



MARX'S THEORY OF THE GENESIS OF MONEY

How, Why, and Through What
is a Commodity Money?

Samezō Kuruma

Edited by Michael Schauerte

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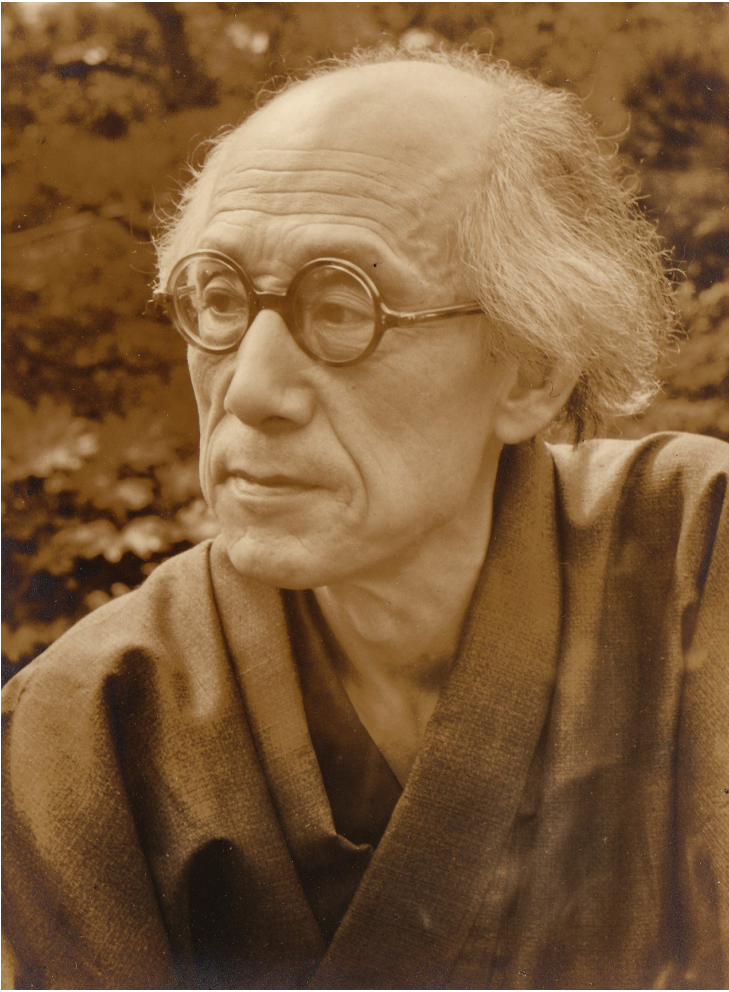
Michael Schauerte



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Samezō Kuruma (1893–1982)
COURTESY PROF. KEN KURUMA

The work includes an English translation of the full text of Samezō Kuruma's book, *Kachikeitai-ron to kōkankate-ron* (Theory of the Value Form and Theory of the Exchange Process) was published by Iwanami Shoten, Tokyo, in 1957; a slightly abridged version of Part 1 of his 1979 book *Kahei-ron* (Theory of Money) was published by Otsuki Shoten, Tokyo.

This is a substantially revised edition of the English translation under the same title (Marx's *Theory of the Genesis of Money*), that was self-published by the translator (Outskirts Press, Denver, Colorado) in 2008.

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Notes on the Text

Marx's Theory of the Genesis of Money contains the full text of Kuruma's book, *Kachikeitai-ron to kōkankate-ron* (Theory of the Value Form and Theory of the Exchange Process) published by Iwanami Shoten in 1957; and a slightly abridged version of Part I of his 1979 book *Kahei-ron* (Theory of Money). This is a substantially revised edition of the English translation that was self-published by the translator in 2008 under the same title.

I have made some changes to the English translations of passages quoted from Marx, which ranged from simply altering spelling or hyphenation to correcting apparent translation errors. In making these changes, I have referred to the original German texts, Japanese translations of them, and annotated translations by Hans Ehrbar available on his website (<http://www.econ.utah.edu/~ehrbar/index.htm>). Teinsouke Ōtani also provided me with helpful suggestions regarding needed changes. Given the large number of changes made and the various sources relied on to make the changes, I have not inserted a footnote each time to explain what was changed.

Please also note that, unless otherwise indicated, italicised words and expressions reflect the emphasis of Kuruma, rather than Marx. The comments enclosed within brackets in the footnotes were added by me as editor; all other comments are the original footnotes of Kuruma. Finally, Japanese names are listed with the family name second (rather than first as is the custom in Japan).

Introduction to This Edition

Michael Schauerte

Difficult Beginnings

‘Beginnings are always difficult in all sciences,’ Karl Marx warns the reader in his preface to the first edition of *Capital*, noting that his analysis of the commodity in Chapter One will therefore present the ‘greatest difficulty’.¹ What is the nature of this difficulty – and how can we overcome it?

The Japanese Marxian economist Samezō Kuruma (1893–1982)² argued that the way to successfully navigate the difficult beginning is to understand the different angles from which Marx analyses the commodity and money. The reader must come to grips with *how* – and, more importantly, *why* – Marx poses certain theoretical questions in his analysis. Kuruma emphasised the need to appreciate the way in which Marx sets aside whatever elements are not relevant to the issue at hand in order to pose his theoretical questions in a ‘pure’ (and hence answerable) form. Once the reader of *Capital* has this firm grasp of the theoretical questions, the answers to them will be nearly self-evident, Kuruma believed.

Marx similarly suggests that the difficulty for the reader stems more from having to adjust to a new perspective, than from the actual content of the questions posed. Indeed, he describes the value form (and the money form as its ‘developed shape’) as ‘very simple and slight in content’.³ And yet – despite this simplicity and the effort Marx made to ‘popularise’ his presentation – the difficulty remains for the reader. Marx ponders this enigma in his preface and offers the reader a fruitful analogy. He compares the difficulty that clings to the analysis of the commodity and its value form with the relative difficulty of examining an organism’s cell structure. Just as it is more difficult to study the cells than the ‘complete body’, so is it harder to grasp the ‘commodity form of the product of labour, or the value form of the commodity’, than more complex economic forms. From this perspective, Marx describes the value form as the ‘economic cell form’.

A biologist can of course employ a microscope to analyse the cells of a living organism, but for the economist such devices are of no use. What takes

1 Marx 1976a, p. 89.

2 See my 2007 paper ‘Samezō Kuruma’s Life as a Marxist Economist’ (vol. 24, *Research in Political Economy*) for information on Kuruma’s career and ideas.

3 Marx 1976a, p. 90.

their place, Marx explains, is the ‘power of abstraction’,⁴ which simply means setting aside (or ‘abstracting from’) whatever elements are not relevant to the theoretical question at hand. This brings us back to the importance of understanding exactly how Marx raises his theoretical questions, because his use of abstraction as an analytical tool concerns the way in which he poses questions in a ‘pure’ form.

Readers who do not appreciate Marx’s need for abstraction in examining the commodity will probably find the beginning of *Capital* not only difficult but dull and repetitive. Marx anticipated that sort of reaction, writing that, to the ‘superficial observer’, his analysis of the commodity will ‘seem to turn upon minutiae’. Marx recognises that his analysis does in fact deal with ‘minutiae’, but adds (playing on the different meanings of the term) that ‘so similarly does microscopic anatomy’.⁵ The challenge for the reader of *Capital* is to adjust to the abstract, ‘microscopic’ level of Marx’s analysis so as to be clearly apprised of the angles from which the commodity is examined.

One can gain a basic idea of the theoretical questions within Marx’s analysis of the commodity by simply looking at the chapter and section headings for the first two chapters of *Capital*:

Chapter One: The Commodity

Sec. 1: The Two Factors of the Commodity: Use Value and Value (Substance of Value, Magnitude of Value)

Sec. 2: The Twofold Character of the Labour Represented in Commodities

Sec. 3: The Value form, or Exchange Value

Sec. 4: The Fetish Character of the Commodity and its Secret

Chapter Two: The Exchange Process

Kuruma categorises the content of the first two chapters into a number of separate theories. First, there is the ‘theory of the substance of value’ (or labour theory of value) presented in Section One and Two. This is followed by the ‘theory of the value form’ in Section Three. Marx then presents his ‘theory of the fetish character’ of the commodity in Section Four. And finally, in Chapter Two, he turns his attention to the ‘theory of the exchange process’.

The focus in *Marx’s Theory of the Genesis of Money* is on the theory of the value form, which is at the core of an understanding of the essence of money,

⁴ Ibid.

⁵ Ibid.

but Kuruma also pays particular attention to the theory of the exchange process and the theory of the fetish character. Along with clarifying the fundamental task of each of these three theories, he is careful to point out the relations and distinctions between them. In this way, Kuruma helps the reader of *Capital* keep straight the theoretical questions that Marx poses and understand why such questions must be raised.

Labour Theory of Value

The labour theory of value (or theory of the 'substance' of value) is only touched on in passing in *Marx's Theory of the Genesis of Money*, but it is worth examining here since it is a premise of the three theories that Kuruma discusses in more detail. The difficulty in understanding the labour theory of value (unlike the theory of the value form or the theory of the fetish character) does not stem from the unfamiliarity of the theoretical question itself. Economists prior to Marx had already pondered the exchange value of commodities and sought to identify the factor that determines that worth. The Classical school of political economy, starting with Adam Smith, arrived at an answer in asserting that the level at which a commodity will tend to be exchanged is determined by the quantity of human labour expended to produce it.

Marx adhered to this 'labour theory of value', but introduced a far more precise understanding of labour as the 'substance' of value, defining it as the amount of abstract human labour socially necessary to produce a given commodity.⁶ Yet, perhaps because the merits of the labour theory of value were so clear to Marx, he did not belabour his own explanation of it in *Capital*. In Chapter One, he simply writes, 'If then we leave out of consideration the use value of commodities, they have only one common property left, that of being products of labour'.⁷ The trait that commodities have in common as the product of labour is identified as the fundamental basis of their value.

6 Marx was also far more precise than Smith and Ricardo in his use of the term 'labour' and related terms. He distinguished between the 'concrete labour' that creates a commodity's use value and the 'abstract labour' that produces its value; and between labour in an active state in the labour process ('living labour') and labour embodied in the commodity as a result of production ('dead labour'). Marx also drew a distinction between 'labour' in those meanings and the concept of the 'labour power' that the worker sells on the labour market in return for wages, whose value is determined by the commodities the worker must consume to reproduce that capacity to work.

7 Marx 1976, p. 128.

Such a matter-of-fact conclusion seems dubious since we know that commodities that are the product of very little labour can fetch higher prices than labour-intensive ones. We also know that commodities have other traits in common, whether physical attributes or more abstract qualities such as being desired objects. Such facts contribute to the impression that Marx is engaging in a sort of intellectual sleight of hand, where he limits his discussion to commodities that are the product of labour and then ‘discovers’ that labour determines a commodity’s value. Eugen von Böhm-Bawerk, an early critic of Marx, described his intellectual foe as ‘one who urgently desiring to bring a white ball out of an urn takes care to secure this result by putting in white balls only.’⁸ Subsequent critics, following Böhm-Bawerk’s lead, have seized on this apparent flaw of the labour theory of value in an effort to discredit Marx’s entire critique of political economy.

However, such criticism overlooks a key premise of the labour theory of value, a premise firmly rooted in *reality* – namely, the vital need, in any form of society, to continually produce material wealth. What sustains a society and its members is obviously the production of useful things by means of human labour. ‘Every child knows’, Marx wrote to his friend Ludwig Kugelmann in 1868, ‘that any nation that stopped working, not for a year, but let us say, just for a few weeks, would perish.’⁹ We also know that under capitalism the bulk of material wealth takes the form of ‘commodities’ (i.e., goods produced for sale on the market). Marx underscores this fact in the very first sentence of *Capital*, where he writes: ‘The wealth of societies in which the capitalist mode of production prevails presents itself as an immense accumulation of commodities.’¹⁰ So it should be obvious that the commodity analysed by Marx at the beginning of *Capital* is the commodity in this fundamental sense as the capitalistic form of the material wealth that sustains society. And since this wealth is obviously the product of human labour, it is natural for Marx to identify it as the common factor that fundamentally determines commodity value.

If this realistic premise is overlooked, however, Marx’s theory of labour as the ‘substance’ of value is likely to seem a circular argument, an empty assertion. Not surprisingly, Marx’s opponents have aimed much of their criticism at the supposed inadequacy of his ‘proof’ of the labour theory of value. Marx encountered such criticism in his own day and derisively wrote of how ‘the chatter about the need to prove the concept of value arises only from complete

8 Böhm-Bawerk 1984, p. 70.

9 Marx 1988, p. 68.

10 Marx, 1976a, p. 125.

ignorance both of the subject under discussion and of the method of science'.¹¹ He insists that 'even if there were no chapter on 'value' at all in [*Capital*], the analysis I give of the real relations would contain the proof and demonstration of the real value relation'.¹²

The attempt to refute the labour theory of value by noting the existence of 'commodities' that are the product of little or no labour overlooks the crucial distinction between the commodity in the fundamental sense as the capitalistic form of social wealth and the commodity in a mere 'formal' sense as anything with a price. Purely 'formal commodities' are abstracted from at the beginning of *Capital*, but Marx was hardly unaware of their existence, nor did he ignore them for the sake of his own theory. Indeed, Marx notes in Chapter Three that 'things which in and for themselves are not commodities, such as conscience, honor, etc., can be offered for sale by their holders, and thus acquire the form of commodities through their price', so that 'a thing can, formally speaking, have a price without a value'.¹³ And if Marx's critics had read carefully beyond the first chapter of *Capital*, they might have discovered that he does in fact analyse various 'commodities' that lack intrinsic value, such as land and interest-bearing capital. But the explanation of such formal commodities is premised on essential concepts such as 'value' or 'surplus value', which can only be clarified through the analysis of the commodity in the fundamental sense.

Marx had to proceed – in both his analysis and the presentation of its results – in a step-by-step manner. He ridiculed those who expected him to explain every sort of commodity at once, noting that 'if one wanted to "explain" from the outset all phenomena that apparently contradict the law, one would have to provide the science *before* the science'.¹⁴ Marx describes such impatient critics as 'clinging to appearances and believing them to be the ultimate'.¹⁵ If he had followed his critics' advice by attempting to explain every sort of commodity at once, his analysis would not have progressed very far. He would never have been able to distinguish between 'value' and 'price' or to explain what fundamentally regulates commodity exchange; nor would he have been able to clarify the essence of money. We would have been left with nothing

11 Marx 1988 p. 68. (The 'subject under discussion' in this passage refers to the need in any society for labour allocation and product distribution, while the 'method of science' involves explaining the specific way in which those processes are carried out under capitalism.)

12 Ibid.

13 Marx 1976a, p. 197.

14 Marx 1988, p. 68.

15 Marx 1988, p. 69.

more than a description of surface phenomena and a superficial definition of the commodity as ‘anything with a price’.

‘How, Why and through What’

Understanding that labour is the substance of value is only the first step in Marx’s analysis of the commodity. With the labour theory of value as his premise, he goes on to examine the commodity from different angles in the remaining two sections of Chapter One and in Chapter Two, before moving on to consider the functions of money in Chapter Three. In order to understand the beginning of *Capital*, we need to grasp how all these theories related to the commodity and money fit together.

In pondering those relations, Kuruma was intrigued by the fact that Marx addresses the topic of money in all three chapters of Part I even though ‘money’ only first appears in a heading in Chapter Three (‘Money, or the Circulation of Commodities’). Kuruma felt that Marx provides us with a useful hint regarding the theoretical questions raised at the beginning of *Capital* when he writes (in Chapter Two): ‘The difficulty lies not in comprehending that money is a commodity, but in discovering how, why, and through what a commodity is money’.¹⁶ Kuruma thought that Marx is referring in that line to the theoretical questions that are raised, respectively, in Section Three of Chapter One, Section Four, and Chapter Two. In other words, the *how* question corresponds to the theory of the value form, the *why* question to the theory of the fetish character of the commodity, and the *through what* question to the theory of the exchange process.

Marx’s Theory of the Genesis of Value concentrates on the theory of the value form – the ‘how question’. Here the question centers on the mechanism of value expression; i.e., how value comes to be manifested in a material form. Even if labour (or socially necessary labour time) is the substance of value, it cannot be *directly* manifested as such. What we encounter in our daily life are not products stamped with a quantity of labour time, but rather commodities whose values are expressed in money as prices. This money form, ‘x commodity A = y money commodity’, is the starting point for Marx’s analysis.

16 Marx 1976a, p. 186. (In the Penguin edition of *Capital*, Ben Fowkes translates ‘... wie, warum, wodurch Ware Geld ist’ as ‘... how, why, and by what means a commodity becomes money’, but here and in Kuruma’s book I have borrowed the version of Hans Ehrbar from his ‘Annotations to Karl Marx’s *Capital*’, which is not only more faithful to the original but also matches the Japanese translation quoted by Kuruma.)

In examining the money form, Marx discovers that it is the developed form of the simple value form, expressed as 'x commodity A = y commodity B'; or to borrow Marx's example, '20 yards of linen = 1 coat'. What becomes clear through the analysis of the simple value form is that the commodity on the left of the equation (in the 'relative value form') expresses its own value in the use value of the commodity on the right (in the 'equivalent form'). That is to say, the value of linen is manifested in the tangible form of a coat. Kuruma places particular emphasis on how the commodity in the relative value form *equates* the other commodity to itself as a thing of value (*Wertding*), and in so doing posits the other commodity as the embodiment of value or 'value body' (*Wertkörper*).

At first glance this relationship of value expression may seem inconsequential. But an understanding of the role of each commodity demystifies money, revealing that the peculiar power of gold or silver arises from the mechanism of value expression and the relationship between commodities, rather than stemming from some mysterious, captivating power they have as metallic objects. It is only within the relationship of value expression that the commodity in the equivalent form – and then gold as the 'general equivalent' – can serve as the embodiment of value.

But even after we know how value is expressed, which is to say, 'how the commodity is money' (in addition to already knowing 'what is expressed' from the labour theory of value), there remains the question of *why* human labour has to take the form of value. This is also the question of why products of human labour take the commodity form and why money has to exist under capitalism. This brings us to the theory of the 'fetish character' in Section Four of Chapter One. Here Marx clarifies the necessity of the commodity and money forms under capitalist production relations by presenting examples of production relations or situations where those two forms have no basis to exist. His examples include feudal production in the Middle Ages, a peasant family producing for its own consumption, and a future society that he described as an 'association of free men'. In each case, the consumption goals are clear from the outset, as are the relations between the producers, and the labour of each individual is thus expended *directly* as one part of the total labour of the group or society. There is no need for production or distribution to be mediated by commodity exchange – and hence no need for money.

Under capitalism, however, the situation is quite different. In this historical form of society, the starting point of production is the labour expended by 'private individuals who work independently of each other';¹⁷ so the products

17 Marx 1976a, p. 165.

of labour must pass through the market before they can meet specific consumption needs. In other words, the private labour expended under capitalism only first becomes a part of the total social labour if and when the products are successfully exchanged. It is through that act of commodity exchange that the various producers first come into an actual social relation with each other. This generates the 'fetish character' particular to capitalist commodity production, wherein social relations between human beings are manifested as relations between 'things' (money or commodities). Kuruma describes 'value' as the 'peculiar form assumed by the private labour of commodity owners in order to become social labour'.¹⁸ Conversely, when labour is expended directly as social labour (to meet specific consumption needs), there is no need for it to take an objectified form as the substance of value, which is why there is no room for the commodity or money forms to exist.

After solving the mysterious 'why question', Marx turns in Chapter Two to the question: *Through what* is a commodity money? At issue here is the specific factor that turns one commodity into the general equivalent (money). That factor can be found, as the chapter's title suggests, within the process of exchange – and more specifically within the *contradiction* inherent to that process. Consider the perspective of an individual commodity owner. Marx says that a commodity owner only wants to part with a commodity in exchange for a use value that 'satisfies his own need', but at the same time 'desires to realise his commodity, as a value, in any other suitable commodity of the same value' regardless of 'whether his commodity has any use value for the owner of the other commodity or not'.¹⁹ In other words, the contradiction of the exchange process is that commodities 'must be realised as values before they can be realised as use values', but also 'must stand the test as use values before they can be realised as values'. There is a need to somehow break through this vicious cycle.

This contradiction between a commodity's realisation as use value and its realisation as value must be mediated in order for exchange to be smoothly carried out. What actually mediates the contradiction, of course, is money, whose intercession splits the exchange process into a sale and a purchase. This makes it possible for a commodity owner to first exchange a commodity for money, and then use its power of direct exchangeability to purchase whatever commodity is desired. The point Marx emphasises in Chapter Two is that the emergence of money is not the result of some conscious human act or invention, but rather arises from the contradiction of the exchange process itself.

¹⁸ Kuruma, 1954, p. 88.

¹⁹ Marx 1976a, p. 180.



The summary above, for all its inadequacy, may at least provide a basic idea of the nature of the three theoretical questions that Kuruma examines in detail. His interpretation is not groundbreaking in itself, as it is simply based on a careful reading of what Marx actually wrote at the beginning of *Capital*. Yet by paying such close attention to how and why Marx poses certain questions in his analysis of the commodity, Kuruma ends up with a view of the beginning of *Capital* that diverges from many explanations offered by other Marxian economists – not to mention those made by critics of Marx.

