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REIFICATION AND THE CONSCIOUSNESS OF THE CRITICS OF POLITICAL ECONOMY

STUDIES IN THE DEVELOPMENT OF MARX' THEORY OF VALUE

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CHAPTER I
MARX' THEORY OF VALUE

In this chapter we present the foundations of Marx' theory of value which served as the theoretical point of departure for the following generations of Marxists in their analysis of capitalism and socialism. This starting point was twofold: namely, the interpretation of Marx' theory and of its real object--capitalist commodity production. Inasmuch as the reception of Marx' value theory forms a part of the problematic of this study, and since great controversy still surrounds this issue today even among those who consider themselves "orthodox" Marxists, the interpretative presentation offered by the author becomes itself embedded in that problematic; to that extent, the present analysis also becomes problematized.

In sections B and C of this chapter two related themes are treated. Following the presentation of Marx' value theory we have devoted a section to the so-called doctrine of commodity fetishism as a pedagogical means of anticipating misconstrued notions of the relation between forms of thought and forms of production relations in Marx and their transformation in socialism. And finally, in order to make the connection to the subsequent chapters more explicit, we have also included a discussion of Marx' and Engels' documented conceptions of post-capitalist societies with particular reference to the relevance of value production.

A. Marx' Theory of Value

It is commonplace among Marxists when discussing the fundamental differences between capitalism and socialism to recur to the law of value as the synthesis of the forces operating in capitalism which are overcome and replaced by comprehensive
social planning in socialism. Very frequently, however, the law of value is understood as "essentially a theory of general equilibrium developed in the first instance with reference to simple commodity production and later on adapted to capitalism."²


² Sweezy, op. cit., p. 53.
In other words, it is conceived as the mechanism determining "resource allocation." At this point we are not interested in the retrojection of the law of value onto so-called simple commodity production, but rather solely with its application to capitalist production.

On the other hand, it cannot be our purpose to provide a more "correct" brief "definition"; for the elaboration of the working of the law of value is in reality Capital—a work which it is impossible to "summarize" without reducing it to the non-processlike analysis it is supposed to be. H. Reichelt has emphasized this point:

It would run counter to Marx' conception in the greatest degree if one placed before the complete presentation of the categories a crowning definition or short formula of the law of value and its mode of operation. Such a procedure necessarily parallels the neglect of the specific nature of the economic form-determinations. The definition of the law of value and the presentation of its mode of operation for Marx can...be nothing but the development of the categories themselves.

One may be led astray quite easily by a one-sided interpretation of various statements by Marx (interestingly enough all to be found in material not published by Marx—either letters or manuscripts) characterizing value as a specific social-historical form of a supra-historical content. In this context Marx' letter to L. Kugelmann of 11 July 1868 is often cited as evidence; here Marx offers an ironic reply to a reviewer of the then just published first edition of Capital who had registered doubts concerning "value";

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The rubbish about the necessity of proving the concept of value rests only upon the most complete ignorance both of the subject matter dealt with and of the method of science. Every child knows that a nation would croak which ceased to work, I will not say for a year, but for a couple of weeks. Every child also knows that the masses of products corresponding to the various masses of needs require various and quantitatively determined masses of the total labor of society. That this necessity of the distribution of social labor in definite proportions in no way can be eliminated by the definite form of social production, but can only change its mode of appearance, is self-evident. Laws of nature cannot be eliminated altogether. What can change in historically differing conditions is only the form in which those laws assert themselves. And the form in which this proportional distribution of labor asserts itself in a state of society in which the interconnection of social labor asserts itself as the private exchange of individual products of labor, is precisely the exchange value of these products.5

In the Soviet Union, for example, during the 1920s, this one-sided interpretation led to the development of a so-called law of proportional labor expenditures.6 But as the Soviet economist A. Leont'ev asked at the time rhetorically: if Marx refers to this phenomenon as known to every child, can we expect it to give us the clue to understanding the complex problems of the transition to socialism?7

5 MEB, XXXII, 552f.


Earlier in 1868 Marx had written a letter to Engels—this time in response to certain objections made by E. Dühring to Marx' value theory—in which he also emphasized the two aspects of regulating aggregate labor time in any society and its anarchic regulation in capitalism:

In fact, no form of society can prevent the available labor time of society from regulating production one way or another. But as long as this regulation does not happen through direct conscious control of the society over its labor time—which is possible only with common property—but rather through the movement of the prices of the commodities, the matter remains as you fittingly put it already in the "Deutsch-Französischen Jahrbüchern."8

Here Marx is alluding to Engels' 1844 article "Umriss zu einer Kritik der Nationalökonomie"9 which Marx often praised in print.10 Yet with respect to the specific problem at hand one can hardly take Marx' words at face value, for despite Engels' clear formulation of the anarchic nature of capitalism equilibrium, no Marxist would seriously suggest that Engels had provided a scientifically acceptable explanation at that time.11 And in fact

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8 Of 8 January 1868, MEW, XXXII, 12; cf. also Marx, "Randglossen zu Adolph Wagners 'Lehrbuch der politischen Ökonomie," ibid., XIX, 375f.

9 Ibid., I, 499-524.

10 Zur Kritik der Politischen Ökonomie, ibid., XIII, 10; Kap., I, ibid., XXIII, 89 n. 28.


It is noteworthy that in the course of instructing the future leading Marxists in Marxism, Engels found it necessary to correct Kautsky's conception of value; Kautsky had, according to Engels, repeated the error of J. K. Rodbertus—who had confused capital with the physical means of production—with respect to value:
if we return to the above-cited letter to Kugelman, we discover that immediately following the passage already quoted, Marx continued: "Science consists precisely in developing how the law of value asserts itself."12

It cannot, of course, be our purpose to perform this task. Rather we will limit ourselves to Marx' analysis of the value form of the labor product which

is the most abstract but also the most general form of the bourgeois mode of production which is thereby characterized as a particular manner of societal production and thus at the same time historically. Hence if one mistakes it for an eternal natural form of societal production, one necessarily also overlooks what is specific in the value form, hence in the commodity form, further developed in the money form, capital form, etc.13

In order to avoid misunderstandings, we must warn the reader against jumping to the conclusion that once we have gone through the foundations of the theory of value, we will have understood "fetishism" and the whole problematic of the real subject matter of political economy in socialism. For it must be stressed that, although the theory of value is the foundation of studying capitalism and would therefore have to be a central element in determining the processes which a post-capitalist society would have to undergo in order to eliminate the basis of value relations, these relations of simple commodity circulation are not the determining ones as far as the "conscious reconstitution of human society"14 is concerned. Even for capitalist production: what

"Similarly, you do it with value. The present value is that of commodity production, but with the abolition of commodity production value too changes, i.e., value per se remains, just changes the form. In fact, however, economic value is a category belonging to commodity production and disappears with it...." MEW, XXXVI, 210.

12Ibid., XXXII, 553; cf. also Kap., III, ibid., XXV, 324.
13Kap., I, ibid., XXXIII, 95 n. 32.
14Kap., III, ibid., XXV, 99.
interests Marx is not the now fashionable cultural-critical concern with commodities and money as the agent of suppression of human self-expression, etc. This is not Marx' interest because on the abstract level of the analysis of the first three chapters of Capital these commodity-money relations do not exist for members of bourgeois society.

That is to say, commodities and money appear always in a mediated form concretely: they may appear as capital, as variable capital, as the price of labor (power), as the income of different social classes, etc. It is here that "commodity fetishism" affects members of bourgeois society in the form of exploitation, degradation, insecurity, poverty, power, class struggle, etc. It is only on this concrete level that the real substance of commodity relations reveals itself; and it is hence here that the Critique of Political Economy exerts its particular theoretical and political force.15

Similarly, it is also on this level that the relevant transformations characterizing a post-capitalist society must be sought. This means, for instance: have the means of production qua capita ceased to "employ" workers?16 That is, has value ceased

15 Aside from literature cited below in various places in the text, we may mention here a few recent works which try to treat critically the capitalistic analyses of several authors. On Lenin's theory of imperialism: Christel Neusüss, Imperialismus und Weltmarktwegung des Kapitals, Erlangen, 1972, pp. 27ff.; on Lenin, Varga and Trotsky, and Bukharin: Hans-Dieter Heilmann and Bernd Rabehl, "Die Legende von der 'Bolschewisierung' der KPD, I," SoPo, #9 (December, 1970), pp. 67-74, 90-94, 94-97.


16 For unintentional confirmation of the Marxist insight into the rule of dead over living labor see the statement by E. Domar: "...In advanced industrial countries it is more meaningful to think of the machine as the main determinant of output, with
being self-expanding so that production takes place, as bourgeois economics phantasizes is the case in capitalism, for the purpose of satisfying needs? Marx explains the difference between industrial production and capitalist industrial production as follows:

In the one the combined aggregate laborer or the social labor body appears as the superordinate [übergreifendes] subject and the mechanical automation as object; in the other the automation is itself subject, and the workers are merely as conscious organs coordinated with its unconscious organs and together with the latter are subordinate to the central locomotive power.

