



Study Guide for Marx's *Value, Price and Profit*

1. Production and Wages

Term: [Inflation](#), [Business Cycle](#), [Distribution and Exchange](#).

Questions for discussion:

1. Marx refers to Weston's argument that the total portion of the national product accruing to wages must remain constant. The modern expression of this theory is "that wage rises cause inflation", and that therefore any increase in wages will cause inflation and reduce real wages back to where they started. How would you respond to this version of Weston's argument in terms of inflation?

2. Production, Wages, Profits

Term: [Departments of Capital](#), [Price](#), [Market](#).

Questions for discussion:

1. By what line of argument does Marx prove that a rise in wages will bring about an increase in the mass of commodities which the workers will be able to purchase with their now increased wages?
2. Why does not Marx accept the idea that the price at which a commodity is sold is determined by the total cost of production, from which it follows that if the wage costs rise then the total price must rise?
3. What do you think explains the *fall* in prices that Marx alleges resulted from the overall increase in agricultural wages and shortening of the working day?

3. Wages and Currency

Term: [Money](#), [Monetarism](#), [Bretton Woods](#).

Questions for discussion:

1. What would be the effect of a shortage in the means of payment in an economy?
2. What factors influence the rate of circulation of money?
3. What measures and factors do you know that would overcome a shortage in the means of payment other than printing more banknotes?

4. & 5. Supply and Demand, Wages and Prices

Term: Wage Labour, Value.

Questions for discussion:

1. Speaking in terms of supply and demand, what conditions will cause wages to rise and what conditions will cause wages to fall?
2. What then determines the level of wages, from which supply and demand are only bringing about variations?
3. As a union organisers trying to improve wages, what tactics do you think are necessary to bring about wage rises and what tactics would you see the employers adopting?

6. Value and Labour

Term: Commodity, Exchange-value, Labour, Labour Theory of Value, Division of Labour.

Questions for discussion:

1. What is the difference between value and price?
2. How would you explain the high or low cost of various commodities in terms of the *socially necessary labour time* required for their production?
3. What is the meaning of “socially necessary”? and what is the effect on prices of introducing new methods of production which allow the same product to be produced with less labour?
4. How is it possible for anyone to make a profit if everything is sold at its value?

7. Labour Power

Term: Labour Power, Wages, Proletariat, Necessary and Surplus Labour Time.

Questions for discussion:

1. What is meant by labour-power being a *commodity*?
2. What factors contribute to increasing the time for which a worker is working for herself, i.e., the *necessary labour time*?
3. What factors contribute to increasing the time for which a worker is working solely for the benefit of the employer?
4. Why is it that landlords, capitalists, traders, and everyone trades at a profit, but the worker only gets enough to live on, in this system of *wage-labour*? Why don't the workers get a share of the profits?
5. How would you express the idea of “standard of living” in terms of the value of labour power?
6. How do these ideas answer the questions Marx was raising in the first few chapters, refuting Weston's assertion that wages were fixed?

8. Production of Surplus Value

Term: [Working Day](#), [Surplus Value](#), [Rate of Surplus Value](#),

Questions for discussion:

1. What is the significance of the struggle over the length of the working week?
2. Is it possible for workers to maintain their living standards if the length of the working week is reduced?
3. It is generally accepted that workers are working longer and longer hours over recent decades. Why do you think this has happened?
4. How do you define the *rate of surplus value*? And if this rate was the same for all workers, what would it tell you about how the total social wealth was being divided up between the working class and the capitalist class?

9. & 10. Value of Labour, Profit is made by Selling a Commodity at its Value

Term: [Contract Labour](#), [Goods and Services](#), [Slave Society](#), [Feudal Society](#).

Questions for discussion:

1. Why does Marx say that “the value of labour” is *senseless*?
2. According to bourgeois economics, the worker sells her "services" to the capitalist, just the same as the capitalist in the service sector; both sell their services and earn a revenue from the sale at the going rate of profit. What's wrong with this argument?
3. How is the value of a *service* determined? Surely eight hours labour in the form of a service (e.g. if you hire an electrician to re-wire your house) is worth eight hours. But how could be worth any more than eight hours wages for the given trade (e.g. what an electrician working for a big building firm would get paid)?

11. The different Parts into which Surplus Value is Decomposed

Term: [Profit](#), [Rent](#), [Taxation](#), [Rate of Profit](#).

Questions for discussion:

1. Should workers' organisations campaign for lower taxes?
2. What factors determined the share of the surplus product going to the landowning class and to the government? What factors determine the share of the total product going to the workers?
3. How does the banker get her share of the profits?

12. The General Relation of Profits, Wages, and Prices

Term: [Constant and Variable Capital](#), [Realisation of Value](#).

Questions for discussion:

Supposing the productivity of labour was doubled, i.e., workers produced twice as much product in the same time, simply by improved techniques, and the value of money remaining constant, the prices of all commodities halved:

1. In an unregulated labour market, with no trade unions, what would you expect to happen to wages? What sort of social phenomena would you expect such a change to cause?
2. Assuming wages adjusted themselves in this way, what would be the effect on the rate of surplus value?
3. What would be the effect on the rate of profit?
4. Do you see any problems arising for the capitalist in terms of *realisation* of this profit?

13. Main cases of Attempts at Raising Wages or Resisting their Fall

Term: [The Great Depression](#), [Free trade and Protectionism](#).

Questions for discussion:

1. Removing tariffs on cheap imported agricultural produce might put farmers out of business, but why would industrialists be in favour of such a move?
2. What effect on wages would you expect if the working week got longer and longer, other things being equal?
3. If the “necessary labour time” is fixed, does this place a lower limit on how low wages could fall in the event of a big rise in unemployment?

14. The Struggle between Capital and Labour, and its Results

Term: [Class](#), [Capital](#), [Social Wage](#), [Trade Unions](#), [Socialism](#).

Questions for discussion:

1. Taking into account everything that has been discussed, what do you think are the most important tactics for improving the living standards of workers?
2. What do you think are the main indicators of the success of the working class in its age-old struggle against capital?
3. What can Marx mean by “Abolition of the Wages System”? How would people live without wages?