# <u>Chapter 1</u>

## **Setting the Tone**

The wealth of those societies in which the capitalist mode of production prevails, presents itself as "an immense accumulation of commodities," its unit being a single commodity. Our investigation must therefore begin with the analysis of a commodity.

Thus does Marx begin *Capital* – A *Critique of Political Economy*, his great work devoted to detailing the crimes and inequities of capitalist societies and market economies. It is a surprisingly innocuous beginning, considering the history of violence, warfare, and political oppression which has resulted from the attempt to put Marx's ideas into effect. A newcomer to Marx's work might be forgiven for expecting to find more thunderous pronouncements in a theory that has accumulated such a record.

Yet his beginning passage serves Marx well as a point of departure from which, adding argument to argument and deduction to deduction, he eventually makes his way to the thesis which is his destination: that capitalism is corrupt in its essential nature, and that capitalists gain wealth not by any legitimate means, but by appropriating unpaid labor from the working masses.

Despite the utter collapse of Communism, that is still a widely-believed doctrine, even in countries that never were subjected to Communist rule. That doctrine, and the course of argumentation by which Marx arrives at it, together form the subject of the present volume.

### **Certain Unspoken Assumptions**

One characteristic aspect of Marx's work makes an appearance in his very first sentence – namely, a reliance on unspoken assumptions. Since this is so common in Marx's work, it is important always to recognize Marx's assumptions, regardless of whether we accept or reject them.

For instance, in the current passage, Marx identifies his subject: "the capitalist mode of production" and societies employing that mode; and he announces that he will approach his subject by way of an analysis of commodities. But there are assumptions even in his use of the word "capitalism" which don't readily appear.

On one level of course the term "capitalism" (coined by early socialists) is simply another term for "free-market economics." But on another level, the term carries with it a considerable baggage of ideological assumptions; and these assumptions need to be challenged.

One of those ideological assumptions has been explored by Thomas Sowell. He objects to Marx's use of the term "capitalism" on the grounds that it identifies free-market economics too exclusively with one group of people and one factor in the economy. As Sowell says,

> ...Marx's ringing use of the term "capitalism" was something of a verbal coup. It implied a system for the benefit of a small class of people with a unique monopoly of capital assets. But capitalists as thus defined receive only a small fraction of the total income received by labor; yet no one thinks of calling the economic system "laborism," even though that is where threequarters or more of the income goes.<sup>1</sup>

Not only did the term "capitalism" imply a system that benefited only a small class of people; it also tended to diminish or constrain the scope of "capitalism." That is, it suggested that capitalism was an "ism," just one form or species of economics, on a level with and comparable to other equally valid forms of economic policy to be compared and contrasted to other forms, so also "capitalism" presumably was one form of economic life, comparable to other equally valid economic alternatives.

Besides implying the above by his term "capitalism," Marx said as much explicitly; that is, he predicted that capitalism would eventually be replaced by socialism, just as it itself had replaced feudalism. Kenneth Minogue referred to this type of argument as "the central ideological technique of revealing that what we imagine to be universal is actually a particular in masquerade."<sup>2</sup>

Thus we might call this view of Marx's "particularism," meaning that it sees "capitalism" as a phenomenon of a particular time, place and set of circumstances.

The contrary view, which might be called "universalism," is that capitalism is a universal phenomenon. That is, "capitalism" is nearly synonymous with economics; it is just another word for the economics of free choice and free enterprise, and as such it stands alone in deserving the name of a fullyfunctioning economic system. Other "forms" are not economies at all, but stifled, stilted versions of economies; they are characterized by the hindering of economic activity, not by economic activity itself. As a comparison to Marx's particularist view of "capitalism," we might imagine a term like "airism," meaning a preference for the breathing of air, as opposed to some alternative such as pure helium or nitrogen or some other mixture of gasses. But for humans there is no real alternative to "airism" – to an atmosphere made up of roughly 80% oxygen and 20% nitrogen. (Such substitutes as scuba gear and oxygen tents are strictly limited alternatives, workable only in special cases and for brief periods.) "Airism" is really the only possible "ism" in this case, and there are no equally valid alternative "isms."

