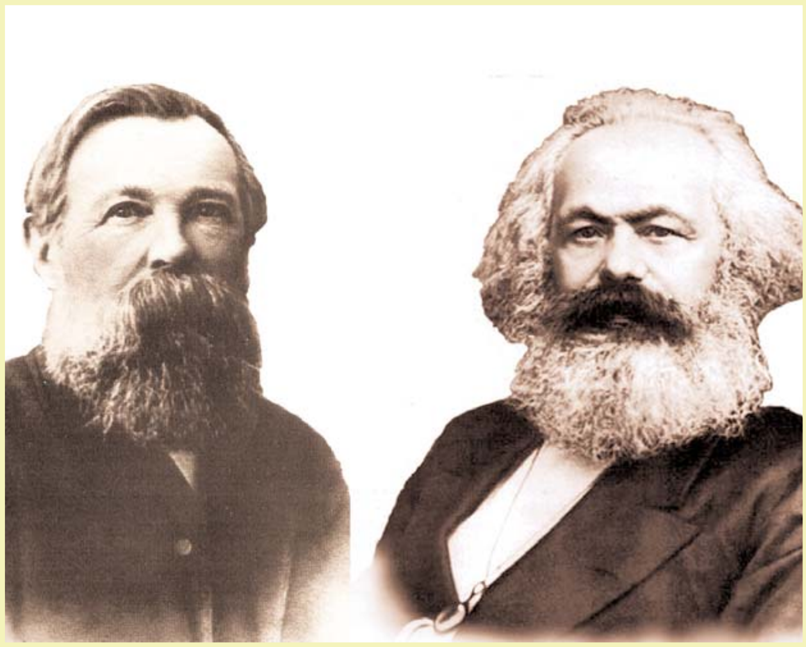
MARX & ENGELS
COLLECTED WORKS



VOLUME 33

Marx 1861-63

KARL MARX
FREDERICK ENGELS

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Translated by

BEN FOWKES

(For the translators of the section from the *Theories of Surplus Value* see Preface, p. XII)

Preface

Volume 33 of the *Collected Works* of Marx and Engels contains the continuation of Marx's Economic Manuscript of 1861-63 (Notebooks XV to XX, pp. 944-1251 of the manuscript, and the continuation of Notebook V, pp. 211-19). The preceding part of the manuscript will be found in volumes 30 to 32. The whole manuscript is presented here in accordance with its new publication in the languages of the original in *Marx-Engels Gesamtausgabe* (*MEGA*), Zweite Abteilung, Bd. 3 (Teile 1-6), Berlin, 1976-1982.

In the text contained in this volume Marx continues his analysis of the capitalist economy, concentrating, in particular, on the theory of surplus value and its relation to profit, and proceeds with his critique of earlier political economists (Thomas Hodgskin, Sir George Ramsay, Antoine Elisée Cherbuliez, Richard Jones).

Obvious slips of the pen in Marx's text have been corrected by the editors without comment. The proper and geographical names and other words abbreviated by the author are given in full. Defects in the manuscript are indicated in footnotes, places where the text is damaged or illegible are marked by dots. Where possible, editorial reconstructions are given in square brackets.

Foreign words and phrases are given as used by Marx, with the translation supplied in footnotes where necessary. English phrases and individual words occurring in the original are set in small caps. Longer passages and quotations in English are given in asterisks. Some of the words are now somewhat archaic or have undergone changes in usage. For example, the term "nigger", which has acquired generally—and especially in the USA—a more profane and unacceptable status than it had in Europe during the 19th century. The passages from English economists quoted by

Marx in French or German are given according to contemporary English editions. In all cases the form of quoting used by Marx is respected. The language in which Marx quotes is indicated unless it is German.

The text and apparatus to Volume 33 were prepared by Alexander Chepurenko and Lyubov Zalunina (Institute of Marxism-Leninism of the CC CPSU). Svetlana Kiseleva (IML) took part in compiling the Name Index and the Index of Quoted and Mentioned Literature. The bulk of the text in this volume was translated by Ben Fowkes (Lawrence & Wishart) and edited by Victor Schnittke and Andrei Skvarsky. The translation of pp. 1084-1157 of Marx's manuscript was taken from the three-volume edition of Marx's *Theories of Surplus Value,* issued by Progress Publishers, Moscow. It was made by Emile Burns, Renate Simpson and Jack Cohen and edited by Salo Ryazanskaya. This section was editorially checked with the new MEGA edition by Natalia Karmanova and Alla Varavitskaya (Progress Publishers). The volume was prepared for the press by Svetlana Gerasimenko (Progress Publishers).

