



Classical Sociological Theory and Foundations of American Sociology

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PART I
MARX AND ENGELS

I. Value, Price and Profit

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“Abolition of the wages system!”

NOTE ON SOURCE: This selection was from a speech Marx gave in 1865 to the General International Congress and translated and published by his daughter, Eleanor Aveling, in 1908, from which the following passage has been taken. The entire work is composed a series of short explanatory essays on various aspects of the workings of capitalism. It has never been republished in its entirety.

Introduction – Why this is important and what to look for

In the preface to the 1908 publication, Edward Aveling, Marx’s son-in-law, recommends the work as “an epitome of the first volume of Capital,” written more accessibly for the general reader. He states, “Among many other characteristics of Marx, this paper shows two especially. These are his patient willingness to make the meaning of his ideas plain to the humblest student, and the extraordinary clearness of those ideas” (page 3). You may want to compare the presentation of the discussion of profit, surplus value, and class struggle here, with the presentation in Capital.

Value and Labor

The first question we have to put is: What is the *value* of a commodity? How is it determined?

At first sight it would seem that the value of a commodity is a thing quite *relative*, and not to be settled without considering one commodity in its relations to all other commodities. In fact, in speaking of the value, the value in exchange of a commodity, we mean the proportional quantities in which it exchanges with all other commodities. But then arises the question: How are the proportions in which commodities exchange with each other regulated?

A commodity has a *value*, because it is a *crystallization of social labor*. The *greatness* of its value, or its *relative value*, depends upon the greater or less amount of that social substance contained in it; that is to say, on the relative mass of labor necessary for its production. The *relative values of commodities* are, therefore, determined by the *respective quantities or amounts of labor, worked up, realized, fixed in them*. The *correlative qualities* of commodities which can be produced in the *same time of labor* are *equal*. Or the value of one commodity is to the value of another commodity as the quantity of labor fixed in the one is to the quantity of labor fixed in another.

It might seem that if the value of a commodity is determined by the *quantity of labor bestowed upon its production*, the lazier the man, or the clumsier a man, the more valuable his commodity, because the greater the time of labor required for finishing the commodity. This, however, would be a sad mistake. You will recollect that I used the word, “Social labor,” and many points are involved in this qualification of “Social.” In saying that the value of a commodity is determined by the *quantity of labor* worked up or crystallized in it, we mean *the quantity of labor necessary* for its production in a given state of society, under certain social average conditions of production, with a given social average intensity, and average skill of labor employed.

The Different Parts into which Surplus Value is Decomposed

The *surplus value*, or that part of the total value of the commodity in which the *surplus labor* or *unpaid labor* of the working man is realized, I call *Profit*. The whole of that profit is not pocketed by the employing capitalist. The monopoly of land enables the landlord to take one part of that *surplus value*, under the name of *rent*, whether the land is used for agriculture, buildings or railways, or for any other productive purpose. On the other hand, the very fact that the possession of the *instruments of labor* enables the employing capitalist to produce a *surplus value*, or, what comes to the same, to *appropriate to himself a certain amount of unpaid labor*, enables the owner of the means of labor, which he lends wholly or partly to the employing capitalist – enables, in one word, the money-lending capitalist to claim for himself under the name of *interest* another part of that surplus value, so that there remains to the employing capitalist as *such* only what is called *industrial or commercial profit*.

By what laws this division of the total amount of surplus value amongst the three categories of people is regulated is a question quite foreign to our subject. This much, however, results from what has been stated. *Rent, Interest, and Industrial Profit* are only *different names* for different parts of the *surplus value* of the commodity or the *unpaid labor enclosed in it*, and they are *equally derived from this source, and from this source alone*.

It is the employing capitalist who immediately extracts from the laborer this surplus value, whatever part of it he may ultimately be able to keep for himself. Upon this relation, therefore, between the employing capitalist and the wages laborer the whole wages system and the whole present system of production hinge.

Attempts at Raising Wages

In workers' attempts at reducing the working day to its former rational dimensions, or, where they cannot enforce a legal fixation of a normal working day, at checking overwork by a rise of wages, a rise not only in proportion to the surplus time extracted, but in a greater proportion, workers fulfill only a duty to themselves. They only set limits to the tyrannical usurpations of capital. Time is the root of human development. A worker who has no free time to dispose of, whose whole lifetime, apart from the mere physical interruptions by sleep, meals, and so forth, is absorbed by work for the capitalist, is less than a beast

of burden. She is a mere machine for producing Foreign Wealth, broken in body and brutalized in mind. Yet the whole history of modern industry shows that capital, if not checked, will recklessly and ruthlessly work to cast down the whole working class to this utmost state of degradation.