Even the alleviation of labor becomes a means of torture inasmuch as the machine does not liberate the worker from work, but rather his work from content. It is common, to all capitalist production, insofar as it is not only labor process but at the same time process of self-expansion of capital, that the worker does not employ the conditions of labor, but rather just the reverse: the conditions of labor employ the worker; but it is only with machinery that this inversion receives technically tangible reality. Through its transformation into an automaton the tool confronts the worker during the process of production itself as capital, as dead labor which dominates and sucks out the living labor power.17

with the worker attached to it, rather than the other way round...." "Full Capacity vs. Full Employment Growth: Comment," QJE, LVII/4 (November, 1953), 559.

17Kap., I, MEW, XXIII, 442, 445f. This understanding must not be confused with bourgeois theory which seeks the causes of capitalist crises in the physical means of production. This is the case for instance with the "accelerator" theory of business cycles; as one of its originators, J. Maurice Clark said: "Such are the pranks which the Iron Slave plays upon its supposed master." Studies in the Economics of Overhead Costs (Chicago, 1923), p. 391. This approach merely reproduces the surface phenomena without explanation and represents fetishism par excellence.
Or again as Marx explains the difference between capitalist and post-capitalist production:

The workmen, if domineering, if allowed to produce for themselves, would only soon, and without any great exertion, bring up the capital (to use a phrase of the economic vulgarists) up to the standard of their wants. This is the very big difference: Whether the available means of production confront them as capital, and hence can be employed by them only so far as is necessary in order to increase the surplus value and the surplus produce for their employers, whether these means of production employ them, or whether they, as subjects, employ the means of production—in the accusative—in order to create wealth for themselves.18

To determine whether the workers employ the means of production in a post-capitalist society means among other things establishing whether working conditions in the broadest sense—eliminating accidents, intensification, monotony, crippling one-sided training, etc.—have been raised to the first priority.

In order to explain the necessity for such phenomena in capitalism, one would, as has already been noted, have to reproduce Capital. Similarly, the present study cannot in itself determine whether these phenomena have been eliminated in the societies under review.19 Rather, this work is devoted to an analysis of the methodological foundations upon which Critics of Political Economy proceeded to study the reality of which they were a part.

Insofar as these Marxist foundations were not correctly conceived, it is plausible that more concrete analyses and, even more so, practical policies based on them would begin to reproduce—

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19. But see chapter 5 below.
from the now increasingly important subjective side--the conditions which a socialist revolution is meant to do away with.20

Let us then proceed to a recapitulation of Marx' theory of the value and commodity form.21 The commodity as the elementary form of wealth in capitalist society is not only a useful object, a use value, but also a "material bearer of--exchange value."22 The latter appears as a quantitative relation in which two use values exchange against each other; it seems therefore to be coincidental and relative. Since, however, a use value may have varying exchange relations with various other use values, all the "exchange values of the same commodity express an equal something. But secondly: exchange value altogether can only be the mode of expression, the 'phenomenal form' of a content distinguishable from it."23 This common aspect can, however, have nothing to do with the physical features of the commodities; rather "it is precisely the abstraction from their use values that evidently characterizes the exchange relation."24

20 A voluntaristically "correct" policy is of course possible--but not consistently over time.

21 The major works in this connection are Das Kapital, Zur Kritik der Politischen Okonomie, Grundrisse, Theorien über den Mehrwert, and "Randglossen zu Adolph Wagners 'Lehrbuch der politischen Okonomie'."

22 Kap., I, MEW, XXIII, 49f.

23 Ibid., p. 51. One of the purposes in stressing the distinction between value and exchange value lay in refuting the critique of Ricardo's inconsistent labor theory of value by Samuel Bailey. See TudM, MEW, XXVI: 3, 122-67. The urgency which Marx attached to this task was well justified since Bailey may be considered a forerunner of modern subjectivist theories of value. See Robert M. Rauner, Samuel Bailey and the Classical Theory of Value (L., 1961), p. 6f.

24 Kap., I, MEW, XXIII, 51f.
This statement contains several important elements which will become crucial in the further analysis; for this reason it will be useful to call the reader's attention to them now so that they may be concentrated on at the proper time. First, Marx speaks of an abstraction from the physical properties of the commodities; and secondly, he associates this abstraction with the process of exchange. Now we must determine what this abstraction is and how it takes place.

Once the different qualities of the use values have shown themselves to be irrelevant to this exchange relation, it becomes clear that we are dealing with a quantitative relation; that is, the commodities "as exchange values can...only be of different quantity, thus contain not one atom of use value." Here Marx notes that the only property common to all commodities is that of being products of labor; but once we have abstracted from the use value properties of a commodity, we also abstract from the concrete, useful character of the labor creating the use value. Thus the various concrete forms of labor disappear in favor of "equal human labor, abstract labor." If we contemplate what then remains of the products of labor, we discover "the same ghostly objectivity [Gegenständlichkeit], a mere gelatin of indiscriminate human labor, i.e., of the expenditure of human labor power irrespective of the form of its expenditure. These things now merely represent the fact that human labor power is expended, human labor power is amassed in their production." It is as "crystals" of the common social substance in these "things" that Marx characterizes values or commodity values.

Thus at first exchange value appeared independent of the use values; now it emerges from our discussion that value is

\[\text{25 Ibid., p. 52.}\]
\[\text{26 Ibid.}\]
\[\text{27 Ibid.}\]
that common aspect which all exchange values express. In other words, exchange value is the necessary phenomenal form of value.

Let us now examine more closely use value and value, and concrete and abstract labor. According to Marx, commodities are commodities as a result of their twofold nature as "useful objects and at the same time bearers of value. They appear therefore as commodities or possess the form of commodities only insofar as they possess double form, natural form and value form." For the time being, we are interested in the latter form. Now this form can be understood only in conjunction with our other pair of categories—concrete and abstract labor.

Marx tells us that a commodity is "a very confounded thing, full of metaphysical subtleties and theological pranks." It is a "sensuous supersensuous thing." It transcends materiality insofar as its value-objectivity does not contain an atom of natural matter: it is "purely societal" and can thus appear only in the social relation of one commodity to another commodity.

Similarly with abstract labor. It is not the case that the worker works twice as it were—once concretely and then abstractly. Thus there are not two sorts of labor embodied in the commodity, but rather "the same labor is determined differently and even contrarily according to whether it is related to the use value of the commodity as its product or to the commodity-value as

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28 Ibid., p. 62.

29 It should not be concluded that use values are without specific social-historical features; see "Randglossen zu Adolph Wagners...", op. cit., p. 370.


31 Kap., I, op. cit., 62.
its merely objectified expression.\textsuperscript{32} Abstract labor is the form which labor must assume under certain societal conditions.\textsuperscript{33} Marx devotes relatively little attention to the formal formulation of these conditions since \textit{Capital} provides the substantive execution of this formulation. Marx restricts himself to noting that division of labor is a precondition of commodity production although the reverse is not true. Furthermore: "Only the products of private labors which are autonomous and independent of one another confront one another as commodities."\textsuperscript{34}

Let us try to elaborate these conditions. The sort of society which Marx is referring to consists of production relations of a peculiar form; for although the producers are independent, autonomous and private, they must at the same time enter into social relations (since we are not talking about many Robinson Crusoes who happen to be situated in geographical proximity to one another).

But what will be the nature of these relations? The planlessness characteristic of this society means that the total amount of labor time available to society is not pre-calculated and then distributed among the various branches of production in accordance with the needs of the members of this society.

\begin{footnotesize}
\item[32] Das \textit{Kapital}, 1st ed., 1867, cit. acc. to reprint of chapter one in Marx/Engels, Studienausgabe, ed. I. Fetscher, II (Ffm., 1966), 224. We may merely mention here that this distinction becomes crucial for Marx' explanation of the transfer of value from the means of production to the new product. See Kap., I, op. cit., ch. 6, and ch. 13 sect. 2. It also provides the explanation of the bourgeois "technical-statistical" distinction between GNP and NNP; see W. Müller and C. Neusüss, "Die Sozialstaatsillusion und der Widerspruch von Lohnarbeit und Kapital," \textit{SoPo}, #6-7 (June, 1970), pp. 34ff.; and G. Caffentzis, M. Linder, and J. Sensat, \textit{Anti-Samuelson}, unpub. manuscript, chap. 10.

\item[33] The significance which Marx himself attributed to the distinction between abstract and concrete labor is revealed in a letter to Engels (24 August 1867) in which he calls it "the best thing in my book" and the basis upon which "all understanding of the facts rests." \textit{MEW}, XXXI, 326.

\item[34] Kap., I, op. cit., p. 57.
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Thus, although labor must be the material basis for the production relations among members of all societies, in commodity producing societies labor cannot be directly societal because it is not subject to the direct control of an aggregate social organ. In commodity producing societies production relations can be expressed only by means of the objectified results of labor—the products of labor.

