as a limit, just as ~~the~~ earlier the narrower was."

Previously (p.198) Marx had already emphasized that production does not reckon with the limits of the market:

"In the analysis of the process of prod. we saw that all striving of cap. prod. is reduced to getting the greatest possible amt. of direct labor time with the aid of a given capital, or by the lengthening of labor time, or by the contraction of the necessary labor time, thanks to the raising of the productivity of labor, the application of cooperation, the difision of labor and machines, etc.-- in short, thanks to the production on a raised level, consequently, thanks to mass prod. In the existence of cap. prod. there thus resides prod. which does not take count of(reckon with)the limits of the market."

Cf. p.203 fogarding the impossibility of overproduction of products..