The situation is similar with "capitalism." Non-"capitalist" societies are those in which economic activity is inhibited, either by a lack of freedom on the one hand or by a lack of sufficient security for trade on the other. Such societies are not alternatives to "capitalist" economic activity, but stiflings of it. Thus "forms" such as feudal manors and modern communist states aren't really fullfledged alternatives to market economies, but rather situations in which economic activity has been systematically impeded or hindered in some manner. They are not viable systems on the same level as "capitalism." These supposed alternatives are mere crippled forms of the real thing.

Thus, rather than "capitalism," the phenomenon under consideration could have simply been called "market economics" or even "economic freedom," and in that case it would have been more apparent that there are few if any substitutes for it.

## **Marx's Particularist View**

The merits of these two contrasting views, the particularist and the universalist, cannot be fully debated here. They are introduced only to point out the theoretical baggage certain terms bring with them in Marx's prose, and to say that we must always identify Marx's assumptions, even if we are reluctant to agree with them.

Of course, the "particularist" view was essential to Marx's work. If freemarket economics had been considered just normal economics, and if there was no real, workable alternative to it, it would be useless to write screeds attacking capitalism and predicting its disappearance. Under such circumstances we would be limited to mending and ameliorating capitalism, not replacing it root and branch.

It is like trying to improve the quality of the air: we might seek to limit pollution, but no one would suggest eliminating the air and replacing it with some other substance. It would be likewise with capitalism, if we adopted the "universalist" view.

So it was essential that Marx adopt a "particularist" viewpoint. At any rate, his view of capitalism as one "mode" among many, peculiar to the modern era and subject to replacement, was an assumption which we might not accept, but which we need to recognize.

## **Commodities – Marx's First Topic**

Let us now move from Marx's assumptions to the particulars of what he says. Capitalist wealth, he informs us, "presents itself as 'an immense accumulation of commodities'...." The reader's immediate reaction to that observation is likely to be, As opposed to what? Don't all economic "modes" have as their aim the production of economic goods (and services) – that is, the making or growing or building of the necessities of life? So how does this fact differentiate capitalism from any other "mode"?

To put it another way, if the wealth of capitalist societies consists of marketable goods, what does the wealth of any putatively non-capitalist society consist of? Good will, ledger entries, or what?

The solution to this quandary is in recognizing that Marx is using a somewhat idiosyncratic definition of the word "commodity." In his lexicon, commodities are goods produced only for sale on the market, i.e., for ultimate consumption by the buyer, as opposed to being produced for home use, for consumption by the producer. Nikolai Bukharin addresses this issue in his book, *The ABC of Communism.* As he explains it:

If we study how economic life is carried on under the capitalist regime, we see that its primary characteristic is the production of commodities.

"Well, what is there remarkable about that?" the reader may ask. The remarkable point is that a commodity is not simply a product, but something produced for the market.

A product made for the producer himself, made for his own use, is not a commodity. When a peasant sows rye, gathers in the harvest, threshes it, mills the grain, and bakes bread for himself, this bread is certainly not a commodity; it is simply bread. It only becomes a commodity when it is bought and sold; when, that is to say, it is produced for a buyer, for the market...

Under the capitalist system, all products are produced for the market, they all become commodities.<sup>3</sup>

To put it another way, commodities are produced for their exchange value, rather than for their "use-value." Or in more colloquial terms, commodities are "store-bought" (and store-sold) goods, as opposed to "homemade."

This distinction between homemade and produced-for-sale goods looms large in Marx's theories, because for him the profit motive and market mechanisms taint everything associated with them. Goods produced for the producer's own use are, so to speak, morally pure, untinged by oppression and social injustice; whereas market goods are tainted and corrupted by the profit motive of the capitalists who produce them. Thus for Marx bread is not simply bread; he introduces class distinctions in bread, so to speak.

(This infinite moral superiority of the one type over the other is briefly summed up in the Marxist catch-phrase, "For use-value, not for exchange-value," or in its witless pidgin-Marxist modern version, "For people, not for profit.")

This Marxist definition of commodities approximates normal usage, being not very different from what we ordinarily think of as commodities; and yet it is slightly skewed somehow. True, commodities are articles of trade; they are market goods. And if commodities are goods bought and sold on the market, then they must (as Marx's definition asserts) have been previously produced with that purpose in mind. Thus Marx's definition seems correct.

