[https://gegen-kapital-und-nation.org/en/wage-and-profit-rate/]

Does capital always aim to suppress wages?

What it means for wage to be a cost factor of capital – the logic of the profit rate

On the surface, capital is a kind of economic activity where money is advanced in order to induce processes that aim at an increased sum of money: profit. Because wages are a deduction from profit, one often reads in our texts and other articles inspired by Marx that wage can never be low enough for capital. These kind of statements are supported by empirical evidence, in particular, by various companies' and economic policy makers' major efforts over the past few years to suppress wages in general.[1] Also, it is still common nowadays that workers slave away in cramped, stuffy rooms because the company wants to save on rent; companies try to avoid costs that are spent solely to keep workers healthy. On the other hand, there are companies, e.g. within the car industry that voluntarily pay their workers above the collective labour agreement and companies that provide extra rooms with foosball tables, couches and ping pong tables to their software developers.

However, with respect to those two seemingly opposing situations the question is not whether management are mean, greedy, incompetent bastards or generous philanthropists. Both results are based on the same calculation of profits, which does not simply mean that the wage shall be as low as possible. A wage in a capitalist calculation of profits is a cost factor. This contains a contradiction which explains the phenomena outlined above.

Paying wages pays off – for companies

When thinking about *cost*, you would be forgiven for thinking about something that has to be minimised. However, a *cost factor* is a sum advanced in order to achieve something. The capitalist meaning of cost is to be an investment in order to make profit. Money buys means of production, leases a piece of land, purchases a workforce. All this is then commanded by capital and regularly – if no crisis or bankruptcy occurs – it creates piles of goods which may be sold for a profit. Money, once a certain level is reached, is a social means of command[2] over all sorts of things and her owner (be it a family owned company or a joint stock corporation) has the potential to buy all the things needed to make a return of an even larger sum of money. Hence, it has to be noted that a capitalist does not intend to save money but to spend it, to invest it. Consequently, wages paid are not a deduction from profits but an essential and proper means to make profits.

Wages have to pay off – for what?

When something is needed (like expenditures for wages) in order to gain something (profit), it is not self-evident that, at the same time, considerations for thrift prevail for those expending it, as is the case with wages as a cost factor. Consider an example from the world of music: whoever wants to become a technically well-versed drummer in a speed metal band, such as Slayer, Anthrax or Metallica, has to "invest" time to practice. To succeed in changing the beat at high speed one has to practice every single beat on its own at low speed for a while for it to sound well at high speed, too. Changes of beats are then challenges in themselves and also have to be practised at low speed. Sometimes it may even be helpful to think it all through, to count bars and to convert. In short: whose aim it is to cut a dash behind the drums in a speed metal band, has to "invest" as much time as it needs. But, if one is not patient and always thinks of saving time, one simply will not become a sound drummer.

Capital is different.[3] The logic of capital does not allow simply for an end profit to be defined. This comes down to the peculiar end or goal pursued by all businesses under the capitalist mode of production: profit itself. Because profit is a surplus over the invested advance, it is not only an aim such as learning to play the drums well as in the example above.

A first thing to note is that the actual sum of money a company has earned from selling goods does not show whether profit was made or not. It is possible that £1m as a result of the sale of goods includes a profit of £50k, if the advance was £950k. If the advance, however, was £1m, then a return of sales of the same amount is no profit at all. If the invested capital was higher than £1m, this sum even represents a loss. Whether the objective of profit was achieved can and may only be determined with reference to the investment. In this regard capital is different from the drummer. In case of the drummer it is not about how many hours exactly she invested. Her skill can be heard. It is about whether or not the drummer performs the song well. The result is her ability to play the drums which stands for itself, whereas with capital, it is a sum of money – the success is visible only by comparison with the initial sum.

