

Part VII

Revenues and their Sources

Chapter 48. The Trinity Formula

| [48]

Capital — profit (profit of enterprise plus interest), land — ground-rent, labour — wages, this is the trinity formula which comprises all the secrets of the social production process.

Furthermore, since as previously [Present edition: Ch. XXIII. — *Ed.*] demonstrated interest appears as the specific characteristic product of capital and profit of enterprise on the contrary appears as wages independent of capital, the above trinity formula reduces itself more specifically to the following:

Capital — interest, land — ground-rent, labour — wages, where profit, the specific characteristic form of surplus-value belonging to the capitalist mode of production, is fortunately eliminated.

On closer examination of this economic trinity, we find the following:

First, the alleged sources of the annually available wealth belong to widely dissimilar spheres and are not at all analogous with one another. They have about the same relation to each other as lawyer's fees, red beets and music.

Capital, land, labour! However, capital is not a thing, but rather a definite social production relation, belonging to a definite historical formation of society, which is manifested in a thing and lends this thing a specific social character. Capital is not the sum of the material and produced means of production. Capital is rather the means of production transformed into capital, which in themselves are no more capital than gold or silver in itself is money. It is the means of production monopolised by a certain section of society, confronting living labour-power as products and working conditions rendered independent of this very labour-power,

which are personified through this antithesis in capital. It is not merely the products of labourers turned into independent powers, products as rulers and buyers of their producers, but rather also the social forces and the future [? illegible] [A later collation with the manuscript showed that the text reads as follows: "die Gesellschaftlichen Kräfte und Zusammenhängende Form dieser Arbeit" (the social forces of their labour and socialised form of this labour). — *Ed.*] form of this labour, which confront the labourers as properties of their products. Here, then, we have a definite and, at first glance, very mystical, social form, of one of the factors in a historically produced social production process.

And now alongside of this we have the land, inorganic nature as such, *rudis indigestaque moles*, [Ovid, *Metamorphoses*, Book I, 7. — *Ed.*] in all its primeval wildness. Value is labour. Therefore surplus-value cannot be earth. Absolute fertility of the soil effects nothing more than the following: a certain quantity of labour produces a certain product — in accordance with the natural fertility of the soil. The difference in soil fertility causes the same quantities of labour and capital, hence the same value, to be manifested in different quantities of agricultural products; that is, causes these products to have different individual values. The equalisation of these individual values into market-values is responsible for the fact that the "*advantages of fertile over inferior soil... are transferred from the cultivator or consumer to the landlord*". (Ricardo, *Principles*, London, 1821, p.62.)

And finally, as third party in this union, a mere ghost — "the" Labour, which is no more than an abstraction and taken by itself does not exist at all, or, if we take... [illegible] [As has been established by later reading of the manuscript, it reads here: "wenn wir das Gemeinte nehmen" (if we take that which is behind it). — *Ed.*], the productive activity of human beings in general, by which they promote the interchange with Nature, divested not only of every social form and well-defined character, but even in its bare natural existence, independent of society, removed from all societies, and as an expression and confirmation of life which the still non-social man in general has in common with the one who is in any way social.

II

Capital — interest; landed property, private ownership of the Earth, and, to be sure, modern and corresponding to the capitalist mode of production — rent; wage-labour — wages. The connection between the sources of revenue is supposed to be represented in this form. Wage-labour and landed property, like capital, are historically determined social forms; one of labour, the other of monopolised terrestrial globe, and indeed both forms corresponding to capital and belonging to the same economic formation of society.

The first striking thing about this formula is that side by side with capital, with this form of an element of production belonging to a definite mode of production, to a definite historical form of social process of production, side by side with an element of production amalgamated with and represented by a definite social form are indiscriminately placed: the land on the one hand and labour on the other, two elements of the real labour process, which in this material form are common to all modes of production, which are the material elements of every process of production and have nothing to do with its social form.