Yet it is slightly off-kilter. The problem is that Marx uses "commodities" as one side of a dichotomy – as a term opposing one type of goods, marketed goods, to goods of the only other kind, homemade goods, with the dichotomy being defined by the purpose or reason behind the goods' production. But in normal usage, "commodities" are market goods not as opposed to homemade goods, but as opposed to everything else in the universe, everything that is not a market good. In other words, in ordinary usage the term "commodities" does not call to mind a dichotomy, a contrast to homemade, home-consumed goods. The duality envisioned by Marx is not implied by the ordinary sense of the word.

The reason no such distinction is implied in everyday English usage is probably that there usually is no practical difference. There are very few goods which are *only* homemade; almost any useful item that can be homemade is also produced in a marketed form. So the need for a distinction between market goods or commodities, and other items produced and consumed at home, is not felt.

Moreover it is doubtful whether there ever was a society in which goods were produced for home use and yet never produced for sale. Thus there probably was never a society that wasn't in some degree a "commodity" society; that is one reason why the distinction Marx makes sounds alien to us. Marx lists the production of commodities, or market goods, as one of the defining characteristics of capitalist societies. Whether this actually differentiates "capitalist" societies from any others is debatable, but at least we must

understand Marx's terminology and his somewhat eccentric definition of the word "commodities."

(This discussion leaves aside a more specialized usage of the term, namely "commodity" meaning bulk goods, or goods like wheat, soybeans, etc., not differentiated by brand name. That sense of the word does not concern us here.)

At any rate, so far we have the statement that capitalist societies are characterized by goods produced for the market, which goods constitute the wealth of such societies. Thus Marx proposes to examine commodities as his starting point in analyzing capitalism. All of this is more or less reasonable, give or take a quirky definition or two.

(Another possible interpretation of Marx's introductory remarks about the wealth of capitalist societies, is that he means the sheer amount of goods produced by capitalist societies – i.e., perhaps he is saying that capitalist societies are differentiated from others in that they produce an "immense accumulation" of commodities rather than a barely adequate accumulation of commodities. That contrast may have been the one most evident throughout the history of communist societies, but it was no doubt not the one Marx meant.)

## The Analysis of a Commodity

Marx has stated, "Our investigation must therefore begin with the analysis of a commodity." Actually, "the analysis of a commodity" is a somewhat illogical place to begin. Commodities are, after all, mere static *things* (or to use Marx's term, "metaphysical" things), and they appear at the end of the production *process*, as the end product. It might have been more insightful to begin the investigation by looking at the process by which goods are produced (the "dialectical" process, again using Marx's term), and all the processes whereby capitalism functions.

To put it another way, the productive system in capitalist societies consists of productive machinery and physical facilities; systems of distribution and exchange; the social institution of employing labor; transportation and distribution systems; credit and finance systems; and a variety of other facilities and institutions which make possible the production and sale of goods on the free market. To attempt to analyze such societies by dissecting a commodity – by, as it were, putting a mere static object under the microscope – is not only contrary to the true nature of the phenomenon being studied, it is also contrary to Marx's stated principle of always viewing things dynamically, "dialectically," and in terms of processes, rather than in terms of dead, static objects. At any rate, we may be inclined to discount Marx's assertion that his analysis had to begin with "the analysis of a commodity." Evidently he *wanted* to begin with analysis of a commodity; it suited his purposes, and by beginning at that starting point he was able to take his discussion where he wanted it to go. That was reason enough to begin as he did, and we can accept his choice on those terms.

## A Unit of One

A minor point of Marx's opening statement still remains to be addressed. He says that capitalist wealth consists in "an immense accumulation of commodities,' its unit being a single commodity." What are we to make of that last phrase?

Of course, if we have many of anything, one is its unit; that is the meaning of the word. In fact it is the Latin origin of it: *unus*, one. One could just as easily say "a forest is an immense accumulation of trees, its unit being a single tree." There's no extra information conveyed by saying "its unit being a single" whatever.

But Marx, first of all, was a writer who habitually explained his subject matter to the greatest lengths and to the uttermost detail; he left nothing unexplained, nothing taken for granted – possibly because he trusted only himself to give the actual truth of any matter. Thus in the present case as usual, he approaches his subject as one that must be explained from the ground up.