Moreover, the drummer has an aim that actually is achievable. Of course, one can always improve one's skills. But, at a certain level of playing one may conclude: she is fast, precise, masters difficult beats and fills. In short: she masters the songs of Slayer.[4] At first sight, one could argue similarly in the case of capital: capital is meant to make profit. If £1m advance results in £1m + £1, then capital has achieved this objective. The amount of profit in this case is one quid. Mission accomplished? Everyone is likely to think of this being a rather poor result. But what about if the company would have made £1.2m? Does £200k of profit mean mission accomplished? The answer is no: the purpose is boundless, profit can never be enough.[5] We will briefly outline three arguments in support of this:

Firstly, there is no reason to assume that "too much" of money is somehow adverse after some point. To own too much money does not have any negative consequences for the owner.

Secondly, the material of capital accumulation, i.e. money, is rather peculiar. Money is means of access and to own the right amount of money means to be able to access a whole world of useful things. Five pounds, these days, buy a t-shirt from China. With an amount of £1bn one is able to establish production plants for t-shirts all over the globe. When it comes to its quality, money is totalitarian: money is a means of access to everything. However, the quantity of money – how much – determines the extent of this access. From this perspective alone one can never have enough – just as common parlance teaches. But there is a second aspect to it: money is quite durable (under the normal course of the capitalist mode of production). Enough money does not only mean to be able to organise one's own life(style), to access the best medicine available, maybe even to be able to afford a little extra treat like flying to space. One can even make provisions for one's grandchildren's higher education. On top of that – if one is driven by a moral conscience – there is never enough money raised and donated with all the misery in the world.

Thirdly, money has the particularity that everyone competes for it. With the goal of making the most money possible, everyone engages in foiling this aim for others. Workers regularly underbid each other in order to get a wage at all. Capitalists might reduce the price of their commodities in order to conquer markets from other capitalists. In short, in this society it is money alone that, if a certain amount is available, offers material safety to some extent. In competing for this safety and comfort, everyone makes earning money and life itself less safe and comfortable for everyone else.

From this perspective companies maintain the standpoint that they want to make more out of their money, i.e. augment it. Not only does the initially invested sum of money have to be reproduced during the process of production, but a surplus has to be made. In order to merely preserve its capital a company has to make profit, so that it has an edge, is able to conquer the respective market, and can maintain the current technical status quo. The uncertainty that one company represents to other companies by its endeavours is reflected back to this very company as well. It applies to all companies alike that profit compared to all others ought to be as high as possible and that it can never be high enough. This is because all others make profit as well and invest it and thereby use it as a weapon against others – putting pressure even on market leaders. It is obvious that all the advantages of possessing money in large amounts and using it as capital at the same time bears the compulsion to constantly invest this same money for the sole purpose of accumulation.

To avoid any misunderstanding: this aspect of "all against all" in competition is not simply something that is external to the purpose of making money; as if making money was a neutral thing and it was only because of competition – which arises from who knows where – that the results are damaging. Rather, competition is the consequence of the purpose of making money. Money in its quality of being the social power of access is a means of command if the quantity suits that purpose. Such a command implies, firstly, poverty and neediness, which subjects people to this command and this power. Secondly, money creates the successful "entities of command", capital, which then by their actions create and preserve poverty.

If a medium-sized company grows immensely, then this is usually due to the fact that the business has continuously grown over the years. Profit is reinvested, then an even bigger profit may result which also gets reinvested and so on.[6] This is called accumulation. From the fact that profit as a purpose is boundless, it not only follows that businesses expand this way but also that maximum profit is to be made in every step on the way. Hence, the rate of augmentation of the invested money has to be maximal. This is called the rate of profit: the ratio of invested money to return ought to be as big as possible. For this, wages are a means.

When wages are worth it

The standpoint of the rate of profit can have various effects with respect to wages. This brings us back to the earlier question, why wage-labour as a means of profit to capital is, at the same time, an object of economising.

