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## Capitalist Private Property in the Means of Production and Its Main Features

As the permanent crisis of capitalism deepens, the economy is increasingly unable to provide the workers with even the most basic necessities of life. And of course, the government remains the tool of the capitalists for guaranteeing themselves maximum profit by extracting greater and greater tribute from the whole working population.

The workers can and must fight to protect and improve our lives and livelihoods by challenging the power and profits of the capitalists and their government.

In mobilizing and rallying people around their own aims and agenda, the working class, primarily through the vehicle of its own independent political party, must transcend the limits of the political economy of the bourgeoisie. The independent working class movement for emancipation must refuse to give way to the blackmail of the capitalist agenda. It must assert that the rights of the people must be put in first place, must be the starting point and purpose of economic life. This immediately presses the class questions which must be posed—the question of the society's character, the question of whose claims are recognized, the issue of "the economy for whom?"

*The following article is the second in a series of stand-alone reference articles which began with the Volume 35 # 6 issue of The Worker.*

### Capitalist Private Property in the Means of Production and Its Main Features

Capitalist private property is historically the last predominant form of private property. Capitalism began its historical development by destroying small-scale production with the use of force: by depriving the popular masses of land and other means of production. As a result, private property based on personal labor was ousted by capitalist private property based on the exploi-

tation of wage-labor.

Profit is the purpose of capitalist production. It presupposes two necessary conditions: first some people should be able to buy the means of production (looms, spinning machines, cotton, yarn, etc.) and second, there should be people deprived of the means of subsistence. In other words, there should be capitalists as owners of the means of production, and workers, who can make a living only by operating the machines owned by the capitalists. Private property in the means of production takes the form of capital.

So what is capital? Capital assumes diverse material forms: machines, buildings, raw materials, fuel, etc., necessary for production. It assumes the form of finished products turned out at the enterprises: machines, fabrics, sugar, etc., and also the form of money, paid out as wages or used to buy the means of production.

But it is not every machine, piece of equipment or building, and not even every sum of money that is capital. Thus, a peasant can have a dwelling, a few acres of land, livestock, and even some money, but if he is not a master in relation to some other person, in other words, if he does not employ wage-labor, his property is not capital.

Property becomes capital only when it is used to obtain surplus-value, in other words, when it is used to hire workers who create surplus-value in the process of production.

How does the capitalist obtain surplus value? Through covert plunder, Karl Marx replies. In buying the worker's labor-power and paying out its value in the form of wages, the capitalist makes him work longer hours than are necessary to recoup the value of his labor-power and so create surplus value. The value created by the worker in these extra hours is appropriated by the capitalist without compensation and is surplus-value. A part of the latter is used by the capitalist for his own needs and the rest is used as

new capital: the capitalist, so to speak, adds it to the capital he already has and so is able to employ more workers and obtain a greater surplus value in the next production cycle, which means a further increase in his capital, and so on without end.

In the early periods of industrial capitalism, plants and factories were small and usually belonged to one family or a small group of partners. But each new technical discovery called for more capital, so that industrial enterprises rapidly grew in size. In any industry, larger enterprises were more economical and tended to grow faster and to yield more profit, while many of the smaller enterprises could not compete with them and had to close down or were taken over by more powerful rivals. In that way the smaller capitalists were ousted by bigger ones in the course of competitive struggle and capital was increasingly concentrated in the hands of a few industrial and financial magnates.

That means making the socialization of production, or in other words, it made the production process social. Socialization of production essentially amounts, first, to a concentration of production at large and very large enterprises, simultaneously employing thousands or even tens of thousands of workers; and second, to the development of a social division of labor under which the products are the result of the labor of all the working people in the country's material production (and today, even the result of the joint labor of the working people of many countries.) Even the manufacture of simple products, like the ordinary hammer or a plate of glass, to say nothing of technically sophisticated products, involves many enterprises and ultimately, the society as a whole.