Then, too, Marx purports to write "scientific socialism," and lays claims for his work of being scientific. Possibly for that reason, the beginning part of his text is patterned somewhat after science textbooks. Such books most often begin with definitions of terms, identification of elementary concepts and entities to be dealt with, and descriptions of units of measure. Marx's book, at the start, is much in the same pattern, at least superficially; it follows the form of such works, but without the meaningful content. Marx's present comments about commodities and their unit are in such a vein.

## The Analysis of a Commodity

For purposes of comparison, we might look at Adam Smith's approach to the same topic:

The word VALUE, it is to be observed, has two different meanings, and sometimes expresses the utility of some particular object, and sometimes the power of purchasing other goods

which the possession of that object conveys. The one may be called "value in use"; the other, "value in exchange." The things which have the greatest value in use have frequently little or no value in exchange; and, on the contrary, those which have the greatest value in exchange have frequently little or no value in use. Nothing is more useful than water, but it will purchase scarce anything; scarce any thing can be had in exchange for it. A diamond, on the contrary, has scarce any value in use; but a very great quantity of other goods may frequently be had in exchange for it.

Smith doesn't formally define the word "commodity," apparently taking it for granted as a term in common usage. Moreover, he uses the term in its common, ordinary sense, not any specially-invented sense.

He identifies the goods or articles his economic treatise deals with no more explicitly than to say this:

Every man is rich or poor according to the degree in which he can afford to enjoy the necessaries, conveniencies, and amusements of human life.

Thus he identifies commodities or economic goods only in passing, as the necessities, "conveniencies" (or we might say, luxuries), and amusements of life. We all buy such goods, and we all recognize economic commodities or goods when we see them.

(By including "amusements" Smith also might be seen to include nontangible items, such as admission to performances of plays and such things. These too are articles of trade, though they don't fit either the "goods" or "services" category exactly.)

## The Analysis of a Commodity

Let us now move to the specifics of Marx's "analysis of a commodity." He says:

A commodity is, in the first place, an object outside us, a thing that by its properties satisfies human wants of some kind or another. The nature of such wants, whether, for instance, they spring from the stomach or from fancy, makes no difference. Neither are we here concerned to know how the object satisfies these wants, whether directly as means of subsistence, or indirectly as means of production.

No one explains things to such an absolute degree as Marx does when he really gets started, as we see here: commodities are first of all objects "outside us," external objects, not body parts or any other properties or characteristics of ourselves. We can accept his assertion; we might even say it goes without saying: we ourselves, and the goods we buy on the market, are in most cases distinguishable.

The next remark Marx makes about commodities is equally unexceptionable: commodities are useful items, items that by their properties satisfy human wants or needs. That is in fact one possible definition of the term "commodity," conveying a good deal of what is meant by the term in common usage. And even if it is not a definition, if instead commodities are defined as goods produced strictly for sale on the market, even in that case commodities are such because of their usefulness. That is, goods (and services) bought and sold must be items in demand. They must be desired by people, so that people are willing to spend money for them; and thus they must be capable of satisfying some human need or want.

These terms "need" or "want" can be quite loosely interpreted, of course. As Marx indicates, it is hard to identify any objective need satisfied by some goods. Items like pet rocks, and other novelty and fad items, don't satisfy an objectively discernible need; they don't satisfy hunger, or keep out the cold, or perform any other objective service. But what matters is that, for whatever reason, there is a demand for such things when they're offered for sale. People are willing to buy them; there is an observable market demand at a given price. And from that, we may take it for granted that the goods serve some purpose or meet some human need or desire.

The demand, as measured by actual sales at a given price, is the defining characteristic here; it is what makes goods marketable, i.e., makes them commodities. A commodity, in other words, does not have to have an objectively demonstrated use. People may buy it for no better reason than that "everyone else has one"; i.e., it may be a senseless fad. The item is a commodity for all that, being an article of trade, for whatever ill-defined reasons, sold on the market.