Some commentators on *Capital*, for instance, have approached the analysis of the commodity in Chapter One from an historical perspective. That is, they have viewed the development of the value form as an historical development that proceeds from primitive barter (simple value form) up to the appearance of money. It is easy enough to slip into that historical approach, given the points of correspondence between the value forms and the real course of historical development. Nevertheless, in following such an approach, one loses sight of Marx's analysis of the mechanism of value expression and of the necessity for the commodity and money forms under capitalism, making it impossible to unravel the mysteries that surround the value form and money.

Meanwhile, often as a reaction against such historical interpretations, some theorists have approached the analysis of the value form from a *logical* perspective, so that the progression of value forms presented by Marx is understood as a logical self-development of concepts. From this perspective, the theoretical task seems to involve explaining the transition from one form to the next by identifying the motive force or internal contradiction that determines the progression. The result, however, is that one again loses sight of the key theoretical questions concerning the commodity and money.

Kuruma recognised that some light could be shed on the value form by considering the historical development of commodity exchange, but he was convinced that a predominately historical (or logical) approach could not clarify the form's essence or unravel its mystery. He understood that the development of the value form presented in Section Three retraces the path of Marx's analysis, which had descended from the money form to the simple value form in order to clarify the exact mechanism of value expression. It would thus be misleading, Kuruma believed, to sever the development of the value form from this analysis of value expression by depicting it as a purely historical or logical development. This is just one example of how he was careful to always bear in mind the theoretical questions that Marx poses in *Capital*.

The 'Power of Abstraction'

Grasping how and why Marx poses certain theoretical questions at the beginning of *Capital* comes down to understanding his use of the 'power of abstraction'. The term may sound somewhat mysterious, but it simply means that in his analysis Marx must set aside certain aspects of concrete reality that are not relevant to the theoretical task at hand. This meaning of abstraction can be seen in the word's Latin root, *abstrahere*, meaning 'to draw away, remove something (from something else)'; just as 'concrete', conversely, stems from the verb *concrecere*, meaning 'to grow together, condense'.²⁰ Abstraction involves the double-sided act of 'abstracting from' (or setting aside) the irrelevant elements in order to 'abstract' (or extract) an essential concept.²¹

Those who find the beginning of *Capital* 'too abstract' – in the sense of being detached from reality – have rather missed the point. Abstraction does involve taking a step back from concrete reality, as just explained, but it is a step that must be taken to grasp concrete reality. It is impossible to explain every element at the same time. An attempt to explain complex reality immediately, without first abstracting from some of its concrete elements to clarify component parts and concepts, will result in nothing more than a surface description. This is why Marx cannot be refuted by simply pointing out that some of the abstract concepts he employs do not correspond directly to concrete economic phenomena. Such criticism reveals a shaky grasp of the meaning and role of abstraction.

One scholar in Japan who critiqued Marx's use of abstraction was Kōzō Uno (1897–1977). Uno felt that Marx abstracts too far, too soon, at the beginning of *Capital*, by setting aside the role played by specific use values. Kuruma became aware of Uno's critique in 1947 at a series of study meetings organised by the journal *Hyōron*. This encounter prompted Kuruma to reexamine his own views on the theoretical questions posed by Marx in his analysis of the commodity. In 1954, he presented his interpretation and counter-critique of Uno in a book titled *Theory of the Value Form and Theory of the Exchange Process*.²²

During the *Hyōron* meetings, the debate revolved around whether Marx had been correct, in his analysis of the simple value form, to abstract from the existence of the commodity owner and his desire for a particular use

20 Inwood 1992, p. 29.

21 The Japanese language has two separate terms to indicate the two aspects of abstraction: *shashō* (to set aside or abstract from) and *chūshō* (to extract the element to be examined or essential concept).

22 Published in its entirety as Part I of this book.

value. For Uno, it is premature to abstract from the owner at that stage. The outcome, he argued, is that Marx ends up overlooking the factor determining which commodity is in the equivalent form. Uno objected to other uses of abstraction in *Capital*, such as abstracting from use value at the very outset in the analysis of value and setting aside concrete labour to clarify abstract human labour. Uno thought that such abstraction can only be carried out properly by taking into consideration other real processes that Marx had yet to clarify. Marx's error, in other words, was that he overlooked those processes in favor of merely carrying out abstraction within his own mind. This notion was not fully elaborated by Uno at the time, so it is difficult to summarise his views, but the following comments he made at the study meetings reflect his general views on abstraction:

Abstraction from use value takes place in the course of the process of the development of the value form.²³

The overall process from the development of the value form and appearance of money up to the transformation of that money into capital should be understood as the process of the abstraction from use value.²⁴

The basis for clarifying the two-fold nature of labour also emerges in the course of the process from the appearance of money to the appearance of capital.²⁵

Uno's view seems to have been that since abstraction is not a mere cognitive act, it must be based on, or take into account, processes that unfold separately from the human mind; processes he describes as an 'historical development that we grasp theoretically'.²⁶ Uno even seemed to suggest that abstraction itself unfolds *through* such processes. He claimed, for instance, that abstraction from use value (and from the commodity owner's desire for a specific use value) takes place through the appearance of money, which is no longer desired for its specific use value.

In responding to Uno's criticism of Marx at the meetings, Kuruma began by pointing out the string of problems that would have ensued had Marx not abstracted from use value at the beginning of *Capital*. Kuruma noted that if

23 Sakisaka and Uno 1948, p. 93.

24 Sakisaka and Uno 1948, p. 89.

25 Sakisaka and Uno 1948, p. 93.

26 Sakisaka and Uno 1948, p. 89.

Marx's analysis of the commodity had not proceeded up to the clarification of the substance of value, he would have been unable to clarify the 'twofold character of labour; this would have made it impossible for him to elucidate the value form, which in turn would have left the issue of the necessity of money unclear'.²⁷ With these problems in mind, Kuruma insisted that Uno's critique of Marx's use of abstraction to analyse the commodity amounted to a rejection of his 'fundamental thinking regarding the method of his critique of political economy'.²⁸

On a more essential level, Kuruma dissected Uno's confused understanding of abstraction at the basis of his criticism of Marx. Countering Uno's view that Marx was wrong to abstract only within his own mind (thereby overlooking real, objective processes), Kuruma emphasised that abstraction is *necessarily* a cognitive act, noting that 'to analyse something is, in the first place, precisely the act of abstraction within human thought, so there is no question that the discovery of abstract labour, or of the concept of abstract labour, is the outcome of mental abstraction in the analysis of the commodity and is the product of the workings of the human mind'.²⁹ There is a crucial distinction between this cognitive act of abstraction that uncovers an abstract concept, and the process through which an abstract concept as an objective entity comes to acquire its abstract character. The latter process clearly unfolds separately from human cognition, so it would be a terrible mistake, Kuruma insisted, to confuse that process with the cognitive process of abstraction.

The point Kuruma was making may be easier to grasp by looking at a specific example, such as the concept of 'abstract human labour' or 'human labour in general'. There is no question that it is the human mind that uncovers this concept. This is inherently a cognitive act. Yet for the human mind to discover the concept of abstract labour, it was necessary for labour to have developed historically to a certain point. Kuruma points out in his book *History of Political Economy* that 'abstraction, generally speaking, will only be carried out once a given thing has developed and differentiated itself so as to exist as a rich totality with manifold aspects' – just as 'abstraction will obviously not be carried out when a thing only exists in a single form'.³⁰ The process of development, which is closely related to the ability to abstract a concept, obviously unfolds separately from the human mind. Thus, there is a close relation – as well as

27 Sakisaka and Uno 1948, p. 91.

28 Ibid.

29 Sakisaka and Uno 1948, p. 96.

30 Kuruma 1954, p. 16.

an important distinction – between the process of real development and the cognitive process of abstraction.

It was not until human labour had ‘developed and differentiated itself so as to exist as a rich totality with manifold aspects’ that the concept of human labour in general, as opposed to labour in its concrete manifestations, could be understood (starting with Adam Smith). This development of labour was closely connected to the expansion of capitalism, which was accompanied by the development of the social division of labour and the increasing mobility of labour between spheres of production, generating an ‘indifference towards the specific type of labour’.³¹ Without the benefit of the historical development of capitalism and the clearer perspective it provided, even a mind as acute as Smith’s would not have been able to arrive at the concept of human labour in general.³² This close relation between objective processes of development and the cognitive process of abstraction does not mean, however, that the importance of the latter should be downplayed or that its role should be dissolved within the former. Uno’s error, according to Kuruma, was to have confused the mental act of abstraction with the processes that unfold separately from the human mind and contribute to our ability to unearth or understand an abstract concept.³³

31 Kuruma 1954, p. 17.

32 Marx mentions the interesting case of Aristotle, who came remarkably close to a labour theory of value in noting that the equation ‘5 beds = 1 house’ must contain ‘some quality common to both sides’, but ultimately could not arrive at the answer because of the ‘historical limitation inherent in the society in which he lived’ (Marx 1976a, pp. 151–2).

33 The connection Uno draws between real, historical processes and abstract concepts seems related to his subsequent theory of ‘pure capitalism’, modelled on elements of laissez-faire British capitalism. Uno argued that during a historical period that roughly spanned from the seventeenth to the mid-nineteenth century there was a historical tendency towards a purer form of capitalism, but that this trend was reversed with the emergence of the stage of finance capital and imperialism. The topic of Uno’s model of pure capitalism and its position within his three-staged analytical method is too complex to adequately address here, but it seems worth noting that there is an enormous difference between Uno’s abstract model of pure capitalism derived from real historical tendencies and Marx’s analysis of real capitalism using abstraction as a cognitive tool to pose specific theoretical questions in a pure form.

Marx's Method of Inquiry

Marx used abstraction as his analytical tool, but arriving at abstract concepts was certainly not a goal in itself. His obvious aim, rather, was to gain an understanding of capitalism in its complexity and concrete reality, as one historical mode of production. The link between Marx's abstract concepts and concrete phenomena is a matter that concerns his 'methodology'. Samezō Kuruma had a keen interest in Marx's method, dedicating two volumes of his *Marx-Lexikon zur Politischen Ökonomie*³⁴ to that topic. Yet Kuruma had little interest in purely philosophical discussions of method that overlook how Marx actually applied his method to analyse capitalism.

Kuruma resisted the tendency among some in Japan to discuss Marx's method from a Hegelian perspective, where an aim was to identify points of direct correspondence between *Capital* and Hegel's *Science of Logic*. Although Kuruma clearly recognised Marx's enormous intellectual debt to Hegel, and agreed that 'familiarising ourselves with Hegel is obviously quite beneficial to understanding Marx', he also stressed that 'Marx incorporated Hegel's ideas on the basis of a fundamental criticism',³⁵ rather than swallowing those ideas whole. Instead of viewing Marx's method through the prism of Hegelian thought, Kuruma emphasised that 'the surest way to become familiar with Marx's method is to straightforwardly and carefully read *Capital*', where 'his method is rendered concrete'.³⁶ Marx would certainly have agreed, since he segregated most of his methodological observations to the prefaces or afterwords to *Capital* and other works, rather than integrating them into the main text. Still, the fact that Marx included such remarks at all, and positioned them as guiding threads for the reader, suggests that a basic grasp of his methodology can mitigate the 'difficult beginning' of *Capital*.

The prefatory remark by Marx most often quoted to sketch his method is his introduction to the *Grundrisse*. There Marx writes that political economy, in its investigation of capitalism, starts from the 'real and the concrete' (e.g., the 'population' of a country) but it soon becomes clear that this concrete reality is actually the 'concentration of many determinations, hence the unity of the diverse'. Therefore, until we are able to grasp the essential determination of that concrete reality, we will only have a 'chaotic conception' [*Vorstellung*] of the whole. Marx describes the *descending journey* that moves 'analytically towards

34 See the footnote at the beginning of Part II of this book for a brief explanation of the 15-volume *Marx-Lexikon zur Politischen Ökonomie* edited by Kuruma.

35 Kuruma 1969, p. 1.

36 Ibid.

ever more simple concepts [*Begriff*], from the imagined concrete towards ever thinner abstractions until [we arrive] at the simplest determinations'. Once the essential determinations have been elucidated, political economy must then 'retrace' that path, taking the *ascending journey* back to the level of the real and the concrete, now understood not as chaos but as a 'rich totality of many determinations and relations'.³⁷

In interpreting these remarks, Kuruma was careful to emphasise the larger context of Marx's comments. He notes that Marx is sketching the historical development of political economy towards becoming a science. For instance, Marx clearly points out that the descent 'from the imagined concrete towards ever thinner abstractions' is the 'path historically followed by economics at the time of its origins'. 'The economists of the seventeenth century', Marx writes, 'always begin with the living whole, with population, nation, state, several states, etc.; but they always conclude by discovering through analysis a small number of determinant, abstract, general relations such as division of labour, money, value, etc'.³⁸ It is only once 'these individual moments had been more or less firmly established and abstracted' that there 'began the economic systems, which ascended from the simple relations, such as labour, division of labour, need, exchange value, to reach the level of the state, exchange between nations and the world market'.³⁹

What Marx emphasises in his introduction is the 'ascending journey' of political economy towards becoming a *system* of thought, describing the journey as 'obviously the scientifically [*Wissenschaftlich*] correct method'. In short, political economy only first approaches the level of science when economists begin to erect economic *systems* upon the basis of the abstract concepts and determinations that had been elucidated. Kuruma is quick to note, however, that Marx is not suggesting that the descent towards the essential determinations is somehow unscientific. The analytical descent is the indispensable premise for the subsequent ascent towards a systematic understanding of capitalist society. Marx's point is simply that the ascending journey is 'scientifically correct' in the sense that the various pieces of knowledge (*Wissen*) regarding economic forms and concepts are organised into a system of knowledge, thus rising to the level of science (*Wissenschaft*).⁴⁰

37 Marx 1973, p. 100.

38 Marx 1973, p. 100.

39 Marx 1973, pp. 100–1.

40 Kuruma pointed to the following two passages by Hegel to illustrate the close relation between 'scientific' and 'systematic':

Clearly, then, Marx was not unique in making the descent towards 'thinner abstractions', nor was he the first to erect a system of thought upon that basis. The Classical economists Smith and Ricardo (as well as the earlier Physiocrats, led by Quesnay) had all gradually moved towards simpler and more essential economic concepts in their analyses, and attempted to erect systems of thought to encompass capitalism as a system. This scientific approach set them apart from earlier thinkers who had been more engrossed in specific problems in relation to economic policy.

As for what specifically characterises Marx's method, Kuruma thought that the following passage from the afterword to *Capital* provides a more useful clue than the introduction to the *Grundrisse*:

Of course the method of presentation must differ in form from that of inquiry. The latter has to appropriate the material in detail, to analyse its different forms of development, to trace out their inner connection. Only after this work is done, can the actual movement be adequately described. If this is done successfully, if the life of the subject matter is ideally reflected as in a mirror, then it may appear as if we had before us a mere *a priori* construction.⁴¹

Setting aside the method of presentation for the moment, we can see from this brief passage that Marx stresses the need for the process of inquiry 'to appropriate the material in detail, to analyse its different forms of development, [and] to trace out their inner connection'. That is precisely what the Classical economists did not accomplish. Although Smith and Ricardo progressed towards essential determinations of economic forms, they failed to adequately

'The systematic development of truth in scientific form can alone be the true shape in which truth exists. To help to bring philosophy nearer to the form of science – that goal where it can lay aside the name of *love* of knowledge and be actual knowledge – that is what I have set before me. The inner necessity that knowledge should be science lies in its very nature; and the adequate and sufficient explanation for this lies simply and solely in the systematic exposition of philosophy itself' (Hegel 1977, p. 3).

'A philosophising without system cannot be scientific at all; apart from the fact that philosophising of this kind expresses on its own account a more subjective disposition, it is contingent with regard to its content. A content has its justification only as a moment of the whole, outside of which it is only an unfounded presupposition or a subjective certainty' (Hegel 1991, p. 39).

41 Marx 1976a, p. 102.

grasp the connections between the forms or clarify their development. Both Smith and Ricardo found it difficult to identify the mediating points between abstract concepts and concrete reality. Instead, they tended to mechanically apply abstract concepts to directly explain economic phenomena.

The inadequacy of the method of Smith and Ricardo, particularly the lack of development in their thought, is reflected in the presentation of their ideas. Marx describes the 'faulty architectonics' of Ricardo's *Principles of Political Economy*, where the 'entire Ricardian contribution is contained in the first two chapters'. In those initial chapters Ricardo provides 'great theoretical satisfaction', Marx says, by presenting 'the whole bourgeois system of economy as subject to one fundamental law, and extract[ing] the quintessence out of the divergence and diversity of the various phenomena'. Yet there is no subsequent development. Ricardo merely regards the 'phenomenal form as the immediate or direct proof or exposition of the general laws';⁴² and in a mechanical fashion he directly applies the concept of value in his attempt to explain actual commodity prices.

Marx contrasts the static presentation in the works of Classical economists with a presentation based upon a successful method of inquiry, where the 'life of the subject matter is ideally reflected as in a mirror' so that 'it may appear as if we had before us a mere *a priori* construction'. This is what Marx succeeds in doing; reconstructing within his own mind the capitalist mode of production in its complexity. Those unaware of his method of inquiry might mistake the theoretical edifice presented in *Capital* for a castle of the imagination, but the seemingly *a priori* presentation reflects the success of his inquiry, which not only descended to the simplest determinations, but also appropriated the material in detail, analysed its different forms of development, and traced out their inner connection, so as to arrive at a systematic (scientific) understanding of capitalism as a concrete whole.

One might draw too clear a line between investigation and presentation, or between the 'descending' and 'ascending' journeys, however. Certainly, Marx descends towards the simplest determinations by means of abstraction, starting from concrete reality. But it would be simplistic to view the analytical process as a single, sweeping journey downward. Rather, in analysing particular economic forms, Marx not only descends from the phenomenal to the essential, but also returns to the 'surface' to reexamine phenomena based on the essential concepts acquired. For instance, Marx starts from the money form and descends to the essential concept of value, then moves back to analyse the

42 Marx 1989a, p. 394.

form of value itself. In this way, the overall analytical descent or investigation includes various descending and ascending analyses of economic forms.

One comparison that might make it easier to visualise Marx's methodological approach is offered by Teinosuke Ōtani (Kuruma's colleague and interlocutor in Part II of this book) in his book *A Guide to Marxian Political Economy: What Kind of a Social System Is Capitalism*.⁴³ Ōtani compares the investigation of capitalism to the process of examining a mechanical clock. If our aim is to understand the internal mechanism of a clock, we need to go beyond the surface level of simply observing the movement of the minute and second hands. The obvious approach is to dismantle the clock to examine its parts. But merely removing the parts is not enough. In the dismantling process, we would also need to examine each part and consider how it fits back together with adjacent parts. Thus, the overall downward process of disassembly naturally involves such upward movements where certain parts are reassembled. It is only by carefully dismantling the parts and examining their connections that we would be able to understand the clock's internal mechanism, and then, on that basis, be able to reassemble the clock or explain its operations to someone else.

Similarly, in Marx's investigation of capitalism, there is a general downward process of analysis, where he starts from the reality of capitalism as it presents itself phenomenally and then abstracts from that level to examine the various determinations or 'parts' that make up concrete reality. That general analytical descent towards simpler and simpler concepts also involves moves back towards the surface reality in order to grasp each economic form and their interrelations. Through his process of analysing economic forms, and sorting out the relations and determinations among them, Marx gradually deepened his understanding of capitalism in its concrete totality until he felt ready to present this knowledge in such a way that the 'life of the subject matter' would be 'ideally reflected as in a mirror'. He systematically took capitalism apart to understand what makes it tick and then taught us how the pieces fit together and function.

43 Ōtani 2017.

