

INTRODUCTION TO "WAGE-LABOR AND CAPITAL"

BY FREDERICK ENGELS

THE following pages appeared first in the shape of leading articles in the columns of the *New Rhenish Gazette*, beginning April 4, 1849. They were based on lectures given by Marx in the year 1847, before the German Workingmen's Club at Brussels. The series of articles begun remained however a fragment only. The promise "to be continued" (held out in the No. 269 at the end of the article) was never to be realized owing to the rush of events during those days—the invasion of the Russians into Hungary, the risings at Dresden, Iserlohn, Elberfeld, in the Palatinate, and Baden, which brought about the suppression of the *Gazette* itself May 19, 1849. Among the papers left by Marx there has not been found any manuscript containing the continuation of the article in question.

A few editions of *Wage-Labor and Capital* have already appeared in pamphlet form, the last in Zurich, Switzerland, in 1884. All these editions were exact reprints of the original articles. But as this new edition, to be used for the purpose of agitation, is to be made up of no less than 10,000 copies, the question had to present itself to my mind, whether Marx himself would under these circumstances have approved a mere reproduction of the original text.

As a matter of fact, during the forties Marx had not yet completed his critical study of political economy. He did this only about the end of the fifties. Thus all his writings which appeared before the publication of the first part of his *Critique of Political Economy* differ in some points from those pub-

lished after 1859, contain expressions and even entire sentences, which from the point of view of his later writing, appear rather ambiguous and even untrue.

Now, it goes without saying, that in common editions for the general reading public, even such older ideas, which constitute, so to say, the logical stepping stones to the final stage of the author's mental evolution, may find a legitimate place, that in the case of such editions, the author as well as the public have an undisputed right to demand an unchanged reprint of such older writings, and for such an emergency it would never have entered my mind to change even a single word of the original text.

But it is quite a different thing, in case the new edition is destined primarily and almost exclusively for agitation among workingmen. In such a case Marx would have undoubtedly brought into accord the older exposition, dating back to the year 1849, with his later, more mature ideas. And I am sure to act in his spirit by making for the present edition those slight changes and additions, which are required to attain the stated purpose in all principal points. I may then tell the reader beforehand: This is the pamphlet, not as Marx wrote it in the year 1849, but such a one, or nearly such a one, as Marx might have written in the year 1891. Moreover, the original text can be found in quite a number of old copies, and this will do for the time being, until I have occasion to embody it as part of a complete collection of Marx's writings.

The changes I have made turn all about one point. According to the original text, the workingman sells his *labor* to the capitalist for a certain wage; according to the new text what he sells is his *labor-power*. It is concerning this change that I owe some explanation: First of all to the workingmen, so that they may see that what we are concerned with is not at all mere nicety of verbiage, but one of the most important problems of political economy; and then also to the bourgeois, so that they may convince themselves, how much superior the uneducated workingmen are to the conceited "educated class" of society; for while to the former the closest

and most difficult reasoning can be easily made intelligible, to the latter such intricate questions remain a riddle during all their life.

Classical political economy accepted from industrial practice the traditional conception of the manufacturer buying and paying for the labor of his workingmen. This conception had proved quite sufficient for business purposes, those of bookkeeping and price-calculation. But transplanted naively into political economy, it caused there all kinds of strange errors and vagaries.

Political economy is confronted with the fact, that the prices of all commodities, among them also the price of that which is called labor, are constantly changing, rising and falling by reason of the most various circumstances, which frequently have no connection whatever with the production of the commodity itself, so that, as a rule, prices seem to be determined by mere accident. As soon then as political economy assumed a scientific character, it became one of its first tasks, to seek the law hiding behind accident, which was apparently ruling the prices of commodities, but truly was ruled in its turn by this law. Within these oscillations, or up-and-downward movements of prices, the new science began to seek the firm central point, around which these oscillations occur. In a word, starting from the *prices* of commodities, economics began to seek for their regulating law—namely, the *value* of commodities, by which the price-oscillations might be explained, to which they might ultimately be reduced.

Classical political economy found then, that the value of a commodity is determined by the labor which is embodied in it, in other words, which is required for its production. It rested satisfied with this explanation, which even we may accept for our proximate purposes. (To ward off misunderstandings, however, I should remind the reader, that this explanation has now become altogether insufficient.) Marx was the first to analyze in a thorough manner the peculiar property of labor to create new value, and he found that not all labor, which was seemingly or actually necessary for the

production of a commodity, really under all circumstances added an amount of value, corresponding to the amount of labor expended. If we then follow such economists as Ricardo in saying plainly, that the value of a commodity is determined by the labor necessary for its production, we are constantly bearing in mind the reservations made by Marx. So much then here for purposes of explanation: For further particulars I refer the reader either to Marx's *Critique of Political Economy* or to the first volume of his *Capital*.