Secondly. In the formula: capital — interest, land — ground-rent, labour — wages, capital, land and labour appear respectively as sources of interest (instead of profit), ground-rent and wages, as their products, or fruits; the former are the basis, the latter the consequence, the former are the cause, the latter the effect; and indeed, in such a manner that each individual source is related to its product as to that which is ejected and produced by it. All the proceeds, interest (instead of profit), rent, and wages, are three components of the value of the products, i.e., generally speaking, components of value or expressed in money, certain money components, price components. The formula: capital — interest is now indeed the most meaningless formula of capital, but still one of its formulas. But how should land create value, i.e., a socially defined quantity of labour, and moreover that particular portion of the value of its own products which forms the rent? Land, e.g., takes part as an agent of production in creating a use-value, a material product, wheat. But it has nothing to do with the production of the *value of wheat*. In so far as value is represented by wheat, the latter is merely considered as a definite quantity of materialised social labour, regardless of the particular substance in which this labour is manifested or of the particular use-value of this substance. This nowise contradicts that 1) other circumstances being equal, the cheapness or dearness of wheat depends upon the productivity of the soil. The productivity of agricultural labour is dependent on natural conditions, and the same quantity of labour is represented by more or fewer products, use-values, in accordance with such productivity. How large the quantity of labour represented in one bushel of wheat depends upon the number of bushels yielded by the same quantity of labour. It depends, in this case, upon the soil productivity in what quantities of product the value shall be manifested. But this value is given, independent of this distribution. Value is represented in use-value; and use-value is a prerequisite for the creation of value; but it is folly to create an antithesis by placing a use-value, like land, on one side and on the other side value, and a particular portion of value at that. 2)... [here the manuscript breaks off].



Vulgar economy actually does no more than interpret, systematise and defend in doctrinaire fashion the conceptions of the agents of bourgeois production who are entrapped in bourgeois production relations. It should not astonish us, then, that vulgar economy feels particularly at home in the estranged outward appearances of economic relations in which these *prima facie* absurd and perfect contradictions appear and that these relations seem the more self-evident the more their internal relationships are concealed from it, although they are understandable to the popular mind. But all science would be superfluous if the outward appearance and the essence of things directly coincided. Thus, vulgar economy has not the slightest suspicion that the trinity which it takes as its point of departure, namely, land — rent, capital — interest, labour — wages or the price of labour, are *prima facie* three impossible combinations. First we have the use-value *land*, which has no value, and the exchange-value *rent*: so that a social relation conceived as a thing is made proportional to Nature, i.e., two incommensurable magnitudes are supposed to stand in a given ratio to one another. Then *capital — interest*. If capital is conceived as a certain sum of values represented independently by money, then it is *prima facie* nonsense to say that a certain value should be worth more than it is worth. It is precisely in the form: capital — interest that all intermediate links are eliminated, and capital is reduced to its most general formula, which therefore in itself is also inexplicable and absurd. The vulgar economist prefers the formula capital — interest, with its occult quality of making a value unequal to itself, to the formula capital — profit, precisely for the reason that this already more nearly approaches actual capitalist relations. Then again, driven by the disturbing thought that 4 is not 5 and that 100 taler cannot possibly be 110 taler, he flees from capital as value to the material substance of capital; to its use-value as a condition of production of labour, to machinery, raw materials, etc. Thus, he is able once more to substitute in place of the first incomprehensible relation, whereby 4=5, a wholly incommensurable one between a use-value, a thing on one side, and a definite social production relation, surplus-value, on the other, as in the case of landed property. As soon as the vulgar economist arrives at this incommensurable relation, everything becomes clear to him, and he no longer feels the need for further thought. For he has arrived precisely at the "rational" in bourgeois conception. Finally, *labour — wages*, or price of labour, is an expression, as shown in Book I, which *prima facie* contradicts the conception of value as well as of price — the latter generally being but a definite expression of value. And "price of labour" is just as irrational as a yellow logarithm. But here the vulgar economist is all the more satisfied, because he has gained the profound insight of the bourgeois, namely, that he pays money for labour, and since precisely the contradiction between the

formula and the conception of value relieves him from all obligation to understand the latter.