A Close Reading of Marx

Samezō Kuruma made no claim to originality for his explanation of the beginning of *Capital*. He insisted he was merely paying close attention to what Marx actually wrote. Yet through his close reading, Kuruma arrived at an understanding of the theory of the commodity and money that was quite different from that of many of his Marxian colleagues, most notably Kōzō Uno. Kuruma and Uno were a study in contrasts – the one a patient student of Marx who was often reluctant to publish his own views, the other a prolific author who aimed for the ‘overhauling and complete restatement of *Capital* as a theory of pure capitalism’.⁴⁴

Perhaps unsurprisingly, Uno was the one who ended up exerting the far greater influence in Japan. By the 1960s, he had become something of a guru among ‘new left’ activists and attracted a large following within academia that came to be known as the ‘Uno School’. And this influence extended beyond Japan due in large part to the English writings of such Japanese scholars as Tomohiko (‘Thomas’) Sekine and Makoto Itoh. Books and articles by these scholars convey an impression of Uno as a creative, original thinker who went ‘beyond Marx’, leaving his plodding, dogmatic opponents choking on the dust. Or at least that is the image Sekine presents in the introduction to his English translation of Uno’s *Principles of Political Economy*, where he writes: ‘By the end of the 1950s Uno had won all arguments, amply demonstrating the impregnability of his theoretical position’.⁴⁵

I will have to leave it to the reader of *Marx’s Theory of the Genesis of Money* to weigh the validity of that claim (at least with regard to Uno’s understanding of the value form). Kuruma at times did find Uno’s theories imponderable, as he struggled to make sense of their logic, but certainly not impregnable. Kuruma was convinced that Uno had completely missed the point with regard to Marx’s theory of the value form, and in so doing revealed a very peculiar understanding of the meaning of abstraction. But the arguments showing how Uno misinterpreted Marx have not impressed Unoist scholars. Indeed, Sekine, in his introduction, dismisses the charges against Uno ‘of a new revisionism or of a textual misinterpretation’ as examples of ‘futile pseudo-criticisms’. He lays out his reasons – and the rules of engagement for a would-be critic of Uno – as follows:

44 Uno 1980, p. xxvi.

45 Uno 1980, p. xv.

In this book [*Principles of Political Economy*] Uno tries to go beyond the ideological elements of Marxism from which he intends to be free. He can, therefore, be criticised only if he himself fails to separate economic theory from ideology as he promises, and certainly not the opposite case. Neither can he be criticised for not offering a textually faithful account of *Capital*, since Uno does not intend to do so. He states quite explicitly that his aim is not to reproduce Marx's theory as it is written but rather to change it freely in a manner that makes more sense to him. He can, therefore, be blamed only if he contradicts himself, not if he contradicts Marx.⁴⁶

Kuruma violated these rules, it seems, by exposing how 'unfaithfully' Uno understood Marx's analysis of the value form. What bothered Kuruma about Uno's view, however, was not that it was different from Marx's, but that it was simply *wrong*. It was not loyalty to Marx that motivated Kuruma, but to what he considered to be the truth. And it would have been impossible for Kuruma to criticise Uno without dealing with his interpretation of Marx, which was the starting point for his own ideas. Even though Uno's aim was not to offer a 'textually faithful account of *Capital*', the alterations he makes to that work are premised on the belief that he had fully grasped its content – and found it lacking.

In any case, Kuruma did not defend Marx against Uno as a goal in itself, nor did he judge Uno on the sole basis of whether he 'contradicts Marx' or not. Rather, his aim – as that of Marx or Uno – was to arrive at a clearer understanding of capitalism. Kuruma was convinced that, compared to Uno, Marx held the higher, more 'impregnable' ground. And Kuruma details various ways that Marx 'makes more sense to him' than Uno does. It is hardly a 'pseudo-criticism' for Kuruma to explain in detail why Uno's understanding of the commodity was a step backward from Marx, not a step beyond.

Uno's reaction to *Capital* and effort to 'make more sense' of it is perfectly understandable, however, especially in light of the difficult beginning of that work. He was hardly the first reader to imagine that Marx might have benefitted from reorganising his presentation. If anything, this is the normal reaction to *Capital*, particularly to the abstract analysis of the commodity. But Uno should have paid closer attention to what Marx actually wrote, Kuruma argued, before taking it upon himself to rearrange the content of *Capital*. There is no shortcut around – or beyond – the difficult analysis of the commodity: we have no

46 Uno 1980, pp. xvi–xvii.

choice but to grapple with the four theories presented in the first two chapters. What Kuruma offers in *Marx's Theory of the Genesis of Money* is not a simplified restatement of *Capital*, but rather a close reading designed to help the reader understand how Marx's theories fit together. Gaining this understanding is the crucial first step towards a deeper understanding of capitalism.

PART 1

*Theory of the Value Form and
Theory of the Exchange Process*



Preface

This is a collection of four articles published in the Hosei University journal *Keizai shirin* (The Hosei Economic Review) as a series titled 'Theory of the Value Form and Theory of the Exchange Process'. The first article appeared in Vol. 18, No. 1 (January 1950), the second in Vol. 18, No. 3 (July 1950), and the third in Vol. 19, No. 1 (January 1951). I had planned to write a fourth article, but suddenly fell ill in the spring of 1951. Although I recovered within a few months, it seemed too much of a chore to complete that article so it remained unfinished for a long time, although still in the back of my mind.

The first three articles had dealt with each of the three main objections Kōzō Uno raised against the view held by me and others that it was natural for Marx to abstract from the role played by the want of the commodity owner in the theory of the value form (unlike the case in the theory of the exchange process). My intention for the fourth article was to advance my own ideas on the difference and relation between the theory of the value form and the theory of the exchange process. My basic view on the relation between the two theories had already been formed some time earlier, so it was just a matter of how to express it effectively in writing. It was a view I had discussed with colleagues on a number of occasions and also presented at a symposium of the Japanese Society for the History of Economic Thought, held in 1954 at Yokohama University. So I felt that even if I did not go to the trouble of presenting my ideas someone else would eventually pursue the same topic.

I did end up tackling the issue again, however, in the autumn of 1955, when the editors of the journal *Hosei* asked me to contribute to a symposium they were planning. Unlike the earlier symposium at Yokohama University, where I had not been able to fully express myself given the limited time available, this time I was to be allotted three hours and a stenographer to record my remarks. I hoped to take advantage of the opportunity to complete the article that had remained unfinished for so long. After my presentation, in the summer of 1956, I revised the transcript of the talk, which was necessary in part because I had not relied on notes, and this revised version was published in *Keizai shirin* (Vol. 24, No. 4) in October 1956, as the fourth article in my series.

Because the fourth article was based on a separate presentation, its content overlaps somewhat with that of the previous three articles. Despite its different style, which could seem out of place compared to the other articles, the fourth article has a systematic structure that may make it easier to understand than if it had been rewritten entirely as a new article. Here I have reversed the original order of the articles, with the fourth article positioned as Part I and the three

earlier articles as Part II. One reason for reversing the order is that in each of the first three articles I began by presenting the ideas of Kōzō Uno before responding to his criticism; whereas it seems more appropriate to begin this book with a presentation of my own views before addressing Uno's criticism.

In editing the book, some revisions and additions have been made to the earlier articles (along with 'technical' revisions such as correcting typographical errors, altering inappropriate expressions, and incorporating footnoted material into the main body), but none of the changes alters the gist of the matter, as they mainly involved adding passages from Marx's writings to elaborate a particular point or provide a point of reference.

17 February 1957

Theory of the Value Form and Theory of the Exchange Process

A quick look at Part I of *Capital* reveals that Chapter One is divided into four sections: 'The Two Factors of the Commodity: Use Value and Value (Substance of Value, Magnitude of Value)'; 'The Twofold Character of the Labour Represented in Commodities'; 'The Value Form, or Exchange Value'; and 'The Fetish Character of the Commodity and its Secret'. This is followed by Chapter Two and Chapter Three – 'The Exchange Process' and 'Money, or the Circulation of Commodities'. In looking at this structure, a number of questions arise.

One point to consider is that the term 'money' only first appears in a heading in Chapter Three, where Marx presents his theory of money, but even prior to that chapter money is analysed. The term is first discussed in the theory of the value form, appears again in the theory of fetish character of the commodity, and is dealt with a third time in the theory of the exchange process. What is the exact relation between those three analyses of money and the theory of money presented in Chapter Three? I think this is the sort of question that naturally arises. It may seem obvious that the fundamental theory of money is presented in Chapter Three, whereas Marx's earlier analyses are an introduction of some sort to that theory, but we still need to clarify the essential distinction between the two.

Second, assuming that the analyses of money prior to Chapter Three are indeed introductory, what is the significance of each of the three theories just mentioned? A sense of frustration would be unavoidable, I think, unless we can answer this question.

A third point is that, of the three theories thought to play an introductory role, the theory of the value form and the theory of fetish character are positioned as sections within Chapter One on the commodity, whereas the theory of the exchange process is positioned as the separate Chapter Two, parallel to the entire theory of the commodity. Moreover, Chapter Two is placed on an equal footing despite being shorter than either of those two sections. This is another point we need to consider.

Such questions seem to naturally confront any reader who has set out to thoroughly understand the structure of Part I – or at least that was so in my own case. In particular, the relation between the theory of the value form and the theory of the exchange process is something that I struggled with for a very

long time, starting shortly after reading *Capital* for the first time about 35 years ago. Both theories seem to revolve around how money is generated, but the manner in which Marx carries out his analysis in each is completely different. Clarifying the essential difference between the two theories is actually quite difficult. Related to the difficulty is the fact that the theory of the value form is positioned as a section within Chapter One on the commodity, whereas the theory of the exchange process constitutes an independent chapter. Considering why this is the case was at the source of questions that I long struggled with.

When I first began studying *Capital* no detailed explanations were available in Japanese. Later I read David Rozenberg's *Shihon-ron chūkai* (*Commentary on Capital*) and Hajime Kawakami's *Shihon-ron nyūmon* (*An Introduction to Capital*) at the time they were published, but neither provided what I felt were convincing arguments regarding the relation between the theory of the value form and theory of the exchange process. After giving the matter considerable thought, I eventually arrived at a view that seemed fundamentally correct. It was around that time, in 1947, that I participated in a series of monthly study meetings on *Capital* sponsored by the journal *Hyōron*. At one of the meetings the question of the difference between the two theories was raised. The person leading that discussion explained the difference in terms of the theory of the exchange process taking into consideration the role played by the commodity owner as a desiring agent (i.e., the role played by the want of the commodity owner), whereas that role was said to have been abstracted from in the theory of the value form. The discussion thus centred on whether it is possible to understand the value form if we abstract from the want of the commodity owner. The majority of the participants, myself included, sided with the view of the presenter, who insisted that it is indeed possible. On the other side stood Kōzō Uno, who steadfastly maintained that the value form cannot be understood if the want of the commodity owner is set aside. In this debate, various points were raised by each side, but neither side backed down. This unresolved disagreement left us with no clear answer regarding the essential difference between the two theories.

A transcript of the study meetings was published in the journal *Hyōron* and later in book form. Carefully reading the transcript helped me to clarify my ideas and arrive at a position that seemed fairly coherent. I presented my ideas in a series of three articles titled, 'Theory of the Value Form and the Theory of Exchange Process', published in the journal *Keizai shirin* from January 1950. I had intended to write a fourth article, but fell ill before it was completed.

Here I want to take up this topic again, drawing on the incomplete fourth article. I should note that the first three articles, which are grouped together in

Part II, respond to the three basic theoretical grounds of Uno's view that the value form cannot be understood if we set aside the want of the commodity owner. My remaining task was to present my own views on the various questions that I noted earlier, particularly the distinction between the theory of the value form and the theory of the exchange process. The three earlier articles, in responding to the theoretical basis of Uno's argument, already naturally touched on the task of the theory of the value form since the issue of whether it is correct to abstract from the want of the commodity owner essentially concerns a methodological question determined according to the fundamental task of that theory. However, it is necessary to touch on the matter further here, as it is crucial to an understanding of the difference between the theory of the value form and the theory of the exchange process.

In the theory of the value form, Marx sets out to unravel the riddle of a commodity's price (i.e., the riddle of the money form), while at the same time untangling the riddle of money. The riddle of the money form concerns the fact that the value of a commodity is generally expressed in the form of a certain quantity of a particular use value: gold. The riddle of money concerns how, in that case, gold's use value, which is the element in opposition to its value, has general validity in its given state as value. Not only had no one prior to Marx solved those riddles, there was not even an awareness of them as such. Marx became the first to thoroughly clarify these problems by raising the theoretical question in *Capital* pertaining to the value form.

Marx perceived, first of all, that the money form is the developed value form. This means that the riddle of the money form is nothing more than an extension of the fundamental riddle of the value form. By tracing the money form to its source, thereby reducing it to its elemental form, which is the simple value form, Marx located the core of the riddle of the money form and of money; namely, the fact that a commodity expresses its own value in the use value of another commodity that it equates to itself, thus making the use value of that other commodity the form of its own value. This is precisely the riddle of the value form, which is the basis of the riddle of the money form and the riddle of money. Without unravelling the first riddle, it is quite impossible to unravel the latter two, whereas those riddles are easily unravelled once the former has been elucidated.

The problem does not appear in such a simple shape, however, if the money form is directly observed. This is because in the money form the values of all commodities are only expressed in one particular commodity, gold, so that the riddle pushed to the forefront concerns the distinctive and mysterious character of gold, based on its privileged position. It is through the examination of the simple value form that we first become aware that the value of a commodity is

expressed in the use value of another commodity equated to it. Thus, the fundamental problem regarding how this is possible comes to be posed in a pure form. Here we have the central question that Marx considers when analysing the simple form of value. This is the reason he does not ponder why the coat, rather than some other commodity, is posited as the equivalent form vis-à-vis the linen.

Granted, it is the action of the linen owner that posits the coat in the equivalent form, and this occurs because the owner wants a coat. But analysing that factor is of no use when seeking to answer the question just posed. In fact, concentrating on that issue hinders the analysis by raising an unrelated question that blurs the essential problem. This point becomes clear if we consider that for the coat to be the value form of the linen it must be equal to it, whereas the owner of the linen desiring the coat assumes the two commodities are different. In short, the former is a relation of equality, the latter a relation of inequality. It is impossible to clarify the *how* of a relation of equality by considering the *why* of positing different things. The question particular to the value form remains even after the role played by the individual want of the commodity owner has been clarified. It is only when we take the value equation created by the commodity owner on the basis of a particular desire as a given that we can pose an independent theoretical question.

Naturally, a problem can only be solved once it has been posed in a pure, independent form. In his theory of the value form, Marx analyses the equation ‘20 yards of linen = 1 coat’ without concerning himself with why the coat, rather than some other commodity, has been posited as the equivalent for the linen. He takes this approach in order to pose the question of how the natural form of one commodity (a coat) becomes the form of value for the linen, so that the value of linen can be expressed in the natural form of a coat. In this way, Marx uncovers the ‘detour’ that underlies the secret of value expression. On the basis of that discovery he became the first to thoroughly unravel the riddle of the money form and the riddle of money.

In addition to that overview of the theoretical task and method of the theory of the value form (also discussed in my analysis of Uno’s three arguments), I want to offer an additional explanation for those who might find the overview too sketchy or difficult to understand, or who might be unfamiliar with the ‘detour’ of value expression explained in detail in my article dealing with Uno’s first argument.

Generally speaking, the value of a commodity is always expressed in the use value of another commodity posited as equal to it. That is to say, value is expressed in the form of a thing. Developed further, we arrive at the money form, which is the price form that is actually visible to us, where the values

of all commodities are expressed as a certain quantity of gold. The values of commodities are all expressed as gold of such-and-such *yen*. The term 'yen' itself was originally the unit name for the weight of a certain amount of gold *qua* money. Under the Coinage Law in Japan, it was the name given to 2 *fun* (.750g) of gold money. In other words, 'yen' (as gold of such-and-such yen) is nothing more than a quantity of gold expressed in a unit of weight solely used for money, replacing the weight units such as *fun* (.375g) or *momme* (3.75g) that were once used in Japan. By means of this quantity of gold, the value of a commodity (its value character and magnitude of value) is actually expressed. Here we have the riddle of money. That is, we see that the value of a commodity is expressed as a thing in a quantity of gold, but we have to figure out what makes that possible.

This is the question that Marx was the first to pose. And he went on to brilliantly solve it. He perceived, first of all, that the expression of value in money ('20 yards of linen = gold of £2' or '20 yards of linen = gold of such-and-such yen') is nothing more than the developed form of the simple value form (20 yards of linen = 1 coat). Thus, the fundamental mystery of value expression can be traced to the simple form of value. By analysing the simple value form, Marx is able to discover the 'detour' that constitutes the fundamental secret of value expression. The detour centres on how, in the case of '20 yards of linen = 1 coat', in order for the linen's value to be expressed in the form of a coat, the coat must be the embodiment of value, which is to say the value body [*Wertkörper*];¹ otherwise, the quantity of the coat as a thing would not be able to express a magnitude of value. Because the coat is equated to the linen, the coat's natural form in its given state becomes something able to express value; it becomes the embodiment of value. The coat thus attains this capability – this economic formal determination – and becomes the bearer of a social production relation. The labour that makes the coat is of course specific concrete labour, not abstract labour. And when the coat is equated to the linen, the tailoring labour that makes the coat is equated to the weaving labour that makes the linen, so that coat-making labour is reduced to the

1 [Kuruma here and elsewhere originally used the term 'value thing' (*kachi-butsu*; *Wertding*) rather than 'value body' (*kachi-tai*; *Wertkörper*); however, in his 1979 conversation with Teinosuke Ōtani, published in Part II of Kuruma's book *Kahei-ron* (*Theory of Money*), he recognised that it 'was an oversight' to use the term 'value thing' in this case to refer to what should be called the 'value body' or 'a thing that counts as a value thing' (Kuruma 1979, pp. 99–100). Although that part of their conversation is not included in Part II of *Marx's Theory of the Genesis of Money*, I have replaced 'value thing' with 'value body' when the term is used inappropriately, in line with Kuruma's comment.]

abstract human labour that both types of labour have in common. Meanwhile, the coat is the embodiment of this abstract human labour. It acquires the formal determination as the value body or embodiment of value. The linen, by positing the coat with that formal determination, becomes able to express its own value in the body of the coat *qua* embodiment of value. Marx believed that it is from this perspective that we are first able to unravel the riddle of value expression.

Here we need to pay special attention to the fact that the linen, in the value expression ‘20 yards of linen = 1 coat’, does not immediately turn itself into the form of value by saying that it is equal to the coat. Rather, the linen posits the coat as the form of value by saying that the coat is equal to itself, so that the natural form of the coat, in that given state, expresses value. The value of linen is thus expressed for the first time (in distinction from its use value) in the natural form of a coat. This is what Marx calls the ‘detour’ of value expression. It is generally thought, and Marx concurred, that the theory of the value form is the most difficult part of *Capital*. When Marx explains the detour of value expression in the first German edition of *Capital*, he describes it as ‘the point where all the difficulties originate which hinder an understanding of the value form’.² Not only is the issue itself quite difficult to understand, there has been a general lack of understanding regarding why it is even necessary to ponder it (despite the various explanations offered by Marx). The fact is, however, that this issue is at the core of the secret of value expression.

Without understanding the detour of value expression, it is impossible to unravel the riddle of the money form and the riddle of money, whereas those riddles can be easily solved once the detour has been properly understood. The riddle of the money form, as noted already, deals with the strangeness of a commodity’s value being generally expressed in the form of a certain quantity of gold. The riddle of money, meanwhile, involves the peculiarity in this case of the natural form of gold (its given bodily form) having general validity as value. This is the problem of the value form posed in *Capital*, and it was by clarifying the detour of value expression that Marx became the first to solve it.

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Next, I want to consider the theory of the exchange process in contrast to the theory of the value form, beginning with a look at the characteristics of Chapter Two compared to the entirety of the analysis of the commodity in Chapter

² Marx 1976b, p. 21.

One. This approach is necessary, I think, in order to grasp why the theory of the exchange process is positioned as an independent chapter, and because it can facilitate our understanding. Marx provided us with clues regarding the role of each of those chapters in passages of *A Contribution to the Critique of Political Economy* and the first German edition of *Capital*. A passage that constitutes what might be called his 'transition definition' appears in each book prior to the analysis of the exchange process.³ In *Contribution*, Marx offers the following clue:

So far, the two aspects of the commodity – use value and exchange value – have been examined, but each time one-sidedly. The commodity as commodity however is the unity of use value and exchange value immediately; and at the same time it is a commodity only in relation to other commodities. The actual relation between commodities is their exchange process.⁴

Marx offers a similar description at the end of his analysis of the commodity in the first German edition of *Capital*, prior to examining the exchange process, where he writes:

The commodity is an immediate unity of use value and exchange value, i.e., of two opposite moments. It is therefore an immediate contradiction. This contradiction must develop itself as soon as the commodity is not, as it has been so far, analytically considered (at one time from the viewpoint of use value and at another from the viewpoint of exchange value), but rather placed as a totality into an actual relation with other commodities. The actual relation of commodities with each other, however, is their exchange process.⁵

These descriptions make it clear that Marx – at least in *Contribution* and the first German edition of *Capital* – felt that the theory of the exchange process differs essentially from the preceding analysis, having a different dimension

3 In *Contribution*, those parts corresponding to Chapter One on the commodity and Chapter Two on the exchange process in *Capital* are all included within Chapter One, without any separating headings. But if we look at the actual content, it is obvious which part in *Contribution* corresponds to the theory of the exchange process in *Capital*.

4 Marx 1987, pp. 282–3.

5 Marx 1976b, p. 40.

of observation.⁶ Prior to the theory of the exchange process, the commodity is only examined analytically (and thus one-dimensionally) – at times solely from the perspective of use value and at other times solely from the perspective of exchange value. That is not the case in the theory of the exchange process, where a variety of commodities, each the unity of use value and value, appear and are able as such to enter into actual relationships with each other. We need to consider this point further given its significance to the problem under consideration.

Few would disagree that the commodity is considered analytically in *Capital* prior to the analysis of the exchange process in both Section One and Section Two, and that the same is true of the corresponding parts in the first German edition or in *Contribution*, which are not divided into those sections. But what about Section Three where Marx analyses the value form? Can that section really be described as analytical? Or is it rather the case that both value and use value play an indispensable role in the expression of value? Such questions seem likely to arise, but from my perspective they are based on a clear misunderstanding.