But no sooner did the economists apply the new conception of value, as determined by labor, to the commodity labor itself, than they began to fall from one contradiction into another. How is the value of labor determined? Answer: By the necessary labor embodied in it. But how much labor is there in the labor of a workingman during a period of one day, week, month, or year? Of course, one day's, one week's, one month's, one year's labor. For, if labor is the measure of all values, we can express the "value of labor" only in terms of labor. Needless to say, we know absolutely nothing about the value of one hour's labor, if we know only that it equals one hour's labor. We have not come a hair's breath nearer the solution of the problem; we are merely turning hopelessly in a vicious circle.

Classical political economy thus had to attempt another method to solve the problem. It asserted that the value of a commodity equals its cost of production. Now then, what is the cost of production of labor? In order to answer this question economists had to strain logic quite a little. Instead of seeking the cost of production of labor itself (which, as a matter of fact, can never be found) they investigated what is the cost of production of the laborer, and this can be found, sure enough. This cost varies according to time and circumstances, but given a certain condition of society, a certain locality, a certain branch of production, this cost is also given, at least within pretty narrow limits. We live at present under the rule of capitalist production, under which

a large and steadily increasing class of the population can live only by working for wages for the owners of the means of production—the tools, the machines, the raw materials, and the means of subsistence. Given such a mode of production the cost of the laborer is made up of that sum-total of means of subsistence—or their price in terms of money—which is normally required to make and keep him fit to work, and replace him, in case of old age, disease, or death, by a new laborer—in a word, the sum required for the propagation of the working class in its required strength.

Suppose for argument's sake the average money-price of the means of subsistence to be two dollars a day. Our workman will then receive from his capitalist employer a daily wage of two dollars. For this the capitalist makes him work, say twelve hours a day, and he calculates in about the following manner:

Suppose the workman, say an engineer, has to manufacture a piece of machinery, which he completes in one day. The raw material—iron and brass in the shape required—to cost five dollars. The consumption of coal by the steam engine, the wear and tear of this engine, that of the lathe and other instruments, used by our workman, calculated per day and head—to represent one more dollar. The daily wage we have assumed to be two dollars. The total cost then of the piece of machinery would be eight dollars. The capitalist however calculates that the average price which he receives from his customer is ten dollars—that is, two dollars above the cost advanced.

Whence do these two dollars come, which the capitalist pockets? According to what classical political economy says, commodities are sold normally at their values—that is, at prices which correspond to the quantities of necessary labor embodied in them. The average price of the piece of machinery—ten dollars—would thus equal its value, or the amount of labor embodied in it. But out of these ten dollars, six dollars were values already in existence, before our en-

gineer began to work. Five dollars were contained in the raw material, one dollar either in the coal which was burned up during the work, or in the machinery and instruments which were used during the process and by that much became deteriorated in value by losing an aliquot part of their efficiency. There remain then four dollars which have been added to the value of the raw material. These four dollars, however, according to the very assumption of our economists, can be due solely to the labor applied by the workman to the raw material. His twelve hours' labor has then created a new value of four dollars. The value of his twelve hours' labor, it would seem, equals then four dollars. The problem, "what is the value of labor," would thus seem to be solved.

"Stop there!" interjects our engineer. "Four dollars? Why! I have received but two. My employer assures me with all his heart, that the value of my twelve hours' work is but two dollars, and finds it ridiculous for me to demand four. Well, how do you account for it?"

It appears then, that whereas before, while trying to define the value of labor, we have landed in a vicious circle, we have now become hopelessly involved in an unsolvable contradiction. We have been seeking the value of labor, and found more than we can use. For the workman the value of twelve hours' labor is two dollars, for the capitalist four dollars, out of which he pays the workman two in the form of wages and puts two into his own pocket. Labor then, it appears, has not one, but two values, and quite different ones, in the bargain.

The contradiction becomes even more perplexing, in case we reduce the values, as expressed in terms of money, to hours of labor. During the twelve hours of labor a new value of four dollars has been created; during six hours then, one of two dollars, the exact amount the workman is paid for twelve hours' labor. In other words for twelve hours' labor the workman receives as equivalent the product of six hours. The result, then, at which we have arrived is the alternative

conclusion either that labor has two values, of which one is double the other or that twelve equals six. In either case the result is utter nonsense.

Turn and twist as much as we like, we cannot extricate ourselves from this contradiction, as long as we use the terms "buying and selling labor" and "the value of labor." And this was exactly the fate of the economists. The last offshoot of classical economics, the Ricardian school, perished mainly for the reason that it was unable to solve this contradiction. Classical economics had become irretrievably lost in a blind alley. The man to find the way out of it, was Karl Marx.