We ^[49] have seen that the capitalist process of production is a historically determined form of the social process of production in general. The latter is as much a production process of material conditions of human life as a process taking place under specific historical and economic production relations, producing and reproducing these production relations themselves, and thereby also the bearers of this process, their material conditions of existence and their mutual relations, i.e., their particular socio-economic form. For the aggregate of these relations, in which the agents of this production stand with respect to Nature and to one another, and in which they produce, is precisely society, considered from the standpoint of its economic structure. Like all its predecessors, the capitalist process of production proceeds under definite material conditions, which are, however, simultaneously the bearers of definite social relations entered into by individuals in the process of reproducing their life. Those conditions, like these relations, are on the one hand prerequisites, on the other hand results and creations of the capitalist process of production; they are produced and reproduced by it. We saw also that capital — and the capitalist is merely capital personified and functions in the process of production solely as the agent of capital — in its corresponding social process of production, pumps a definite quantity of surplus-labour out of the direct producers, or labourers; capital obtains this surplus-labour without an equivalent, and in essence it always remains forced labour — no matter how much it may seem to result from free contractual agreement. This surplus-labour appears as surplus-value, and this surplus-value exists as a surplus-product. Surplus-labour in general, as labour performed over and above the given requirements, must always remain. In the capitalist as well as in the slave system, etc., it merely assumes an antagonistic form and is supplemented by complete idleness of a stratum of society. A definite quantity of surplus-labour is required as insurance against accidents, and by the necessary and progressive expansion of the process of reproduction in keeping with the development of the needs and the growth of population, which is called accumulation from the viewpoint of the capitalist. It is one of the civilising aspects of capital that it enforces this surplus-labour in a manner and under conditions which are more advantageous to the development of the productive forces, social relations, and the creation of the elements for a new and higher form than under the preceding forms of slavery, serfdom, etc. Thus it gives rise to a stage, on the one hand, in which coercion and monopolisation of social development (including its material and intellectual advantages) by one portion of society at the expense of the other are eliminated; on the other hand, it creates the material means and embryonic conditions, making it possible in a higher

form of society to combine this surplus-labour with a greater reduction of time devoted to material labour in general. For, depending on the development of labour productivity, surplus-labour may be large in a small total working-day, and relatively small in a large total working-day. If the necessary labour-time=3 and the surplus-labour=3, then the total working-day=6 and the rate of surplus-labour=100%. If the necessary labour=9 and the surplus-labour=3, then the total working-day=12 and the rate of surplus-labour only=33 1/3 %. In that case, it depends upon the labour productivity how much use-value shall be produced in a definite time, hence also in a definite surplus labour-time. The actual wealth of society, and the possibility of constantly expanding its reproduction process, therefore, do not depend upon the duration of surplus-labour, but upon its productivity and the more or less copious conditions of production under which it is performed. In fact, the realm of freedom actually begins only where labour which is determined by necessity and mundane considerations ceases; thus in the very nature of things it lies beyond the sphere of actual material production. Just as the savage must wrestle with Nature to satisfy his wants, to maintain and reproduce life, so must civilised man, and he must do so in all social formations and under all possible modes of production. With his development this realm of physical necessity expands as a result of his wants; but, at the same time, the forces of production which satisfy these wants also increase. Freedom in this field can only consist in socialised man, the associated producers, rationally regulating their interchange with Nature, bringing it under their common control, instead of being ruled by it as by the blind forces of Nature; and achieving this with the least expenditure of energy and under conditions most favourable to, and worthy of, their human nature. But it nonetheless still remains a realm of necessity. Beyond it begins that development of human energy which is an end in itself, the true realm of freedom, which, however, can blossom forth only with this realm of necessity as its basis. The shortening of the working-day is its basic prerequisite.

In a capitalist society, this surplus-value, or this surplus-product (leaving aside chance fluctuations in its distribution and considering only its regulating law, its standardising limits), is divided among capitalists as dividends proportionate to the share of the social capital each holds. In this form surplus-value appears as average profit which falls to the share of capital, an average profit which in turn divides into profit of enterprise and interest, and which under these two categories may fall into the laps of different kinds of capitalists. This appropriation and distribution of surplus-value, or surplus-product, on the part of capital, however, has its barrier in landed property. Just as the operating capitalist pumps surplus-labour, and thereby surplus value and surplus-product in the form of profit, out of the labourer, so the landlord in turn pumps a portion of this surplus-value, or surplus-product, out of the capitalist in the form of rent in accordance with the laws already elaborated.