What is certain to begin with is that the theory of the value form, not surprisingly, centres on the commodity's form of value. Although the commodity is a unity of use value and value, it appears exclusively as value in the case of the value form, which is a form distinct from the commodity's direct existence as a use value. Naturally, therefore, the theory of the value form sets aside the use value of the commodity in the relative value form, whose value expression is under consideration. Certainly, the commodity in its direct appearance has by nature a use value, and then, in addition, comes to have a value form, thereby acquiring the twofold character in which commodities actually manifest themselves. Therefore, the value form of the commodity is at the same time the 'commodity form of the product', which means that the elucidation of the value form of the commodity is simultaneously the elucidation of the commodity form of the product. Yet this does not by any means negate the analytical, one-dimensional nature of the theory of the value form. That theory solely concerns the commodity's form of value, which is the form in which a commodity expresses its value in distinction from its direct existence as a use value. The task for the theory of the value form is to clarify this form of value. Because the form of use value is posited from the outset within the natural form of a commodity, and is therefore premised as such when the value form is considered,

6 The passage just quoted does not appear in the subsequent editions of *Capital*. Later, I will speculate as to why it was removed.

the value form of the commodity is also the commodity form of the product, so that the elucidation of the value form is also the elucidation of the commodity form of the product. In other words, as Marx writes:

The labour product in its natural form brings the form of a use value along with itself into the world. Thus there is only a need for the value form in addition in order for it to possess the commodity form.⁷

The theory of the value form clarifies how a product, in order to appear as a commodity, obtains the form of value in addition to its inherent form as a use value. If use value can be said to play an indispensable role in the value expression of a commodity, it is only the use value of the commodity in the equivalent form, not the commodity in the relative form of value. A commodity's value is clearly expressed in the use value of another commodity that is equivalent to it. Use value, in its given state, thus becomes the form of value. This is precisely the relation that the theory of the value form seeks to clarify; the theory's fundamental task. But that does not negate that the theory of the value form is analytical and one-dimensional.

First of all, the use value of the commodity in the equivalent form is *not* the use value of the commodity whose value expression is at issue, and is therefore not the use value that is the oppositional factor to the value being expressed. In our example, it is the linen's value that is expressed, with the use value of the coat playing a role in that expression of value. Even if it can be said that both value and use value are being considered, it is the value of the linen and the use value of the coat, not two oppositional factors within the *same* commodity. Thus, the commodity is not being analysed as a totality of use value and value. The issue revolves around the expression of the linen's value – exclusively from the perspective of value. The use value of the coat is only manifested as the material for the value expression of the linen. Moreover, as long as the coat is manifested as such, its use value only plays a role as the embodiment of abstract human labour, rather than the natural quality the coat has as a useful article of clothing.⁸

In the theory of the value form, therefore, Marx solely considers the commodity from the perspective of value, setting aside its use value. That is not the case in the theory of the exchange process, where the process of exchange examined is first and foremost a process whereby commodities pass from the

⁷ Marx 1976b, p. 61.

⁸ This is a point I make in my article on Uno's first argument in relation to the question of abstracting from the want of the linen owner.

hands of the person for whom they are not use values into the hands of the person for whom they are. This is the material content of the exchange process, and the process is unthinkable apart from this content. Marx thus describes the exchange process as, first of all, a process for the realisation of the commodity as use value.

It should be noted, however, that ‘realisation of a commodity *as* use value’ is different from ‘realisation *of* use value’. The ‘realisation of use value’ concerns the attribute of being useful in satisfying a certain want by actually putting a thing to use to realise its potential; this realisation takes place within the process of consumption. In contrast, the ‘realisation of a commodity as use value’ pertains to the exchange process. In the latter case, the use value of the commodity is not merely use value as such, but a use value with a certain social determinacy. It is not a use value for the person who possesses it, but rather for another person. The commodity must therefore pass into the hands of that other person, and by so doing it first becomes truly useful as a use value. This is what Marx is referring to by the ‘realisation of a commodity as use value’, which occurs in the exchange process rather than in the consumption process.

However, the exchange process of commodities is not limited to the process of realising a commodity as use value. It must at the same time be a process for realising a commodity as value. Some have failed to understand what ‘realisation *as* value’ means, however, confusing it with ‘realisation *of* value’, thus turning Marx’s theory of the exchange process into a complete muddle. The realisation of value refers to the transformation of the value of a commodity, which had only existed in what might be called a ‘latent’ state, into actual value. In other words, the transformation of value into the shape of objectively valid value: money. This is something that clearly takes place in the process of selling. However, in the theory of the exchange process, where the question centres on the realisation of the commodity as value, money has yet to be formed and the process of exchange has not yet been divided into the processes of sale and purchase. From this point alone, it should be clear that the ‘realisation of a commodity as value’ differs from the ‘realisation of a commodity’s value’. Regarding the former, Marx notes:

He [the commodity owner] desires to realise his commodity, as a value, in any other commodity of equal value that suits him, regardless of whether his own commodity has any use value for the owner of the other commodity or not.⁹

9 Marx 1976a, p. 180.

As is clear from this passage, the realisation of a commodity as value signifies that a commodity counts as something that actually has value, realising its potential as value. As use values, commodities come in an infinite variety, and for this reason they can be exchanged for each other; but as value (the objectification of abstract human labour) commodities are indistinguishable and should be able to be replaced with any other commodity at a given proportion. In order for a commodity owner's product to be useful in that latter way, the owner produces commodities that are not use values for himself. The owner, as the bearer of one part of the social division of labour, engages in the production of a particular commodity. But in order to do so the particular commodity produced must be exchangeable for a variety of commodities that are necessary to satisfy the owner's various wants.

As a simple use value the commodity of a given owner may not be an object desired by the owners of the particular commodities that the owner himself wants, which would mean that exchange could not be carried out and commodity owners would be unable to peacefully engage in the production of their own commodities. This in turn would mean that commodity production itself would not be possible as one mode of the social division of labour. In order for commodity production to exist as a mode of the social division of labour, commodity producers must produce objects that are somehow socially desired. And to the extent that a commodity owner produces a socially desired object, he must at the same time be able to procure other commodities through exchange that are the product of the same amount of labour, regardless of whether his own commodity is an object desired by the owners of the particular commodities he wants or not. This is the original requirement of the commodity as value; which is to say, the requirement of the commodity as the objectification of labour that is indiscriminate, uniform and (in that form) social. And this is a requirement that must be realised in the process of exchange. The requirement of the commodity as value is naturally reflected in the consciousness of the commodity owner. As Marx notes in the passage just quoted, the commodity owner 'desires to realise his commodity, as a value, in any other commodity of equal value that suits him, regardless of whether his own commodity has any use value for the owner of the other commodity or not'.

The exchange process must thus be a process for the realisation of the commodity as use value and at the same time a process for its realisation as value. Yet these two realisations mutually presuppose and mutually exclude each other. Here a problem arises that is particular to the exchange process. The realisation of a commodity as use value occurs when it is handed over to another person, but the handing over of the commodity clearly presupposes the realisation of the commodity as value. At the same time, the realisation

of the commodity as value is premised on its realisation as use value. If the commodity is not a use value for the other person, it is not a value, but the commodity is only first demonstrated to be a use value for the other person when it is handed over as such in the exchange process. This means that the commodity cannot provide itself with validity as value from the outset when it is exchanged. Not only are realisations of a commodity as use value and as value caught in a vicious circle where each is the premise of the other, they are also in a contradictory relationship of mutual exclusion:

They [commodities] can be exchanged as use values only in connection with particular wants. They are, however, exchangeable only as equivalents, and they are equivalents only as equal quantities of materialised labour time, when their physical properties as use values, and hence the relations of these commodities to specific wants, are entirely disregarded. A commodity functions as an exchange value if it can freely take the place of a definite quantity of any other commodity, irrespective of whether or not it constitutes a use value for the owner of the other commodity. But for the owner of the other commodity it becomes a commodity only in so far as it constitutes a use value for him, and for the owner in whose hands it is it becomes an exchange value only in so far as it is a commodity for the other owner. One and the same relation must therefore be simultaneously a relation of essentially equal commodities which differ only in magnitude, i.e., a relation which expresses their equality as materialisations of universal labour time, and at the same time it must be their relation as qualitatively different things, as distinct use values for distinct wants, in short a relation which differentiates them as actual use values. But equality and inequality thus posited are mutually exclusive. The result is not simply a vicious circle of problems, where the solution of one problem presupposes the solution of the other, but a whole complex of contradictory premises, since the fulfillment of one condition depends directly upon the fulfillment of its opposite.¹⁰

The contradiction specific to the exchange process is manifested also as the collision between the various original wants of the commodity owner. There is the want of the commodity owner to realise his commodity as value, which is the need to exchange it for a commodity of the same value regardless of whether his own product is a use value for the owner of that commodity or

10 Marx 1987a, pp. 284–5.

not. At the same time, if the commodity owner is unable to exchange his own commodity for the particular commodity whose use value he desires, he would be unable to hand over his own commodity. In other words, the owner wants his own commodity to count as value, but the other person might not recognise it as such. This situation is not limited to the owner of a particular commodity: every commodity owner is in this same position. As long as this is the case, exchange comes to a standstill, making it impossible to generally carry out commodity production.

This contradiction must somehow be mediated in order for commodity production to generally exist. What mediates it, of course, is money. With the appearance of money, exchange is carried out via the two processes of sale and purchase. The commodity owner no longer has to immediately seek to exchange his own commodity for the other commodities he wants. Instead, he can first exchange his commodity for money. This is the sale. In this process the commodity owner, instead of immediately seeking for his commodity to count as use value, first hands it over as a use value to transform it into money. By so doing, the labour expended on the production of the commodity is demonstrated to be socially useful labour. The commodity thus becomes money, the socially current form of value accepted throughout the commodity world. In this way, the commodity owner is able in the subsequent purchasing process to make this money count as value, exchanging it for the other commodity (or commodities) he wants. This is possible because his own commodity has become money, whereas that was not the case prior to the appearance of money.

Suppose that the owner's commodity is linen, which he wants to exchange for a Bible. It would be very fortunate if there happened to be an owner of a Bible who is willing to exchange it for linen. But if the person who wants linen is, rather, the owner of wheat, whereas the Bible's owner craves a bottle of whiskey, exchange could not be carried out. In this case, the owner of the linen has produced a commodity that is desired by the owner of wheat, which means that it is socially desired and that the labour objectified in the linen, constituting its value, is a certain quantity of human labour expended in a socially useful form. And yet, if the linen cannot be exchanged for the commodity its owner seeks (a Bible in this case), the linen cannot be realised as value. This contradiction is only mediated, as already noted, with the appearance of money.

The exchange process, as a particular object of study, is the place where the contradiction of the commodity as the immediate unity of use value and value unfolds, and therefore the place where the genesis of money becomes necessary to mediate the contradiction. This is why Marx posits the theory of the exchange process as an independent chapter in *Capital*, placing it on the

same level as Chapter One. Yet some have argued that the contradiction of the exchange process is merely the externalisation of the inherent contradiction at the stage of the value form between the commodity's use value and value, so that the contradiction does not first appear in the analysis of the exchange process. It seems to me, though, that this view adheres to identity at the expense of distinction. Certainly, the analysis of the commodity is carried out through the analysis of the form in which the product appears as a commodity, but as long as the analysis of the form itself is at issue, the commodity is not yet in a process of motion. We are not yet dealing, at that stage, with the process whereby the commodity as use value passes into the hands of the commodity owner who wants it, nor are we considering the process whereby the commodity as value is actually transformed into another commodity. The realisation of the commodity as use value or as value has yet to be considered; therefore, the contradictory relationship between its realisations as that twofold entity has also not yet been examined. Moreover, the need for money to mediate this contradiction has not yet been raised at that point. The genesis of money is examined in the theory of the value form, certainly, but the question there revolves around *how* money is generated (not 'through what'). In other words, the question centres on how gold, as a particular commodity, becomes the general equivalent, so that its natural form comes to count as value throughout the commodity world; it does not centre on what makes this necessary or through what such a thing is formed. Not only is it possible to draw a distinction between those two issues, it is only by actually setting them apart that we can thoroughly elucidate each as a distinct problem.

Having said that, it would be wrong to suggest that the theory of the value form and the theory of the exchange process are totally distinct from each other. In fact, there is an extremely close organic relationship between them, as I will later consider. But we need to be aware of a significant difference between *Capital* and *Contribution* on this point. In *Capital*, prior to presenting his theory of the exchange process, Marx develops the theory of the value form. Therefore, in the theory of the exchange process, after he has traced the development of the contradiction of the commodity in that process and clarified the necessity for its mediation, he can state that the earlier theory of the value form already clarified what it is that mediates the contradiction. Marx pursues the issue further in *Capital*, after his examination of the relation of mutual presupposition and exclusion between the realisation of the commodity as use value and its realisation as value, by posing the following problem:

Let us take a closer look. The owner of a commodity considers every other commodity as the particular equivalent of his own commodity,

which makes his own commodity the general equivalent for all the others. But since every owner does the same thing, none of the commodities is general equivalent, and the commodities do not possess a general relative form of value in order to equate each other as values and compare the magnitudes of their values. Therefore they do not even confront each other as commodities, but as products or use values.¹¹

Marx is saying that as long as all of the commodity owners want their own commodities to count as value immediately, not only does this requirement confront the contradiction that unfolded at the previous stage, but the formation of the general equivalent to mediate the contradiction also becomes impossible. Thus, taking his argument one step further, Marx writes:

In their dilemma our commodity owners think like Faust: 'In the beginning was the deed'. They have therefore already acted before thinking. The laws of the commodity nature [*Warennatur*] come to fruition in the natural instinct of the commodities' owners. They can only relate their commodities to each other as values, and therefore as commodities, if they place them in a polar relationship with a third commodity that serves as the general equivalent. *We concluded this from our analysis of the commodity.* But only a social deed can turn a specific commodity into the general equivalent. The social action of all other commodities, therefore, excludes one specific commodity, in which all others represent their values. The natural form of this commodity thereby becomes the socially recognised equivalent form. Through the agency of the social process it becomes the specific social function of the excluded commodity to be the general equivalent. It thus becomes – money.¹²

This passage clearly shows both the distinction and relation between the theory of the value form and the theory of the exchange process. When Marx says that the commodity owners 'can only relate their commodities to each other as values, and therefore as commodities, if they place them in a polar relationship with a third commodity that serves as the general equivalent', and that we 'concluded this from our analysis of the commodity', he is clearly referring to the theory of the value form – or more precisely to the examination of the general value form. In *Capital*, as we have seen, prior to the theory of the exchange pro-

11 Marx 1976a, p. 180.

12 Marx 1976a, pp. 180–1.

cess, the theory of the value form is developed. Marx explains how the general equivalent is formed and how the relation between commodities as value (and therefore as commodities) is mediated. Thus, in the theory of the exchange process – where Marx traces the unfolding of the contradiction of the commodity within the exchange process, and reaches the conclusion that ultimately no commodity can count as value nor can commodities come into a relation with each other as such as long as commodity owners immediately seek for their commodities to count as value – he is able to say that the path towards breaking through the deadlock was already made clear in the theory of the value form. Although Marx had made that point clear, it is the joint action (or ‘social deed’) of the commodity world that actually sets apart a particular commodity as general equivalent. This joint action is made necessary by the deadlock of the unmediated exchange process and the contradictions that arise from that process, which necessitate some sort of mediation. The task particular to the theory of the exchange process, along with tracing back the contradictions, is to analyse the necessity of the general equivalent for mediating the exchange process; in other words, to analyse the genesis of money. This task falls outside of the realm of the theory of the value form. Incidentally, in the passage just quoted, Marx, in his characteristic literary style, writes:

In their dilemma our commodity owners think like Faust: ‘In the beginning was the deed’. They have therefore already acted before thinking. The laws of the commodity nature [*Warennatur*] come to fruition in the natural instinct of the commodities’ owners.¹³

Some have suggested that Marx is saying here that the action of the commodity owners solves a problem that is theoretically unsolvable. On the basis of that view a unique explanation regarding the relationship between the theory of the value form and the theory of the exchange process has been offered to criticise Marx’s supposed theoretical bankruptcy. However, if we read a bit more of the passage in question, it becomes clear that Marx is not arguing that an unsolvable theoretical problem has been resolved through praxis. In fact, quite the contrary, Marx is noting that commodity owners act precisely in the manner elucidated by theory:

The laws of the commodity nature [*Warennatur*] come to fruition in the natural instinct of the commodities’ owners. They can only relate their

¹³ Marx 1976a, p. 180.

commodities to each other as values, and therefore as commodities, if they place them in a polar relationship with a third commodity that serves as the general equivalent. We concluded this from our analysis of the commodity.¹⁴

Why, then, does Marx say that the commodity owners are somehow perplexed? Prior to the appearance of money, the contradiction we have looked at must be confronted; but the commodity owners act in accordance with what theory has demarcated. In this way, they generate money, which is indispensable to the meditation of the contradiction. Marx describes the owners as having 'already acted before thinking'. I think this is a wittier way of saying that money, like all other relations of commodity production, is something *spontaneously* generated, not the product of examination or some sort of 'discovery' as bourgeois economists often claim. There would be little point in using any witty turn of phrase if one ends up being misconstrued in the manner that Marx has. If he is to be blamed, it is not for leaving to praxis what his theory could not explain (and thus exposing his own theoretical impotence), but for not anticipating that he might be misconstrued in such a way.

My comments, however, pertain to *Capital*, since the matter is not presented the same way in *Contribution*. In that earlier book, the theory of the value form does not yet exist, either as an independent section or in terms of content – at least not as we find it in *Capital*. The same sorts of forms appear in *Contribution* (the simple, developed, and general value forms) and are developed in the same order, but when Marx analyses the simple value form in *Capital* he poses and elucidates the fundamental question of the value form, whereas no such analysis exists in the earlier book. In *Contribution*, Marx simply writes:

The exchange value of a commodity is not expressed in its own use value. But as materialisation [*Vergegenständlichung*] of universal social labour time, the use value of one commodity is brought into relation with the use values of other commodities. The exchange value of one commodity thus manifests itself in the use values of other commodities.¹⁵

In *Contribution*, crucial matters to be elucidated in the theory of the value form are not dealt with at all, including the oppositional relationship between the relative value form and the equivalent form, the detour of value expression,

14 Ibid.

15 Marx 1987a, p. 279.

and the particularities of the equivalent form. Without solving such fundamental problems, Marx discusses a development of form that is similar to the discussion in *Capital* in appearance only, and then examines what in *Capital* is called the ‘quantitative determinacy of the relative form of value’, followed by an analysis of the exchange process, where – upon sequentially unfolding the contradictions of that process – he poses the ultimate question around which the issue revolves:

It is through the alienation of its use value, that is of its original form of existence, that every commodity has to acquire its corresponding existence as exchange value. The commodity must therefore assume a double existence in the exchange process. On the other hand, its second existence as exchange value itself can only be another commodity, because it is only commodities which confront one another in the exchange process. *How does one represent a particular commodity directly as materialised universal labour time, or – which amounts to the same thing – how does one give the individual labour time materialised in a particular commodity directly a general character?*¹⁶

When the problem concerning the exchange process is ultimately posed by reducing it to the form above, Marx can respond in *Capital* by saying that the solution was already provided in the theory of the value form. That is not possible in *Contribution*, however. In that book something similar to the theory of the value form is developed prior to the analysis of the exchange process, but it does not solve the problem that is posed in the passage quoted above. After posing the problem in *Contribution*, and then introducing a series of equations for the developed value form of linen, Marx offers the following response:

This is a theoretical statement since the commodity is merely regarded as a definite quantity of materialised universal labour time. A particular commodity as a general equivalent is transformed from a pure abstraction into a social result of the exchange process, if one simply reverses the above series of equations.¹⁷

Reversing the equations can be said to have this result because the linen, which had been in the relative form, comes to be posited in the equivalent form. As for

¹⁶ Marx 1987a, pp. 286–7.

¹⁷ Marx 1987a, p. 287.

why this occurs when linen is placed in the equivalent form, that is a problem pertaining to the equivalent form in general, and therefore to the value form in general, preceding not only the reversal of the equation but the developed value form as well. Thus, it is a problem that must be solved in the analysis of the simple form of value. In *Contribution*, however, there is no such examination. There is the passage above, where Marx explains the effect of the reversal of the equation, but that is merely confirmed as a fact, and the theoretical elucidation is far less thorough than in *Capital*.

Further light can be shed on this issue by consulting letters Marx exchanged with Engels after sending him the revised proofs for the first German edition of *Capital* to solicit his opinions. Engels responded to Marx's request in a letter dated 16 June 1867 in which he noted his impressions of the analysis of the value form. In his letter, after saying that divisions and headings should be added, Engels comments:

Compared with your earlier presentation [*Contribution*], the dialectic of the argument has been greatly sharpened, but with regard to the actual exposition there are a number of things I like better in the first version.¹⁸

Marx responded in a 22 June letter:

With regard to the development of the form of value, I have both followed and not followed your advice, thus striking a dialectical attitude in this matter, too. That is to say, (1) I have written an appendix in which I set out the same subject again as simply and as much in the manner of a school textbook as possible, and (2) I have divided each successive proposition into paragraphs etc., each with its own heading, as you advised. In the preface I then tell the 'non-dialectical' reader to skip page x-y and instead read the appendix. It is not only the philistines that I have in mind here, but young people, etc., who are thirsting for knowledge. Anyway, the issue is crucial for the whole book. These gentry, the economists, have hitherto overlooked the extremely simple point that the form 20 yards of linen = 1 coat is but the undeveloped basis of 20 yards of linen = gold of £2, and thus that the simplest form of a commodity, in which its value is not yet expressed as its relation to all other commodities but only as something differentiated from its own natural form, contains the whole secret of the money form and thereby, *in nuce*, of all bourgeois

18 Marx 1987b, p. 382.

forms of the product of labour. In my first presentation [*Contribution*], I avoided the difficulty of the development by providing an actual analysis of the expression of value only when it appears already developed and expressed in money.¹⁹

Marx points out that in his earlier work he did ‘not actually analys[e] the way value is expressed until it appears as its developed form, as expressed in money’. And we have noted that even that analysis of value expression is inadequate. In *Capital*, Marx does thoroughly examine the problem in a pure form, separate from the theory of the exchange process, treating it as an independent problem that intrinsically belongs to the analysis of the commodity (along with the other theories that constitute Chapter One).