Say, a company invests £1m in one year, £900k are advanced on machines, raw material, buildings, etc., £100k are advanced for eight workers, each working 40hrs/week. Hence, their monthly wage is about £1,000. By means of this – the means of production and labour power – the company produces, say, advertising posters, which it is able to sell for £1.1m in total. The result is a profit of £100k. Hence, the rate of profit is 10%; £1m have turned into £1.1m.[7]

Now, there are unemployed people looking for a job. The company may take advantage of this and pressure its eight workers to agree to new conditions where their monthly wage is decreased to only £900. The wage expenses would then only be £86,400 instead of the former £100k. The overall expenses would be reduced from £1m to £986,400, whereas the sale of the advertising posters would still make £1,1m. The amount of profit is £113,600, and the rate of profit would be 11.36% now. Not only was the total amount of profit increased, but also the effectiveness of the investment of the same £1m has increased – investing £1m at a rate of profit of 11.36% makes more profit than at a rate of profit of 10%. Thus, reducing wages has paid off.

Let us assume the same situation once again and the company pins the wages as set out above. Now, the same number of orders came in but in the course of the year there has been some production downtime so that not all orders were performed properly and the company has only made £1,050,000 from the poster sale. Hence, the company has saved wages but, at the same time, it has made less money. The amount of absolute profit is £63,600, the profit rate 6.36%. Now, the company's manager found out that the reason for the production downtime was that the workers' performance decreased. She makes the following assumptions: maybe the workers were no longer able to eat as well; maybe the reduced wages led to more family trouble and arguments so that they could not concentrate on their work; or maybe the workers simply dawdle around at work because they feel ripped off but did not oppose the reduction when it was introduced. Either way: the profit rate is reduced, the reduction of the wages did not pay off.

Our company is looking for relief. It would be possible to re-increase the wages to the original level, in the hope of the workers being more motivated again so that at least there is a chance of achieving the former level of the profit rate of 10%. This wage increase could pay off in relation to the bad year.

However, there are other solutions at hand. The company's manager could have the machines improved so that they are less sensitive to workers' lack of concentration or lesser performance. Maybe – if our company's manager is lucky – the costs for this modification are reasonable because there is a clever engineering student at some university who wanted to contribute to humanity's happiness and invented an easy solution for the company's problem. Let us assume the company has to invest an additional £10k for machines. The balance sheet then looks much better: a £910k investment in means of production and an £86,400 payment for wages means a total advance of £996,400. The poster production is back on track and the sale may result in the original yearly amount of £1,1m. The total surplus would be an amount of £103,600, a rate of profit of 10.4%. Hence, in this case both *saving* money – for wages – and *spending* more money – for machines – has paid off.

There is yet another alternative the company may consider: instead of spending an additional sum of money in order to have the machines improved, the wage of one single worker could have been increased by a considerable sum, say £8,000, in connection with modified terms of employment. The new task of this worker would be to control and watch the other seven at all times, to motivate and push them to work. In this example the total wage would be a little higher again but the rate of profit could even be better in comparison to the previous example in which the machines were modified – if the former glory of £1,1 in revenue is restored.

For workers, the wage does not pay off

It should have become clear by the above examples that the capitalist's standpoint is not simply to suppress wages or to pay as little as possible. Rather, the level of wages and the purchased expenditure of labour power must – in tandem with other costs – be worthwhile in producing a surplus over the initially advanced sum. However, this is no reason to lean back and draw the wrong conclusion that capitalism, after all, is not as bad as previously thought and to get one's hopes up for a nice career with a good wage. All it takes is a simple look around to see that there are lots of low wages, extremely long and intense working days and saving of expenses beneficial for workers' health that *are* worthwhile for capital. But what allows capital to be successful in negotiating these bad deals with workers?

Indeed, in this society all kind of different products can be used to make money, as long as others have a need for it. Private property guarantees that goods are separated from those who may need them which allows the property owner to ask a price for her possessions. If this is the case, one may ask, then, why workers usually get such a bad deal when they sell their possession labour-power, or their ability to work. After all, companies are reliant on this commodity for their production.

The poverty of the working class is connected to the particularities of the labour market. These set it apart from the market for shoes, mobile phones or automobiles. Here, commodities are manufactured, sold for profit and prices drop when total supply is too high.[8] Companies go bankrupt or, in order to subsist, they change industry. The result is less supply and a 'recovery' of prices so that the profit for those companies that remain also 'recovers'. In terms of the commodity labour power, this almost never happens.

