

THEORIES OF SURPLUS VALUE

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By
KARL MARX

A selection from the volumes published
between 1905 and 1910 as *Theorien über
den Mehrwert*, edited by Karl Kautsky,
taken from Karl Marx's preliminary
manuscript for the projected Fourth
Volume of *Capital*

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FOREWORD

IN the preface to Volume I of *Capital* published in 1867, Marx speaks of projected further volumes, including a Book IV, "the history of the theory." After Marx's death, Engels prepared, from manuscripts left by Marx, Volumes II and III of *Capital* (published in 1885 and 1894). In his preface to Volume II, Engels notes that a considerable section of a manuscript written by Marx between 1861 and 1863 is entitled "Theories of Surplus Value," and continues: "This section contains an exhaustive critical history of the main point of political economy, the theory of surplus value. . . . I reserve for myself the privilege of publishing the critical part of the manuscript, after the elimination of the numerous parts covered by Volumes II and III [of *Capital*], in the form of Volume IV."

Engels was however unable to begin the preparation of this Volume IV before his death in 1895, and the task was undertaken by Karl Kautsky, who completed it between 1905 and 1910. But it was published as a separate work under the title of *Theorien über den Mehrwert* ("Theories of Surplus Value"), not as Volume IV of *Capital*.

It consists of a series of studies of economists who preceded Marx, with some essays on particular themes, and in the German edition runs to over 1,750 pages, arranged in three books as under:

- I. Early Theories of Surplus Value up to Adam Smith.
- II. David Ricardo.
- III. From Ricardo to Vulgar Economics.

Kautsky's editing of Marx's manuscript has been criticised both for its arrangement of the various sections, which differs considerably from that of the manuscript, and for the omission of important passages. A new edition of the German text is therefore being prepared by the Marx-Engels-Lenin Institute in Moscow. Meanwhile it is desirable to make available to English readers a selection of those sections of

the manuscript which are of most immediate interest and importance to us.

In the present volume, which is the first translation to appear in English, it has not been possible to publish more than the major part of Book I, covering mainly the Physiocrats and Adam Smith, and those parts of Book II which deal with Ricardo's views on surplus value and profit, and accumulation and crises, but omitting the treatment of rent (which is dealt with at some length in Volume III of *Capital*).

These sections are of special interest to British readers because of the detailed studies of Adam Smith and David Ricardo. Moreover, as in everything that Marx wrote, the subject directly handled is illuminated by comments showing the relation between the ideas which he is examining and the economic conditions of the period that gave birth to these ideas. In this sense these economic studies help to an understanding also of historical materialism.

Many of the still current arguments which seek to justify capitalist profits are merely refurbished versions of the old views critically examined by Marx in this work. And these old theories are not only examined and criticised. Marx shows the conditions in which they arose and which gave them some historical justification in the period of transition from the feudal to the capitalist order and in the early stages of capitalism. The repetition of these views to-day has no historical justification.

Marx notes that the "classical" economists, especially Adam Smith and Ricardo, attempted a scientific examination of the underlying laws of capitalist production, in contrast to the later, the "vulgar" economists, who are still with us today. It was of these that he wrote, in his preface to the second edition of Volume I of *Capital* (1873): "In place of disinterested enquirers, there were hired prize-fighters; in place of genuine scientific research, the bad conscience and the evil intent of apologetic."

Those who have already read *Capital* will find in these selections from *Theories of Surplus Value* new material of exceptional interest, both elaborating the ideas in *Capital* and showing how they were developed historically. Those who have not read *Capital* will find in them some of the principal

points in Marx's economic theory, made all the easier to understand because of the criticism of the closely-related but inadequate views of the earlier economists.

An attempt has been made in the translation to adhere as closely as possible to the German original while making it readable in English. The difficulties are all the greater because the manuscript was never worked up by Marx for publication, and some passages are little more than notes for further elaboration. Passages and words interpolated in Marx's text by Kautsky for the sake of clarity are enclosed in square brackets; these are also used for interpolations by Marx in quotations from other writers.