Hence, when speaking here of profit as that portion of surplus-value falling to the share of capital, we mean average profit (equal to profit of enterprise plus interest) which is already limited by the deduction of rent from the aggregate profit (identical in mass with aggregate surplus-value); the deduction of rent is assumed. Profit of capital (profit of enterprise plus interest) and ground-rent are thus no more than particular components of surplus-value, categories by which surplus-value is differentiated depending on whether it falls to the share of capital or landed property, headings which in no whit however alter its nature. Added together, these form the sum of social surplus-value. Capital pumps the surplus-labour, which is represented by surplus-value and surplus-product, directly out of the labourers. Thus, in this sense, it may be regarded as the producer of surplus-value. Landed property has nothing to do with the actual process of production. Its role is confined to transferring a portion of the produced surplus-value from the pockets of capital to its own. However, the landlord plays a role in the capitalist process of production not merely through the pressure he exerts upon capital, nor merely because large landed property is a prerequisite and condition of capitalist production since it is a prerequisite and condition of the expropriation of the labourer from the means of production, but particularly because he appears as the personification of one of the most essential conditions of production.

Finally, the labourer in the capacity of owner and seller of his individual labour-power receives a portion of the product under the label of wages, in which that portion of his labour appears which we call necessary labour, i.e., that required for the maintenance and reproduction of this labour-power, be the conditions of this maintenance and reproduction scanty or bountiful, favourable or unfavourable.

Whatever may be the disparity of these relations in other respects, they all have this in common: Capital yields a profit year after year to the capitalist, land a ground-rent to the landlord, and labour-power, under normal conditions and so long as it remains useful labour-power, a wage to the labourer. These three portions of total value annually produced, and the corresponding portions of the annually created total product (leaving aside for the present any consideration of accumulation), may be annually consumed by their respective owners, without exhausting the source of their reproduction. They are like the annually consumable fruits of a perennial tree, or rather three trees; they form the annual incomes of three classes, capitalist, landowner and labourer, revenues distributed by the functioning capitalist in his capacity as direct extorter of surplus-labour and employer of labour in general. This, capital appears to the capitalist, land to the landlord, and labour-power, or rather labour itself, to the labourer (since he actually sells labour-power only as it is manifested, and since the price of labour-power, as previously shown, inevitably appears as the price of labour under the capitalist mode of production), as three different sources of their specific revenues, namely,

profit, ground-rent and wages. They are really so in the sense that capital is a perennial pumping-machine of surplus-labour for the capitalist, land a perennial magnet for the landlord, attracting a portion of the surplus-value pumped out by capital, and finally, labour the constantly self-renewing condition and ever self-renewing means of acquiring under the title of wages a portion of the value created by the labourer and thus a part of the social product measured by this portion of value, i.e., the necessities of life. They are so, furthermore, in the sense that capital fixes a portion of the value and thereby of the product of the annual labour in the form of profit; landed property fixes another portion in the form of rent; and wage-labour fixes a third portion in the form of wages, and precisely by this transformation converts them into revenues of the capitalist, landowner, and labourer, without, however, creating the substance itself which is transformed into these various categories. The distribution rather presupposes the existence of this substance, namely, the total value of the annual product, which is nothing but materialised social labour. Nevertheless, it is not in this form that the matter appears to the agents of production, the bearers of the various functions in the production process, but rather in a distorted form. Why this takes place will be developed in the further course of our analysis. Capital landed property and labour appear to those agents of production as three different, independent sources, from which as such there arise three different components of the annually produced value — and thereby the product in which it exists; thus, from which there arise not merely the different forms of this value as revenues falling to the share of particular factors in the social process of production, but from which this value itself arises, and thereby the substance of these forms of revenue.

[Here one folio sheet of the manuscript is missing.]

... Differential rent is bound up with the relative soil fertility, in other words, with properties arising from the soil as such. But, in the first place, in so far as it is based upon the different individual values of the products of different soil types, it is but the determination just mentioned; secondly, in so far as it is based upon the regulating general market-value, which differs from these individual values, it is a social law carried through by means of competition, which has to do neither with the soil nor the different degrees of its fertility.