I arrived at my interpretation of the relationship between the theory of the value form and the theory of the exchange process, presented above, after a long struggle, and I think that it captures some fundamental points. However, one question noted at the outset remains: Why did Marx remove from the second edition of *Capital* the ‘transition definition’ linking the theory of the value form and the theory of the exchange process that he had included in the first German edition of *Capital* and in *Contribution*? Since this question cannot be answered on a purely theoretical basis, and Marx left us no written hint regarding the answer, I can only offer my conjecture, not a definitive answer.

One possibility is related to the changes Marx made to the theory of the value form. We have already touched on the nature of the theory of the value form in *Contribution*, but in the main text of the first German edition of *Capital* as well the development of the value form comes to an end with the rather peculiar form IV,²⁰ instead of progressing to the money form. In the case of form IV, what can be said of linen is also true of any one of a multitude of commodities. Marx lists a number of equations expressing the developed value form, including commodities such as coffee, tea, etc., in addition to linen. From this he deduces that ‘each of these equations read backwards gives coat, coffee,

19 Marx 1987b, pp. 384–5.

20 [In this English translation I have used roman numerals to indicate the four forms of value in the first German edition of *Capital* and capital letters to refer to the forms that appear in the second edition of *Capital*.]

tea, etc. as general equivalent, therefore the expression of their value in coat, coffee, tea, etc. as the general relative form of value of all other commodities'.²¹ Marx also notes:

The general equivalent form always falls only on one commodity as opposed to all other commodities, but it falls on each commodity as opposed to all other commodities. If therefore each commodity opposes its own natural form to all other commodities as the general equivalent form, all commodities exclude all others from the general equivalent form, and therefore exclude themselves from the socially valid representation of their magnitudes of value.²²

This is Marx's examination in the main body of the first German edition of *Capital* of form IV and the issues directly related to it. At first glance, though, it may seem that he is suggesting that the formation of a general equivalent is not possible. And since the formation of the general equivalent was already explained in form III, it may be difficult to appreciate why such an analysis is necessary. Some have criticised Marx from this perspective, but it seems to me to be founded on a clear misunderstanding. Marx is certainly not arguing that the formation of a general equivalent is impossible. Rather, he is indicating, from a more concrete perspective, the boundary between the earlier theory of the value form and the theory of the exchange process by reflecting on the outcome of the theory of the value form developed up to that point and clarifying the limits of understanding stemming from the abstraction of that earlier perspective.

In the theory of the value form, taking linen as his example, Marx clarifies how that commodity becomes the general equivalent through the process of a development of form. If linen has become the general equivalent, it must be thought to have passed through that process. However, as long as Marx is using the method of demonstrating the genesis of the general equivalent, any other commodity could pass through the same process (not just the linen), and to that extent any commodity could become the general equivalent. At the same time, however, no two commodities can become the general equivalent at the same time. If every single commodity simultaneously were to become the general equivalent and develop into the specific relative value form *qua* general equivalent, then 'all commodities [would] exclude all others from the general

²¹ Marx 1976b, p. 33.

²² Marx 1976b, p. 33.

equivalent form'. In short, the general equivalent must be limited to a specific commodity. Yet for this to occur the operation of another factor, not mentioned in the analysis up to that point, is necessary for the general equivalent to adhere to one specific commodity. What is that factor? This is an issue that does not belong within Marx's analysis of the commodity (which includes the theory of the value form as one of its parts). This, at any rate, is my understanding of the gist of what Marx is saying in the passage quoted from the first German edition of *Capital*.²³

The following passage from the theory of the exchange process, which I quoted earlier concerning the difference and relation between the theory of the value form and the exchange process, corresponds exactly to the passage quoted above:

They [commodity owners] can only relate their commodities to each other as values, and therefore as commodities, if they place them in a polar relationship with a third commodity that serves as the general equivalent. We concluded this from our analysis of the commodity. But only a social deed can turn a specific commodity into the general equivalent. The social action of all other commodities, therefore, excludes one specific commodity, in which all others represent their values. The natural form of this commodity thereby becomes the socially recognised equivalent form. Through the agency of the social process it becomes the specific

23 At that passage, Marx goes on, in addressing the same fundamental point, to write:

'As one sees, the analysis of the commodity yields all essential determinations of the form of value. It yields the form of value itself, in its opposite moments, the general relative form of value, the general equivalent form, finally the never-ending series of simple relative value expressions, which first constitute a transitional phase in the development of the form of value, in order to eventually turn into the specific relative form of value of the general equivalent. However, the analysis of the commodity yielded these forms as forms of the commodity in general, which can therefore be taken on by every commodity – although in a polar manner, so that when commodity A finds itself in one form determination, then commodities B, C, etc. assume the other in it' (Marx 1976b, pp. 33–4).

If it is the case that the discussion of form IV itself and issues related to it are a reflection on form III, and that, in relation to the determination of the general equivalent posited there, the abstract character of the theory of the value form is elucidated and the limitations of such cognition suggested, then I think it could be said that the passage above looks back on the entirety of the value form developed up to that point and more generally clarifies its abstract character, while suggesting the limitations of that level of cognition.

social function of the excluded commodity to be the general equivalent. It thus becomes – money.²⁴

We have already seen that Marx subsequently altered the content of form IV completely, inserting the money form in its place. He also eliminated the description appended to form IV indicating the nature of abstraction in the theory of the value form. I want to consider why Marx made such changes.

It seems likely that the money form was inserted because the value form reaches completion with the money form, and because it is the money form that is actually posited in front of our eyes. It would have thus been insufficient had the value form not advanced up to the money form.²⁵ It also seems likely that Marx removed form IV and the description added to it because he thought that the previous limitations of the theory of the value form had been superseded through the introduction of the money form, rendering invalid the earlier reflection on the abstract character of the theory, because the advance from the general value form to the money form solely concerns the fact that ‘the form of direct and general exchangeability, in other words the general equivalent form, has now by social custom irrevocably become entwined with the specific bodily form of the commodity gold’.²⁶

The same situation may account for why Marx removed the ‘transition definition’ from the second edition of *Capital*. If the advance from the general value form to the money form is simply a matter of the fact that ‘the form of direct and general exchangeability, in other words the general equivalent form, has now by social custom irrevocably become entwined once with the specific bodily form of the commodity gold’ – and if it is true that ‘form D [the money form] does not differ at all from form C [the general value form]

24 Marx 1976a, pp. 180–1.

25 Marx writes in the second edition of *Capital*:

‘Every one knows, if he knows nothing else, that commodities have a value form common to them all which presents a marked contrast to the varied bodily forms of the use values – i.e., their money form. Here, however, a task is set to us, which bourgeois economics never even tried to accomplish; namely, to trace the genesis of this money form, i.e., to pursue the development of the expression of value contained in the value relation of commodities, from its simplest, almost imperceptible shape, to the blinding money form. When this is done, the riddle of money will also disappear at the same time’ (Marx 1976a, p. 139).

As a matter of course, no description of this sort can be found in the first edition of *Capital*.

26 Marx 1976b, p. 69.

except that now, instead of linen, gold has assumed the general equivalent form'²⁷ – then the distinction between the two forms is not a difference in form, but rather concerns the real attributes of the general value form. Hence, the question cannot be posed merely as an analysis of form. It can only be posed for the first time on the premise of the real process that posits a specific commodity with the attribute of being the general value form. This means that the transition definition, which includes the determination of the abstract character of the standpoint in Chapter One, is no longer relevant. It is from this basic perspective that we can deduce why Marx removed the transition definition, or at least I can think of no other convincing explanation.

Still, I do not necessarily think that introducing the money form made it necessary for Marx to remove that passage. Granted, the issue of what specific commodity comes to acquire the attribute of the general equivalent form is quite different from the question of how the general equivalent itself is formed, as the latter can be examined abstractly, whereas the former cannot. For the moment, though, we can set aside the conditions and reasons for the general equivalent form ultimately being affixed to gold²⁸ and instead treat the

27 Marx 1976a, p. 162.

28 In the theory of the exchange process this issue is discussed in the following way:

'In the direct exchange of products, each commodity is a direct means of exchange to its owner, and an equivalent to those who do not possess it, although only in so far as it has use value for them. At this stage, therefore, the articles exchanged do not acquire a value form independent of their own use value, or of the individual wants of the exchangers. The need for this form first develops with the increase in the number and variety of the commodities entering into the process of exchange. The problem and the means for its solution arise simultaneously. Commercial intercourse, in which the owners of commodities exchange and compare their own articles with various other articles, never takes place unless different kinds of commodities belonging to different owners are exchanged for, and equated as values with, one single further kind of commodity. This further commodity, by becoming the equivalent of various other commodities, directly acquires the form of a general or social equivalent, if only within narrow limits. The general equivalent form comes and goes with the momentary social contacts which call it into existence. It is transiently attached to this or that commodity in alternation. But with the development of exchange it fixes itself firmly and exclusively onto particular kinds of commodity, i.e., it crystallises out into the money form. The particular kind of commodity to which it sticks is at first a matter of accident. Nevertheless there are two circumstances which are by and large decisive. The money form comes to be attached either to the most important articles of exchange from outside, which are in fact the primitive and spontaneous forms of manifestation of the exchange value of local products, or to the object of utility which forms the chief element of indigenous alienable wealth, for example cattle ... In the same

adhesion to gold as a fact in order to examine the value form solely from the perspective of form. This is indeed what Marx does in analysing the money form in the theory of the value form.²⁹ Thus, even if the money form is added,

proportion as exchange bursts its local bonds, and the value of commodities accordingly expands more and more into the material embodiment of human labour as such, in that proportion does the money form become transferred to commodities which are by nature fitted to perform the social function of a general equivalent. Those commodities are the precious metals. The truth of the statement that 'although gold and silver are not by nature money, money is by nature gold and silver', is shown by the congruence between the natural properties of gold and silver and the functions of money ... Only a material whose every sample possesses the same uniform quality can be an adequate form of appearance of value, that is a material embodiment of abstract and therefore equal human labour. On the other hand, since the difference between the magnitudes of value is purely quantitative, the money commodity must be capable of purely quantitative differentiation, it must therefore be divisible at will, and it must also be possible to assemble it again from its component parts. Gold and silver possess these properties by nature' (Marx 1976a, pp. 182–4).

29 In carrying out his analysis, Marx notes:

'The specific kind of commodity with whose natural form the equivalent form is socially interwoven now becomes the money commodity, or serves as money. It becomes its specific social function, and consequently its social monopoly, to play the part of universal equivalent within the commodity world. Among the commodities which in form B figure as particular equivalents of the linen, and in form C express in common their relative values in linen, there is one in particular which has historically conquered this advantageous position: gold. If, then, in form C, we replace the linen with gold, we get ...' (Marx 1976a, p. 162).

At that point, Marx shows us form D (money form), featuring an equation with an infinite number of commodities on the left-hand side and gold placed on the right, and then writes:

'Fundamental changes have taken place in the course of the transition from form A to form B, and from form B to form C. As against this, form D differs not at all from form C, except that gold instead of linen has now assumed the general equivalent form. Gold is in form D what linen was in form C: the general equivalent. The advance consists only in that the form of direct and general exchangeability, in other words the general equivalent form, has now by social custom irrevocably become entwined with the specific bodily form of the commodity gold' (Marx 1976a, p. 162). But the money form does not stop at this alone. Immediately following the passage above, Marx adds: 'The simple relative expression of the value of some commodity, such as linen, in the commodity which already functions as the money commodity, such as gold, is the price form. The "price form" of the linen is therefore: 20 yards of linen = 2 ounces of gold, or, if 2 ounces of gold when coined are £2, 20 yards of linen = £2' (Marx 1976a, p. 163).

Marx explains this point in greater detail in his discussion of the function of money as the measure of value in the Section 1 of Chapter 3:

it is not necessarily imperative to eliminate the transition definition. This is my reason for saying earlier that I am not convinced that I have arrived at the definitive answer.



The preceding covers the points I had originally planned to address, as suggested in the title; but there is still the issue noted at the outset regarding the fact that money is dealt with prior to the theory of money proper in Chapter Three – not only in the theory of the value form and the theory of the exchange process but also in the theory of the fetish character in Section Four of Chapter One. Here I want to comment briefly on Section Four, beginning with the question of why the theory of the fetish character is included in Chapter One on the commodity (along with Section Three on the value form), and how Section Four differs from the rest of Chapter One, particularly Section Three.

We have seen that Marx examines the commodity in Chapter One, which naturally involves an analysis of the commodity form in which products appear. He shows that, first of all, the commodity is a twofold entity, with both a use value and an exchange value. After noting this, however, Marx sets aside use value because it does not express any social relation, despite being the

‘The expression of the value of a commodity in gold – x commodity A = y money commodity – is its money form or its price. A single equation, such as 1 ton of iron = 2 ounces of gold, now suffices to express the value of the iron in a socially valid manner. There is no longer any need for this equation to line up together with all other equations that express the value of the other commodities, because the equivalent commodity, gold, already possesses the character of money. The commodities’ general relative value form has thus the same shape as their original relative value form, the simple or individual relative value’ (Marx 1976a, p. 189).

In other words, although it can be said that the money form is inherently the same shape as the general value form, it certainly does not remain at this level. Rather, it is completed upon the general equivalent form adhering to gold, so that it is gold’s ‘specific social function, and consequently its social monopoly, to play the part of universal equivalent within the commodity world’. Thus, the list of commodities on the left side of the equation that characterises the general relative form of value is dissolved to bring about the price form, which has the same appearance as the initial simple value form. This is also the form of commodity value that presents itself to us in reality: the completed appearance of the value form. The discussion of this form is therefore the natural task for the theory of the value form. Not only is it possible, from a purely formal perspective, to discuss the money form separate from the general value form, it is in fact necessary to do so.

'bearer' of social relations of production. Marx's subsequent analysis focuses on exchange value, whose simplest form is: 'x quantity of commodity A = y quantity of commodity B'. Marx advances his analysis of that form by noting that the commodities on either side of the equation have something in common even though they differ as use values. He then elucidates what that thing in common is and what determines its magnitude. This is his inquiry in Section One, 'The Two Factors of the Commodity: Use Value and Value (Substance of Value, Magnitude of Value)'. That first section already clarifies the distinction between the two elements that make up the commodity (use value and value), as well as the abstract character of the labour that forms value. In Section Two ('The Twofold Character of the Labour Represented in Commodities'), Marx then clarifies the twofold character of the labour that produces a commodity, in terms of being an oppositional relationship between the labour that forms use value and the labour that forms value. In this sense, Section Two basically deepens the analysis of Section One. The same equation is again analysed in Section Three, 'The Value Form, or Exchange Value', but from a different perspective. Whereas earlier Marx had examined the equation from the perspective of both commodities having something in common of the same magnitude and then clarified what that common trait is, in Section Three he concentrates on how the commodity on each side of the equation is playing a different role. He analyses the fact that the commodity on the left has its value expressed in the use value of the commodity on the right, and clarifies how the value of a commodity is expressed in the use value of another commodity and how value is ultimately expressed in a certain quantity of the money commodity.

Marx analyses the equation once again in the theory of the fetish character in Section Four, titled 'The Fetish Character of the Commodity and its Secret', but from yet another perspective. Having already pondered *what* is expressed in the equation in Section One and Two, and *how* it is expressed in Section Three, Marx turns his attention in Section Four to the question of *why*:

Political Economy has indeed, however incompletely, analysed value and its magnitude, and has uncovered the content concealed within these forms. But it has never once asked *why* this content takes that form, that is to say, *why* labour is expressed in value, and *why* the measurement of labour by its duration is expressed in the magnitude of the value of the product.³⁰

30 Marx 1976a, p. 174.

Marx is raising a theoretical question not posed before, centring on why the value of a commodity appears in the form of a quantity of another commodity that is equated to it (and ultimately in a quantity of the ‘money commodity’ gold that we encounter as a certain amount of yen) – rather than being directly expressed as a certain quantity of labour time. In relation to money in particular, the theory of the fetish character analyses the *why* of money, whereas the theory of the value form looks at the *how* of money.

The characteristics of the theory of the exchange process in contrast to Section Four should come into clearer view if we recall the difference between the theory of the value form and the theory of the exchange process. Simply put, the investigation in Chapter One concerns the analysis of the commodity. This analysis is naturally carried out by examining the form in which products appear as commodities. However, as long as the problem is approached in this way, the commodity has yet to enter a process of motion. The commodity is not in a process of motion as use value, in terms of passing into the hands of another commodity owner who wants it, nor is it in a process of motion as value, in terms of being actually transformed into the commodity its owner wants. Marx has yet to examine the realisations of the commodity as use value or as value. Therefore, he has yet to analyse the real contradiction that exists between those two realisations; nor has he examined money as the mediator of the contradiction. All of those issues are first raised in the analysis of the exchange process. The genesis of money is discussed in the theory of the value form, but the problem centres on ‘how’ money is generated, not ‘through what’; in other words: *How* does a particular commodity (gold) become the general equivalent so as to count as value in its given natural form? The question does not concern *through what* money is made necessary and generated. Even though I have already basically dealt with these issues, I want to offer some additional explanation here.

Marx analyses the *how* of money in the theory of the value form and the *why* of money in the theory of the fetish character, whereas in the theory of the exchange process he examines the question of *through what*. Near the end of Chapter Two, as the final consideration of money prior to Chapter Three (where he presents the theory of money proper), Marx writes: ‘The difficulty lies, not in comprehending that money is a commodity, but in discovering how, why, and through what [*wie, warum, wodurch*] a commodity is money’.³¹ Marx’s indication of these three difficulties clearly suggests that he managed

31 Marx 1976a, p. 186. [As explained in footnote 16 in the introduction, this translation of ‘... wie, warum, wodurch Ware Geld ist’ is taken from Hans Ehrbar’s ‘Annotations to Karl

to brilliantly overcome them, but no hint is provided as to where this is carried out. My view is that Marx answered the questions of *how*, *why*, and *through what*, respectively, in Section Three, Section Four, and Chapter Two. So the three problems in the sentence are listed in the order that Marx solves them in *Capital*.

Incidentally, Marx does not pose these three problems as a sort of logical schema or in some frivolous manner; they are realistic problems. Without solving each, an adequate understanding of money is not possible. Indeed, earlier political economy slipped into a variety of errors by failing to solve those problems. One must begin with the realistic problem to be solved, then the issue becomes how to solve it, in terms of where and how it should be examined. Therefore, it would be a waste of time, like casting pearls before swine, to present the solution to someone who has yet to grasp the problem. Some have imagined, however, that Marx was frivolously posing those three questions, while others have focused on his comment as the penetration of some sort of Hegelian process of logic. Given the existence of such views, I think we can relish the following observations Marx made in a letter to Engels regarding the ideas of Ferdinand Lassalle:

Heraclitus, the Dark Philosopher, is quoted as saying in an attempt to elucidate the transformation of all things into their opposite: 'Thus gold changeth into all things, and all things change into gold'. Here, Lassalle says, gold means money (*c'est juste*) and money is value. Thus the Ideal, Universality, the One (value), and things, the Real, Particularity, the Many. He makes use of this surprising insight to give, in a lengthy note, an earnest of his discoveries in the science of political economy. Every other word a howler, but set forth with remarkable pretentiousness. It is plain to me from this one note that, in his second grand opus, the fellow intends to expound political economy in the manner of Hegel. He will discover to his cost that it is one thing for a critique to take a science to the point at which it admits of a dialectical presentation, and quite another to apply an abstract, ready-made system of logic to vague presentiments of just such a system.³²

Marx's *Capital* rather than the Penguin edition (Ben Fowkes) translation: '... how, why, and by what means a commodity becomes money'.]

32 Marx 1983a, pp. 260–1.

Finally, I want to touch very simply on the relationship between the three theories in *Capital* examined thus far and Chapter Three ('Money, or the Circulation of Commodities'). Even if it is natural to view Chapter Three as the *fundamental* theory of money, compared to the introductory ideas that preceded it, there is still the question of where to draw the essential distinction between the two. This question falls outside the framework of the present work, but I would like to simply note my view that money only first appears as the *subject* carrying out certain functions in Chapter Three. In contrast, the subject in the first two chapters is not money but the commodity. In those two chapters, money only appears as something necessary that the commodity brings forth to mediate its own contradiction, whereas in Chapter Three the money thus created now appears as the subject carrying out a number of functions. Here I think we have the essential difference, in very simple terms, between Chapter Three and the first two chapters.

