

Notes on Theory No 2



The capitalist begins with money. He buys the means of production and labour power. The workers, using their labour power on the means of production, produce commodities. The capitalist takes these commodities and sells them for money. The amount of money he gets at the end of the process must be greater than the amount of money he started with. The difference is his profit.

If the amount of money at the end of the process is not greater than the amount of money he started with, then there is no profit and he stops producing. Capitalist production does not begin or end with people's needs. It begins and ends with money.

Money cannot become more money by standing still, by being hoarded. It can only grow by being used as capital, that is by buying the means of production and labour power and thus getting a share of the new wealth created by work-

ers every hour of every day of every year.

It's a real merry-go-round. The capitalist seeks more and more profits so he can accumulate more capital (means of production and labour power), so he can make more and more profits, so he can accumulate more capital, so he can etc. etc.

Now the way to increase profits is to get the workers to turn out more and more goods faster and faster at less and less cost.

Good idea, but how to do it? Machines and scientific management, that was (and is) the answer. Greater division of labour. Mass production. Speed-up. Greater efficiency in the plant. More machines. Power-driven machines that enable one worker to produce as much as five did before, as much as ten did, eighteen, twenty

The workers who are made "superfluous" or useless by machinery become an

"industrial reserve army" which can slowly starve, or by its very existence force down the wages of those who are lucky enough to have jobs.

And not only do machines create a surplus population of workers, they also change the character of labour. Unskilled, low-paid labour with a machine can do work that required high paid labour before. Children can take the place of adults in the factory, women can replace men.

Competition forces each capitalist to look for ways whereby he can produce goods more cheaply than others. The lower his "unit labour cost" (the capitalist term for human beings who work) the more possible it is to undersell his competitors and still make a profit. With the extension of the use of machinery, the capitalist is able to get the workers to produce more and more goods faster and faster at less and less cost.

ACCUMULATION OF CAPITAL