Firstly, if wages are continuously low, then workers are never able to say: to sell labour power is not worthwhile any longer. I will start to manufacture mobile phones on my own because this is quite profitable at the moment, it seems. A worker is simply not able to change from one market to another because she lacks money and property.[9]

Secondly, the welfare state and its minimal provision for basic needs provides for the fact that workers do not simply go bankrupt and then are "out of business", but they are permanently available to the labour market. Hence, the situation on the labour market is always tense – sometimes more, sometimes less.

Thirdly, indeed, in the majority of cases the situation tends to become more and more precarious for workers. Workers supply to a market where supply steadily grows: each rationalisation results in more people out of work, in each crisis another million people end up being unemployed. The boom in which new workers are being employed is rarely strong enough to relax the labour market. Hence, competition within the working class never results in a stable average wage level to nicely live from in comparison to the average profit of companies. Instead, what always occurs is that one has to have an interest in selling oneself cheaper than the next guy to get a job at all. By this, workers destroy the wages for each other, which puts them yet under more pressure to offer themselves cheaper and to work longer hours.

Reasons for extra pay

In many branches workers are replaceable. By employing machines and technology, companies ensure that this tends to remain the case. This method is also constantly being extended to new branches of industry.[10] The production process is arranged in a way that special qualifications of workers have the tendency to become less important. Where this is not the case or not pursued for whatever reason, in a word, where special qualifications are in demand, companies do compete for a limited labour force. The effect of this is that skilled, not as easily replaceable workers, such as engineers, can demand a relatively high wage, i.e. that companies accept to pay. A general training in engineering might, however, not be sufficient to fill a certain role, which means that additional specialised training and induction costs extra money. The binding of workers to their company, e.g. in the form of a wage hierarchy depending on how long somebody worked in the company, might help to reduce induction and training costs, which otherwise would have to be paid (cheaper induction and training would also do the trick). Furthermore, this wage hierarchy might help to increase efficiency: the longer someone did a job, the more experience that person has. For the case that workers can demand high wages because of their specialised education, the state "helps society" by organising education in such a way as to unburden companies from such problems.[11] In a capitalist society it ought not to happen that workers can extort a company for their own advantage.

Trade unions attempt to use the same supply-demand-principle to gain wage increases. Through the organised shortening of the labour supply, i.e. strikes, the organised temporary suspension of competition among workers might compel companies to increase wages. Hence, different levels of organisation and militancy – whatever the reason – in different branches are another reason for different wages. Yet, the trade unionist struggle is not a means for workers to rise to a position of power but it is merely necessary such that workers do not go to the dogs completely. Capital produces unemployment and these days temp agencies are happy to provide scabs whose interests are not aligned with that of the unions. At any rate, a strike cannot prevent the closing down of a company.

To prevent such organised opposition to develop, companies worry about the mood of their employees. In order to prevent that it takes a turn for the worse or in reaction to it, companies occasionally throw a party so that the idea of unions, organisation and shop stewards does not even come up. Such extra expenditures may be worthwhile for a company.

Workers are also rewarded for exposing themselves to potentially or definitely hazardous conditions such as extreme temperatures, acids, dust, fumes, noise, chemicals, bodily harm, etc. These bonuses replace expenditures which would be necessary to avoid such hazards. Again, one of those cases where workers pay for bonuses with a damage to themselves.

Some production processes are not that easy to standardise. For example, the advertising industry requires a certain level of creativity from its designers. In those branches it sometimes is worthwhile for a company to grant their employees more freedom in the form of breaks, nicer rooms, better wages, etc. The pressure on workers may then be exerted through tight deadlines.

For some companies it is crucial to be able to offer their product at any time. They demand from their workers to always be available. Most law firms that, say, offer consulting services to other companies in legal questions demand from their employees to work Sundays, if needed. They also expect from their employees to interrupt their vacation whenever necessary. For this, companies pay a higher salary. Many so called better paid positions, hence, come with an 80 hour week.

