A passage from a letter indicates the occasion of this work, often used along with the equally well-known 1847 lecture, “Wage-Labor and Capital,” as a popular introduction to Marx’s economic theory. “Value, Price and Profit,” the title by which this work is known, is a lecture in two parts Marx gave to the International Working Men’s Association in 1865, of which Marx was the leading figure. As Marx states in the letter, he was criticizing arguments by another prominent member named John Weston. Weston’s position, derived from the arguments of the influential socialist leader Ferdinand Lassalle, was that wage increases would simply raise the price of necessary goods, meaning that the real purchasing power of the workers would be unchanged. Therefore struggling for wage increases and, by extension, trade union activity in general, is futile. In refutation, Marx took this as an opportunity to present some of the arguments he had been developing in the manuscript for *Capital*, to clarify the thinking of the workers about their situation in capitalist production.

“Value, Price and Profit” superbly lays out some of the main themes of Marx’s economic analysis: that value regulates the exchange of goods, the crucial distinction between “labor” and “labor-power,” and even mentions the bloody process of “original accumulation” of capital, usually known as “primitive accumulation,” the phrase from *Capital*. Classical economists had argued that commodities exchange at their embodied labor values. If this is true, then there is a question as to where profits come from. A typical view at the time was that profits, rent, and interest are additional costs that are added, rather arbitrarily, to the cost of production of a commodity. In contrast, and as discussed above in the general introduction, Marx explains that there is a difference between the cost of labor-power in the labor market and the value that labor adds in the production process. Profits, rent, and interest are actually all derived from the surplus value extracted by the exploitation of labor. This surplus is a variable quantity, depending on the costs of labor-power, the length of the working day, and the intensity or productivity of labor. How much surplus value is ultimately available is therefore not fixed but rather a consequence of struggles between labor and capital over the relative shares of wages versus profits. Therefore, rather than being bound to some absolute minimum fixed by the price (value of embodied labor) of necessaries,
that is, subsistence, working class struggle can improve the conditions of the working class. A good illustration of that is the Ten Hours Bill (the “Factory Act” of 1847), which, over fierce resistance by manufacturers, limited the working day beginning in 1848.

It should be noted that this is in general a more optimistic view of the possibilities of workers than that expressed in the three volumes of *Capital*. Closer to *Capital*, Marx also argues here that the Ten Hours Bill demonstrated something of great importance to the working class: that in “merely economic action capital is the stronger side.” Therefore, the working class must engage in political struggle, legislation, if they are to protect themselves even in some degree from the consequences of their labor-power having been turned into a commodity.

Marx also mentions two other things that bear on the problems raised in the general introduction. First, he reiterates that the value of labor-power itself is not determined solely by the bare minimum, but also depends on popular understandings of a “traditional standard of life.” Second, on the utility of moral appeals within the context of capitalism, Marx states bluntly, “What you think just or equitable is out of the question. The question is: What is necessary and unavoidable with a given system of production?”