But before we draw the precipitate conclusion that these relations then reduce quite simply to the use values produced by the private and independent producers, we must recall that labor products in these societies are useful objects and value-carriers at the same time. Now the relation between these two aspects of the commodity is very complex. Marx underscores this aspect:

The commodity is use value, wheat, linen, diamond, machine, etc., but as commodity it is at the same time not use value. If it were use value for its possessor, i.e., directly means for satisfying his own needs, then it would not be commodity. For him it is rather non-use value, namely mere material bearer of the exchange value, or mere means of exchange; as active bearer of exchange value the use value becomes means of exchange. For him the commodity is now use value only as exchange value. Qua use value the commodity must therefore first become, at first for others. Since it is not use value for its own possessor, it is use value for possessors of other commodities. If not, then his labor was useless labor, and its result was hence not commodity. On the other hand it must become use value for the possessor himself, for his means of existence exist outside of it, in the use values of others' commodities. To become qua use value the commodity must confront the particular need for which it is the object of satisfaction. Thus the use values of the commodities become qua use values by all-sidedly changing places, passing from the hand in which they are means of exchange into the hand in which they are objects of use. Only through this all-sided alienation of the commodities does the labor contained in them become useful labor.35

35 Zur Kritik der Politischen Ökonomie, MEW, XIII, 28f.
But how can exchange of labor products take place since the latter are qualitatively different and since the various concrete labors producing them are also qualitatively different? In reply to the objection that in practice the social connection of the private and independent labors is mediated by exchange of products, H. Reichelt has pointed out that in a categorical sense concrete products, use values, cannot be exchanged; this means that in the process of exchange an inversion must necessarily take place. Since in principle only equals can be exchanged, the concrete products become the representative of some third "thing" distinct from them.\(^\text{36}\)

In order for exchange to take place, a common quality must be shared by all the commodities. This quality does not exist by nature. In some societies it does not exist at all because the various labors themselves are directly social; in commodity producing societies this common quality must arise through social processes:

> It is the communal society as pre-requisite of production that prevents the labor of the individual from being private labor and his product from being a private product, that rather makes the individual labor appear directly as the function of a member of the social organism. The labor which is represented in exchange value is presupposed as labor of the isolated [vereinzelten] individual. It becomes societal by assuming the form of its direct opposite, the form of abstract universality.\(^\text{37}\)

What is this abstract universality and how does it arise? Marx is very careful to distinguish between classificatory abstractions which take place in the mind and real abstractions which represent a new form in which objective reality appears:

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\(^{36}\) Reichelt, op. cit., pp. 148f.

At any given moment, in counting, accounting, etc., we transform the commodities into symbols of value, we set them down as mere exchange values, abstracting from their material and all their natural properties. On paper, in the head this metamorphosis takes place through mere abstraction; but in real exchange a real mediation is necessary, a means to bring about this abstraction.... By becoming exchange value, a product (or activity) is not only transformed into a definite quantitative relation..., rather it must at the same time be qualitatively transformed, transposed into another element, so that both commodities become concrete magnitudes, with the same unit, thus become commensurable.38

If we remain on the level of viewing commodity-values as abstract human labor, then the commodities have still not received a value form different from their natural form. In the value relation of one commodity to another, however, the value character of one commodity emerges through its relation to the other commodity.39 As we know, this form is exchange value which from the beginning was viewed in relation to all other commodities: "This relation was however only a theoretical, mental one. It is carried out in action only in the exchange process."40

Let us observe what happens in the exchange process between two commodities. The commodity-value cannot express itself in itself—that is to say, one cannot express value by saying that 5 pairs of shoes = 5 pairs of shoes. Rather, an example of a value expression would be: 5 pairs of shoes = 1 pair of pants. In other


39 Kap., I, op. cit., p. 65.

40 Zur Kritik der Politischen Ökonomie, op. cit., p. 29.
words, the commodity-value can express itself only relatively--in
another commodity. Marx explains this necessity as follows:

Because the commodities as values are only
qualitatively different from one another, every
commodity must be qualitatively different from its
own value. Its value must therefore also possess
an existence qualitatively distinguishable from it,
and in real exchange this separability must become
real separation because the natural difference of
the commodities must come into contradiction with
their economic equivalence and both can coexist
only inasmuch as the commodity gains a double
existence, aside from its natural one a purely economic
one, in which it is a mere symbol...for a relation
of production, a mere symbol for its own value.

In our case, the value of the five pairs of shoes is expressed in
the pants; the one pair of pants does not express its own value,
but rather that of the shoes: it "supplies only the material for
the value expression of the other commodity." In this relation
the pants become the "form of existence of value," "value thing,"
because as such are they the same as shoes.

By making the pants as "value thing" equivalent to the
shoes, exchange has also made the two different concrete labors
which produced these two commodities equivalent. And since pants
are the equivalent form of value here, tailoring, a concrete labor,
becomes the phenomenal form of that which both commodities have in
common--namely, abstract human labor.

But it does not suffice to express the character of the
labor creating the value of the shoes, for labor is not value in
itself. Value must have an objectified form. Thus for the value
of the shoes to be expressed as a "gelatine of human labor," it

41 Gr., p. 60.
42 Kap., I, p. 63.
43 Ibid., p. 64.
44 On abstract labor and the value form see Hans-Jürgen
Krahl, Konstitution und Klassenkampf (Ffm., 1971), pp. 32ff.;
and H. Bierbaum, J. Bischoff, M. Krätke, and M. Menard, "Zur
Aktualität der Leninischen Partei," SoPo, #10 (February, 1971),
pp. 43-55.
must find an object form which is different from the shoes and yet common to it and other commodities. But we already know that the pants have become a "value thing" in this relation and hence, though a use value, express the value of the shoes. Or, in other words, the use value of one commodity becomes the phenomenal form of value. The natural form of the commodity becomes the value form. (This is the basis of commodity fetishism: an object appears to express a social relation by nature just like its natural aspects. This is ignored once the equivalent form of value has become generalized qua money and in all further concrete relations.)

And finally, by assuming the form of abstract labor, tailoring, by proving its equivalence with shoemaking (in this case), becomes qua equivalent form of value immediately exchangeable with the other commodity. In this immediately social form the labor of a private producer, i.e., private labor, has become the phenomenal form of labor in directly social form. As Marx expresses it:

The social labor time exists so to speak only latently in these commodities and reveals itself only in their exchange process. The point of departure is not the labor of the individuals as communal labor, but rather the reverse, namely the particular labors of private individuals, labors which only in the exchange process prove themselves as universal societal labor through the sublation of their original character. Universal societal labor is therefore not a ready-made pre-requisite, but rather a result in the stage of becoming.

Thus within the process of exchange very significant developments have taken place. Since the independent private producers form their societal contacts through the exchange of their products, it is first in exchange that the specific societal character of their private labors appears. For these producers

45 Kap., I, op. cit., pp. 70-73.
46 Zur Kritik der Politischen Ökonomie, op. cit., pp. 31f.
then "the societal relations of their private labors appear as that which they are. i.e., not as directly societal relations of the persons in their labors themselves, but rather as object relations of persons and societal relations of objects."^7

Once the splitting up of the labor product into useful thing and "value thing" has assumed practical significance as a result of widespread exchange, in other words, as soon as useful things begin to be produced for exchange, the value character of the objects comes into the picture already at the stage of production; at this point the double social nature of the private labors becomes real: on the one hand they must as concrete activities satisfying social needs become incorporated into the total social labor of an unplanned division of labor; on the other hand, this process can take place only insofar as these private labors become exchangeable through commensurability. Commensurability in turn derives from the abstraction from the real non-equality of the concrete labors. Marx elucidates the consequences of this process in the following manner:

Human beings thus do not relate their labor products to one another because these objects are regarded by them as merely material integuments of homogeneous human labor. Just the reverse. By equating their varied products as values in exchange, they equate their different labors as human labor. They do not know that, but they do it.^8

The problematic which Marx is dealing with here is rooted in the circumstance that although all the concrete labors are component parts of the aggregate labor of society, they do not appear as such in commodity producing societies; yet, if this total labor time is to be distributed among the various branches of production, the various products of labor must appear as varying quantitative expressions of the same unit. The fact that

^7Kap., I, op. cit., p. 87.

^8Ibid., p. 88.
in these societies the concrete products of labor must appear as parts of total social labor does not, however, imply that the peculiar form in which this phenomenon appears to the brain of the private producers deciphers itself as the real underlying inversion: "By exchanging products, human beings simultaneously do something other than that which they perform with consciousness, or alternatively, what they really do precipitates in their consciousness in another form."^49

We have now recapitulated what Marx calls the simple or individual or coincidental form of value; we have restricted ourselves to this aspect because "the secret of all value form is fixed in this simple value form. Its analysis therefore offers the real difficulty."^50 It would lead us too far to develop the total, universal and money forms of value; their analysis forms the rest of chapter one of Capital and can now be followed rather easily by the reader.^51

We are now in a position to understand what Marx means when he describes sociality in commodity producing society in the following manner:

The individuals confront one another only as possessors of exchange values, as such individuals who have given themselves an objectified existence for one another through their product, the commodity. Without this objective mediation they have no relation to one another, from the standpoint of the societal metabolism taking place in circulation. They exist only object-ively for one another, which in the money relation, in which their community itself appears to everyone as an external and therefore accidental thing, is only further developed. That the societal connection, which arises through the collision of the independent individuals, appears to the latter as object-ive necessity and at the same time as an external bond--precisely this circumstance represents

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^51A much neglected but useful guide to the complex structure of chapter one of Capital is to be found in W.H. Emmett, The Marxian Economic Handbook and Glossary (NY, [ca. 1923]), chap. 1.
their independence, for which societal existence is to be sure necessity but only means, therefore appears to the individuals themselves as external, in money even as something you can reach out and grab. They produce in and for society, as societal individuals, but at the same time this appears as a mere means to objectify their individuality. Since neither are they subsumed under a spontaneous [naturwüchsiges] community, nor do they as socially conscious being subsume the community under themselves, the community must exist over against them as the independent subjects as a similarly independent, external, accidental, object-ive thing. This is precisely the condition for their standing as independent private persons at the same time in a societal connection.