It might seem as if a rational relation were expressed at least in "labour — wages." But this is no more the case than with "land — ground-rent." In so far as labour is value-creating, and is manifested in the value of commodities, it has nothing to do with the distribution of this value among various categories. In so far as it has the specifically social character of wage-labour, it is not value-creating. It has already been shown in general that wages of labour, or price of labour, is but an irrational expression for the value, or price of labour-power; and the specific social

conditions, under which this labour-power is sold, have nothing to do with labour as a general agent in production. Labour is also materialised in that value component of a commodity which as wages forms the price of labour-power; it creates this portion just as much as the other portions of the product; but it is materialised in this portion no more and no differently than in the portions forming rent or profit. And, in general, when we establish labour as value-creating, we do not consider it in its concrete form as a condition of production, but in its social delimitation which differs from that of wage-labour.

Even the expression "capital — profit" is incorrect here. If capital is viewed in the only relation in which it produces surplus-value, namely, its relation to the labourer whereby it extorts surplus-labour by compulsion exerted upon labour-power, i.e., the wage-labourer, then this surplus-value comprises, outside of profit (profit of enterprise plus interest), also rent, in short the entire undivided surplus-value. Here, on the other hand, as a source of revenue, it is placed only in relation to that portion falling to the share of the capitalist. This is not the surplus-value which it extracts generally but only that portion which it extracts for the capitalist. Still more does all connection vanish no sooner the formula is transformed into "capital — interest."

If we at first considered the disparity of the above three sources, we now note that their products, their offshoots, or revenues, on the other hand, all belong to the same sphere, that of value. However, this is compensated for (this relation not only between incommensurable magnitudes, but also between wholly unlike, mutually unrelated, and non-comparable things) in that capital, like land and labour, is simply considered as a material substance, that is, simply as a produced means of production, and thus is abstracted both as a relation to the labourer and as value.

Thirdly, if understood in this way, the formula, capital — interest (profit), land — rent, labour — wages, presents a uniform and symmetrical incongruity. In fact, since wage-labour does not appear as a socially determined form of labour, but rather all labour appears by its nature as wage-labour (thus appearing to those in the grip of capitalist production relations), the definite specific social forms assumed by the material conditions of labour — the produced means of production and the land — with respect to wage-labour (just as they, in turn, conversely presuppose wage-labour), directly coincide with the material existence of these conditions of labour or with the form possessed by them generally in the actual labour-process, independent of its concrete historically determined social form, or indeed independent of *any* social form. The changed form of the conditions of labour, i. e., alienated from labour and confronting it independently, whereby the produced means of production are thus transformed into capital, and the land into monopolised land, or landed property — this form belonging to a definite historical

period thereby coincides with the existence and function of the produced means of production and of the land in the process of production in general. These means of production are in themselves capital by nature; capital is merely an "economic appellation" for these means of production; and so, in itself land is by nature the earth monopolised by a certain number of landowners. Just as products confront the producer as an independent force in capital and capitalists — who actually are but the personification of capital — so land becomes personified in the landlord and likewise gets on its hind legs to demand, as an independent force, its share of the product created with its help. Thus, not the land receives its due portion of the product for the restoration and improvement of its productivity, but instead the landlord takes a share of this product to chaffer away or squander. It is clear that capital presupposes labour as wage-labour. But it is just as clear that if labour as wage-labour is taken as the point of departure, so that the identity of labour in general with wage-labour appears to be self-evident, then capital and monopolised land must also appear as the natural form of the conditions of labour in relation to labour in general. To be capital, then, appears as the natural form of the means of labour and thereby as the purely real character arising from their function in the labour-process in general. Capital and produced means of production thus become identical terms. Similarly, land and land monopolised through private ownership become identical. The means of labour as such, which are by nature capital, thus become the source of profit, much as the land as such becomes the source of rent.