If, as Marx acknowledges, the source of the demand or the nature of the wants is not pertinent to our current discussion, neither is the distinction between consumer goods and production equipment, or capital goods. Both types of commodities are similarly produced and sold; both types obey similar economic laws, although the intended market or potential purchasers of the two types are different sets of people. Commodities are commodities, whether they serve as means of subsistence or means of production. There will come a point in Marx's

text where that difference will become significant, but at this point, where Marx is explaining the elementary characteristics of all commodities, he can legitimately treat both types as one.

## How Good, and How Much of It

"Good and little are better than bad and much." Jewish saving.

At this point Marx, perhaps still trying to sound as scientific as possible, gives us further but puzzling data on commodities: "Every useful thing, as iron, paper, etc., may be looked at from the two points of view of quality and quantity."

That is a characteristic Marxian statement of a certain type: it sounds definitive, it seems to identify an intrinsically "correct" way of looking at something, but in reality it is an arbitrary categorization and only one viewpoint among many.

It must be admitted that what Marx mentions is one way of categorizing or characterizing commodities – by "how good it is and how much of it." An example of this might be the old joke about a lady complaining about a certain restaurant. She said, "I never want to eat there again. Every bite was poison. And the portions were so small!" <sup>4</sup>

That is one instance of looking at commodities from the points of view of quality and quantity; in this instance, it is a case of "bad and not much of it." Other means of characterizing commodities, might be in terms of cost of production versus selling price; weight versus volume; durability as opposed to quality; and so on. At any rate, commodities can be looked at from many points of view; these include the characteristics of quality and quantity – Marx is right about that. Whether his two criteria of categorization are any more valid or significant than any other two, is open to question.

He continues:

It [every useful thing] is an assemblage of many properties, and may therefore be of use in various ways.

That is true. Different properties may give rise to different uses, in a sort of one-to-one correspondence. For example, iron is strong and thus is useful for all types of structural objects, like wrought-iron fences. It also has magnetic properties, and is useful for making magnets, such as those used in loudspeakers. These two properties of iron lend themselves to two different "applications," or products.

Moreover, different uses don't necessarily come from different properties; an object, with its whole assemblage of properties, can simply be used for assorted purposes. Wood is used for house frames as well as for baseball bats; steel is used for auto bodies and for watch cases – not necessarily because of a one-to-one correspondence between properties and products, but simply because some materials are versatile and suited for a variety of purposes or products.

For this reason we might make a somewhat subtle distinction: the usefulness per se of a given substance is not a physical property of the substance. Rather, it is in a sense a function of what use people make of it; and that in turn is dependent on the physical properties of the substance. For example, steel is strong, malleable and ductile. For this reason it is useful both for sheet-metal applications and for guitar strings. The strength, malleability and ductility are physical properties of steel, but its usefulness is not. The usefulness is in a sense derived, a result of those properties and of the uses people put the steel to. Usefulness requires the interaction between people and steel – the actual putting of the steel to various uses – in order to appear as a phenomenon at all. (This point may be philosophically debatable, but it seems valid to this author.) All this is said in anticipation of remarks later in Marx's text, implying the contrary, that "use-value" per se is an actual property of commodities.

#### **Uses and Measures**

The Smoot as a unit of measure was invented in 1958 at the Massachusetts Institute of Technology when fraternity pledges were ordered to measure the length of Harvard Bridge using only chalk and the body of one of their peers.

"Out of the 14 pledges, I had the distinction of being the shortest," said 5-foot-7 inch Oliver Reed Smoot, Jr. – news item.

## Marx continues:

To discover the various uses of things is the work of history. So also is the establishment of socially recognized standards of measure for the quantities of these useful objects. The diversity of these measures has its origin partly in the diverse nature of the objects to be measured, partly in convention.

It is hard to know what Marx means by "the work of history." Two possibilities come to mind. He may mean it is the work of *historians*; that is, to discover what uses things have been put to in the past is the work of historians.

Or by "history" he may mean history personified – human endeavor under the name "history." He may mean, "To discover uses for various substances has been the task of human beings throughout history." For instance, to discover how to forge metals, how to draw wire from steel, how to make nails and nail boards together, has been the work of people in the past.

It seems likely that Marx meant the latter; he viewed history as a predestined or predetermined, "historically inevitable" process – almost as a reified thing in itself, apart from the actions of people. It would be a small step from that view to writing about history as an active agent in itself, without reference to the people that actually made it happen.