The Struggle between Capital and Labor and Its Results

As to *profits*, there exists no law which determines their *minimum*. We cannot say what is the ultimate limit of their decrease. And why cannot we fix that limit? Because, although we can fix the *minimum* of wages, we cannot fix their *maximum*. We can only say that, the limits of the working day being given, the *maximum* of profit corresponds to the *physical minimum of wages*; and that wages being given, the *maximum of profit* corresponds to such a prolongation of the working day as is compatible with the physical forces of the laborer. The maximum of profit is therefore limited by the physical minimum of wages and the physical maximum of the working day. It is evident that between the two limits of this *maximum rate of profit* an immense scale of variations is possible. The fixation of its actual degree is only settled by the continuous struggle between capital and labor, the capitalist constantly tending to reduce wages to their physical minimum, and to extend the working day to its physical maximum, while the worker constantly presses in the opposite direction.

The matter resolves itself into a question of the respective powers of the combatants.

As to the *limitation of the working day*, it has never been settled except by *legislative interference*. Without the workers' continuous pressure from without that interference would never have taken place. But at all events, the result was not to be attained by private settlement between the workers and the capitalists. This very necessity or *general political action* affords the proof that in its merely economic action capital is the stronger side.

These few hints will suffice to show that the very development of modern industry must progressively turn the scale in favor of the capitalist against the worker, and that consequently the general tendency of capitalistic production is not to raise, but to sink the average standard of wages, or to push the *value of labor* more or less to its *minimum limit*. Such being the tendency of *things* in this system, is this saying that the working class ought to renounce their resistance against the encroachments of capital, and abandon their attempts at making the best of the occasional chances for their temporary improvement? If they did, they would be degraded to one level mass of broken wretches past salvation. I think I have shown that their struggles for the standard of wages are incidents inseparable from the whole wages system, than in 99 cases out of 100 their efforts at raising wages are only efforts at maintaining the given value of labor, and that the necessity of debating their price with the capitalist is inherent to their condition of having to sell themselves as commodities. By cowardly giving way in their everyday conflict with capital, they would eventually disqualify themselves for the initiating of any larger movement.

At the same time, and quite apart from the general servitude involved in the wages system, the working class ought not to exaggerate to themselves the ultimate working of these every-day struggles. They ought not to forget that they are fighting with effects, but not with the causes of those effects; that they are retarding the downward movement, but not changing its direction; that they are applying palliatives, not curing the

malady. They ought, therefore, not to be exclusively absorbed by these unavoidable guerilla fights incessantly springing up from the ever-ceasing encroachments of capital or changes of the market. They ought to understand that, with all the miseries it imposes upon them, the present system simultaneously engenders the *material conditions* and the *social forms* necessary for an economic reconstruction of society. Instead of the *conservative motto*, “A fair day’s wages for a fair day’s work!” they ought to inscribe on their banner the *revolutionary watchword*, “Abolition of the wages system!”

After this very long and, I fear, tedious exposition which I was obliged to enter into to do some justice to the subject-matter, I shall conclude by proposing the following resolutions: –

Firstly, A general rise in the rate of wages would result in a fall of the general rate of profit, but, broadly speaking not affect the prices of commodities

Secondly, the general tendency of capitalist production is not to raise, but to sink the average standard of wages.

Thirdly, Trades Unions work well as centers of resistance against the encroachments of capital. They fail partially from an injudicious use of their power. They fail generally from limiting themselves to a guerilla war against the effects of the existing system, instead of simultaneously trying to change it, instead of using their organized forces as a lever for the final emancipation of the working class, that is to say, the ultimate abolition of the wages system.

Questions

1. Marx explains the importance of the social relation between employing capitalist and wage laborer. Why is this relationship fundamental to understanding our current society?
2. Why is it necessary for the working class to fight for a living wage? What would Marx say about the idea, taken up in several advanced countries today, that the work week should be limited to four days a week?
3. Why does Marx see *general political action* as necessary? What kinds of actions does he mean? Give contemporary examples.
4. Some people today believe that taking government out of business will produce higher wages and better jobs for all. Why does Marx disagree? Is he persuasive?
5. What is the difference between fighting for a living wage and fighting to abolish the wage system? What does Marx advise the working class to do? Where should it direct its efforts, and why?

Concepts

Commodity

Surplus Value

Rent

Rate of Profit

Class Struggle