What economists had regarded as the cost of production of labor was not the cost of labor, but that of the living laborer. And what they thought the laborer was selling to the capitalist, was not his labor. "As soon as his labor really begins," says Marx, "it ceases to belong to him, and therefore can no longer be sold by him." At best, he is able to sell his future labor—that is, he can assume the obligation to perform a definite labor service at a definite time. But by doing this he does not sell labor (which is only to be performed) he transfers to the capitalist for a definite time (in case of time-wages) or for the sake of a definite labor service (in case of piece-wages) the control over his labor-power for a definite payment; he leases, or rather sells his labor-power. This labor-power is coalescent with and inseparable from his very person; its cost of production therefore coincides with that of the individual; what the economists called the cost of production of labor, is that of the laborer and at the same time that of his labor-power. It is thus that we are able to go back of the cost of production of labor to the value of labor-power and to determine the amount of socially necessary labor, requisite for the production of labor-power of definite quality, as Marx has done in the chapter on "The Buying and Selling of Labor-Power" in *Capital*.

What happens then, when the laborer has sold his labor-power to the capitalist, has transferred to him the control

over it for ■ daily or piece-wage, agreed upon in advance? The capitalist takes the laborer into his shop or factory where there are already all things requisite for production, as raw material, accessory materials (coal, dye-stuffs, etc.), tools, machines. Here the laborer begins his toil. Suppose his daily wage to be, as before, two dollars, no matter whether they are paid to him in form of ■ daily or piece-wage. We again suppose that the laborer by his labor during a period of twelve hours has added to the raw material consumed an additional value of four dollars, which additional value is realized by the capitalist when he sells the ready product. Out of these four dollars he pays the laborer two dollars, but the other two he keeps for himself. Now if the laborer produces during twelve hours a value of four dollars, it follows that he produces ■ value of two dollars during six hours. Consequently he has returned to the capitalist the equivalent of his wage of two dollars, after having worked for him but six hours. After six hours of labor they have squared accounts, neither owes the other ■ single cent.

"Beg your pardon," interjects the capitalist now. "I have hired the laborer for an entire day, for twelve hours. Six hours are but half a day. Continue your labor until the other six hours are over, only then we shall be square!" As ■ matter of fact, the laborer has to live up to the "voluntarily" entered agreement, by which he had bound himself to work full twelve hours in exchange for ■ labor-product which costs but six hours of labor.

The same holds good in the case of piece-wages. Suppose our laborer produces twelve pieces of a certain commodity during twelve hours. The cost of the raw material, the wear and tear of the machinery amounts to say \$1.33 $\frac{1}{3}$ cents, the piece sells at \$1.66 $\frac{2}{3}$ cents. In such ■ case the capitalist, given the same terms as above, will pay the laborer a little over 16 $\frac{1}{2}$ cents ■ piece, for twelve pieces—two dollars, for which the laborer has toiled twelve hours. The capitalist receives for the twelve pieces twenty dollars: out of these, sixteen dollars go for raw materials and wear and tear; out of the

balance of four dollars, two go for wages and two are pocketed by the capitalist. The result then, is the same as above. In this case as well ■ in the first, the laborer works six hours for himself—that is, in return for his wage—and six hours for the capitalist.

The difficulty, which brought to grief even the best economists ■ long as they started their reasoning with the value of labor, disappears as soon ■ we start in its stead with the value of labor-power.

Labor-power is ■ commodity in our present capitalist society, to be sure—a commodity like any other, but still a peculiar commodity. It has the peculiar quality of being ■ power that generates value, or of being the source of value, and what is more, of being with proper treatment, the source of more value than is embodied in itself.

As ■ matter of fact, productive efficiency has nowadays reached such a stage that human labor-power produces during one day not only ■ greater value than that which it possesses and costs; but also, with each scientific discovery, with each new technical invention, the excess of its daily product over and above its daily cost increases; in other words, that part of the work-day during which the laborer is working merely to reproduce the equivalent of his daily wage is constantly decreasing, while that part is increasing, during which the laborer has to make ■ free gift of his labor to the capitalist, for which he is not paid at all.

And this is the economic constitution of our entire modern society: it is the working class alone which produces all values. For value is merely another expression for labor, that expression by which in our present capitalist society is designated the quantity of socially necessary labor embodied in ■ definite commodity. But the values produced by the laborers do not constitute their property. They are the property of the owners of the raw material, the machines, and the articles advanced to the laborers, the possession of which enables these owners to purchase the labor-power of the working class. Out

of the entire mass of produce created by the working class, it receives back but a small share.