Whichever way he meant it, the statement is murky enough; and he extends it to his next sentence about "the establishment of socially recognized standards of measure." This too is "the work of history," presumably meaning in this case also that "it was done in the past" or "it is the work of people in society."

The work continues in modern times as scientific advances require new types of measurements. For example, angstrom units and nano-seconds are units of measure that either were not defined prior to modern times or else were not useful measures of anything. But both are useful today, and we may say their creation was "the work of history."

In the last sentence of the passage under consideration, Marx offers us more Physics 101. Various units of measure, he informs us, arise because of first, the different characteristics of the things to be measured. For instance, if apples and wheat are measured by the bushel, and cloth is measured by the square yard, it is so partly because it would be difficult to do the reverse and measure apples by the square yard and cloth by the bushel. That is, it is so because of the different natures of the things being measured. Area is more significant in measuring cloth than volume, because for one thing, a particular piece of clothing requires a certain number of square yards to be made. Thus it makes sense to sell cloth by the square yard. Moreover, cloth does not lend itself to measure by volume – it is compressible and doesn't have a fixed volume. So it is sold by the square yard, i.e., by lengths of cloth a yard wide.

Wheat and apples do, for practical purposes, have a fixed volume. While they could be and sometimes are measured by weight, both their physical properties and the purpose they are used for make measurement (and sale) by volume more practicable.

On the other hand, not "the diverse nature of the objects" but conventions and circumstances account for specific units of measure. The English-speaking world has traditionally adhered to the "foot/pound/second" system, relying on those units of length, weight and time, respectively. The rest of the world has mainly adopted the metric system, using meters, kilograms (a unit of mass, not weight) and seconds. Either system manages to measure the same things; the choice of one or the other is a matter of custom and usage, not the inherent characteristics of the things measured.

There can even be fanciful, totally impractical units of measure that are never adopted by society at large. For example, one author suggested "furlongs per fortnight-squared" as a unit of acceleration (in *The Official Rules*). And then there is the Smoot, as described above.

## **Use-Value**

We now have arrived at Marx's introduction of two essential properties of commodities, twin characteristics that will be of pivotal importance throughout the remainder of his text. He states:

The utility of a thing makes it a use-value. But this utility is not a thing of air. Being limited by the physical properties of the commodity, it has no existence apart from that commodity. A commodity, such as iron, corn, or a diamond, is therefore, so far as it is a material thing, a use-value, something useful.

In other words, there is no such thing as a sort of disembodied usefulness, floating around unattached to any physical commodity. Utility is a property of an object, not an independent entity or free-floating substance like air or perhaps ectoplasm. There is no such thing as an independent, self-existing "usefulness" apart from the physical object of which it is a property. It follows that a commodity is useful "so far as it is a material thing," or we might say, *because*, or *inasmuch as* it is a material thing. (For example, the useful properties of hardness and ductility are properties of iron; there is no such thing as an abstract "hardness" free-floating around us, unconnected to any object.) That seems to be what Marx is saying – as if there were anyone who needed to have the point elucidated.

A semantic issue: at this point in his text Marx is still wavering between two meanings of the term "use-value." He still at times refers to "use-value" in the normal sense of the word, as a property of objects. (Indeed, that is the whole point of the above passage.) But he is also beginning to use the term as a synonym for "commodity," saying that a commodity *is* a use-value, it doesn't *have* use-value.

The distinction is not really a crucial one, except that it illustrates Marx's penchant for creating his own vocabulary, a jargon that has to be almost decoded rather than simply read. Perhaps this manner of, in effect, creating his own language was symptomatic of megalomania – Marx thought that even words had to submit to his authority. Or perhaps it just aided in rendering his text incomprehensible, mysterious, and intellectual-sounding, and thus in forcing the reader to accept Marx's theory on his own authority, rather than understanding it.

## More About Use-Value

This property of a commodity is independent of the amount of labor required to appropriate its useful qualities. When treating of use-value, we always assume to be dealing with definite quantities such as dozens of watches, yards of linen, or tons of iron.