Here Marx is explaining the basis and expression of relations of domination in various modes of production. In non-class, non-commodity producing primitive communities sociality is expressed directly: total labor is distributed (largely ritually) in accordance with the state of technology and social needs, whereby the concrete, value producing labors are the only relevant aspect. Even in slavery or feudalism the relations of domination are transparent—one knows that one is merely a mute tool or that one is performing natural services. In capitalism, however, these personal relations of domination appear as the properties of things (money, capital = means of production = means of employing labor); and sociality exists independently of any or all of the individuals. And finally in this last passage Marx contrasts specifically sociality in commodity producing and non-commodity producing societies. In the latter the social character of labor does not first have to be verified in exchange:

52Gr., pp. 908f. This is a fragment of the Urtext of Zur Kritik...

53Cf. Gr., pp. 75-82.
The original exchange taking place in production—which would not be an exchange of exchange values, but rather of activities which would be determined by communal needs, by communal goals—would from the start include the individual in the participation in the communal world of products. ...I.e., the exchange of products would not at all be the medium through which the participation of the individual in general production would be mediated. Mediation must of course take place. ...[But] the pre-requisite is itself mediated; i.e., a communal production, communality as the foundation of production, is presupposed. The labor of the individual is from the start posited as social labor. No matter what the particular material form of the product be which he creates or helps create, therefore—what he has bought with his labor is not a certain particular product, but a certain share of the communal production. He has therefore no particular product to exchange. His product is no exchange value. The product does not first have to be transposed into a particular form in order to secure a universal character for the individual. Instead of a division of labor, which is necessarily produced in the exchange of values, an organization of labor would take place, which would have as a consequence the share of the individual in communal consumption.54

With this understanding of Marx' theory of value as our basis, we may proceed to an examination of the only aspect of this theory which has enjoyed great popularity in recent years in non-Marxist circles.

B. Commodity Fetishism

In the preceding accounts we have emphasized that Marx' central interest was directed at the fetishized forms in particular as they found expression in the most concrete phenomena of

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54 Ibid., pp. 88f. This passage is the culmination of a lengthy section in which Marx developed the rudiments of his value theory in the form of a response to the utopian socialists' demand for labor money in a commodity producing society; in other words, Marx had to demonstrate that the conditions under which labor time itself could become the direct universal equivalent would exclude the possibility of commodity production since all private labor would have to be a priori social labor. (Gr., pp. 42ff.) Cf. V.S. Vygodskiy, Istoriia odnogo velikogo otkrytiia Karla Marksa (M., 1965), chap. 3.
capitalism. At this point we may note that what in the second and subsequent editions of *Capital* Marx referred to as the fetish character of commodities was in reality but the fourth peculiarity of the equivalent form of value. This is revealed by the appendix which Marx wrote for chapter one of the first edition of *Capital* which outlines the value form analysis. After listing the first three peculiarities of the equivalent form which we described above (use value becomes the phenomenal form of value; concrete labor becomes the phenomenal form of abstract labor; private labor becomes the form of immediately social labor) Marx notes as the "Fourth Peculiarity: The fetishism of the commodity form is more striking in the equivalent form than in the relative form of value."55

Interesting in this formulation is first that Marx states that the fetishism of the commodity form is merely more striking in the equivalent form, and secondly that he talks of the commodity form. In other words, what has come to be known as commodity fetishism can be understood only within Marx' very complex analysis of the value form. That Marx himself placed little value on the "doctrine" of commodity fetishism per se emerges in the following remark made towards the end of the section on "The Fetish Character of the Commodity and its Secret":

> Since the commodity form is the most universal and most undeveloped form of bourgeois production, for which reason it appears early although not in the same dominant, hence characteristic manner as today, its fetish character seems still relatively easy to see through. With more concrete forms even...\footnote{See Marx' letter to Engels (27 June 1867), *MEW*, XXXI, 315. One of the few recognitions of this connection is to be found in William J. Blake, *An American Looks at Karl Marx* (NY, 1939), p. 107. This very learned and pedagogically sound book has unfortunately been much neglected.}

\footnote{See Sweezy, *The Theory..., op. cit.*, p. 35.}
this semblance of simplicity disappears. And modern economics, does not its fetishism become palpable as soon as it treats of capital?

From this it is clear that Marx acknowledged the possibility that bourgeois political economy could recognize that there was something odd about commodities and money. What Marx did not grant was its ability to perceive the more concrete forms as fetishistic.

57 Cap., I, op. cit., p. 97.

58 This again must be relativized, for in another sense the fact that the commodity form had become almost universal in capitalist production made it "second nature." What Marx praises in Aristotle (Cap., I, op. cit., pp. 73f.) was precisely his refusal to acknowledge the commensurability of use values as lying in themselves; rather he first establishes that money is merely a further expression of the simple form of value and that for exchange of equals to take place, commensurability and essential equality must exist. Since these in fact do not exist, Aristotle explains the possibility of exchange by convention. (See Ethica Nicomachea 1132b 11-1133b 28; cf. also idem., Politica 1256b 40-1256b 28.) Here we may compare W.D. Ross (Aristotle: A complete exposition of his works and thought [Cleveland and NY, 1963], pp. 206ff.) who interprets the process of commensurability as follows: "We want, therefore, a unit in terms of which their products can be valued. The true unit is demand, which is what brings people together." The use of the term "demand" is very misleading since it implies that Aristotle was a forerunner of subjectivist value theory; and Ross has used this term in his translation of the Nicomachean Ethics in Richard McKeon (ed.), The Basic Works of Aristotle (NY, 1941), p. 1012. Instead of evaluating Aristotle's insight into the forms of production relations, Ross excuses as it were Aristotle's "curious" notion of money as facilitating barter, instead of driving it out of the field." Inasmuch as Aristotle is not talking about barter, but rather about commodity circulation, money is not a "technical" means facilitating the process, as bourgeois economists have never grown weary of repeating (P. Samuelson, Economics [6th ed.: NY, 1970], pp. 50f.), but rather an inherently necessary element of the process of the development of value. Since barter is not at stake here, it is irrelevant for Ross to counterpose facilitating barter to driving it out inasmuch as "barter" in the sense of simple commodity exchange will never be driven out but merely transformed in any commodity producing society.
But as has happened to other aspects of Marx' theory ("the working day," "primitive accumulation"), commodity fetishism has been severed from its value theoretical context and been "capitalized" on by modern cultural criticism all along the political spectrum.\(^59\) This serves to co-opt Marx' theory by diluting it as T.W. Adorno has remarked:

Thinking consoles itself by easily imagining to possess the philosophers' stone with respect to the dissolution of reification, of the commodity character. But reification itself is the form of reflection of false objectivity; to center theory about it, a form of consciousness, makes critical theory ideologically acceptable to the ruling consciousness and the collective unconsciousness. To this circumstance Marx' early writings, in contrast to Capital, owe their current vogue, especially among theologians.\(^60\)

This use to which the fetishism of the commodity form has been put must be placed in the same context as the recent renaissance

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\(^59\) The philosophically most sophisticated attempt at utilizing the "doctrine" of commodity fetishism as an autonomous tool of superstructural contemplation is still Georg Simmel, Philosophie des Geldes (Munich and Leipzig, 1920) which is written not coincidentally from a subjectivist standpoint. As a rather extreme example of the "sociological" application of commodity fetishism we may take David Riesman, Nathan Glazer, and Reuel Denney, The Lonely Crowd (Garden City, n.d.), pp. 135f., which describes "the inner-directed man" as thinking "of work in terms of non-human objects, including an objectified social organization...": "It was the product itself...not the use made of it by the consumer, that commanded attention. Despite what Marx called 'the fetishism of commodities,' the inner-directed man could concern himself with the product without himself being a good consumer...." Aside from the fact that for Marx products within a capitalist factory (or firm) do not have the characteristics of commodities (\textit{Kap.}, I, op. cit., pp. 56f), this statement gives the confused impression that commodity fetishism concerns the attitude of the consumer towards the use value properties of a commodity. It must be observed that commodity fetishism is not to be confused with the more superficial phenomenon within the sphere of circulation which Wolfgang F. Haug has called commodity esthetics. See his "Waren-Aesthetik und Angst," in \textit{DA}, VI/28 (1964), 14-31; "Die Rolle des Ästhetischen bei der Scheinlösung von Grundwidersprüchen der kapitalistischen Gesellschaft," in \textit{ibid.}, XIII/64 (June, 1971),
of interest in Marx' early determination of alienation. This connection is established explicitly by G. Lichtheim according to whom "the notion of... 'alienation,' which... still plays an important part in the Grundrisse of 1857-8, leads only a shadowy existence in Capital, where it reappears briefly as the 'fetishism of commodities'." Lichtheim represents a higher stage of Marx-criticism inasmuch as he had even considered the Grundrisse, but the principle remains the same: as long as Marx retained


60 Negative Dialektik (Ffm., 1966), p. 189. This objectively meets the criticism of Wolfgang Heise (Aufbruch in die Illusion [B., 1964], p. 225), who had maintained that in making a fetish of commodity fetishism Adorno had fostered a conservative non-struggle attitude toward the phenomenon. Already Karl Korsch had claimed that commodity fetishism had remained a mere word for Marxists; see his Review of E. Paschukans, Allgemeine Rechtslehre und Marxismus, Archiv, XV (1930), 301-10.