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ECONOMIC WORKS

1861-1863

ECONOMIC MANUSCRIPT OF 1861-63

(Continuation)

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[XV-944][13] It appears entirely correct to say:

The division of profit into interest and industrial profit becomes evident as soon as there exist 2 classes of CAPITALISTS, MONIED and INDUSTRIAL. The existence of these 2 classes is an expression of that division; but the split must be there (must be possible) for it to appear in the separation of the 2 classes. The profit may, however, be so low, e.g. 2%, that small capitalists are unable to live from it as MONIED CAPITALISTS; but this would not prevent big capitalists from doing so, since the sum total, THE ABSOLUTE AMOUNT, of interest, depends not only on its rate but on the size of the interest-bearing capital.

The level of interest for COMMON AGRICULTURISTS in India, for example, by no means indicates a profit of an extraordinary size. *Firstly*, the profit as well as the interest is appropriated in the form of interest, and so is part of wages. (Indirectly also *property* in capital itself, i.e. here in the conditions of labour.) *Secondly*: the rate of profit is the higher the lower the mode of production, i.e. the more variable capital is expended in proportion to the total capital; [or] the [XV-945] smaller the amount of AUXILIARY capital in proportion to the capital paid out on labour.[14] Thirdly, to be sure, there is the paucity of the Indian's needs, determined by particular (physical) circumstances. HENCE THE LOW VALUE of his labour capacity.

With the development of monetary wealth (it is this development itself) as opposed to the more restricted forms of AGRICULTURAL and artisan wealth, the relation in which on the one hand the worker still appears as independent, hence not as a wage labourer, but on the other hand the objective conditions of his labour or the product already possess an independent existence alongside him—form the joint property of a special class, the usurers—necessarily develops in all modes of production resting more or less on exchange. This relation shows itself as a detachment of the conditions of labour, which increasingly derive from circulation and depend on it, from the economic existence of the worker, their attainment of autonomy. On the other hand, the worker has not yet been subsumed under the process of capital. Therefore the mode of production, too, is not essentially changed. Where this relation reoccurs within the bourgeois economy, it is in backward branches of industry, or those which are still resisting the transition to the modern mode of production. And it is in those branches that the most odious exploitation of labour takes place. Moreover, the relation between labour and capital does not here bear within itself any kind of basis for the development of new productive power, or the germs of new historical forms. In the mode of production itself, capital still appears here as materially subsumed under the individual worker or the worker's family, whether in handicraft production or in small-scale agriculture. Exploitation of capital takes place, without the mode of production of capital. The rate of interest is very high, because 1) the rate of profit is high, since the proportion of AUXILIARY CAPITAL is small; 2) the interest includes profit; 3) it even includes part of the wage; and 4) it is not only surplus value and wages but the appropriation of the conditions of labour themselves. A part of the interest cannot be paid; the conditions of labour are themselves mortgaged (as in India). With industrial capital it goes without saying that the part of the product which represents the conditions of labour falls to the share of the capitalist. This form of usury, in which capital does not take control of the mode of production, hence is capital only formally, presupposes pre-bourgeois modes of production as dominant; but it is reproduced again in bourgeois society in subordinate spheres. In so far as the effect of this capital is not political—dissolution of existing conditions, as in antiquity, etc.—in so far as it has an historical meaning, it is the separation of the conditions of labour from the worker on the one hand; which is the same thing in other words as the formation thereby of monetary wealth which later buys the conditions of production as commodities.[15]

Another historical form of interest (wherever there is slavery, serfdom, and wealth and income founded thereon): lending of capital to wealth engaged in consumption. This *appears historically important here as itself a process by which capital originates*, in that the income, rent and often the LAND TOO OF THE LANDED PROPRIETORS ACCUMULATES AND BECOMES CAPITALISED IN THE HANDS OF THE USURERS. This is one of the forms in which money, circulating capital, accumulates in the hands of a class independent of landed property.

Trade develops with the development of capitalist production, and at the same time the necessity arises for the producer to produce commodities, partly to buy the elements of these, partly to sell the product, to pay within certain due dates, etc. In short, the money form of the commodity becomes essential to him. This leads to an extension of usury, which now already begins to perform increasingly the function of interest-bearing capital in the modern sense. But the money still lies in part in the hands of old-fashioned usurers, a few money-dealers, monopolists, who thus hold sway over the emerging industries. Hence the struggle, in the 17th century for example.[16]

It is clear that where trade and industry develop in towns, money-dealing also develops. Here usury is already more subsumed in relation to *this form of capital* (merchants' capital). It first becomes subordinated with the development of forms of credit in which payment in cash or payment in gold, silver, loses its significance. But a new class of parasites develops on this basis.

For the development of usury nothing is needed except a certain development of commodity production and of the necessity of making payments in money. There exists on the one hand, in the SLAVEHOLDER, FEUDAL LORD, a person who possesses SURPLUS labour and who turns it over to or shares it with the usurer. Similarly a class of merchants, alongside whom the *hoard-builder who has developed into a usurer* settles down, sharing with them their profits, which are for the most part PROFIT UPON EXPROPRIATION.[17] In relation to the small-scale producers, finally, it is a manner of reducing their income to a mere wage and appropriating the conditions of labour.