Labour as such, in its simple capacity as purposive productive activity, relates to the means of production, not in their social determinate form, but rather in their concrete substance, as material and means of labour; the latter likewise are distinguished from one another merely materially, as use-values, i.e., the land as unproduced, the others as produced, means of labour. If, then, labour coincides with wage-labour, so does the particular social form in which the conditions of labour confront labour coincide with their material existence. The means of labour as such are then capital, and the land as such is landed property. The formal independence of these conditions of labour in relation to labour, the unique form of this independence with respect to wage-labour, is then a property inseparable from them as things, as material conditions of production, an inherent, immanent, intrinsic character of them as elements of production. Their definite social character in the process of capitalist production bearing the stamp of a definite historical epoch is a natural, and intrinsic substantive character belonging to them, as it were, from time immemorial, as elements of the production process. Therefore, the respective part played by the earth as the original field of activity of labour, as the realm of forces of Nature, as the pre-existing arsenal of all objects of labour, and the other respective part played by the produced means of production (instruments, raw materials, etc.) in the general process of production, must seem to be expressed in the respective shares claimed by them as capital and landed

property, i.e., which fall to the share of their social representatives in the form of profit (interest) and rent, like to the labourer — the part his labour plays in the process of production is expressed in wages. Rent, profit and wages thus seem to grow out of the role played by the land, produced means of production, and labour in the simple labour-process, even when we consider this labour-process as one carried on merely between man and Nature, leaving aside any historical determination. It is merely the same thing again, in another form, when it is argued: the product in which a wage-labourer's labour for himself is manifested, his proceeds or revenue, is simply wages, the portion of value (and thereby the social product measured by this value) which his wages represent. Thus, if wage-labour coincides with labour generally, then so do wages with the produce of labour, and the value portion representing wages with the value created by labour generally. But in this way the other portions of value, profit and rent also appear independent with respect to wages, and must arise from sources of their own, which are specifically different and independent of labour; they must arise from the participating elements of production, to the share of whose owners they fall; i.e., profit arises from the means of production, the material elements of capital, and rent arises from the land, or Nature, as represented by the landlord (Roscher). [Roscher, *System der Volkswirtschaft*, Band I, *Die Grundlagen der Nationalökonomie*, Stuttgart und Augsburg, 1858. — Ed.]

Landed property, capital and wage-labour are thus transformed from sources of revenue — in the sense that capital attracts to the capitalist, in the form of profit, a portion of the surplus-value extracted by him from labour, that monopoly in land attracts for the landlord another portion in the form of rent; and that labour grants the labourer the remaining portion of value in the form of wages — from sources by means of which one portion of value is transformed into the form of profit, another into the form of rent, and a third into the form of wages — into actual sources from which these value portions and respective portions of the product in which they exist, or for which they are exchangeable, arise themselves, and from which, therefore, in the final analysis, the value of the product itself arises.^[50]

In the case of the simplest categories of the capitalist mode of production, and even of commodity-production, in the case of commodities and money, we have already pointed out the mystifying character that transforms the social relations, for which the material elements of wealth serve as bearers in production, into properties of these things themselves (commodities) and still more pronouncedly transforms the production relation itself into a thing (money). All forms of society, in so far as they reach the stage of commodity-production and money circulation, take part in this perversion. But under the capitalist mode of production and in the case of capital, which forms its dominant category, its determining production relation, this enchanted and perverted world develops still more. If one considers capital, to

begin with, in the actual process of production as a means of extracting surplus-labour, then this relationship is still very simple, and the actual connection impresses itself upon the bearers of this process, the capitalists themselves, and remains in their consciousness. The violent struggle over the limits of the working-day demonstrates this strikingly. But even within this non-mediated sphere, the sphere of direct action between labour and capital, matters do not rest in this simplicity. With the development of relative surplus-value in the actual specifically capitalist mode of production, whereby the productive powers of social labour are developed, these productive powers and the social interrelations of labour in the direct labour-process seem transferred from labour to capital. Capital thus becomes a very mystic being since all of labour's social productive forces appear to be due to capital, rather than labour as such, and seem to issue from the womb of capital itself. Then the process of circulation intervenes, with its changes of substance and form, on which all parts of capital, even agricultural capital, devolve to the same degree that the specifically capitalist mode of production develops. This is a sphere where the relations under which value is originally produced are pushed completely into the background. In the direct process of production the capitalist already acts simultaneously as producer of commodities and manager of commodity-production. Hence this process of production appears to him by no means simply as a process of producing surplus-value. But whatever may be the surplus-value extorted by capital in the actual production process and appearing in commodities, the value and surplus-value contained in the commodities must first be realised in the circulation process. And both the restitution of the values advanced in production and, particularly, the surplus-value contained in the commodities seem not merely to be realised in the circulation, but actually to arise from it; an appearance which is especially reinforced by two circumstances: first, the profit made in selling depends on cheating, deceit, inside knowledge, skill and a thousand favourable market opportunities; and then by the circumstance that added here to labour-time is a second determining element — time of circulation. This acts, in fact, only as a negative barrier against the formation of value and surplus-value, but it has the appearance of being as definite a basis as labour itself and of introducing a determining element that is independent of labour and resulting from the nature of capital. In Book II we naturally had to present this sphere of circulation merely with reference to the form determinations which it created and to demonstrate the further development of the structure of capital taking place in this sphere. But in reality this sphere is the sphere of competition, which, considered in each individual case, is dominated by chance; where, then, the inner law, which prevails in these accidents and regulates them, is only visible when these accidents are grouped together in large numbers, where it remains, therefore, invisible and unintelligible to the individual agents in production. But furthermore: the actual process of production, as a unity of the direct production process and the circulation process, gives rise to new formations, in which the vein of internal connections is