For a less knowledgeable but more speculative exposition of the young vs. "mature" Marx thesis see Robert C. Tucker, Philosophy and Myth in Karl Marx (Cambridge, 1961), pp. 119, 165, 170, 172, 177, who maintains that the "mature" Marx dates back to the German Ideology—a time when Marx had not even accepted the labor theory of value—and that in later writings the "self-alienation of man" disappears in favor of class war. For an enlightening critique of Tucker see Istvan Meszaros, Marx' Theory of Alienation (NY, 1972), n. 209, pp. 331-36. More recently, in an article entitled "Marxism and Modernization," Tucker has lent a new false determination to Capital: "Was not volume one of Capital a study and theory of the transformation of 'feudal' (i.e., traditional), into 'bourgeois' (i.e., modern) society?" (The Marxist Revolutionary Idea [NY, 1969], p. 93.) For an accurate interpretation of the positional value of commodity fetishism in Marx see Shlomo Avineri, The Social and Political Thought of Karl Marx (Cambridge, 1968), pp. 117-23; and Bertell Ollman, Alienation (Cambridge, 1971), pp. 198-204.
the explicitly Hegelian language, his modern critics could not fail to recognize his "metaphysical insights into the human condition" (although ironically most but not all of these authors are anti-Hegelians).

Typical of this approach is Norman O. Brown's contention that "the profoundest things in Capital are Marx' shadowy poetic presentiments of the alchemical mystery of money and of the 'mystical,' 'fetishistic' character of commodities." Such a view tries to co-opt Marx' theory by acknowledging its power in such a manner as to undermine its theoretical foundations and hence to condemn it to practical ineffectiveness.

For these reasons the section on commodity fetishism—along with the 1844 Economic-Philosophic Manuscripts—has become a favorite text for "modern" expositors of Marx' "theory of alienation." The intentionally "metaphysical" language of this section of Capital makes it impossible to be overlooked; yet what is overlooked is that commodity fetishism is not a separate "doctrine" but merely the cellular form of a phenomenon which pervades all capitalist relations. This procedure on the part of Marx' critics leads to two connected consequences. First, the elementary categories such as commodity, value, exchange value, money, etc., are not understood since Marx' specific explanation— the development of the value forms in Capital—is neglected in favor of general comments concerning the autonomization of social relations vis à vis man; in this way the critics do not transcend the level which Marx attained when he first began to interpret Hegel materialistically

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63Life Against Death (NY, n.d.), p. 258. It may be noted in passing that in general Brown's treatment of Marx' theories is characterized by outright misstatements; thus he asserts, for example, that according to Marx capitalism is "governed by the principle of economizing calculation" or that "money is basically a medium of exchange." (Ibid., p. 249.)
(e.g., the 1844 Manuscripts and The German Ideology); in other words, contemporary critics have failed to grasp the great advance which Capital represents in this respect—namely the demonstration of the necessity of the peculiar forms assumed by social relations in capitalism. Secondly, by concentrating attention exclusively on the so-called doctrine of commodity fetishism, this approach obscures Marx' real, critical intention which is the analysis of the more concrete relations such as the "factors of production" (land, labor and capital) as also being other than they appear; without such a value-theoretical foundation, the scientific analysis of capitalist crises becomes impossible for Marxists.

Since our main interest attaches here to Marx' theory qua Critique of Political Economy, we may shift our attention from the philosophically-inspired interpreters to those Marxist "economists" who adhere to a similar construction of commodity fetishism. A good example in this respect would be P. Sweezy who in one book devotes six and one-half pages to commodity fetishism, and in another offers an analysis of monopoly capitalism which totally abandons any theory of value. But inasmuch as we will deal with Sweezy in greater detail in the next chapter, we choose not to dwell on him here but rather on a chief representative of the "New Left".

64 See Backhaus, op. cit., pp. 132ff. We are speaking here of the forms which arise on the level of abstraction characterizing chapter 1 of the first volume of Capital—namely why the products of human labor assume the form of commodities, why labor time assumes the form of value, why concrete labor assumes the form of abstract labor, etc.

65 The Theory of Capitalist Development, op. cit., pp. 34-40; and P. Baran and P. Sweezy, Monopoly Capital (Hm., 1968). In part Sweezy is only following in the footsteps of Franz Petry whom he has tried to resurrect; for Petry with his distinction between the qualitative and quantitative value problem proved to be quite "modern," that is, to anticipate recent attempts at sterilizing Marx. In Petry this took the form of transforming the concept of value into a "sociological category" and hence of Marx' whole theory into a "sociological analysis of the capitalist
economists in the United States—Howard J. Sherman.

Although Sherman shares many positions with Sweezy (he has been a contributor to Sweezy's *Monthly Review*), there are two basic differences between them which deserve mentioning here: first, that Sweezy would regard himself as an orthodox Marxist political economist, whereas Sherman calls himself a "radical" as opposed to a "dogmatic" Marxist; and secondly, that despite Sweezy's opposition to Soviet-oriented Communist Parties, he has viewed the development of "market socialism" critically, whereas

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66 See "Peaceful Transition from Socialism to Capitalism?," *MR*, XV/11 (March, 1964), 569-90; on the other hand, a few years earlier he had contended that Yugoslavia had "opened up new vistas to the human race." ("The Yugoslav Experiment," *ibid.*, IX/11 [March, 1958], 367.) One has the impression that Sweezy's former enthusiasm for Yugoslavia derived precisely from his anti-Soviet position. See also "Czechoslovakia, Capitalism, and Socialism," *ibid.*, XXX/5 (October, 1968), 5-16; and "On the Transition between Capitalism and Socialism," *ibid.*, XX/10 (March, 1969), 10-20.
Sherman is an enthusiastic "Western" supporter of "market socialism." Sherman's significance lies in his presently formative influence within the movement among professional economists in the United States oriented at bringing Marx into "mainstream" economics.67

In a recent major work in a chapter entitled "Value and Market Allocation" Sherman characterizes the difference between Marx and neo-classical bourgeois political economy in the following manner: whereas the latter, when asked about price determination of steel, for example, tells us about market demand, consumption, supply cost in money etc., Marx gives us an agonizingly, real picture of the steel worker, stripped to the waist and dripping sweat, working at the furnace. . . . Thus Marx is concerned with the underlying human relations in the production process. It is in this sense that he thinks of the expenditure of human labor as underlying the value of goods. The important thing that he gives to us is a view of human relationships, not a metaphysical statement about the determination of prices "beyond supply and demand." Unfortunately many of his followers have lost the human insight, and only retained the abstract, metaphysical statement about value when they try to state Marx in "pure" economic language. 68

Unfortunately, Sherman does not identify these authors; for Sherman himself, however, we may confirm that he has abandoned the theory of value and retained only the "human insight." Again unfortunately, the insight mentioned by Sherman is not original with Marx; that labor underlies value was not Marx' discovery, but rather that of classical political economy. 69 And while it is

67 In some respect Sherman represents a return to Petry—minus the epistemological apparatus; he claims for instance that "Marx was not interested in exploring the sociological and institutional basis of capitalism, but he accepted the Classical economic categories as the handiest tools to do the job." ("The Marxist Theory of Value Revisited," S&S, XXXIV/3 [Fall, 1970], 259f.)


69 Kap., I, op. cit., pp. 88f.
true of course that Adam Smith and David Ricardo were not particularly sympathetic towards the conditions of the workers at the point of production, many utopian socialists before Marx were (as well as the English factory inspectors of the period). In other words, Sherman stresses what is not peculiar to Marx and disqualifies as "metaphysics" that which is peculiar to Marx. It is then not surprising that Sherman, in a section devoted to "alienation," adopts essentially the same view of Marx' development which we have already seen in the philosophic critics; here he opines that "the humanist indignation over alienation expressed by the young Marx was not made explicit in Marx' later works, but shines as a strong illumination implicitly in all of them." By this Sherman doubtless means the "dripping sweat" picture from above; but the point is that by stressing this alone Sherman reverts to a pre-Marxist position which moralizes rather than explains the necessity of capitalist commodity forms.