And as we saw just now, the other share, which the capitalist class retains for itself, or at worst, has to divide with the landlord class, is becoming greater and greater with each new invention and discovery, while the share falling to the working class (calculated per head) either rises but slowly and insignificantly, or does not rise at all, and at times may even fall.

But this continuously accelerated rush of inventions and discoveries, this unprecedented daily growth of the productivity of human labor, will in the long run cause a conflict, by which our present capitalist economy must perish. On the one side incalculable wealth and a superabundance of products which the purchasers cannot find use for. On the other side, the great mass of society, proletarianized, turned into wage-workers, and thereby made unable to acquire that superabundance of products. The cleavage of society into a small, extremely rich class, and a great non-possessing class of wage-workers, causes this society to suffocate from its own superabundance, whereas the great majority of its members are hardly or not at all protected against extreme want.

Such a state becomes every day more absurd and unnecessary. It must be removed, it can be removed. A new order of society is possible in which the present class differences will be a matter of the past and where—perhaps after a short, not quite satisfactory, but morally very useful transition period—by means of designed utilization and further improvement of the then existing vast productive power of all members of society, with equal obligation to work will be given, in equal degree and in constantly growing abundance, the means to live and to enjoy life, to develop and exercise all physical and intellectual capacities. And that the workingmen are more than ever determined to achieve for themselves such an order of society—to this will bear testimony, on either side of the Ocean the dawning First of May.

London, April 30, 1891.

ESSENTIALS OF MARX

NOTE ON DEFINITION OF TERMS

It may be well to explain, for the benefit of readers who are not familiar with Marxian terminology, the precise meaning of several words which are of frequent occurrence.

The things which men produce by their labor are, in the first place, useful things—that is, things which satisfy human needs or desires. If they were not useful, in this broad sense, they would not be produced. When considering them in this aspect, as useful products, the Marxian calls them *goods*.

Under certain circumstances, or in certain states of society, goods are goods and nothing more—in other words, they are produced solely and directly because of their usefulness. Thus in a purely rural community every family has a garden and keeps poultry and a cow or two. Vegetables, eggs, and milk are produced in order to be consumed in the household. This is what Marxians call *use-production*.

Now let this society be transformed through the introduction of factories and railways and the accompanying growth of cities. We soon find some of the farmers cultivating market gardens or running dairies or poultry farms. They produce the same kinds of goods—vegetables, eggs, and milk. They now produce them, however, not in order to use them, but in order to sell them to the city folk. Under such circumstances, according to the Marxian form of expression, goods are *commodities*; and such a society is a *commodity-producing* society.

After this social change the goods have the same kinds of utility, usefulness, or *use-value* as they had before. But they have also the power of commanding other kinds of goods in exchange—that is, they have *exchange-value* as well as use-value. When a Marxian uses the word “value” by itself, he always means exchange-value.

Every kind of goods has its own specific use-value. The use-value of milk is quite different from the use-value of shoes; and from the point of view of their usefulness neither shoes nor milk can take the place of kitchen knives or a bedstead. *Use-value is a natural relation between goods and persons.*

But when society has reached such a stage of development that various productive occupations have become specialized

and the custom of exchange (at first direct trading of one article for another, known as barter; later on, buying and selling by means of money) has become established—that is, in a commodity-producing society—all kinds of goods are interchangeable in definite proportions. The market gardener gets shoes or a bedstead by growing vegetables, the cutlers get milk and eggs by making knives, and so forth. The equivalence of ■ pair of shoes with so many dozen eggs does not depend upon the physical qualities of eggs and shoes; it is not a mere relation between eggs and shoes. It depends, in the last analysis, on one characteristic which shoes and eggs have in common with knives and bedsteads—that *none of them can be produced without labor.*

In the actual process of competitive buying and selling, all kinds of commodities tend to command such prices that the product of a given amount of labor in one branch of industry will purchase the product of an equal amount of labor in any other. But the methods of production and of exchange are social phenomena, as is the institution of property, without which there would be no buying and selling. Thus, whereas use-value is ■ natural relation between things and persons, between goods and consumers, *exchange-value is ■ social relation between owners, expressed in terms of commodities.*

The exchange-values of various commodities differ only in quantity, whereas the use-values of various goods differ in kind. An increase or decrease in the exchange-value of any commodity has no necessary connection with any change in its use-value, but only with some change in the amount of labor required to produce it.

In primitive society all production was use-production. After ■ while commodity-production began on a very small scale and gradually increased through the ages. In most parts of the world today, the production of commodities is the dominant form, while production for use plays but ■ very small part.—A. L.