increasingly lost, the production relations are rendered independent of one another, and the component values become ossified into forms independent of one another.

The conversion of surplus-value into profit, as we have seen, is determined as much by the process of circulation as by the process of production. Surplus-value, in the form of profit, is no longer related back to that portion of capital invested in labour from which it arises, but to the total capital. The rate of profit is regulated by laws of its own, which permit, or even require, it to change while the rate of surplus-value remains unaltered. All this obscures more and more the true nature of surplus-value and thus the actual mechanism of capital. Still more is this achieved through the transformation of profit into average profit and of values into prices of production, into the regulating averages of market-prices. A complicated social process intervenes here, the equalisation process of capitals, which divorces the relative average prices of the commodities from their values, as well as the average profits in the various spheres of production (quite aside from the individual investments of capital in each particular sphere of production) from the actual exploitation of labour by the particular capitals. Not only does it appear so, but it is true in fact that the average price of commodities differs from their value, thus from the labour realised in them, and the average profit of a particular capital differs from the surplus-value which this capital has extracted from the labourers employed by it. The value of commodities appears, directly, solely in the influence of fluctuating productivity of labour upon the rise and fall of the prices of production, upon their movement and not upon their ultimate limits. Profit seems to be determined only secondarily by direct exploitation of labour, in so far as the latter permits the capitalist to realise a profit deviating from the average profit at the regulating market-prices, which apparently prevail independent of such exploitation. Normal average profits themselves seem immanent in capital and independent of exploitation; abnormal exploitation, or even average exploitation under favourable, exceptional conditions, seems to determine only the deviations from average profit, not this profit itself. The division of profit into profit of enterprise and interest (not to mention the intervention of commercial profit and profit from money-dealing, which are founded upon circulation and appear to arise completely from it, and not from the process of production itself) consummates the individualisation of the form of surplus-value, the ossification of its form as opposed to its substance, its essence. One portion of profit, as opposed to the other, separates itself entirely from the relationship of capital as such and appears as arising not out of the function of exploiting wage-labour, but out of the wage-labour of the capitalist himself. In contrast thereto, interest then seems to be independent both of the labourer's wage-labour and the capitalist's own labour, and to arise from capital as its own independent source. If capital originally appeared on the surface of circulation as a fetishism of capital, as a value-creating

value, so it now appears again in the form of interest-bearing capital, as in its most estranged and characteristic form. Wherefore also the formula capital — interest, as the third to land — rent and labour — wages, is much more consistent than capital — profit, since in profit there still remains a recollection of its origin, which is not only extinguished in interest, but is also placed in a form thoroughly antithetical to this origin.

Finally, capital as an independent source of surplus-value is joined by landed property, which acts as a barrier to average profit and transfers a portion of surplus-value to a class that neither works itself, nor directly exploits labour, nor can find morally edifying rationalisations, as in the case of interest-bearing capital, e.g., risk and sacrifice of lending capital to others. Since here a part of the surplus-value seems to be bound up directly with a natural element, the land, rather than with social relations, the form of mutual estrangement and ossification of the various parts of surplus-value is completed, the inner connection completely disrupted, and its source entirely buried, precisely because the relations of production, which are bound to the various material elements of the production process, have been rendered mutually independent.