In the end then it is still less surprising that Sherman conceives of "Marxist Price Theory as a Special Case of Neoclassical Theory." This is the logical conclusion towards which the adherents of the "doctrine" of commodity fetishism are compelled; by disregarding the value theoretical foundations of fetishism, these authors combine abstract praise for Marx' "human insight" with reproduction in the concrete of precisely those aspects of fetishism

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70 Radical Political Economy, op. cit., p. 191 n. 28.

71 After all, one could reply to Sherman in the same vein in which Paul Mattick answered Paul Samuelson's attempt to demonstrate exploitation without using Marxist concepts: "One can do even better and arrive at the fact of exploitation by direct experience without the aid of any theory whatever." ("Samuelson's 'Transformation' of Marxism into Bourgeois Economics, S&S, XXXVI/3 [Fall, 1972], 261.) To be sure other authors (cf. Avineri, op. cit.) have advanced more sophisticated interpretations than Sherman, but they have not done so from a systematic point of view with respect to the value theoretical foundations of Capital and are hence excluded from discussion here.

which it is the real task of the Critique of Political Economy to analyze. As we shall see in the next chapter, this approach is but a modification of an older one which called for the integration of Marx' "sociological method" into orthodox economic theory.

C. Marx and Engels on Post-Capitalist Society

The purpose of this section is simply to clarify the conceptions of the transition period from capitalism to socialism (the lower stage of communism) and of communist society itself developed by Marx and Engels; here we are interested in establishing their views with respect to the non-value foundations of such a society. 73

Although, as we shall see, Marx and Engels specifically denied the possibility of capitalist commodity production in socialism, they also denied the possibility of analyzing a future mode of production in detail. In connection with the Paris Commune Marx explained the limits to prediction caused by the dialectical development of the transformations of human beings and circumstances:

The working class demands no miracles from the Commune. It has no ready-made utopias to be introduced by plebiscite. It knows that in order to bring about its own liberation and with it that higher form of life towards which the present society irresistibly tends through its own economic development, that it, the working class, must go through long struggles, a whole series of historical processes through which men as well as circumstances will be completely transformed. It has no ideals to realize;

73 For a more comprehensive review see Max Adler "Der Kommunismus bei Marx," Archiv, VI/2 (1915), 229-68. Thilo Ramm, "Die künftige Gesellschaftsordnung nach der Theorie von Marx und Engels," Iring Fetscher (ed.), Marxismus-Studien, Zweite Folge (Tübingen, 1957), pp. 77-119, does not devote any attention to our problem. Ramm's failure to understand the whole question of the transformation of modes of production and even of forms within production is revealed by his characterizing workers even after the elimination of private property in the means of production as "Arbeitnehmer." (Ibid., p. 89.)
it has only to set free the elements of the new society which have already been developed in the womb of the collapsing bourgeois society.\footnote{MEW, XVIII, 285. Cf. also Engels' letter to Conrad Schmidt (5 August 1890): "Rationally speaking however one can only 1. try to discover the mode of distribution which will be begun with, and 2. seek to find the general tendency within which the further development will move." (MEW, XXXVII, 436.) This position has proved particularly vexing to the more theologically oriented critics of Marxism; thus Henry B. Parkes wrote during the great stagnation of the 1930s: "Nothing in the Marxist myth is more remarkable than its refusal to grapple with any of the concrete problems involved in the creation of the promised kingdom of freedom." (Marxism: an autopsy [Chicago, 1964], p. 19.) Karl Löwith too characterizes communism as "a Kingdom of God, without God and on earth." (Meaning in History [Chicago, 1962], p. 62.) Despite his adherence to Löwith's ascription of a theological worldview to Marx, Arthur Danto has correctly summarized Marx' refusal to detail the future society. (Analytical Philosophy of History [Cambridge, 1968], pp. 3, 9, 285.)}

Engels made the negative determination of the future society even more explicit in his Zur Wohnungsfrage written shortly after Marx' formulation:

To speculate on how a future society will regulate the distribution of food and housing leads directly to utopia. At most we can establish from insight into the basic conditions of all previous modes of production that with the fall of capitalist production certain forms of appropriation of the previous society becomes impossible. Even the transition measures will everywhere have to be oriented toward the relations existing at the moment.\footnote{MEW, XVII, 343». One may contrast this to the following statement by the Austrian Marxist Otto Neurath: "It is very likely that socialism as an economic order will assert itself beforehand so that the socialists will first be created by the socialist order, and not the socialist order by the socialists--which by the way definitely accords with the basic idea of Marxism." (Wirtschaftsplan un Naturalrechnung--Von der sozialistischen Lebensordnung und vom kommenden Menschen [B., 1925], p. 83.) Neither of these one-sided positions corresponds to Marx' view; such an interpretation stems from the mechanical conception of historical "stages" which does not perceive the fundamental distinction between the transition from capitalism to socialism and "all other" transitions--namely, that since it represents the "conscious reconstitution of human society," it cannot take place on the basis of objective laws outside human consciousness as was the case during all other epochs.}
Although it is now almost universally agreed upon by Marxists that Marx and Engels excluded the possibility of value production in socialism, some non-Marxist authors persist in 

76 Cf. Reichelt, op. cit., p. 145: "Where however the content of value and/or of the value magnitude is consciously elevated to the economic principle, Marx' theory has lost its subject matter which can be comprehended and presented as historical subject matter only when that content can be comprehended as content of other forms and hence has become describable detached from its historical form of appearance." Marx and Engels' views, as outlined in the text, are acknowledged even by those Marxists who believe these views to have been refuted by the empirical development of the Soviet Union and other socialist countries. See for example Fritz Behrens, Ware, Wert und Wertgesetz (B., 1961), pp. 3, 20. This has not always been the case: when the law of value was first gaining official recognition in the Soviet Union it was claimed that Marx and Engels also maintained this view. See the important document marking this turning point in Soviet economic theory and practice: "Nekotorye voprosy prepodavaniia politicheskoy ekonomii," PZM, #7-8/1943, p. 70. As we shall see below in chap. 3, it is instructive that this article finds justification for the retention of the law of value in socialism in Engels' dictum concerning 7,000 years of the law of value. Although this takes us beyond our chronological framework, it should be noted that the translation of this article in AER (XXXIV [September, 1944]) brought on a significant controversy among Marxists and non-Marxists in the United States. Thus O. Lange concluded that rather than being a revision of Marx, the article represented a return to original Marxism which had been abandoned for a time in the Soviet Union. ("Marxian Economics in the Soviet Union," AER, XXXV [March, 1945], 128.) The translator of the article, Raya Dunayevskaya, a former secretary to Trotsky, explained the turnabout as a result of the discrepancy between the declaration of socialism in the Soviet Union and the existence of the law of value; the Soviet Union therefore had to renounce its claim to being socialist—or revise Marx. ("A New Revision of Marxian Economics," ibid., XXXIV [September, 1944], 531-37; "Revision or Reaffirmation of Marxism? A Rejoinder," ibid., XXXV [September, 1945], 660-64; and idem., Marxism and Freedom...from 1776 until Today [NY, 1958], p. 238.) Although the article was also seminal in its insistence upon the continued existence of the twofold nature of commodities and labor in socialism—albeit in non-antagonistic form—, it is incorrect to interpret this as a recognition of marginal utility as is done by Isaac Guelfat, Economic Thought in the Soviet Union. Concepts and Aspects. A Comparative Outline (Liege and The Hague, 1969), p. 70. In the wake of the controversy surrounding this article in the Soviet Union a middle ground as it
propagating the myth that socialism would be a value producing society in Marx' conception. Thus, for example, Bruno Fritsch, in a monograph devoted to Marx' monetary and credit theory, asserts that:

Whereas we get from Marx a detailed analysis of the various developmental forms of capitalism..., we find but very few passages in Marx' work where Marx pronounces on the new, non-capitalist, future economic epoch. One thing is certain: in this society too commodities are produced and means of production are employed.

In case Fritsch should have meant "products" when he wrote "commodities," let us quote another passage in which he purports merely to be recounting a statement made by Marx in his "Randglossen zu Adolph Wagners 'Lehrbuch der politischen Ökonomie'": "The objectification of labor as social labor in value exists in all forms of society, the natural form of this value, however, objectifies itself in each of the historical forms of the commodities."

were evolved which in effect conceded Marx and Engels' views on the law of value while trying to belittle their importance. Thus one prominent economist contended that Marx and Engels did not sufficiently bring out the distinction between socialism and communism in various details and that their remarks were made in passing in other contexts anyway. (G. Kozlov, "Lenin i Stalin—sozdateli politicheskoy ekonomii sotsializma," VE, #1/1948, pp. 5-23, here at p. 18.

Engels, who was confronted with an avalanche of falsifying Marx critiques in the 1880s and 1890s, deemed it a "pure waste of time" to reply to such critics; he suggested that they first learn to read and copy correctly before expecting an answer. (Letter to K. Kautsky, 1 February 1881, MBW, XXXV, 150.)

Die Geld- und Kredittheorie von Karl Marx (Ffm., 1968), p. 33. It is noteworthy that this book appeared in one of the most prestigious series of Marxist political-economic works in West Germany.

