

WEEK 9 INTRODUCTION TO READING

Karl Marx, excerpt from Capital, Vol. 1 (1867)

Born in 1818 to a middle-class family in the city of Trier, in the western part of the German Confederation, Marx studied law, philosophy, and history at the universities of Bonn and Berlin. At first, the young Marx hoped to secure a professorship, but he abandoned this idea in the 1840s. Instead, he began writing articles for newspapers of the political opposition in Germany and in France. During this early period, he developed a materialist analysis of history that stressed the importance of systems of economic production in determining the shape of societies. In 1848, when revolutions swept across Europe, Marx and his lifelong collaborator Friedrich Engels published the Communist Manifesto, the most accessible of Marx's writings. After the failure of those revolutions, Marx and Engels continued to develop a revolutionary economic and social analysis of their capitalist societies. Both lived in political exile in England. Both also played leading roles in founding international socialist organizations of workers. In Capital, arguably Marx's greatest work, he set out to analyze in depth the origins and workings of the capitalist economic and social system. Marx died in London in 1883.

Iwasaki Yataro, "Letter to Mitsubishi Employees" (1876)

Iwasaki Yataro was born in 1835, the son of a poor farmer. In the mid-1860s, he was employed as an administrator for the aristocratic Tosa family. The Tosa family was heavily indebted as a result of its massive buildup of military supplies in the preceding years, but the family also owned substantial business assets. In settling the family's debts, Iwasaki arranged for the family to liquidate assets by transferring to him the ownership of eleven steamships and the family's business interests in silk, coal-mining, tea, and lumber. Thus began the Mitsubishi Company.

One of Iwasaki's early successes was in controlling the transportation of goods along the Japanese coast. The following letter was written to employees in his steamship company after he had cut fares by one half and wages by one third.

WEEK 9 QUESTIONS

Karl Marx, excerpt from Capital, Vol. 1 (1867)

1. What is a commodity? (There are a number of answers to this question throughout the reading.)
2. Is every useful thing a commodity, according to Marx?
3. What is a use-value?
4. What is exchange-value?
5. On p. 45, Marx writes: "A use-value, or useful article, therefore, has value only because human labour in the abstract has been embodied or materialised in it." In this sentence, does the "value" following "therefore" mean "use-value" or "exchange-value"?
6. Why does Marx emphasize that "labour time" must be understood as that amount which is "socially necessary"?
7. What does Marx mean by the "fetishism of commodities"?
8. Look up "fetish" in the Oxford English Dictionary. What is the historical meaning of the word?
9. What difference does it make when labor is "social" instead of "individual" (like Robinson Crusoe's)?

Iwasaki Yataro, "Letter to Mitsubishi Employees" (1876)

10. Iwasaki promotes "singleness of heart" between himself and his employees. On what basis does he claim this unity with his employees?

11. Iwasaki encourages those he addresses to think about the national interest. Who is served by this conception of the national interest?