There are also wage calculations based on a rather different consideration: pressure on workers, firing them, suppressing wages, supervision, all that must be organised. The more some workers are given these kind of roles, the more capital is ready to pay extra for loyalty and careful conduct. In the most extreme case a manager might be paid enough to live like and become a capitalist. These relatively high wages of managers are worthwhile for capital because these managers exercise pressure for the masses of workers. When those roles are concerned, too much thrift would indeed be wrong.

The wage is the means of capital to purchase servitude from those dependent on wages. What matters for capital – as a factor entering its calculations – is the difference between the wage and the money-form of the result that the worker produced. Insofar as this difference can be increased with a positive effect on the profit rate then extra pay and wage increases pay off. As a general rule, though, workers' fear is a reliable ally for companies to ensure that workers give everything while on the clock. Furthermore, companies structure the labour process as much as possible such that the specific motivation of workers does not matter. Yet, there are numerous circumstances in which motivation through wage increase can result in higher performance or lower costs in other places. If the relation between wage increase and increased performance or reduced cost are beneficial, then the additional wage cost pays off for capital. For workers, however, that is usually not the case.

The forms of extra pay and its cost

Time wages or pay by the hour are a form of payment with which the interest in long working hours is implanted in the interest of the worker. Because the wage is low, the worker wants to work more in order to increase her personal income. This way, the worker pays with a restriction of her free time to have more money in that free time. Because this has a ruinous effect on workers, states tend to limit the extent to which this can happen. They regulate a normal working day – and if they do they have to push these limits through against workers *and* companies. At the same time, the state does not want to overly limit capital and therefore allows extra hours beyond the normal working day by defining exceptions like overtime. Those extra hours are taken on by workers in large numbers, often simply because they do not really have a choice, and companies motivate this further by paying extra (sometimes beyond the legal requirements if there are any). By taking on overtime, a worker does not only pay the price of restricted free time but also the price of additional exhaustion, which makes the time off work even bleaker. On top of that, she usually pays with additional health issues, which accumulate faster the longer she works.

Extra wages might motivate workers to exert themselves. In the form of piece wages a company implants its interest in a high density of labour into the interest of the worker. In this wage form, the wage is bound to the amount of produced pieces and a worker can earn more by working faster and by taking less breaks. This also simplifies supervision for the company, it only has to check whether the final products have the desired quality, otherwise the wage is reduced. The effect on the worker is the same as with time wage, extra pay is paid for with additional exhaustion and health issues.

These two forms of wage have a limit and this is the quality of the produced commodity. Where a single deficient commodity implies massive costs, it is not advantageous for capital to have tired out or scampered workers as part of the production process. This consideration also plays a role with respect to expensive machines, tools or raw material. If the machinery is fine-tuned in such a way that a small misstep can derail everything and can lead to heavy losses, piece wages can produce expensive collateral damage. In those cases companies voluntarily pay more in the form of a fixed wage. The extra wage ought to motivate workers to concentrate and to do their job with consideration. In those cases workers perhaps are not as much in a rush as with piece wages, but concentration takes its toll as well and exhausts.

With the model of Toyotism the car industry reacted to the phenomenon that wage-based incentives were ineffective in getting more productivity out of the workers. They changed this through a new social organisation of labour in the plant and a new form of payment. Toyotism is teamwork. Between seven and ten workers are responsible for a production step. These steps are coordinated more tightly which also means that interruptions of production in one step can lead to a large chain reaction which can cause huge costs. In Toyotism it is presupposed that all workers are able to do all activities within this one production step so that they can and do rotate. What might sound like a welcomed break from monotony has a more sinister motive. All workers ought to think about how to make production more efficient. They are encouraged to discuss these ideas in their group and to pass these ideas up the hierarchy. They are rewarded for productive ideas with extra pay. This way, the demand against workers is not only of highly intensive work, more training and long hours. What is more, the workers ought to support the company in coming up with better ways to intensify the work and extend the work day or even how to make certain jobs redundant, i.e. how to get rid of workers. Furthermore, because part of the wage is bound to the productivity of the whole group, workers supervise and rile up each other. This then is called a flat hierarchy.