The use-values of commodities furnish the material for a special study, that of the commercial knowledge of commodities. Use-values become a reality only by use or consumption: they also constitute the substance of all wealth, whatever may be the social form of that wealth.

First of all, we are informed that the use-value of a commodity "is independent of the amount of labour required to appropriate its useful qualities." The latter is a bit of Marxian jargon; Marx says "to appropriate its useful qualities" rather than "to produce it," though the latter is what he means. Marx always prefers to divert the reader's attention from the fact that it is the entrepreneur or capitalist who produces the commodity and bears the expense of doing so. Rather, he prefers to imply that the capitalist seizes the commodity wrongfully, that he "expropriates" or "appropriates" it – ignoring the fact that the commodity didn't exist prior to the capitalist's efforts, and that it wouldn't exist for *anyone* to appropriate without him.

The main significance of the remark, however, is probably by contrast to exchange value, which *is* dependent on the amount of labor required to produce the commodity (as Marx will show later on). Thus this point is one significant distinction between the two types of "value."

A quibble might be made here: depending on how we consider the term "usevalue," it is not always completely independent of the amount of labor required to produce the commodity. Theoretically, the two are unrelated, though not always in practice.

The Case Against Capital

Some commodities are like apples, diamonds and so on – they are almost purely products of nature, and their usefulness is pretty completely defined by their inherent nature. Their useful properties, such as an apple's being good to eat, are inherent. Or, if we construe "use-value" to mean "the amount of usefulness" of the commodity, then in that case too the *amount* of usefulness or goodness of an apple is fairly well fixed by its inherent nature – by what variety of apple tree it is, conditions of soil and climate, and so on. The amount of labor applied to it can only affect the "amount of usefulness" to a limited degree. Whether we prune a lot or a little, or fertilize a lot or a little, the use-value of the resulting apples will only be affected (we will assume) to a certain small degree.

Similarly, the size and purity of a diamond are pretty well fixed by nature. The diamond can be cut in various ways, but the amount of influence our labor can have on its "use-value" is constrained within certain limited bounds.

Other commodities are less clear-cut cases. Consider the "use-value" of a piano: one could argue that a hand-made concert grand, with a large amount of labor invested in it, is more useful, and useful for more purposes, than a mass-produced spinet made by less labor-intensive methods. In this case the amount of use-value is not independent of the labor required to "appropriate," i.e., produce, the piano. (On the other hand, if Marx is using "use-value" to mean "what it's used for," then in that sense use-value is independent of the labor: a piano is to play. Such ambiguities come from having a variety of definitions, some of them crude and imprecise, to choose from at will.)

## **Puzzling Remarks**

We are now presented with a couple of puzzling remarks. When discussing use-value, Marx tells us, "We always assume to be dealing with definite quantities, such as dozens of watches, yards of linen, or tons of iron."

Well, maybe. We can always assume we're dealing with definite quantities – unless we're not. This point is so basic, it is hard to know how to state it. In some circumstances we deal with definite quantities, as on an invoice, where we're making a record of a certain number of items to be shipped. At other times, we talk of commodities or "use-values" in general, not quantitatively. Even when Marx himself uses expressions like "treating of use-values," or when he refers to "watches," or even "dozens of watches," he doesn't give specific numbers.

In short, some discussions are quantitative; some are not. When a forester or lumberjack counts the trees in a certain area, that's quantitative. When Joyce Kilmer write "Trees," that's not.

Perhaps Marx, a one-time student of philosophy, abstruse metaphysics, and such matters, was so muddled by or fixated on elementary distinctions, that he

thought such comments necessary. Or perhaps his comments are included for the purpose of sounding scientific, to evoke the quantitative nature of science and to mimic the thorough definition of terms, units of measure, etc. common in scientific works. If the latter, he gives us form without content.

Marx's next sentence is likewise somewhat elusive in meaning: "The usevalues of commodities furnish the material for a special study, that of the commercial knowledge of commodities." Huh? Marx tells us that the "use-values of commodities," or we might say their useful properties in a broad, general sense, are studied under the name of "the commercial knowledge of commodities." Or we might say, those who deal in goods on the market must be familiar with their properties – their method of manufacture, the characteristics of various brands and types of goods, and so on. If there is any intelligible meaning in that sentence of Marx's, perhaps that is as good a guess as any.