Indeed, the production of a hammer calls for an iron-ore mine, metallurgical works, engineering enterprises supplying equipment for

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these, a timber industry, power plants supplying all the other branches with energy, agriculture and branches of the light and food industries supplying the working people involved with means of subsistence; indeed, the hammer is ultimately the embodiment, albeit in the tiniest extent, of all the working people involved in social production.

As a result, capitalism turns the country's productive forces into a coherent productive force, which can be set in motion by the joint labor of all the workers of social production. The interdependence among people is ever greater and stronger, and the ties between them are so broad that every member of the society is now to some extent dependent on what is going on in the society as a whole.

Meanwhile, the product created by the collective labor of the whole society is the property of a few individuals – the owners of the means of production, the capitalists – rather than of the society as a whole. That engenders a deep-rooted contradiction between the social nature of production and the private capitalist form of appropriation, or private capitalist property in the means of production, a contradiction known as the basic contradiction of capitalism. It is the cause of periodic economic crises of overproduction, which are an absurdity from the standpoint of common sense.

Economic crises are an overproduction of goods as compared as compared with the requirements of capital, which entails a slump in production and swells the pool of the unemployed. Unemployment means a further decline in market demand and cutbacks at many enterprises; no new enterprises are built or new jobs created and the products that have already been turned out are de-

stroyed even while the jobless and their families are suffering. Finally, however, the stocks of commodities run out, production begins to expand again, trade develops, and employment goes up, ushering in one or a few years of "prosperity," which leads to a seemingly boundless expansion of production. The boom lasts until it becomes clear that commodities have once again been overproduced as compared with demand, and the whole cycle is repeated.

Capitalism is marked by a profound contradiction between the boundless possibilities of production growth, especially under the current scientific and technical revolution, and the limited social goal of the development of the productive forces, i.e., the drive for profit which curbs the effective demand of the working masses.

So, the conflict between the productive forces and the relations of production is a sign of the capitalist society's historical limitations, of its doom. Having developed the productive forces on a vast scale and socialized the production process, capitalism has now become a break on social progress. By gearing production to the narrow goal of extracting surplus value and making profit, private capitalist property holds back the development of production and engenders deep social conflicts in the society.

Today in the U.S., the fundamental contradiction of capitalist society – the contradiction between the socialized productive forces and the private, capitalist mode of appropriation – has reached the bursting point. The all-sided and permanent crisis of capitalism permeates every aspect of life. Increasingly, the capitalist masters cannot even provide a livelihood for their slaves – millions upon mil-

lions remain permanently unemployed; some 25% of the people live below poverty level; the wages of the employed workers are being slashed to the bone, health care programs for the elderly, nutrition and education for the youth, etc., are being gutted or eliminated.

The capitalists are responding to the permanent crisis of their system by increasing the exploitation of the workers to the maximum. The huge monopoly corporations have been cutting wages for several years now. Through the rationalization and modernization of production, the capitalists impose brutal productivity drives on the employed workers, while throwing ever greater numbers of workers into the unemployment lines.

So too, the capitalists use the government to provide them with artificial markets (e.g. fat contracts for the arms merchants, high interest loans for the Wall Street sharks, etc.). As time goes on, the government steps in more and more to underwrite the profits of the capitalists, forcing the government deeper into debt and, in turn, sacrificing more and more of the tax dollars and social programs of the workers on the altar of maximum superprofits for the capitalist billionaires.

The workers are already facing up to the fact that the "leaders" of society, far from resolving the economic problems, are only making things worse. It is up to the workers themselves to take matters into their own hands, to put forward and rally the people around their own economic agenda – one which makes the well-being of the people the first priority. Transformation of private capitalist property, by making production meet the requirements of the entire society, is the only way to resolve the basic contradiction of capitalism and thereby ensure the further development of the productive forces. Solving the grave economic problems confronting the people requires gearing the productive forces and scientific and technical progress towards meeting the requirements of the entire society. Hence the historical inevitability of a transition from capitalism to socialism.

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