Higher wages for capital's success

Some Left parties and the TUC claim that companies are being irrational when they suppress wages, and they do not mean the simple fact that workers are having a hard time to make ends meet. They point out that somebody has to buy the commodities with which capital makes its profits. Their proposal is: wage increases create more effective demand and this benefits everyone – workers have more wages and capital more profit. Capitalism could be a nice symbiosis if companies were not so short-sighted.

What is remarkable about this theory is that it is only ever proposed to support rather limited wage demands: a minimum wage, a wage increase of 3% or even an unconditional basic income of a few hundred pounds. Why are the proponents of this theory so humble? Why not an hourly wage of £50, a wage increase of 100% and an unconditional basic income of £5000? If the theory was right, then this would make the economy go pop. Their humbleness shows that they themselves do not really believe their own theory.[12] Rather, these advocates are looking for a reason to have their interest in higher wages recognised in the national discourse.

The theory is also simply wrong. For one, a single company has no advantage if it increases the wage. Even the workers of Nestlé spend only a small part of their wage on Nestlé products. Of course, if other companies pay their workers higher wages, then Nestlé might make more sales. However, it is not the logic of a single capital to pay its workers more for this effect.

Yet, sometimes competitors must be obliged for their own benefit. This is why the Left looks to the state which ought to enforce such wage increases. Workers get more money because the state mandates it. All companies sell more commodities to workers and, hence, attract more money from them. However, the imagined advantage for everyone is not realised: what companies pay more to their workers, they get back through their sales. Though these proponents of higher wages in the interest of capitalist success would not admit it from the standpoint of the rate of profit the ratio of advance and surplus becomes worse.[13]

Wage suppression for workers' interests

In other circles the efficiency and economy of capital is considered a good thing for workers. Only capital would be able to produce the wonderful world of commodities, which due to competition among companies would become more and more affordable for workers. Indeed, it is true, workers get money and can go shopping. But, modern economics claims that this way workers are enabled to satisfy their needs and desires in an optimal way.

Against this one must point out that the health of workers, the access to means of subsistence of any kind (= the wage), the free time of workers (as the other side of the length of the working day) are negative magnitudes when it comes to producing these commodities, which are then consumed by some workers. Under capitalism, workers pay for the potential advantage of cheaper commodities with lower wages, more stress and damaged health. Just because wages drop, prices do not necessarily fall. Often, wages and prices of commodities remain constant, profit for companies simply increases. Then, workers have to reconsider what they can do without because they cannot afford it any more. And that only works for people who have a job, hence, money in the first place, as being hungry is no sufficient reason in this society that any production is commenced – this hunger must be profitable.

Appendix on Marx's explanation of surplus value and the rate of profit in "Capital"

The considerations above presuppose that profits are produced on a large scale in this society while no explanation as to how this happens is offered. Furthermore, the wage and the performance of workers are discussed as a contribution to profit and it is not distinguished between the different contributions that labour and the means of production make towards profit. Marx, on the other hand, in Capital Volume 1 asks what the foundation of profit is. He realises that the abstract wealth, measured by money, has its basis in labour that is compared on the market and that augmentation of abstract wealth is accomplished through the purchase and use of the special commodity labour-power. The abstract wealth or value of the means of production as constant capital only gets transferred to the final product. Labour-power, by contrast, can not only create value that corresponds to the advanced wage but can also create new value *beyond* this point. This way Marx explains what the substance for the growth of money-counted abstract wealth is: compared labour-power. In the chapters on absolute and relative surplus-value Marx, hence, only considers the rate of surplus-value, i.e. the efficiency of the utilisation of labour-power for this substance and mostly ignores the advance for the means of production.

However, when we consider the rate of surplus-value, a few things discussed here are included already: enough wage must be advanced such that the difference between created surplus-value and wage is as effective as possible. Hence, already with those categories one can explain foosball tables and couches in the worker's staffroom in some modern companies. If workers work like hell afterwards, these measures might make sense. Just as it is worthwhile at the same time to suppress the wage and to put pressure on performance such that workers collapse under exhaustion – if there are enough unemployed who are willing to take their job.