In capital — profit, or still better capital — interest, land — rent, labour — wages, in this economic trinity represented as the connection between the component parts of value and wealth in general and its sources, we have the complete mystification of the capitalist mode of production, the conversion of social relations into things, the direct coalescence of the material production relations with their historical and social determination. It is an enchanted, perverted, topsy-turvy world, in which Monsieur le Capital and Madame la Terre do their ghost-walking as social characters and at the same time directly as mere things. It is the great merit of classical economy to have destroyed this false appearance and illusion, this mutual independence and ossification of the various social elements of wealth, this personification of things and conversion of production relations into entities, this religion of everyday life. It did so by reducing interest to a portion of profit, and rent to the surplus above average profit, so that both of them converge in surplus-value; and by representing the process of circulation as a mere metamorphosis of forms, and finally reducing value and surplus-value of commodities to labour in the direct production process. Nevertheless even the best spokesmen of classical economy remain more or less in the grip of the world of illusion which their criticism had dissolved, as cannot be otherwise from a bourgeois standpoint, and thus they all fall more or less into inconsistencies, half-truths and unsolved contradictions. On the other hand, it is just as natural for the actual agents of production to feel completely at home in these estranged and irrational forms of capital — interest, land — rent, labour — wages, since these are precisely the forms of illusion in which they move about and find their daily occupation. It is therefore just as natural that

vulgar economy, which is no more than a didactic, more or less dogmatic, translation of everyday conceptions of the actual agents of production, and which arranges them in a certain rational order, should see precisely in this trinity, which is devoid of all inner connection, the natural and indubitable lofty basis for its shallow pompousness. This formula simultaneously corresponds to the interests of the ruling classes by proclaiming the physical necessity and eternal justification of their sources of revenue and elevating them to a dogma.

In our description of how production relations are converted into entities and rendered independent in relation to the agents of production, we leave aside the manner in which the interrelations, due to the world-market, its conjunctures, movements of market-prices, periods of credit, industrial and commercial cycles, alternations of prosperity and crisis, appear to them as overwhelming natural laws that irresistibly enforce their will over them, and confront them as blind necessity. We leave this aside because the actual movement of competition belongs beyond our scope, and we need present only the inner organisation of the capitalist mode of production, in its ideal average, as it were.

In preceding forms of society this economic mystification arose principally with respect to money and interest-bearing capital. In the nature of things it is excluded, in the first place, where production for the use-value, for immediate personal requirements, predominates; and, secondly, where slavery or serfdom form the broad foundation of social production, as in antiquity and during the Middle Ages. Here, the domination of the producers by the conditions of production is concealed by the relations of dominion and servitude, which appear and are evident as the direct motive power of the process of production. In early communal societies in which primitive communism prevailed, and even in the ancient communal towns, it was this communal society itself with its conditions which appeared as the basis of production, and its reproduction appeared as its ultimate purpose. Even in the medieval guild system neither capital nor labour appear untrammelled, but their relations are rather defined by the corporate rules, and by the same associated relations, and corresponding conceptions of professional duty, craftsmanship, etc. Only when the capitalist mode of production — [The manuscript breaks off here — *Ed.*]

Notes

48. The following three fragments were found in different parts of the manuscript for Part VI. — *F. E.*

49. Beginning of Chapter XLVIII according to the manuscript. — *F. E.*

50. Wages, profit, and rent are the three original sources of all revenue, as well as of all exchangeable value (A. Smith) [*An Inquiry into the Nature and Causes of the Wealth of Nations*, Aberdeen, London, 1848, S. 43. — *Ed.*] — It is thus that the causes of material production are at the same time the sources of the original revenues which exist. (Storch [*Cours d'économie politique*, St.-Pétersbourg, 1815. — *Ed.*], I, p. 259. — *Ed.*)

From : <http://www.marxists.org/archive/marx/works/1894-c3/ch48.htm>

Course: Karl Marx's Capital Volumes 2 and 3

19101, Marx, Capital Volume 3, 1894, C48, The Trinity Formula

7348 words