

commodities can be greater than the demand for all commodities, since the demand for the *general commodity*, money, exchange-value, is greater than the demand for all particular commodities, in other words the motive to turn the commodity into money, to realise its exchange-value, prevails over the motive to transform the commodity again into use-value.

If the relation of demand and supply is taken in a wider and more concrete sense, then it comprises the relation of *production* and *consumption* as well. Here again, the *unity* of these two phases, which does exist and which forcibly asserts itself during the crisis, must be seen as opposed to the *separation* and *antagonism* of these two phases, separation and antagonism which exist just as much, and are moreover typical of bourgeois production.

With regard to the contradiction between partial and universal over-production, in so far as the existence of the former is affirmed in order to evade the latter, the following observation may be made:

Firstly: Crises are usually preceded by a general inflation in prices of all articles of capitalist production. All of them therefore participate in the subsequent crash and at their former prices they cause a glut in the market. The market can absorb a larger volume of commodities at falling prices, at prices which have fallen below their cost-prices, than it could absorb at their former prices. The excess of commodities is always relative; in other words it is an excess at particular prices. The prices at which the commodities are then absorbed are ruinous for the producer or merchant.

||712| *Secondly:*

For a crisis (and therefore also for over-production) to be general, it suffices for it to affect the principal commercial goods.

[9. Ricardo's Wrong Conception of the Relation Between Production and Consumption under the Conditions of Capitalism]

Let us take a closer look at how Ricardo seeks to deny the possibility of a general glut in the market:

“Too much of a particular commodity may be produced, of which there may be such a glut in the market, as not to repay the capital expended on it; but this cannot be the case with respect to all commodities; the demand for corn is limited by the mouths which are to eat it, for shoes and coats by the persons who are to wear them; but though a community, or a part of a community, may have as much corn, and as many hats and shoes, as it is able or may wish to consume, the same *cannot be said of every commodity produced by nature or by art*. Some would consume more wine, if they had the ability to procure it. Others having enough of wine, would wish to increase the quantity or improve the quality of their furniture. Others might wish to ornament their grounds, or to enlarge their houses. The wish to do all or some of these is implanted in every man’s breast; *nothing is required but the means, and nothing can afford the means, but an increase of production*” (l.c., pp. 341-42).

Could there be a more childish argument? It runs like this: more of a particular commodity may be produced than can be consumed of it; but this cannot apply to *all* commodities at the same time. Because the needs, which the commodities satisfy, have no limits and all these needs are not satisfied at the same time. On the contrary. The fulfilment of one need makes another, so to speak, latent. Thus nothing is required, but the means to satisfy these wants, and these means can only be provided through an increase in production. Hence no general overproduction is possible.

What is the purpose of all this? In periods of over-production, a large part of the nation (especially the working class) is less well provided than ever with corn, shoes etc., not to speak of wine and furniture. If over-production could only occur when all the members of a nation had satisfied even their most urgent needs, there could never, in the history of bourgeois society up to now, have been a state of general over-production or even of partial over-production. When, for instance, the market is glutted by shoes or calicoes or wines or colonial products, does this perhaps mean that four-sixths of the nation have more than satisfied their needs in shoes, calicoes etc.? What after all has over-production to do with absolute needs? It is only concerned with demand that is backed by ability to pay. It is not a question of absolute over-production—over-production as such in relation to the absolute need or the desire to possess commodities. In this sense there is neither partial nor general over-production; and the one is not opposed to the other.

But—Ricardo will say—when there are a lot of people who want shoes and calicoes, why do they not obtain the means to acquire them, by producing something which will enable them to buy shoes and calicoes? Would it not be even simpler to say: Why do they not produce shoes and calicoes for themselves? An even stranger aspect of over-production is that the workers, the actual producers of the very commodities which glut the market, are in need of these commodities. It cannot be said here that they should produce things in order to obtain them, for they have produced them and yet they have

not got them. Nor can it be said that a particular commodity gluts the market, because no one is in want of it. If, therefore, it is even impossible to explain that *partial* over-production arises because the demand for the commodities that glut the market has been more than satisfied, it is quite impossible to explain away *universal* over-production by declaring that needs, unsatisfied needs, exist for many of the commodities which are on the market.

Let us keep to the example of the weaver of calico. So long as reproduction continued uninterruptedly—and therefore also the phase of this reproduction in which the product existing as a saleable commodity, the calico, was reconverted into money, at its value—so long, shall we say, the workers who produced the calico, also consumed a part of it, and with the expansion of reproduction, that is to say, with accumulation, they were consuming more of it, or also more workers were employed in the production of calico, who also consumed part of it.

[10. Crisis, Which Was a Contingency, Becomes a Certainty. The Crisis as the Manifestation of All the Contradictions of Bourgeois Economy]

Now before we proceed further, the following must be said:

The *possibility* of crisis, which became apparent in the *simple metamorphosis* of the commodity, is once more demonstrated, and further developed, by the disjunction between the (direct) process of production and the process of circulation. As soon as these processes do not merge smoothly into one another ||713| but become independent of one another, the crisis is there.

The possibility of crisis is indicated in the metamorphosis of the commodity like this:

Firstly, the commodity which actually exists as use-value, and nominally, in its price, as exchange-value, must be transformed into money. C-M. If this difficulty, the sale, is solved then the purchase, M-C, presents no difficulty, since money is directly exchangeable for everything else. The use-value of the commodity, the usefulness of the labour contained in it, must be assumed from the start, otherwise it is no commodity at all. It is further assumed that the individual value of the commodity is equal to its social value, that is to say, that the labour-time materialised in it is equal to the socially