[XV-946] Thus as long as money capital retains its old-fashioned structure of usury, the rate of interest is compulsorily forced DOWN by law. As soon as the form of credit has been created—in which all the latent money capital of society is placed at the disposal of industrial production—as soon as money capital has become a commodity, subjected to competition, there is an end to the forcible methods of subjecting it to industrial capital and reducing it to a mere form, a moment of the latter.

We have seen[a]: The less developed the character of the product

[a] K. Marx, *A Contribution to the Critique of Political Economy*. Part One (present edition, Vol. 29, p. 367).—*Ed.*

as commodity, the less exchange value takes control of production over the whole of its breadth and depth, the more does *money* appear as actual wealth, as abstract wealth, vis-à-vis the restricted modes of representation it has in use values. *Hoard formation* is based on this. Leaving aside its functions of world money and hoard, it is precisely in the form of the *means of payment* that money appears as the absolute form of the commodity. And it is its development as means of payment which chiefly gives rise to *interest,* and develops money as money capital.[18] What spendthrift or corrupting wealth wants is money as money, AS THE *GENERAL POWER OF PURCHASING*. (Also for paying debts.) Where the small producer needs money above all, is for *payment.* In both cases money is used as money. Hoard formation, on the other hand, only becomes real, fulfils its dream, in *usury.* What is demanded of the usurer is not capital, but money as money, and through interest he converts this hoard of money for himself into capital, self-valorising value, a means whereby he takes control of part of the surplus labour and part of the conditions of production themselves, even if they remain nominally independent of him. *Usury* exists apparently in the pores of production, like the gods in the system of Epicurus.[19] This form of interest-bearing capital admittedly presupposes that production has developed the circulation of commodities so far that it has progressed to the formation of money, and developed money in its various functions. But it depends on a situation in which the part of the product which is converted into a commodity still only forms a relatively small part of production, and in which the conversion of the commodity into money is still difficult, and money itself, the existence of the commodity as exchange value, is still exceptional. This kind of money capital, although it presupposes the production of commodities, cannot be derived directly from the relation between commodity and money. The more the commodity develops as a commodity, the more does money develop as its pure form; and the more is the price at which the commodities are sold determined by their value. It is competition as form of realisation of capital, in which this is paid. That money is paid for money loaned is a simple consequence of the need TO HAVE IT ON ANY PRICE, and the hoard-forming usurer exploits this need.[20] Money is a condition, a necessary condition, and it is the more difficult to obtain the less the commodity form is the general form of the product. It is a condition for production, even though still very extraneous, and a condition for extravagance and to fulfil the need for corruption. As such a condition, as money, it is sold. *Merchants' wealth* is older than *interest-bearing money capital* to the extent that it emerges directly from the circulation of commodities, whereas *money capital* emerges from the privileged position of money which grows out of circulation, and from the need for it as a condition. In the first case the form of circulation is $M—C—M$ (or $C—M—C$). In the second the result is $M—M'$; that more money can be made with money. In so far as it attaches itself to *commercial capital* it has the same relation to it as interest-bearing capital does to capital on the basis of capitalist production in general. In contrast to this, where it exploits small-scale property or extravagant wealth (which itself appropriates the labour of slaves or serfs), it emerges simply from money as money—as hoard, in its function of means of payment, etc., and the price at which it is granted is determined purely by the price the usurer succeeds in extorting. That "nothing is given for nothing", hence nothing is lent free of charge, is already evident from the fact that [XV-947] with the development of the commodity every divestiture appears as an appropriation.[21]

Commercial capital, or money as it appears in merchants' wealth, is the first form of capital, i.e. value which proceeds exclusively from circulation (from exchange), preserves, reproduces, and increases itself within it; and thus the exclusive purpose of this movement is exchange value. There are two movements: buying in order to sell, and selling in order to buy, but $M—C—M$ is the predominant one. Money and its increase predominate as the exclusive purpose of the operation. Commercial capital is money as the mediating movement of circulation. Money similarly appears here as an end in itself, without on that account rigidifying in its metallic existence. It is here the living transformation of value into the two forms of the commodity and money; the indifference of value towards the particular use values in which it is incorporated, and at the same time its metamorphosis into all of these forms, which appear, however, merely as disguises for it. Thus while the action of commerce gathers together the *conditions of circulation*, and merchants' wealth is therefore on the one hand the first form of capital's existence, and also appears historically in this way, on the other hand this form appears as contradictory to the concept of *value*. To buy cheap so as to sell dearer is the law of commerce. Hence not the *exchange of equivalents*. The concept of value is present to the extent that the different commodities are all *value*, and therefore *money*; equal, from the qualitative point of view, expressions of social labour. But they are not equal *magnitudes of value*. It should in general be noted that when products are first exchanged as commodities the *quantitative ratio*