Why is the Want of the Commodity Owner Abstracted from in the Theory of the Value Form?

(*A Response to the View of Kōzō Uno*)

What is the relationship in *Capital* between the theory of the value form in Section Three of Chapter One and the theory of the exchange process in Chapter Two? At first sight both seem to demonstrate the necessity of money. So why did Marx go to the trouble of discussing this in two separate places? Or we might pose the question more generally: What is the particular significance of each theory in terms of Marx's descriptive method?

These are questions that anyone who has studied *Capital* to some extent has probably pondered. But understanding the relationship between the two theories seems quite difficult. In my own case, at least, it was an issue I struggled with for a long time. In order to better understand the relationship between the two theories, I read a number of explanations of *Capital*, but all seemed somewhat beside the point, not offering a fully satisfactory answer. Then finally, not so long ago, I arrived at an explanation of my own that seemed reasonable, although from my current perspective even that explanation was somewhat unclear.

My view took on more definite shape as a result of participating in a series of study meetings on *Capital* organised by the journal *Hyōron*, where I had the opportunity to come into contact with a polar opposite view, held by Kōzō Uno. In responding to Uno's arguments, I realised that his perspective was one that I had yet to consider, and this encounter with a new viewpoint helped me to gradually clarify my own thinking. The transcript of the study meetings, published in the pages of *Hyōron*,¹ gives an idea of my basic position at the time. But I did not carefully or systematically express my views, and many points were inadequately discussed at the meetings. My view seemed to come together somewhat as a result of closely rereading the comments Uno made at the meetings and examining the ideas he expressed in his subsequent books *Kachi-ron* (*Theory of Value*) and *Shiho-ron nyūmon* (*Introduction to Capital*). So

1 [The transcript was later published by Kawade Shobō in 1949 as a two-volume book titled *Shihon-ron kenkyū* (*Study of Capital*), and then issued as a single volume in 1958 by Shiseido Shoten under the same title.]

the main aim of these articles, which I completed thanks to the persistence of the *Keizai shirin* editors, is to present my current views on the subject.

When considering the significance of the theory of value form and the theory of the exchange process, it is natural (and I think convenient) to begin by looking at the essential difference between them. One immediately apparent point is that the theory of the exchange process begins with a description of the *commodity owner*. Marx thus posits the fundamental role played by the commodity owner and his desire for a certain thing. Careful readers will notice that this role played by the want of the commodity owner is abstracted from in the theory of the value form. However, the question really begins from that point.

First of all, even though it appears from the passage at the beginning of Chapter Two that the role of the want of the commodity owner is abstracted from in the theory of the value form, we need to determine whether this is in fact true. Also, there is the question of whether it is possible to understand the value form apart from the role played by the owner's want.² And there is the question of why the role played by the commodity owner is abstracted from in the theory of the value form even though a commodity cannot exist in reality without an owner. If these questions are thoroughly elucidated, the significance of each of the two theories will become clear in turn; or at least the effort will provide us with the key to clarifying the issue at hand. Once that has been done, I think that the significance of the theory of value form and the theory of exchange process with regard to an understanding of money should be self-evident.

At the *Hyōron* study meetings, however, the discussion did not develop in that direction. The participants very quickly became deadlocked over the question of whether the analysis of the value form requires abstracting from the commodity owner. Kōzō Uno confidently asserted that the want of the commodity owner should *not* be abstracted from, while I argued to the contrary along with several others. Our side did not manage to convince Uno in the end. Even though there was a discussion (that I participated in slightly) regarding the significance of the theory of the value form and the theory of the exchange process to an understanding of the necessity of money, no consensus emerged among us because the fundamental questions at hand were not adequately understood. Here I want to examine the issue again, beginning with the first

2 Uno said that it is *not* possible to understand the value form apart from the role played by the owner's want, and in insisting on that position he provided those of us on the other side of the debate with material for reflection and a valuable opportunity to better formulate our ideas.

question noted above, even if it overlaps somewhat with points I made earlier at the study meetings.

Uno raised various arguments to support his position that the role played by the want of the commodity owner should not be abstracted from in the theory of the value form, but it seems to me that the following three points are his theoretical pillars.

1. In the simple form of value, the question of why a particular commodity is in the equivalent form cannot be understood without taking into account the want of the owner of the commodity in the relative form of value. In the case of the equation, '20 yards of linen = 1 coat', for example, the coat is in the equivalent form because it is an object that the linen owner wants.
2. Without considering the commodity owner, it is not possible to understand why one commodity is in the relative form of value and another commodity is in the equivalent form, which would mean that it is all the same whether a commodity is in one form as opposed to the other. The demand for the active expression of value is the demand of the commodity owner, and a certain commodity is in the relative form of value because of the existence of that commodity owner. In contrast, since the commodity in the equivalent form is an ideal existence, the owner has yet to appear in reality. A subjective grasp of the value form first becomes possible when we adopt this way of thinking.
3. The essential difference between the general equivalent form and the money form becomes clear when we consider the want of the commodity owner. When the general equivalent becomes money it is no longer limited to the relation where that commodity is desired for its inherent use value and expresses the value of another commodity on that basis. If we set aside this characteristic, there would be no essential distinction between the general equivalent form and the money form.

I aim to criticise each of these three arguments, in that order, but to avoid any misunderstanding that might arise from the fact that the points presented above are my summary of Uno's views rather than a detailed account of his main thesis, and because I do not necessarily employ his exact terminology, the articles that address each of the three points will begin with quotations from Uno's works, followed by my critique of his arguments.

Uno's First Argument

In the simple form of value, the question of why a particular commodity is in the equivalent form cannot be understood without taking into account the want of the owner of the commodity in the relative form. It is thus mistaken to think that the role played by the want of the commodity owner is abstracted from in the theory of the value form.

Uno's first argument against abstracting from the want of the commodity owner was expressed in some of the comments he made at the *Hyōron* study meetings:

It is somewhat understandable why the exchange process and the value form are divided in that particular manner, but I think it is problematic as a method. That is, in the examination of the exchange process, Marx seems to be offering a concrete and historical explanation as a supplement to the previous development of the value form. Although I do not think that the sort of historical process explained in the chapter on the exchange process should be inserted, as is, in the section on the value form, it does seem hard to understand, from a methodological standpoint, how one could think that an explanation corresponding to the content of Chapter Two should not be inserted there. Use value cannot be understood if it becomes abstract use value in general that is set apart from the wants of individuals; and I think it would have been clearer to take the commodity owner into consideration from the beginning of the value form through to the money form. For example, in seeking to express the value of the linen within the relation between the linen and the coat, I think that we can first understand the expression of value using the coat's use value by considering the want of the linen owner for the coat.³

I want to pose the fundamental question. In considering the fact that the linen is in the relative form of value and the coat in the equivalent form, is it really satisfactory to not consider why the linen has taken the coat for its equivalent form, and to not premise the linen owner's desire for the coat? Would this form even be possible apart from that relation?⁴

3 Sakisaka and Uno 1948, p. 142.

4 Sakisaka and Uno 1948, p. 157.

The question is whether it is acceptable, even in the expression of value, to abstract from the commodity owner. For example, the expression '20 yards of linen is worth 1 coat' is not possible without the commodity owner. Is it really satisfactory to abstract that far? The commodity originally appears upon becoming the property of some person.⁵

Of course, in *Capital* the value form and the exchange process are explained separately, and even assuming them separated as such, if we abstract from the owner of linen, to consider linen itself, we will not be able to understand why the linen in the relative form of value brings in the coat to the equivalent form; and if this is abstracted from anything could be in that form, so it would already be the expanded form of value.⁶

Since Uno's ideas were expressed in the course of study meetings, various other issues are intertwined in his remarks and his view is expressed in different ways. So I want to begin by considering the points in common in the passages quoted. For example, after noting that he wants to 'pose the fundamental question', Uno says:

In considering the fact that the linen is in the relative form of value and the coat in the equivalent form, is it really satisfactory to not consider why the linen has taken the coat for its equivalent form, and to not premise the linen owner's desire for the coat? Would this form even be possible apart from that relation?⁷

This view, in itself, is reasonable. I certainly do not claim that the form exists 'apart from this relation'. Still, that is not the essential question, but rather an issue that precedes it. Even if it is obvious that we cannot understand 'why the linen has taken the coat for its equivalent form' without considering the want of the linen owner, we still need to consider whether that issue is relevant to the theory of the value form. My difference of opinion with Uno concerns the latter issue, not the former, so the discussion should centre on the understanding of the latter. It seems best for me to begin by stating my fundamental view on this question.

5 Sakisaka and Uno 1948, p. 159.

6 Sakisaka and Uno 1948, p. 160.

7 Sakisaka and Uno 1948, p. 157.

The aim of the theory of the value form is to clarify the form in which the value of a commodity is manifested. We do this by analysing the value equation: the form in which a commodity's value is manifested in reality. In that analysis the value equation is taken as a given, which is natural considering the scientific method of political economy. The approach of taking the equation as a given and then proceeding to analyse it is not unique to the theory of the value form. Indeed, the same is true for the entirety of the analysis of the commodity in Chapter One. In Section One and Two, however, Marx concentrates on the fact that there must be some quantitatively equal element in common between the two commodities in the equation. Section Three, in contrast, examines how the commodity on the left of the equation and the commodity on the right play different roles. Thus, in the theory of the value form, Marx takes the equation '20 yards of linen = 1 coat' as his premise and through his analysis recognises, from the very structure of the equation, that the linen expresses its own value using the coat, and that the coat serves as the material for the value expression of the linen. The linen is therefore playing an active role, while the coat is passive. With this as his starting point, Marx goes on to reveal the mechanism whereby the value of a commodity is expressed in the use value of another commodity and the necessary development of value expression within that mechanism of value expression.

This is my understanding of the gist of the theory of the value form in *Capital*. In other words, even if we must consider the want of the linen owner to understand why the coat (rather than some other commodity) is in the equivalent form, pondering that issue is not relevant to the theory of the value form. In analysing the value form it is quite sufficient to take a certain equation as a given and clarify the relation of value expression within it. This analysis demonstrates how the commodity on the left of the equation assumes a form separate from its own use value through expressing its value in the use value of the commodity on the right. In short, the task at hand is to analyse and clarify this relationship between the two commodities. Considering any other factor is not only unnecessary but would seriously hinder our ability to pose the question in a pure, answerable form.

I imagine that a number of criticisms could be raised against my basic view sketched above. Some might say, for instance, 'You say the theory of the value form has to take the equation as a given to clarify how the value of the commodity on the left is expressed in the use value of the commodity on the right, and that there is no need to consider why a certain commodity is on the right of the equation (e.g., a coat rather than wheat), but there is no way to understand the relationship in which the value of the commodity on the left (relative value form) is *expressed in the use value* of the commodity

on the right (equivalent form) without considering the want of the owner of the commodity on the left'. According to this criticism, the use value of the commodity in the equivalent form is able to express the value of the commodity in the relative form because it is an object desired by the owner of the relative-form commodity. In other words, the relation of value expression can only be clarified by taking into consideration this other relation. The want of the commodity owner, far from being irrelevant, is said to be at the very essence of the theory of the value form.

Our everyday experience teaches us that the value of a commodity is expressed in the use value of some other commodity. But how, exactly, is this expression of *value* through *use value* possible? Is it because the owner of the commodity in the relative form wants the other commodity? Or is some other explanation needed? Here we have the crux of the issue.

We can begin by making a clear distinction between the question of *why* a specific commodity is positioned in the equivalent form, and the question of *how* the use value of a commodity in the equivalent form is able to express the value of the commodity in the relative form. These are two different questions that must be considered separately. The former concerns the want of the owner of the commodity in the relative value form and can be easily solved by considering that factor. But that is not the case for the latter, which remains to be solved even after we have assumed that a specific commodity is posited in the equivalent form on the basis of the want of the owner of the commodity in the relative value form. The latter question can only be independently posed when we take a particular equation as a given. And the elucidation of that question, in my view, is fundamental to the theory of the value form. This is the reason why, as I noted earlier, Marx takes a particular value equation as a given in the theory of the value form and sets himself the task of analysing it to clarify the expression of value. How do we carry out this task? How should we explain the fact that the value of a commodity is expressed in the use value of some other commodity that is equivalent to it? Marx offers us the following:

In order to decipher how the simple expression of the value of a commodity is embedded in the value relation between two commodities, we must, for now, look at the value relation independently of its quantitative aspect. The usual procedure is the precise opposite of this: one sees in the value relation only the proportion in which definite quantities of two sorts of commodity count as equal to each other. One overlooks that the magnitudes of different things only become comparable in quantitative terms when they have been reduced to the same unit. It is only as expres-

sions of such a common unit that they are of the same denomination, and are therefore commensurable magnitudes ...

But these two qualitatively equated commodities do not play the same role. Only the value of the linen is expressed. And how? By relating itself with the coat as its 'equivalent', or the 'thing exchangeable' for it. In this relation the coat counts as the form of existence of value, as the thing representing value – for only as such is it the same as the linen. On the other hand, it is also revealed here, or obtains an independent expression, that linen itself is value – for only as value can the linen relate itself to the coat as something equivalent with the linen or exchangeable for linen ...

If we say that, as values, commodities are simply congealed masses of human labour, our analysis reduces them to the abstraction 'value', but does not give them a form of value distinct from their natural forms. It is otherwise in the value relation of one commodity to another. The first commodity's value character steps forward here through its own relationship with the second commodity.

For example, through the coat *qua* value thing being equated to the linen, the labour embedded in the coat is equated to the labour embedded in the linen. It is true that the tailoring which makes the coat is concrete labour of a different sort than the weaving which makes the linen. But by being equated to the weaving the tailoring is in fact reduced to what is actually equal between the two kinds of labour, which is the characteristic they have in common as human labour. Through this detour, weaving too, in so far as it weaves value, has nothing to distinguish it from tailoring, and, consequently, is abstract human labour. Only the different sorts of commodities as equivalents makes the specific character of value-creating labour apparent, by in fact reducing the different kinds of labour embedded in the different kinds of commodities to their general quality of being human labour in general.⁸

Here we need to pay particular attention to the fact that, in the value equation '20 yards of linen = 1 coat' (or 20 yards of linen are worth one coat), the linen does not immediately posit itself as equivalent to the coat to obtain the form of value. Rather, it first *posits the coat as equivalent to itself*, thus giving the coat the formal character as the direct embodiment of abstract human labour, as the 'value body' [*Wertkörper*], and it is upon this basis that the linen can first express its own value through the natural form of the coat

8 Marx 1976a, pp. 140–2.

that has this existence as the embodiment of value. Without such a 'detour' the commodity cannot acquire the form of value. The linen cannot become the value body by immediately equating itself to the coat, thereby declaring itself to be equal to the coat, which would be a 'presumptuous' [*hitorigayori*] act.

For the linen to be able to express its own value in the natural form of the coat, so that the natural form of the coat is the form of the linen's value, the coat must first be posited with determinate being as the embodiment of value. In other words, the natural form of the coat, in its given state, must become a thing that has significance as the embodiment of abstract human labour. This occurs through the *linen positing the coat as equal to itself*. While the linen cannot become the value body by declaring itself equal to the coat, it can make the coat the embodiment of value by declaring the coat to be equal to itself – although the coat only has validity as such in its relation to the linen, not to other commodities. By thus declaring itself identical with the coat (in terms of value), and thereby making the coat the value body, the linen expresses its own value character in the form of a coat. In other words, the linen comes to have a value form in distinction from its natural form as a use value, which is its tangible form as a useful article of clothing.

Although a commodity only obtains the form of value through a detour, this does not mean that the detour requires passing through two acts that follow each other temporally. Rather, it is achieved at once, through a single act. For the linen to express its value in the form of a coat, it only has to posit the coat as equal to itself, and through this same act of equating the linen simultaneously makes the coat the value body and comes into a relation with it as such. Here we have the way in which the linen comes to express its own value in the form of a coat.

Focusing so much attention on how the *linen equates the coat to itself* to make the coat the value body, rather than the linen equating itself to the coat, must seem 'to the superficial observer', to borrow Marx's expression, an analysis of forms that 'turns upon minutiae'. Indeed, the issue does centre on minutiae, Marx notes, comparing his analysis of economic forms to the study of 'microscopic anatomy' and noting that 'in the analysis of economic forms neither microscopes nor chemical agents are of assistance' so 'the power of abstraction must replace both'.⁹ Here we can see a reason why the distinction insisted on above can seem a mere scholarly game at first glance.

⁹ Marx 1976a, p. 90.

The crucial significance of the distinction Marx draws has been overlooked not only by ‘superficial observers’ but even by supposed authorities on *Capital*. This is reflected in the Japanese translations of Marx’s writings, such as the two different versions of the first German edition of *Capital* translated, respectively, by Fumio Hasebe and Minoru Miyakawa. Both translations end up conveying the opposite meaning of the following passage in which Marx explains the detour of value-expression:

Qualitativ *setzt sie sich den Rock gleich*, indem sie sich auf ihn bezieht als Vergegenständlichung gleichartiger menschlicher Arbeit, d.h. ihrer eignen Werthsubstanz, und *sie setzt sich nur einen Rock gleich* statt *x* Röcke, weil sie nicht nur Werth überhaupt, sondern Werth von bestimmter Größe ist, ein Rock aber grade soviel Arbeit enthält als 20 Ellen Leinwand.¹⁰

Hasebe offers the following version:

Qualitatively the *linen posits itself as equal to the coat* by relating itself with the coat as the objectification of human labour of the same species, i.e., of its own value substance, and the *linen posits itself as equal to one coat*, instead of *x* quantity of coats, because the linen is not just value in general, but value of a determined magnitude, and moreover because one coat contains just as much labour as 20 yards of linen.

Miyakawa, for his part, translates the passage as follows:

The *linen posits itself as qualitatively equal to the coat* by coming into relation with the coat as the objectification of an identical type of human labour, i.e., of the value substance of the linen itself, and the *linen posits itself as equal to one coat*, instead of *x* coats, because the linen is not just value in general, but value of a certain magnitude, and moreover because one coat contains exactly as much labour as 20 yards of linen.

We can also consider their translations of the following passage from the first German edition:

¹⁰ Marx 1983b, p. 29.

Indem *sie ihn als Werth sich gleichsetzt*, während sie sich zugleich als Gebrauchsgegenstand von ihm unterscheidet, wird der Rock die Erscheinungsform des Leinwand-Werths im Gegensatz zum Leinwand-Körper, ihre Werthform im Unterschied von ihrer Naturalform.¹¹

In Hasebe's translation, it reads:

By the linen's *equating itself to the coat as value*, and by the linen at the same time distinguishing itself from the coat as useful object – the coat becomes the phenomenal form of linen value, which opposes the linen body, becoming the value form of the linen distinguished from its natural form.

Miyakawa translates the passage as follows:

By the linen's *equating itself to this coat as value*, and at the same time by distinguishing itself from the coat as a useful object ...

It should be immediately clear, however, that because '*den Rock*' is in the accusative case in the phrase '*setzt sich den Rock gleich*', it should be translated as the linen *equating the coat to itself* (rather than 'equating itself to the coat' or 'making itself equal to the coat'). Likewise, because the '*ihn*' in '*ihn als Werth sich gleichsetzt*' is in the accusative case, it should be translated as *equates the coat to itself as value* (rather than 'equates itself to the coat as value' or 'makes itself equal to the coat as value').

What does it suggest, then, that two translators chose expressions that convey a meaning directly opposite to the original German? Since both are extremely conscientious and meticulous translators, it seems likely that this was not the result of simple carelessness but rather was their attempt to correct a supposed oversight or error on the part of Marx. If the translators were attempting to make a correction, though, it must be said that their attempt was based upon a fundamental misunderstanding; and if they were simply careless, their error unfortunately concerns a matter of crucial importance.

Kōzō Uno commits a similar error (albeit not in such a clear form), or at the very least he seems to lack a sufficient understanding of the importance of Marx's distinction. In his book *Kachi-ron (Theory of Value)*, for instance, Uno writes the following in a section titled 'The Value Form of the Commodity':

11 Marx 1983b, p. 30.

The ‘objectivity’ [of the value of linen] cannot be grasped as is. The linen owner must express the value of linen through another use value that he wants to exchange the linen for, such as a coat for example. In this case, *for the linen owner* the commodity coat has already come to have the same quality as the linen. This means that ‘as a use value, the linen is something palpably different from the coat; as value, it is equal to the coat, and therefore looks like a coat’,¹² and thus the value of the linen, by being given expression in the coat, is able to express itself apart from its use value.