"Use-values become a reality only by use or consumption," Marx tells us, and it's a fairly unarguable statement. Marx apparently considers that merely to hold onto or possess goods, without using them or consuming them, is not to realize their ultimate purpose or bring their essential nature to fruition. In this sense commodities only become a reality when made to serve their ultimate goal. That view is reasonable enough. On the other hand, commodities do exist before being consumed, and in that minimal sense they are a reality even before being consumed. It is perhaps a matter of definition.

His next assertion is less ambiguous. He says, use-values "also constitute the substance of all wealth, whatever may be the social form of that wealth." The phrase "the social form of that wealth" is perhaps open to various interpretations in the light of Marx's complete oeuvre, but the most direct interpretation is probably this: use-values or useful goods are present in all epochs and all "modes of production," but they are not always commodities. That is, useful goods have not always been produced for sale on the market; not all economies have been "commodity economies." But regardless of whether goods are produced on a feudal estate for consumption by the inhabitants of the estate, or produced in the modern capitalist era for sale on the market – whatever the circumstances, usevalues are the substance of all wealth. And regardless of whether a society is nominally based on money and the "cash nexus," or on self-sustaining feudal estates, goods are the real and ultimate form of wealth. This is perhaps a difficult idea to get used to in a money economy, but it is hard to deny.

## **Exchange-value Deposited In Use-values**

Marx now makes a final remark on the subject of goods, or use-values:

In the form of society we are about to consider, they are, in addition, the material depositories of exchange value.

From a more down-to-earth viewpoint, we could paraphrase Marx's statement like this: In the form of society we are about to consider, use-values or goods are articles of trade; they are bought and sold on the market. Such a formulation would avoid the more metaphysical overtones of Marx's statement. His version perhaps displays his metaphysical tendencies – his tendency to over-philosophize straightforward matters. He seems to imply that exchange value is an intangible, ethereal entity that is incarnated or somehow embodied within the physical bodies of commodities – sort of on the order of ectoplasm. He portrays it as an intangible entity, which enters into the commodity and takes up residence.

It is difficult to say whether Marx considers exchange value as first existing separately from the use-value, as an independent entity on its own which then enters into the produced goods. His statement that use-values "are... the material depositories of exchange value" could imply that.

Alternatively, he could mean that use-values, which are produced in all forms of society, have an extra, added ingredient in capitalist societies; they have, deposited within them during the course of their production, exchange-value, which is somehow lacking in use-values produced in other forms of society.

Whichever interpretation is appropriate, it is clear that Marx considers exchange value a property of commodities, i.e., of use-values, which by its very presence we may say turns them into commodities. Exchange value is something contained within commodities; goods are imbued, suffused, inhabited, haunted by exchange value, and exchange value is to be studied as such – as a property, or internal ingredient of goods. By contrast, a more traditional view would say, people produce goods for sale, and exchange value is a result of that fact and an aspect of the market nexus.

Marx's view offers the benefit of making commodities entirely selfcontained; that is, commodities can be completely analyzed or dissected in isolation, as mere physical objects, without reference to society, trade, human actions, or the economic activities taking place outside of and around commodities.

More particularly, it offers the benefit of removing people from economics. There is no direct reference to human beings in Marx's statement that, "they are...the material depositories of exchange value." That becomes a continuing characteristic of his text. The removal of human beings, so far as is possible,

from economics will become a continuing feature of Marx's approach to his subject, and it will facilitate his treatment of commodities (and economics) as a study of material objects rather than of human activity. He treats economics as a quasi-physics, rather than as a social study, an examination of human behavior in the economic realm. This is a serious misapprehension of the nature of the subject under consideration.

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## Notes

- 1 Sowell, Thomas, Marxism, New York, Morrow, 1985, p. 195.
- 2 Minogue, Kenneth R., *Alien powers: The Pure Theory of Ideology*, New York, St. Martin's Press, 1985.
- 3 Bukharin, Nikolai Ivanovich, and Preobrazhensky, E., *The ABC of Communism*, Baltimore, Penguin Books, 1969, p.26.
- 4 Langford, Francis, "The Bickersons," (sound recording), Minneapolis, Radio Reruns, 1977.