In the extreme this is a clear example of an erroneous "technicistic" conception of value and of the law of value which will be adverted to again in the next chapter. As we observed above in the case of Franz Petry, value is demoted to the status of an abstraction—and here again Fritsch merely claims to be recapitulating Marx—, but one which does not exist in reality but only in Marx' epistemological point of departure. This false interpretation has as a consequence Fritsch's neglect of the development of the value forms (which he throws together with the metamorphosis of the commodity): "This uncommon version of the problem has however no significance for monetary theory." It is then only fitting that in a section on the "historical and sociological content" of Marx' theory of money Fritsch reduces fetishism to a philosophical (albeit epistemological) rather than economic-theoretical "stance" on Marx' part.

Perhaps the locus classicus for Marx' understanding of the disappearance of value in post-capitalist society is the fourth section of the first chapter of Capital; here Marx illustrates the historically contingent nature of the "mysticism of the commodity world" by examining forms of production in which no commodities are produced—viz., Robinson Crusoe, feudalism, the rural patriarchal industry of a peasant family and a union of free people working with common means of production. Marx' purpose here is to illustrate his explanation of the fetish character of the commodity as lying in the latter's peculiar form.

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80 Fritsch, op. cit., pp. 45, 60.
81 Ibid., p. 48.
82 Ibid., p. 63.
This he does by discovering the existence of all those aspects of the product and of labor which he had previously excluded as possible explanations, and by showing the non-existence of the one aspect which proved to be the explanation.

Thus Marx states that neither the physical aspect of the product nor the physical aspects of labor (i.e., physiological expenditure of energy, the length of time necessary to perform certain tasks, different types of labor which express themselves socially as a division of labor) can be the cause of commodity production; then Marx proceeds to find these characteristics in the four above-mentioned social formations. What interests Marx is the societal form which labor assumes in each of these societies. Whereas in commodity producing societies "the equality of human labors receives the object form of the value-objectivity of the labor products," and whereas the commodity form reflects "the social relation of the producers to the total labor as a relation of objects existing outside of them," in non-commodity producing societies "the natural form of labor, its particularity, and not, as on the foundation of commodity production, its universality, is here the immediate social form." With respect to the peasant family, for instance, Marx says that "the expenditure of the individual labor powers measured in length of time appears here however from the start as social determination of the labors themselves because the individual labor powers operate from the start only as organs of the common labor power of the family."

83 Kap., I, op. cit., p. 86.
84 Ibid., p. 91.
85 Ibid., p. 92.
What is true for the other social formations, Marx finds to be true in greater measure for a union of free people who "expend their many individual labor powers selfconsciously as one social labor power." Labor time would be distributed according to social plan so as to regulate the proportion of the various labor functions to the various needs. The reason for the increasing need for keeping accounts Marx locates--elsewhere--in the progressive socialization of production: "Book-keeping, as the control and ideal synthesis of the process, becomes the more necessary the more the process takes place on a social scale and loses its purely individual character; thus more necessary in capitalist production than in the scattered production of handicraft and peasant economy, more necessary in collective production than in capitalist production."

It is important to understand the meaning of this statement inasmuch as it is often interpreted to mean that "labor (but not exchange) value preserves its significance even in conditions of the new socialist and communist society." In this connection two other passages from Marx are often cited as supporting evidence for this construction. One is taken from the third volume of Capital where Marx says that "after abolition of the capitalist mode of production, but with retention of social production, the value determination remains prevalent in the sense that the

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**Footnotes:**

86 Ibid., pp. 92f.; for similar formulations see "Randglossen zum Programm der deutschen Arbeiterpartei," MEW, XIX, 19f.; TudM, ibid., XXVI; 3, 127; Kap., II, ibid., XXIV, 316f. Cf. also "Juristen-Sozialismus," an article written in 1886 by Engels and Kautsky as a reply to Anton Menger's Das Recht auf den vollen Arbeitsertrag, in which they characterize the production of exchange values, that is, commodities for sale in a socialist society, as well as "a socialist theory of value," as "Begriffsverwirrung." (MEW, XXI, 499.)

87 Kap., II, op. cit., p. 137.

88 V.S. Nemchinov, Obshchestvennaia stoimost' i planovaia tsena (M., 1970), p. 38. This view was criticized already in the 1920s by Preobrazhensky; see "Zakliuchitel'noe slovo tov. Preobrazhenskogo," VKA, XV (1926), 243.
regulation of labor time and the distribution of social labor among the various production groups, finally the book-keeping of it, becomes more essential than ever." The context, however, in which Marx makes this statement is often neglected; for in fact Marx was arguing against a bourgeois economist (Henri Storch) who had contended that the income of a society is valuated not according to its value, but rather according to the usefulness of the need which it can satisfy. To this Marx replied that in any society which consciously planned its production it would obviously be impossible to consider only the needs to be satisfied without taking account of the labor necessary to achieve this production.

89 Kap., III, op. cit., p. 859.

90 Cf. Engels' remark that "the useful effects of the various objects of use weighed off among one another and over against the amounts of labor needed for their production will, finally, determine the plan." He refers to this weighing off of useful effects and labor expenditure as "all that remains in a communist society of the concept of value of political economy." (Herrn Eugen Dühring's Umwälzung der Wissenschaft, MEW, XX, 288 and n.) See also Charles Bettelheim, Calcul économique et formes de propriété (P. 1970), pp. 15ff. To the extent that labor is conceived of as determined by "Not und Hüsseare Zweckmässigkeit," that is, as long as society is not yet in the "realm of freedom," "beyond the sphere of actual material production," but rather is still in the "realm of natural necessity" (Kap., III, op. cit., p. 828; cf. Alfred Schmidt, Der Begriff der Natur in der Lehre von Marx [Ffm., 1967], pp. 115-17), there is a certain formal resemblance to the bourgeois theory of labor according to which "the labourer" will work until the marginal disutility of his pains equals the "desire of possession." (William Stanley Jevons, The Theory of Political Economy [Hm., 1970], pp. 188-98.) For an explanation of why this theory remains a fiction under capitalist production see I.G. Bliumin, Sub'ektivnaia shkola..., op. cit., II, 214-22; H. Lehmann, Grenznutzentheorie, op. cit., pp. 163-66; and Caffentzis, Linder and Sensat, Anti-Samuelson, op. cit., chapters 23-24. This theory does however have some application in areas and times where the capitalist mode of production is penetrating
The other passage often cited to support the thesis of exchange value as a specific social-historical form of an eternal labor value is to be found in the *Grundrisse*:

Presupposing common production, the time determination remains essential of course. The less time society needs to produce wheat, cattle, etc., the more time it gains for other production, material or intellectual. As with a single individual, the all-sidedness of its development, its consumption and its activity depends on saving of time. Economy of time, that is what all economy ultimately resolves itself into. ...Economy of time, as well as the planful distribution of labor time among the various branches of production, remains therefore first economic law on the basis of common production. It becomes law even in much greater degree.91

Again the context is distorted if one does not quote the thought to the end, for Marx proceeds to state that:

This is however essentially different from the measuring of exchange values (labors or labor products) by labor time. The labors of the individuals in the same branch of production, and the different kinds of labor, are not only quantitatively, but rather qualitatively different. What does this merely quantitative difference of things presuppose? The sameness of their quality. Thus the quantitative measuring of the labors (presupposes) the equality of rank [Ebenbürtigkeit], the sameness of their quality.92

Now it might be objected that this section of the passage does not refute Nemchinov's interpretation since Marx is speaking

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92*Tbid.*, pp. 89f.
of exchange value here, not of value. Aside from the fact that at the time Marx wrote the Grundrisse he had not yet developed the value form analysis presented in Capital, and hence did not always distinguish between exchange value and value, it is nevertheless clear that Marx is talking about value. The confusion that often arises with respect to this eternal underlying content of value is highlighted if we turn back to section four of the first chapter of Capital. There after having outlined Robinson Crusoe's economic foundations, Marx states that all of Robinson's relations to things are transparent—and nevertheless "all the essential determinants of value are included" in these relations.

These foundations are: manifold needs and hence manifold qualitatively different concrete productive activities; the need to distribute labor time in accordance with technological requirements and the useful effects intended; and book-keeping. There is one additional requirement—namely, that despite the variety of his productive activities, Robinson knows that they are but various "forms of activity of the same Robinson, i.e., but different modes of human labor." It would seem that this latter aspect is used to establish a parallel to the abstract labor characteristic of capitalist commodity production. But if it were abstract labor, then Robinson would be a commodity producer; if not, then it would not appear to be true that "all the essential determinants of value" are present.

But these factors refer only to what Marx called the "content" of the value determinants. We are then left with the commodity form itself which cannot, however, be understood as being

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93 But see Kap., I, op. cit., p. 75.
94 Ibid., p. 91.
95 Ibid.
96 Ibid., p. 85.
formal since it itself is "essential." The form in turn is merely an expression of the form of production itself—in this case, the nature of the social connection among producers. If the society in question does not consist of private and independent commodity producers, then the "content" of value determination—such as division of labor, etc.—will not mean the existence of value. If an analysis comes to the conclusion that value does exist, then this means that either the essence of Marx' theory of value, the value and commodity forms, has been neglected—or the society does consist of independent and private commodity producers.