This occurs, of course, not because the *labour that makes the linen* is simply the useful labour of weaving, but rather by means of it *being reduced to human labour* as a *thing equal to the labour that makes the coat*, or at least as the thing in common between the two different types of concrete labour; but this is certainly not immediately carried out as the abstract human labour the two have in common, being rather an abstraction carried out via the ‘detour’ of the *weaving labour of the linen being equated to the concrete tailoring labour of the coat ...*

For the linen’s value to be able to be expressed in the coat, *the premise to begin with, as mentioned above, is that the linen must make itself equal to the coat*, but if this is carried out we enter into the issue of the owner of the linen offering the linen for the certain amount of coats that he desires.¹³

Uno’s explanation seems unsatisfactory to me for a number of reasons. For instance, when he says that, ‘*for the linen owner* the commodity coat has already come to have the same quality as the linen’, it would be more appropriate to say ‘linen’ (instead of ‘linen owner’) because the coat is still a desired object for the linen’s owner, who views it as being qualitatively different, rather than having ‘the same quality as the linen’; whereas from the perspective of the linen, which has no need to keep warm or strike a fashionable pose, the coat exists solely as value. Still, if we replace ‘linen owner’ with ‘linen’ the matter is exactly as Uno indicates. However, instead of explaining how the coat comes to have ‘the same quality as the linen’, Uno writes:

This occurs, of course, [because] the *labour that makes the linen ...* [is] *reduced to human labour* as a *thing equal to the labour that makes the coat*, or at least as the thing in common between the two different types

¹² Marx 1976a, 143.

¹³ Uno 1947, pp. 142–4.

of concrete labour; but this is certainly not immediately as the abstract human labour the two have in common, being rather an abstraction carried out via the '*detour*' of the weaving labour of the linen being equated to the concrete tailoring labour of the coat.¹⁴

This 'detour' differs greatly from the one I described earlier, or rather it is not a detour at all. If the weaving labour to make the linen is reduced to abstract human labour by being directly equated to the concrete tailoring labour of the coat, then the linen could on its own accord become the direct embodiment of abstract human labour through this act. In other words, the linen could make itself the value body, which would be a 'presumptuous' act, as noted earlier. So here we have the real necessity of the 'detour' of value-expression. Instead of a commodity declaring itself to be value by directly equating itself to another commodity, it first equates the other commodity to itself, positing that commodity with determinate being as the value body, and upon that basis it expresses its own value in the natural form of another commodity. This is the true meaning of the 'detour' and it is also precisely the manner in which Marx spoke of it. For instance, in the passage that I quoted earlier, Marx writes:

For example, *through the coat qua value thing being equated to the linen, the labour embedded in the coat is equated to the labour embedded in the linen*. It is true that the tailoring which makes the coat is concrete labour of a different sort than the weaving which makes the linen. But *by being equated to the weaving the tailoring* is in fact reduced to what is actually equal between the two kinds of labour, which is *the characteristic they have in common as human labour*. *Through this detour*, weaving too, in so far as it weaves value, has nothing to distinguish it from tailoring, and, consequently, is abstract human labour. Only the expression of different sorts of commodities as equivalents makes the specific character of value-creating labour apparent, by in fact reducing the different kinds of labour embedded in the different kinds of commodities to their general quality of being human labour in general.¹⁵

In the first German edition of *Capital*, Marx describes the detour of value expression as follows:

14 Uno 1947, p. 142.

15 Marx 1976a, p. 142.

The commodity is, since the moment it is born, something twofold, use value and value, the product of useful labour and the congelation of abstract labour. In order to represent itself as what it is, it must therefore duplicate its form. The form of a use value it possesses by nature; it is its natural form. The value form it can acquire only in intercourse with other commodities. But this value form must itself be an objective form. The only objective forms of the commodities are their useful shapes, their natural forms. However, since the natural form of a commodity, of the linen, for instance, is the diametrical opposite of its value form, it must turn a different natural form, the natural form of a different commodity, into its value form. *That which it cannot do immediately vis-à-vis itself, it can do immediately vis-à-vis another commodity, thus doing it vis-à-vis itself via a detour.* It cannot express its value in its own body or in its own useful shape, but it can relate itself to a different use value or commodity body as the immediate determinate being of value. It cannot relate itself to the concrete labour contained in itself as the mere form of realisation of abstract human labour, but it can relate itself to that contained in other commodity kinds. *All it has to do is to equate the other commodity to itself as the equivalent. Generally, the use value of a commodity exists only for a different commodity¹⁶ so far as it serves, in this way, as the form of appearance of its value.¹⁷*

If the detour of value expression is not correctly understood, the meaning of the coat, in its given state, becoming the shape of value for the linen cannot be correctly grasped. The use value (or natural form) of the coat is able, in its given state, to be the shape of value for the linen because the linen has equated the coat to itself, positing the coat with the formal determination as value body. The linen is first able to express its own value through the value body existence in which the coat is posited. In other words, this occurs *in a relation wherein the linen expresses its own value using a coat and the coat functions only as this existence, whereas its own intrinsic utility (as a thing to satisfy the want of the linen owner) plays no role at all.*

For the owner of the linen, the use value of the coat is not merely useful as the phenomenal form of the value of his linen (as the linen's equivalent), and therefore the coat does not merely exist for the owner as the embodiment

16 For the owner of the 'different commodity', the 'use value of a commodity' exists *not only* as such but also as the object he wants.

17 Marx 1976b, p. 22.

of value. Rather, the coat exists at the same time as the object that the owner wants. That is not the case for the commodity linen, however. As far as the linen is concerned, since it is not a person and thus lacks human desires, the natural body of the coat cannot be of any use as a means of staying warm or looking fashionable. The natural body of the coat is only useful for the linen as a mirror that reflects its own value. Here the only role of the coat's natural body is to be the embodiment of abstract human labour.

Even if it said that the natural form of the coat is solely functioning as the embodiment of abstract human labour, however, the labour that is expressed in the natural form (or specific use value) of the coat is not human labour as such but rather labour in the specific, concrete form of tailoring labour.

Human labour pure and simple, the expenditure of human labour power, although capable of every determination, is in and for itself indeterminate. It can only realise itself, objectify itself, if the human labour power is expended in a determinate form, as determinate labour, since only the determinate labour is confronted with a natural matter, an exterior material, in which it objectifies itself. Only the Hegelian 'concept' manages to objectify itself without an exterior matter.¹⁸

It is the concrete labour of tailoring that creates the specific use value of a coat, and that specific use value, in its given state, becomes the shape of value for the linen. This certainly does not mean, however, that concrete labour ceases to be concrete labour. Rather, specific concrete labour, as such, comes to have significance as a certain mode in which human labour is realised or human labour power is expended.

Linen cannot relate itself to the coat as value or incarnated human labour without relating itself to tailoring labour as the immediate form of the realisation of human labour. However what interests the linen in the use value coat is neither its woolen comfort nor its buttoned-up character, nor any other useful quality that stamps it as a use value. The coat only serves for the linen to represent its value objectivity as opposed to its starched use-value objectivity. The linen would have reached the same purpose, had it represented its value in Assa Fötida or Poudrette, or shoe polish. The tailoring labour, therefore, does not count for the linen, so far as it is purposeful productive activity, useful labour, but so far as it, as

18 Marx 1976b, p. 20.

determinate labour, is the form of realisation, mode of objectification, of human labour pure and simple. Were the linen to express its value in shoe polish, instead of a coat, then the making of polish, instead of tailoring, would count for it as the immediate form of realisation of abstract labour. A use value or commodity body becomes therefore a form of appearance of value, or an equivalent, only by the fact that the other commodity relates itself to the concrete, useful kind of labour contained in it as the immediate form of realisation of abstract human labour.¹⁹

Grasping this point is the greatest difficulty when seeking to understand the value form, so the greatest pitfall is to be unaware of the problem itself. The fact that the use value of the coat in its given state becomes the form of value for the linen, if not very carefully reflected upon, can foster the illusion that the coat as a useful thing is capable of expressing the value of the linen by being an object that the linen owner wants. However, if a child wants to trade some spare playing cards for a spinning top and asks if anyone wants to swap a top for 10 cards, the top does not become the phenomenal form of the cards' value because we are not dealing with a value relation between commodities. What characterises a value relation between commodities is a relation of equivalence between commodities as objectified human labour, as Marx explains:

As values, commodities are expressions of the same unity, of abstract human labour. In the form of exchange value they appear to each other as values and relate themselves to each other as values. With this, they relate themselves at the same time to abstract human labour as their joint social substance. Their social relation consists exclusively in counting for each other as only quantitatively different, but qualitatively equal (and therefore replaceable by one another and exchangeable with one another), expressions of that social substance which is theirs. As a useful thing, a commodity possesses social determinateness as far as it is use value for others rather than its possessor, thus satisfying social wants. But regardless of whose wants the commodity's useful properties establish a relationship with, by these it always only becomes an object placed in a relation to human wants, not a commodity for other commodities. Only that which turns mere useful objects into commodities can relate them

19 Marx 1976b, pp. 20–1.

as commodities with each other and therefore place them into a social connection. That is exactly the value of commodities.²⁰

This relation of equivalence between commodities as objectified human labour does not change in the case of the value expression of one commodity in the use value of another commodity. But in this case an inversion takes place that is inevitable in the fetishised commodity world:

In tailoring, as well as in weaving, human labour power is expended. Both, therefore, possess the general property of being human labour, and there may be cases, such as the production of value, in which they must be considered only under this aspect. There is nothing mysterious in this. But in the value expression of the commodity the matter is stood on its head. In order to express the fact that weaving, for instance, creates the value of linen through its general property of being human labour, rather than in its concrete form as weaving, the concrete labour that produces the equivalent of the linen, namely tailoring, is placed in relation to it as the tangible form in which abstract labour is realised.²¹

It is here that misinterpretations may arise, however, because the matter becomes a bit complicated.

Within the value relation, and in the expression of value included therein, the abstract and general does not count as the property of the concrete and the sensibly real, but rather it is the opposite: the sensibly concrete counts as mere appearance form or determinate realisation-form of the abstract and general. For example, in the value expression of linen, the tailoring labour of the equivalent coat does not possess the general property of also being human labour. It is the opposite case, where being human labour counts as the essence of the tailoring labour, and being tailoring labour only counts as the appearance form or determinate realisation form of this essence of tailoring labour. This *quid pro quo* is unavoidable because the labour manifested in the labour product only forms value as far as it is indiscriminate human labour, and therefore as far as the labour objectified in a product is indistinguishable from the labour objectified in a different sort of commodity.

20 Marx 1976b, p. 28.

21 Marx 1976a, p. 150.

The inversion whereby the sensibly concrete counts only as the appearance form of the abstractly general, rather than the abstractly general counting as a property of the concrete, characterises value expression. At the same time, this makes it difficult to understand value expression. If I say: Roman Law and German Law are both laws, that is obvious. But if I say, on the other hand, the Law, this abstract entity, realises itself in Roman Law and German Law, in these concrete laws, then the connection becomes mystical.²²

To say that the role played by the want of the commodity owner is abstracted from in the theory of the value form, certainly does not deny the significance of the role played by the use value of the commodity in the equivalent form, nor negate in any way the role played by the commodity in the equivalent form as a specific use value. It is only as a specific use value that the coat expresses the value of the linen. But in this case the coat is not playing a role as a useful item that clothes the linen owner. Rather, it is only in its existence as something with significance as a certain realisation form of human labour (or as a mode of the expenditure of human labour power) that the tailoring labour of the coat is able to express the value of the linen.

Uno, however, in rejecting Marx's view that the role played by the want of the commodity owner is abstracted from in the theory of the value form, does not seem to grasp this point adequately. For instance, in a passage quoted earlier, Uno makes the following comment:

It is somewhat understandable why the exchange process and the value form are divided in that particular manner, but I think it is problematic as a method. That is, in the examination of the exchange process, Marx seems to be offering a concrete and historical explanation as a supplement to the previous development of the value form. Although I do not think that the sort of historical process explained in the chapter on the exchange process should be inserted, as is, within the section on the value form, it does seem somewhat hard to understand, from a methodological standpoint, how one could think that an explanation corresponding to the content of Chapter Two should not be inserted there. Use value cannot be understood if it becomes abstract use value in general that is set apart from the wants of individuals.²³

²² Marx 1976b, pp. 56–7.

²³ Sakisaka and Uno 1948, p. 142.

As long as the role played by the want of the commodity owner is abstracted from, the role of use value as something desired is likewise set aside. This certainly does not mean, however, that the abstraction from the role played by use value as a desired object should be thought of in terms of 'abstract use value in general that is set apart from the wants of individuals'. First of all, it is not at all clear what is meant by 'abstract use value in general'. If Uno's definition is similar to 'use value in general', as understood by the theory of marginal utility, that is certainly not my own understanding, nor is it the view of Marx.²⁴

It is not as 'use value in general' that the coat expresses the value of the linen. Rather, the coat consistently plays the role of equivalent as a *specific* use value. As long as the coat is posited as the equivalent form, its natural form is ultimately the form of value. Certainly the coat is posited as the equivalent form because it is an object that the linen owner wants, but the reason the coat can express the value of the linen is not because it is a desired object. The coat is able to express the value of the linen because the tailoring labour objectified in the coat is equated to the weaving labour objectified in the linen by means of the coat being equated to the linen. In this way, the tailoring labour in its existence as specific concrete labour becomes the realisation form of human labour in common with the weaving labour. The coat, as a specific use value, takes on significance as the direct embodiment of human labour, becoming the value body; and it is in its existence as such that the coat can express the value of the linen. Use value in this case, therefore, is not abstracted from to arrive at use value in general. Rather, a specific use value in its given state appears in an existence separate from its existence as a useful thing, and in this existence it plays the role of equivalent. We do not abstract from the specific qualities of a use value to arrive at use value in general. Instead, we abstract from the commodity's character as a useful article, where it only has significance in connection to some human want, so that the commodity is purified as the embodiment of human labour. Within this existence, as the pure embodiment

24 Marx, in a letter to Engels, derisively commented, parenthetically, on the following criticism by the 'critical genius of professorial political economy', Karl Knies:

'Not even great perspicacity such as is at the command of Marx is able to solve the task of "reducing use values" (the idiot forgets that the subject under discussion is "commodities") i.e., vehicles for enjoyment, etc. to their opposite, to amounts of effort, to sacrifices etc. (*The idiot believes that in the value equation I wish to "reduce" use values to value.*) That is to substitute a foreign element. The *equation of disparate* use values is only explicable by the reduction of the same to a common factor of use value. (Why not simply to *- weight?*)' (Marx 1991, p. 252).

of value, it for the first time becomes a mirror of value that selectively and purely reflects the value character of another commodity.

In speaking of ‘use value in general that is set apart from the wants of individuals’, perhaps what Uno has in mind is not the understanding of use value in general sketched above but rather the ‘general use value’ of money as the ‘general means of exchange’ that is capable of purchasing anything and is thus desired by everyone, leading to his misconception that abstracting from the role of human wants in the analysis of the value form would result in overlooking ‘use value in general’ in the sense of that specific sort of use value. This may be why Uno thinks that the simple form of value ‘cannot be understood’ if the equivalent form within it is viewed in that manner. If that is indeed Uno’s view, it should be clear from the points made thus far that it is based on a misunderstanding.

Even if the ‘general use value’ of money can be said to be the object of general desire (rather than some specific want), this does not change the fact that it is a use value and must be thought of in relation to some want. Therefore, even if we were to think of the specific use value as a general use value, it would be of no use at all in elucidating the fundamental issue of the theory of the value form, which centres on how the value of a commodity can be expressed in the use value of another commodity. Instead, it would only be useful in elucidating why all commodities, including all newly emerging ones, express their value in a particular commodity – gold. Moreover, even in the case of gold, which has that ‘general use value’, the ability of its natural form to express the value of another commodity is not the result of it being the ‘general object of desire’ but rather, in quite the same way as the case with the coat, because other commodities equate gold to themselves,²⁵ thereby positing it with a formal determination as the embodiment of value or ‘value body’. The fundamental riddle of value expression – concerning why the value of a commodity can be expressed in the use value of another commodity – cannot be solved by viewing the use value of the commodity in the equivalent form as ‘general use value’ (i.e., by viewing it as a problem related to a want). Rather, the very general use value of money can only be first understood by unravelling the riddle of value expression. This is precisely why Marx elucidates the fundamental relation of value expression in the simple form of value, instead of the money form.

Finally, there is the criticism made by Uno in the following passage, which I quoted earlier:

25 It is not only a single commodity (such as linen) that equates gold to itself, of course, but every commodity that constitutes the commodity world.

Of course, in *Capital* the value form and the exchange process are explained separately, and even assuming them separated as such, if we abstract from the owner of linen, to consider linen itself, we will not be able to understand why the linen in the relative form of value brings in the coat to the equivalent form; and if this is abstracted from anything could be in that form, so it would already be the expanded form of value.²⁶

First of all, to repeat a point made earlier, it is certainly not possible to understand why the linen posits the coat as its equivalent without considering the want of the linen owner. If we are dealing here, quite literally, with the question of 'why the *linen* in the relative form of value *brings in* the coat to the equivalent form', as Uno says, this is not the action of the commodity owner so the 'why' of it can be understood even apart from the owner. However, what actually brings the coat into the equivalent form is the linen *owner*, not the linen, so the 'why' of the action cannot be understood apart from the owner. Despite being the action of the linen owner (and of no concern to the commodity linen), in order to carry out a pure analysis of the value relation between two commodities it is no hindrance – and in fact a necessity – to set aside the want of the commodity owner. We do this by first treating a certain value equation as a given, and then solely analysing the relation of value expression within it.

Thus, the person carrying out the analysis must play two roles. He begins by proposing a certain equation as the sample, and in establishing the equation he acts as what might be called a 'proxy' for the commodity owner. In place of the commodity owner, who actually posits in the equivalent form the commodity for which he wants to exchange his own commodity, the person analysing the equation posits whichever commodity he wishes to have on the right of the equation. As long as the simple value form is at issue, only one commodity is needed, and it can be of any type. Regardless of the commodity chosen, simply by being placed in the equivalent form, the concrete labour embodied in it is equated to the labour of the commodity in the relative form of value, thereby becoming the phenomenal form of the abstract human labour that the two commodities have in common. In this way, the commodity in the equivalent form becomes the phenomenal form of value for the commodity in the relative form. Thus, in setting up the equation, the person carrying out the analysis is perfectly free to choose whichever commodity he likes. In this sense, and only in this sense, 'anything' could be in the equivalent form, as Uno says. But this is only the case for setting up the equation. Once a certain equation has been

26 Sakisaka and Uno 1948, p. 160.

posited, such as ‘20 yards of linen = 1 coat’, it is treated as a given and analysed. At that point, it is not acceptable for the commodity on either the left or the right of the equation to be randomly substituted. In our example above, it is the coat, and not some other commodity, that is in the equivalent form, so that the natural form of the coat becomes the form of value for the linen. In short, it is certainly not true that ‘anything’ can be brought into the process of analysis.

This all seems obvious to me. I have a hard time understanding how Uno could say that ‘if this is abstracted from anything could be in that form, so it would already be the expanded form of value’. In the case of a given equation, there is only one commodity in the equivalent form (as long as we are dealing with the simple value form), and that single commodity is fixed in place. In setting up the equation, it is a random matter what sort of commodity is placed in the equivalent form, but it must be a *single* commodity rather than several commodities. Saying that any commodity can be placed in that form is merely a reflection, on the level of method, of the actual fact that it is unclear what sort of commodity a commodity owner will actually choose. Regardless of what commodity is chosen, that particular commodity, simply by being placed in the equivalent form, becomes the form of value of the owner’s commodity.

Given all of this, it is unclear – at least in my mind – how Uno could think the simple value form ‘would already be the expanded value form’. And this makes it quite difficult to respond to his criticism. If forced to speculate, however, I would interpret his statement as follows. In the relation of the value expression of the linen, where the coat is the equivalent of the linen, we abstract from the coat as a useful item that the linen owner wants, to concentrate solely on its existence as the embodiment of abstract human labour.²⁷ We think in terms of the value of the linen only first being able to be expressed in the existence of this value body. Uno, however, may have interpreted the idea of abstracting from the aspect of a commodity as a useful thing to concentrate exclusively on its existence as the value body, as an abstraction from the particularity of use value to arrive at use value in general. At the same time, he may have mistaken the fact that the linen is first able to express its value in that existence *qua* ‘value body’ as signifying that the coat becomes the form of value as use value in general, instead of as a particular use value. That sort of misinterpretation may account for why Uno says that because the particularity of concrete use values is abstracted from to arrive at use value in general, this must involve

27 In this case, needless to say, we are dealing with ‘abstract human labour’ solely in common between labour that makes the linen and the labour that makes the coat.

abstraction from various types of use values to end up with the expanded value form. If indeed this is Uno's logic, it is similar to his mistaken idea dealt with earlier that 'use value cannot be understood if it becomes abstract use value in general that is set apart from the wants of individuals' – so my earlier comments would also be applicable here.

All of this, however, is my speculation regarding the meaning of Uno's statements, after struggling to understand what he was trying to say. I may be completely off the mark, but at present I can think of no other plausible explanation.

Uno's Second Argument

Without considering the commodity owner, it is not possible to understand why one commodity is in the relative value form and another commodity is in the equivalent form, which would mean that it is all the same whether a commodity is in one form as opposed to the other. The demand for the active expression of value is the demand of the commodity owner, and a certain commodity is in the relative form of value because of the existence of that commodity owner. In contrast, since the commodity in the equivalent form is an ideal existence, the owner has yet to appear in reality. A subjective grasp of the value form first becomes possible when we adopt this way of thinking.

As in the previous article, I will begin with Uno's own words to avoid misunderstandings and then develop my views in direct relation to the passages quoted.