Where Marx has quoted from other writers, the text has been taken from the editions to which he refers (or contemporary English translations). In the case of Adam Smith's *Wealth of Nations* and Ricardo's *The Principles of Political Economy and Taxation*, however, the current Everyman Library edition has been used as the most easily available to readers.

I have to thank Bertha Clark, W. N. Clark and P. Dance for their help at various stages, and Maurice Dobb for reading the proofs and making invaluable suggestions.

EMILE BURNS.

A. THE PHYSIOCRATS AND SOME OF THEIR
PREDECESSORS AND CONTEMPORARIES

1. SIR WILLIAM PETTY

THE founder of modern political economy is Sir William Petty, one of the most gifted and original economic investigators. In his *Treatise of Taxes and Contributions*, London, 1662 (the edition here quoted is that of 1679), there are numerous passages dealing with the origin and determination of surplus value. They are somewhat confused and disconnected, but it is possible to sort out the leading ideas which run through all these scattered observations.

Petty distinguished between natural price and political price, "the true price Currant" (p. 66-7). By natural price he means in fact *value*, and it is only this that concerns us here, since it is on the determination of value that the determination of surplus value depends.

In this treatise he in fact determines the value of commodities by the comparative quantity of labour they contain.

"But before we talk too much of Rents, we should endeavour to explain the mysterious nature of them, with reference as well to Money the rent of which we call Usury; as to that of Lands and Houses aforementioned" (p. 23).

What is at issue here is what causes the phenomena, not the phenomena themselves.

"This, I say to be the foundation of equallising and ballancing of values; yet in the superstructures and practices hereupon, I confess there is much variety and intricacy" (p. 25).

The first question is: what is the value of a commodity?

"If a man can bring to *London* an ounce of Silver out of the Earth in *Peru*, in the same time that he can produce a bushel of Corn, then one is the natural price of the other; now if by reason of new and more easie Mines a man can get two ounces of Silver as easily as formerly he did one, then Corn will be as cheap at ten shillings the bushel, as it was before at five shillings, *cæteris paribus*" (p. 31).

"And let the production of a Bushel of this Corn be

supposed of equal labour to that of producing an ounce of Silver” (p. 66).

This is, to begin with, the “real and not an imaginary way of computing the prices of Commodities” (p. 66).¹

The second point which has now to be examined is the value of labour:

“for then the Law that appoints such Wages were ill made, but which would allow the Labourer but just wherewithal to live; for if you allow double, then he works but half so much as he could have done, and otherwise would; which is a loss to the Publick of the fruit of so much labour” (page 64).

This passage is to be understood as follows: If the worker were to get for six hours’ labour the value of six hours, he would get twice as much as he now gets when he is given the value of six hours’ labour (for twelve hours’ labour). He will then work only six hours.

The value of labour is therefore determined by the necessary means of subsistence. The worker is impelled to produce surplus value and to perform surplus labour only by the fact that he is forced to use the whole of the labour power within his capacity in order to get for himself just as much as he needs to live. The cheapness or dearness of his labour, however, is determined by two factors: natural productivity, and the standard of expenditure (needs) conditioned by the climate:

“Natural dearness and cheapness depends upon the few or more hands requisite to necessities of Nature: As Corn is cheaper where one man produces Corn for ten, then where he can do the like but for six; and withal, according as the

¹ In Petty’s *Political Anatomy of Ireland*, London, 1672 (the edition here quoted is that of 1682), he says however:

“Wherefore the days food of an adult Man, at a Medium, and not the days labour, is the common measure of Value, and seems to be as regular and constant as the value of fine Silver. . . . Wherefore I valued an *Irish* Cabbin at the number of days food, which the Maker spent in building of it” (p. 65).

This has quite a Physiocratic ring.

“That some Men will eat more than others, is not material, since by a days food we understand 1/100 part of what 100 of all Sorts and Sizes will eat, so as to Live, Labour, and Generate” (p. 64).

But what Petty seeks here in the Irish statistics is not the immanent measure of values, but the measure of values in the sense that money is a measure of values.