Chapter One

Extracts from Marxism: An Interpretation

Marxism as theory and as practice

Our examination of Marx’s intellectual development so far [in Marxism: An Interpretation] has been restricted to the period up to The Communist Manifesto. What I want to do in this chapter is to outline Marx’s developed theory of exploitation in Capital, to show how the detail of his theory has been falsified by events, although many of his salient points stand, and then to examine how the attempt to make theory do the work of prophecy led to a refusal by Marxists to allow their theories to be measured by the facts: in other words how the religious background of Marxism has corrupted its would-be scientific attitude.

Marx’s theory of exploitation rests on Marx’s theory of value, and Marx’s theory of value is inherited from Ricardo. Marx follows Ricardo in asserting that the value of a commodity is proportional to the socially necessary quantity of labour embodied in it. By the socially necessary quantity of labour Marx means the quantity of labour necessary to produce the commodity by means of the most efficient available

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methods. Labour is to be measured in hours of work. The labourer in capitalist society has for sale only his labour, that is, his potential working power. Since his labour is a commodity, its value can be calculated like that of any other commodity. The value of labour is calculated in terms of the number of hours that it takes to produce the necessary means for the physical existence of the labourer. Thus the wages he will receive will be such as will enable him to acquire these means and will be equal in value to the value of the working power that he has to sell. But the employer of the labourer must pay these wages in return not for the number of hours of labour necessary for the labourer’s survival but in return for the number of hours of labour necessary to produce commodities – finished goods – which will sell for more than the cost of labour, the wages, since the employer must take his profit. Hence the worker receives the value of his labour-power, which embodied a certain number of hours of labour, but must work in return for a greater number of hours of labour than those for which he receives payment: thus the worker creates a surplus-value, which is appropriated by the capitalist. So labour creates surplus-value: so capital appropriates it. This means that the worker never receives more in wages than is necessary for bare subsistence, while the capitalist grows continually wealthier. As capitalism expands, as the economic system which depends on this exploitation becomes all-embracing, the lot of the working class necessarily becomes worse. The workers are condemned to increasing misery. The surplus-value which the capitalist appropriates is, in the competitive struggle of capitalism, ploughed back into enterprise in the form of capital development. In this competition victory is with the big capitalist as against the small. That is, there is a continual growth both of industrial plants and of the businesses controlling those plants. In the fight for profits the large-scale capitalist can always afford to undercut his small-scale rival – ‘the battle of competition is fought by cheapening commodities’. The growth of capital accumulation leads to an ever-increasing use of machinery. This in turn leads to unemployment and to still greater misery for the working class. Such is the capitalist process.

Be it noted that Marx broke with bourgeois economics not only in his particular analysis, but in his continual stress on the economic analysis of capitalism not simply as a state, but as a process. Marx’s analysis is always...