Now this leads us to a further confusion which results from a failure to distinguish between Marx' views on communism and socialism (and the transition period). In this instance much of the confusion has resulted from the non-uniform views presented by Marx and Engels themselves on the matter. Of particular

97 In this discussion we limit ourselves to their writings subsequent to Marx' working out of his economic theory in the late 1850s and 1860s. Care must be used in applying their earlier writings to their later views on socialism. As an example of the distortions which may result from injudicious treatment, we may cite a recent Soviet work on money during the period of construction of communism; the author cites a flier written by Marx and Engels in 1848 in order to justify the retention of gold for external purposes, (Petr Pavlov, Den'gi v period stroitel'stva kommunizma [M., 1962], p. 58.) In the passage quoted by the author Marx and Engels state that one of the demands of the Communist Party in Germany is the replacement of private banks by a state bank whose paper money would be legal tender; aside from the domestic credit measures associated with this change, it would, by replacing gold and silver internally with paper, let the precious metals "act externally." ("Forderungen der Kommunistischen Partei Deutschlands," MEW, V, 4.) This author neglects to quote the last sentence of Point 10 which reads: "This measure is ultimately necessary to preserve the interests of the conservative bourgeoisie in the revolution." From this latter statement it is clear that Marx and Engels were speaking of a historically specific context which is hardly valid for the Soviet Union today.
historical significance in this respect are several formulations made by Engels in *Anti-Dühring*, perhaps the most widely read of the larger works by Marx and Engels. There the impression is created that the transformation of capitalism into communism is a rather uncomplicated and short process:

> With the seizure of the means of production by society commodity production is eliminated and therewith the domination of the product over the producers. The anarchy within social production is replaced by planful conscious organization.

...  

> As soon as society takes possession of the means of production and uses them in direct association for production, the labor of each individual, no matter how varied its specifically useful character may be, becomes from the start and directly social labor.

Let us try to interpret these passages. If Engels meant by seizure the merely formal transfer of ownership, then indeed one could doubt the correctness of his conclusions. But the fact that he uses the expression taken over by "society" would appear to indicate that he is speaking of real appropriation—that is, that commodity production would cease and producers as a whole would assume real control over the reproductive conditions of their lives as soon as "society" was consciously reconstituted as a non-antagonistic whole based on an already existing high level of the productive forces.

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98 It is, together with Engels' *Dialektik der Natur*, for example, the only volume of the *MEW* in addition to *Capital* which was provided with an index.


100 A certain reflection of this interpretation is to be found in Stalin's explanation of the preservation of commodity production by the existence of two forms of property (state and non-state sector); one author attempted to retroject this view onto Marx and Engels: "The presence of one socialist (social) form of property will make impossible,
Even if this interpretation is correct, it does not enlighten us inasmuch as Engels' formulations are thereby reduced to the tautology that, when the time is ripe, then the proper situation has arrived.

Thus we cannot say that we have discovered an unambiguous view here. If we turn to other works by Engels in his later years, we notice a tendency to view the transition period toward the new society as being rather short. Thus in his "Introduction" to Marx' "Lohnarbeit und Kapital" (1891) Engels emphasizes that a new social order would be possible after a short but "morally very useful time of transition"; at the same time he adds that this must be combined with further development of already existing enormous forces of production. 101 In other words, the capacity to fulfil needs on a high level is presupposed. 102 And in one of his last works, written in 1894, Engels goes even further; in speaking of large capitalist farms worked by rural proletarians he affirms that here "the transformation of the capitalist farm into a social one is...already completely prepared and can be executed over night just as e.g. with Mr. Krupp's or Mr. von Stumm's factory." 103

Marx and Engels considered, the further existence of commodity relations and value..." (M.V. Kolganov, Sobstvennost' v sotsialisticheskom obschestve [M., 1953], p. 87.) We cannot inquire here whether Marx and Engels' understanding of the relation between real appropriation and property is correctly presented by this author.

101 MEW, XXII, 209.

102 Cf. Engels' remark back in 1847: "The revolution of the proletariat which will take place in all probability...will only gradually reshape the present society and will be able to do away with private property only when the necessary mass of means of production is created." ("Grundsätze des Kommunismus," MEW, IV, 372.)

103 "Die Bauernfrage in Frankreich und Deutschland," MEW, XXII, 494. On Marx' views on the position of a proletarian revolution toward peasants see Die Klassenkämpfe in Frankreich 1848 bis 1850, ibid., VII, 84; "Konspekt von Bakunins Buch 'Staatlichkeit und Anarchie'," ibid., XVIII, 633.
Engels' view contains within it the kernel of what was to become a decisive component of Social Democratic theory—namely that especially with the rise of monopolies (trusts, cartels, etc.) capital was solving the production problem better and better and that only the leaders had to be changed so that proletarian representatives could exercise power.\(^\text{104}\) Without going to the extreme of asserting a direct link between Engels and (say) Hilferding\(^\text{105}\) in this matter, we must still confirm that particularly in his later years Engels fostered the growth of such views. Of prime significance here is Engels' critique of the draft of the German Social Democratic Party's Erfurt Program (1891).\(^\text{106}\) In arguing against a formulation in the draft which read "the planlessness grounded in the essence of capitalistic private production," Engels wrote that it merits strong improvement. I know a capitalist production as form of society, as economic phase; a capitalistic private production as a phenomenon appearing one way or another within this phase. Then what does capitalistic private production mean? Production by the individual entrepreneur, and that is after all already becoming more and more an exception. Capitalist production by joint-stock companies is already no longer private production, but rather production for associated account of many. And when we pass over from the joint-stock companies to the trusts which dominate and monopolize whole branches of industry, then there not only does the private production stop, but also the planlessness.\(^\text{107}\)

\(^{104}\) For a critique of this position from a workers' soviet standpoint see Gruppe Internationale Kommunisten Hollands, Grundprinzipien kommunistischer Produktion und Verteilung (Reinbek, 1971), chapters 1 and 2.

\(^{105}\) See below, chapters 2 and 3.

\(^{106}\) It was not published until 10 years later—after Engels' death.

\(^{107}\) "Zur Kritik des sozialdemokratischen Programmentwurfs 1891," MEW, XXII, 231f.
Again in a passage which dealt with the transformation of capitalist production into socialist production, Engels emended the wording but had no comment concerning the second part of the passage which read "a transformation for which capitalist society itself has created and continues to create the material and intellectual conditions and through which alone the liberation of the working class...is realized."  

Now it must be properly emphasized that no objection can be made from a Marxist viewpoint to this understanding of the necessary creation of the preconditions of socialism within capitalism; in fact, the demonstration of this necessity formed the basis of the advance made by Marx and Engels vis a vis the utopian socialists. The point is, rather, that this aspect cannot be one-sidedly stressed without leading to the neglect of crucial problems which arise during the transition period to a post-capitalist society.

Marx emphasizes this other aspect as part of his conception of the first or lower phase of communism, that is, not a developed communist society, but rather as it emerges from capitalist society. In his Kritik des Gothaer Programms (1875) Marx develops his well-known views concerning the retention of equal or bourgeois right in the lower stage; in other words, what was in capitalism the mere semblance of the sphere of circulation, namely exchange of equivalents, becomes reality as far as distribution in socialism is concerned. This means that all workers will receive back from society exactly what they give—the individual's labor time.  

108 Ibid., pp. 232, 596 n. 197.

109 That is, minus deductions for increasing the means of production, caring for the aged, sick, young, etc.
This is the realization of the utopians' conception of labor money: every worker receives a claim to a share of total consumption which cost the same amount of labor that the laborer worked. Marx notes with respect to such a society that it perpetuates equal right qua unequal right in content since right presupposes a standard against which all individuals are reduced to a single quality which can be quantified; in this case, this means that workers are viewed according to one criterion, namely being workers; nothing else is taken into consideration, everything else is abstracted from. This situation then presupposes unequal individual talent and therefore capability as "natural privileges." For Marx these are unavoidable "abuses" insofar as right can never be higher than its economic base and the accompanying cultural development.

Although Marx does not indicate how long such a lower phase of communism would last, it is evident that the comprehensive changes he envisions will be the labor of more than one generation:

In a higher phase of communist society, after the enslaving subordination of the individuals to the division of labor and thus also the antagonism of mental and physical labor has disappeared; after

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110 This is what Marx means by "only as a parallel to commodity production" (Kap., I, op. cit., p. 93) when he refers to the double function of labor time in production and distribution.


112 Cf. Marx' comment at the 15 September 1850 meeting of the Zentralbehörde des Bundes der Kommunisten to the effect that his group had told the workers: "You have 15, 20, 50 years of civil war to go through in order to change conditions, in order to qualify yourselves for rule...." (MEW, VIII, 598.)
labor is not only a means to live, but rather itself has become the first necessity of life; after with the all-sided development of the individuals also their forces of production have grown and all the wells of co-operative wealth flow more fully--only then can the narrow bourgeois legal horizon be completely transgressed and society can write on its flag: Each according to his abilities, to each according to his needs;¹¹³