Moreover, already chapter 4 of Capital, Volume 1 clarifies that the end of capital is the valorisation of value and not the valorisation of the wage. The total advance ought to augment itself as efficiently as possible and that includes expenditures for the means of production. The logic of capital, hence, does not only demand a high rate of surplus-value or high surplus-value. It demands a high rate of profit and a lot of profit. For that the rate of surplus-value is a central, but not the only means. This is the object of volume 3 of Capital. The determinations developed there dealing with the effects of the profit rate on workers do not take anything away from those in volume 1. There, simply new demands against workers are added. That workers have to preserve and augment the total advance, including the advance in constant capital, is a mission that upsets the stomach.

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1 The way companies treat illegal migrants suggests that for capital the best wage is no wage at all as people without a legal right to work are often ripped off by their employers. They work for a while and are then either deprived of any wage or receive an extremely reduced amount compared to what initially had been agreed upon (and what those with a work permit are paid). Because they have to fear to be deported these people cannot turn to the state in order to enforce the labour contract. Evidently, this strategy pays off for some companies (where this practice is tolerated by the state or it fails to catch them).

2 By "social access power" we mean the following: the state enforces that all social wealth is behind the barrier of private property of someone, it belongs to someone. The socially valid form of gaining access to this wealth is exchange for money to buy that property. The economic reality in this society is that without money one is excluded from all wealth but with money one can get access. "Social access power" hence presupposes the power of the state and its general command over all of society. A similar expression, "means of command", goes further: with money in a certain quantity, I can command over workers, i.e. over capitalist production – all I need for that in principle is money.

3 Capital is not like being a drummer in a speed metal band, you heard it here first!

4 If Slayer does not do it for you, insert your favourite obscure speed metal band here.

5 The way the success of a company is established is by comparing it to other companies or the average rate of profit. This is, however, not what is meant here. Here the point is that profit itself is boundless.

6 This is a simplification. Usually the path to becoming a global player is through credit. Companies do not wait until the profits allow expansion, but borrow money to expand to increase profits. For that a company must have good credit worthiness and this is better if a company makes good profits in relation to its size. With respect to making profit for credit worthiness the arguments presented in this text apply.

7 That companies make profit is presupposed in the following, it is not explained. Furthermore, usually revenue varies from one year to another due to manoeuvres of competitors and effective demand of society. In the following, we abstract from all that and presuppose that effective demand remains constant.

8 It might seem odd for a text that refers to Marx to invoke a supply and demand argument. However, supply and demand are how prices change. The point of value theory is to account for the reasons why they do or, put differently, to explain the economic laws of this supply and demand.

9 A change of jobs, on the other hand, might be an option if there is demand for it. Of course, if that other job requires specific qualifications, this switch is not that easy. This in turn means that those with that special qualification can command a higher wage (more on that later). The principle outlined here, why the sale of labour-power produces such poor results for the seller, develops its full force for activities where every worker can be employed. For other jobs it is just a tendency.

10 When we write about technology and machines which dictate the production process to workers one should not only think about massive assembly lines in car plants. These methods are

also common in the service sector. For example, in call centres where switches take care of dialling out and confront the worker with a new phone conversation at a fixed rate.

11 The degree to which the state "helps" varies from country to country. All capitalist states organise some form of basic education, but not all capitalist states also organise higher education in the form of universities – this can be organised (partly) privately as well. Either way, what is taught in high school takes measure in what companies need from their prospective employees. See "Education is a Duty" available at http://antinational.org/en/education-is-a-duty.

12 One could argue against this point that the unions bring up the "greater good" or "fairness" when explaining and justifying the restriction of their demands. However, if they did believe their own theory, they would still have to demand fantastic amounts of money in the interest of the "greater good", i.e. the national economy. If their theory was right, it would only be fair to provide capitalists with higher profits.

13 The politico-economic nonsense that is the wage-increases-benefit-everyone theory becomes striking if one considers the foundation of abstract wealth that is counted in money and which makes the capitalist economy go round. How is it created, how is it augmented? In "Capital" Marx deals with this question. In this piece an attempt was made to highlight some principles of capital accumulation and the conditions of the working class without exemplifying the labour theory of value. On the relation of these considerations and the labour theory of value, see below.