I want to clearly consider the relation of opposition between the relative value form and the equivalent form. If this could be reversed at any time, the oppositional relation would have no great meaning ... The question posed here is how much of a difference there is between the relative value form and the equivalent form if the commodity owner is not considered; this is the point that should be clarified.²⁸

What is the actual significance of the linen and the coat being in opposite positions, with the linen actively seeking to express its value? I think that unless the owner of the linen wanted the coat, the linen would not be able to express its value in the use value of the coat. If this want is also

28 Sakisaka and Uno 1948, p. 164.

abstracted from, the coat itself could express its value in the linen as well, so that the 'relative' form would become reciprocal. But I do not believe that that is the sense of 'relative' in that case.²⁹

If there were no owner of the linen, for example, there would also not be any desire for the use value of the commodity in the equivalent form, which is the coat. Both the linen and the coat would then express their respective value in each other. With the existence of the owner, the linen for the first time assumes the relative value form, and the linen owner, as such, comes to desire that the linen's value be actively expressed. The coat in the equivalent form has yet to appear in a material form, so it does not become active. Which particular commodity is in the equivalent form is something decided by the owner of the commodity in the relative form.³⁰

I also want to say that the commodity in the equivalent form is an ideal existence, so the commodity owner as well is not actually in a relation of opposition. If the two commodities are both thought of as actual commodities it would be the same as barter. Value expression is naturally thinkable because the commodity owner has been presupposed. One might deal with the value expression in a third-person manner, in terms of attempting to express value by positing one of the two given commodities in the relative form, but in that case it would be easy to fall into the error of Hilferding ... Even in the case of the simple value form, the commodity in the relative value form and the commodity in the equivalent form are not in a relation of simple equality ... If indeed the two commodities were equated because of being equal, then I think we would be dealing with a relationship where the commodity in the relative value form and in the equivalent form could be on either side of the equation ... When the owner of the commodity is taken into consideration, it becomes clear that the equation cannot easily be reversed ... I would like it to be understood that, in the relation of equating for the commodity, it is not the case that equal things are premised from the beginning so that the equating is the outcome of this. If value expression is thought of as preceding exchange, then the question of something equal between the two commodities existing will be clarified subsequently. That is to say, the commodity in the relative value form is in the form for expressing its own value, but we

29 Sakisaka and Uno 1948, p. 162.

30 Sakisaka and Uno 1948, p. 166.

do not know whether this will be actually realised. The commodity in the equivalent form for its part is not yet actually provided for exchange.³¹

In the first passage quoted, Uno poses the question in terms of wanting to 'clearly consider the relation of opposition between the relative value form and the equivalent form' and clarify 'how much of a difference there is between the relative value form and the equivalent form if the commodity owner is not considered'. From my perspective, however, in the theory of the value form, Marx managed to thoroughly elucidate the 'relation of opposition between the relative value form and equivalent form' (and thus explain 'how much of a difference there is between the relative value form and the equivalent form') through his analysis of the value equation as the form of value expression, without giving any consideration to the commodity owner. This is something that anyone who has read Marx's analysis of the value form carefully should be able to perceive; there is no reason to imagine that Uno is unaware of this. So when he says that the difference between the two forms is not clear without considering the commodity owner, he must be referring to some other issue.

Basically, I think that Uno is trying to say the following. If we look at the structure of the value equation itself, the meaning of the commodity on the left and the right side of the equation – and their oppositional relationship – is clear even without considering the commodity owner. But it is only by taking the commodity owner into consideration that we can know why a particular commodity (linen) is in the relative value form on the left of the equation, while another commodity (a coat) is in the equivalent form on the right. If this is not understood, there would be no distinction between a given equation and its opposite, so it could be thought that both are merely a different way of expressing the same fact. This would result in an inability to subjectively grasp the value form or understand the crux of that form. As for why this would be the case, Uno first offers the following argument:

What is the actual significance of the linen and the coat being in opposite positions, with the linen actively seeking to express its value? I think that unless the owner of the linen wanted the coat, the linen would not be able to express its value in the use value of the coat. If this want is also abstracted from, the coat itself could express its value in the linen as well, so that the 'relative' form would become reciprocal.³²

31 Sakisaka and Uno 1948, pp. 233–5.

32 Sakisaka and Uno 1948, p. 162.

As I discussed in detail in my earlier article, the value of the linen happens to be expressed in a coat because the coat is an object that the linen owner wants, but this is not an issue relevant to the theory of the value form. The aim of that theory is to unravel both the riddle of a commodity's price (money form) and the riddle of money. Upon deeper reflection, however, we find that the riddle of the money form is ultimately rooted in the peculiar fact that the value of a commodity is expressed in the oppositional element to value: a commodity's *use value*. In order to solve the riddle of the money form, therefore, we must first answer the fundamental question of how it is possible, exactly, for a commodity's value to be expressed in the use value of another commodity. The problem does not present itself in that manner when we directly consider the money form. This is because, in the case of the money form, the value of every commodity is expressed in a single independent commodity (gold); thus, the issue pushed to the forefront is the mysterious nature of gold stemming from that special privilege.

Only in the case of the simple value form does it become vividly apparent that the value of a commodity is expressed in the use value of another commodity equated to it, thus making it possible to pose, in a pure form, the key question of how this is possible.³³ This is the fundamental issue that Marx examines in his analysis of the simple form of value. So he does not raise the question of why the coat is posited as the equivalent form for the linen. There is no question that the owner of the linen is the one who posits the coat as the equivalent form, and that he does so because he wants the coat. Yet no matter how long we might dwell on that fact, it is of no use in elucidating the fundamental problem at hand. That problem remains even after the role of the commodity owner has been clarified. It is first posed in an independent form when the process through which a certain value equation is created (according to the want of a commodity owner) is set aside, and the equation is taken as a given. We have two separate issues, belonging to what might be called two different dimensions. It is an intentional act on the part of the commodity owner that posits a specific commodity in the equivalent form. This is a point that can be grasped easily by normal human cognition. In contrast, the process whereby the use value of the commodity in the equivalent form becomes the value form for the commodity in the relative value form takes place independently of the

33 Marx writes: 'Bailey's reasoning is of the most superficial description. Its starting point is his concept of value. The value of the commodity is the expression of its value in a certain quantity of other values in use (the use value of other commodities) ... [*The real problem, how it is possible to express the value in exchange of A in the value in use of B does not even occur to him*]' (Marx 1989a, p. 335).

consciousness of the commodity owner. The subject is the commodity, not a human being, and in place of human language we have a fetishistic world where the 'language of commodities' is spoken.³⁴ This is precisely why – when considering this issue at the core of the riddle of the value form – the commodity owner must be abstracted from, by taking a certain equation as a given. Marx thus takes the equation '20 yards of linen = 1 coat' as his premise, and sets about clarifying the relation of value expression within it solely by analysing the form of the equation. Through that analysis Marx discovers the 'detour' of value expression, not perceived by earlier economists, and thereby unravels the fundamental riddle of the value form (as explained in detail in my previous article).

34 'If we say that, as values, commodities are simply congealed quantities of human labour, our analysis reduces them to the abstraction "value", but does not give them a form of value distinct from their natural forms. It is otherwise in the value relation of one commodity to another. The first commodity's value character steps forward here through its own relationship with the second commodity.

'For example, through the coat *qua* value thing being equated to the linen, the labour embedded in the coat is equated to the labour embedded in the linen. It is true that the tailoring which makes the coat is concrete labour of a different sort than the weaving which makes the linen. But by being equated to the weaving the tailoring is in fact reduced to what is actually equal between the two kinds of labour, which is the characteristic they have in common as human labour. Through this detour, weaving too, in so far as it weaves value, has nothing to distinguish it from tailoring, and, consequently, is abstract human labour. Only the different sorts of commodities as equivalents makes the specific character of value-creating labour apparent, by in fact reducing the different kinds of labour embedded in the different kinds of commodities to their general quality of being human labour in general ...

'We see, then, that everything our analysis of the value of commodities previously told us is repeated by the linen itself, as soon as it interacts with another commodity, the coat. Only it reveals its thoughts in a language with which it alone is familiar, the language of commodities. In order to say that its own value has been created by labour in its abstract quality of being human labour, it says that the coat, in so far as it counts as its equal, i.e., in so far as it is value, consists of the same labour as it does itself. In order to say that the sublime objectivity which makes up its value differs from its starched body, it says that value has the appearance of a coat, and therefore that in so far as the linen itself is a value thing, it and the coat are as alike as two peas' (Marx 1976a, pp. 142–4).

'If I say: The linen *qua* commodity is use value and exchange value, then this is the judgment concerning the nature of the commodity obtained through analysis. On the other hand, in the expression 20 yards of linen = 1 coat or 20 yards of linen is worth 1 coat the linen itself says that it is (1) use value (linen), (2) exchange value differing from that use value (a thing equal to a coat), and (3) a unity of both these differences, therefore a commodity' (Marx 1976b, p. 61).

If these points are adequately understood it becomes apparent how misguided it is, in terms of the aim of the analysis of the simple value form, to think in the manner of Uno that ‘unless the owner of the linen wanted the coat, the linen would not be able to express its value in the use value of the coat’. It also becomes clear that there is no need for Uno’s concern that ‘if this want is also abstracted from, the coat itself could express its value in the linen, so that the “relative” form would become reciprocal’. Once we take the equation ‘20 yards of linen = 1 coat’ as a given, it is clear, even without considering the want of the linen owner, that the linen (not the coat) is in the position of expressing its own value as the commodity in the relative form of value. There is no reason to imagine that ‘the coat itself could express its value in the linen as well’.

If, along with the equation above, the opposite equation – ‘1 coat = 20 yards of linen’ – is posited at the same time, then indeed ‘the coat itself could express its value in the linen as well’ and the value expression would be carried out ‘reciprocally’. This is a premise that would naturally exist in an actual case where 20 yards of linen and 1 coat are exchanged as commodities. Furthermore, if we presuppose that the exchange between linen and the coat is repeatedly carried out, rather than being an isolated incident, then the rate of exchange of 20 yards of linen for 1 coat is not the simple expression of the want of the owner of linen but has instead been established objectively as the regular rate of exchange. This means that included in reality as the premise, along with the expression ‘20 yards of linen = 1 coat’, is the opposite value expression, ‘1 coat = 20 yards of linen’. Marx points out, for instance, that ‘the expression 20 yards of linen = 1 coat, or 20 yards of linen are worth 1 coat, also includes its converse: 1 coat = 20 yards of linen, or 1 coat is worth 20 yards of linen’.³⁵

That situation is premised by Marx, as is natural from a methodological standpoint. For as long as Marx’s aim is to elucidate the value relation by analysing the value equation, with a certain equation posited as his premise, he must assume that the equation expresses a relation of equivalent exchange (not merely the want of a commodity owner). When Marx says that ‘the expression 20 yards of linen = 1 coat ... also includes its converse: 1 coat = 20 yards of linen’, this means that the opposite relation of value expression is simultaneously posited from the outset, which is to say that the opposite value form is included within the premise itself. This does not mean, however, that a given value expression naturally includes the opposite value expression without the

35 Marx 1976a, p. 140.

aforementioned condition of repeated (rather than isolated) exchange.³⁶ And it certainly does not mean that the subject-object relationship *in a single value expression* is unclear. Nor does it mean that within the value expression '20 yards of linen = 1 coat', 'the coat itself' could express its value in the linen as well', as Uno suggests. This is precisely why Marx makes the following observation:

But in this case I must reverse the equation, in order to express the value of the coat relatively; and, if I do that, the linen becomes the equivalent instead of the coat. The same commodity cannot, therefore, simultaneously appear in both forms in the same expression of value. These forms rather exclude each other as polar opposites. Whether a commodity is in the relative form or in its opposite, the equivalent form, exclusively depends on the position it holds in the expression of value. That is, it depends on whether it is the commodity whose value is being expressed, or the commodity in which value is being expressed.³⁷

In other words, the subject of value expression is posited along with the equation. As long as the equation of value expression is taken as a given, the subject is clear without considering the commodity owner. If we assume that two equations of value expression exist at the same time, expressing opposite relations, we can of course choose to examine either one. And depending on our choice, one of the commodities will be the subject of value expression. This certainly does not mean, however, that 'the commodity in the relative value form and in the equivalent form could be on either side of the equation'. The reversal of subject and object in this case is also the reversal of the two different value expressions posited at the same time, not a reversal within the *same* value expression. Within a given expression of value, the commodity posited in each of the two forms is fixed. Those positions certainly cannot be altered. Moreover, the fact that we can observe the value expression of either of the two commodities does not mean, as Uno suggests, that one is dealing with 'value expression in a third-person manner, in terms of attempting to express value by positing one of the two given commodities in the relative form'. We are not merely taking two commodities as givens, but also presuming two expressions of value. Each of the two commodities posits the other as its equivalent. It would be quite

36 Without this condition of *repeated* exchange we are not dealing with value expression in the strict sense of the term.

37 Ibid.

wrong-minded for someone to think that instead of two value expressions it was simply two commodities that are posited and that we seek to ‘express value by positing one of the two given commodities in the relative form’. Uno refers to this as dealing with the expression of value in a ‘third-person manner’, but from my own perspective it is in fact the opposite. The misunderstanding stems rather from the attempt to play a role in the expression of value despite being in a third-person position as the analyst; i.e., despite not being in the position of the person involved with value expression. This is precisely the approach I am criticising.

Uno also objects to this position, saying that ‘it would be easy to fall into the error of Hilferding’, but the reason he provides for his objection is completely different from my own view. For Uno, the defect in the approach above is that it goes no further than the standpoint of a third person; a position from which the truth regarding the value form cannot be grasped. Uno insists that it is necessary to consider the standpoint of the commodity owner, and that without doing so the subject of value expression would be unclear. From my perspective, however, the fundamental error is not related to a third-person stance. Indeed, a person analysing the value form must take such a stance, treating a certain value equation as a given. Once we have taken an equation as the premise, we solely concern ourselves with elucidating the relation of value expression within it. When a certain equation is premised, it is perfectly clear which commodity is the subject of value expression, even without considering the commodity owner. This explanation, however, seems unlikely to satisfy Uno, as he has also made the following claim:

If there were no owner of the linen, for example, there would also not be any desire for the use value of the commodity in the equivalent form, which is the coat. Both the linen and the coat would then express their respective value in each other. With the existence of the owner, the linen for the first time assumes the relative value form, and the linen owner, as such, comes to desire that the linen’s value be actively expressed.³⁸

The question centres here on the latter half of that comment, as I have already dealt with the first half. I think that the true basis for Uno’s way of thinking is the idea he presents here that the subject in value expression is a human being (and could not be the commodity), so that without considering the commodity owner we are unable to know which commodity is the subject

38 Sakisaka and Uno 1948, p. 166.

of value expression. However, can it really be said that a human being is the subject of value expression? My view is that it is neither impossible nor a case of forced logic to think of the commodity, rather than the commodity owner, as the subject. Moreover, this is correct from a methodological standpoint.

What is clear first of all is that the equation of value expression, '20 yards of linen = 1 coat', is created by the owner of the linen. Nevertheless, the value that is being expressed in the equation is that of the linen, not an expression of the linen owner's value. If we then consider what makes the value expression of linen necessary, we see that it stems from the essential nature of linen as a commodity. That is, a commodity is a twofold thing by nature, as the unity of use value and value, and its natural form is its form as a use value – not the value form. Thus, the form of value must be acquired in addition for the product to acquire the commodity form. The need for value expression stems from the nature of the commodity itself. Yet the commodity is unable to perceive this necessity and obviously cannot carry out this or that action. It is the commodity owner who 'comes to desire that the linen's value be actively expressed'; likewise, it is the owner who places a price tag on a commodity. However, since this is an expression of the commodity's inherent value, the commodity owner is not carrying out some arbitrary act as someone with an individual desire. Rather, the owner has perceived the essential nature of the commodity as his own instinct and is merely acting upon this basis. The commodity is therefore first and foremost the subject, whereas the owner can be viewed as nothing more than its automaton. This is why Marx speaks of 'the personification of things and the reification of persons'.³⁹

I would have thought that anyone familiar with *Capital* would require no further explanation of this point, as Marx explains it in detail, so it is surprising that Uno insists that the subject of value expression cannot be understood apart from the commodity owner. It would seem, then, that some special circumstance must account for Uno's way of thinking. Here I want to frankly offer my conjecture regarding what that circumstance might be. I hope that my interpretation, even if it misses the mark, will at least contribute to our general understanding of the value form.

The key issue concerning the value form, as noted earlier, appears vividly for the first time in its most undeveloped form – the simple value form. The analysis of this form is what Marx concentrates on in *Capital*. However, the simple value form is also the *undeveloped* form of value. This introduces a separate difficulty into the analysis of it purely as the form of value, connected

39 Marx 1976a, p. 209.

to the fact that the simple value form of a commodity is not yet a form independent of the want of its owner. In our example ‘20 yards of linen = 1 coat’, the coat is the form of value for the 20 yards of linen, having significance as the embodiment of abstract human labour of the same quality as the labour embodied in the linen. At the same time, the coat is the particular object that the linen owner wants, having significance as the product of specific concrete labour that differs from the labour that makes the linen. In other words, the coat is simultaneously in two completely different relations; it plays two completely different roles, with two completely different determinations. Without the ‘rather intense application of our power of abstraction’,⁴⁰ we would not be able to distinguish one relation from the other, and those two essentially different relations would be mixed up. The restriction on the commodity’s value form by the want of an individual commodity owner is more than just an inconvenient matter that has confounded economists; it is a serious defect for the value form, as it runs counter to the essential nature of value itself. Therefore, the value form, instead of remaining at the simple value form, must proceed to the money form, where it is first freed from the connection to the individual want of the commodity owner, thus reaching completion as a form of value.

In order to better appreciate the distinction between the two different relations, which seem interconnected in the case of the simple value form and therefore difficult to separate, we can look at what becomes of the two relations in the case of the money form. It probably goes without saying that when the value form develops into the money form – so that within the world of commodities a particular commodity (gold) exclusively plays the role of equivalent *qua* money commodity – commodities become divided between ordinary commodities and the money commodity, so that C_1-C_2 is divided into the two independent processes of C_1-M (sale) and $M-C_2$ (purchase). We need to begin by examining the significance of each of the two processes.

In the case of C_1-M , we have the process of the realisation of the value form C_1 ($C_1=M$) in which a commodity’s own value is expressed ideally in a relation of equivalence to M , which is the generally valid figure of value. In contrast, the significance of $M-C_2$ is completely different. Because M is already a commodity with the formal determination as general equivalent, and its natural form thus has general validity as the figure of value, there is no further need for it to turn the use value of another commodity into the shape of value to thereby express its own character as value. So M cannot occupy the position of the relative form of value in the original sense.

40 Marx 1976b, p. 18.

However, if we reverse the list of prices, it would at first sight be the same as the extended value form (form B), with the value of M indicated in every possible commodity. Marx calls this the 'specific relative value form of the money commodity' (*spezifische relative Wertform der Geldware*),⁴¹ with the term 'specific' used to fundamentally distinguish it from the relative value form in the original sense. In other words, despite money being on the left of the equation, and in that sense in the relative form of value, it does not forfeit its status as general equivalent and thus maintains general direct exchangeability. Therefore, $M-C_2$ is not a process involving the realisation of the value form of M by transforming M into actual value. Rather, it is a process whereby the formal, general

41 'The simple relative value expression of a commodity in money – x commodity $A = y$ money-commodity – is the price of this commodity ... On the other hand, the developed relative expression of value, i.e., the endless row of relative value expression, becomes the *specific relative value form of the money commodity*. But this row is now already given within the various commodity prices. If we read the price list backwards, we can see the magnitude of the value of money indicated in every possible sort of commodity. This row also comes to have new significance. Since gold is money, already in its natural form, the general equivalent form, i.e., the form of general direct exchangeability, is rendered independent of these expressions of relative value. Therefore, the row of value expressions now at the same time, in addition to the magnitude of the value of gold, expresses the developed world of the material wealth, i.e., use values, into which gold is directly convertible' (Marx 1983b, pp. 59–60).

'The commodity that figures as the general equivalent is ... excluded from the uniform and therefore from the general relative form of value of the commodity world. If the linen, or any commodity in the general equivalent form, were, at the same time, to share in the relative form of value, it would have to serve as its own equivalent. We should then have: 20 yards of linen = 20 yards of linen, a tautology in which neither value nor its magnitude is expressed. In order to express the relative value of the general equivalent, we must rather reverse form C. This equivalent has no relative form of value in common with other commodities; its value is, rather, expressed itself relatively in the infinite row of all other commodity bodies. Thus, the expanded relative form of value, or form B, now appears as the *specific relative form of value of the equivalent commodity*' (Marx, 1976a, p. 161).

'The expression of the value of a commodity in gold – x commodity $A = y$ money commodity – is the money form or price of the commodity ... On the other hand, the expanded relative expression of value, the endless row of equations, has now become the *specific relative form of value of the money commodity*. This row, however, is now already socially given in the prices of the commodities. We only need to read the quotations of a price list backwards to find the magnitude of the value of money expressed in all possible commodities. A price, however, money does not have. This uniform relative form of value of the other commodities is not open to money, because money cannot be brought into relation with itself as its own equivalent' (Marx, 1976a, p. 189).

Cf. Marx 1976a, p. 199 and 205.

use value of a commodity, which already has the form of general validity *qua* value body (and therefore the form of absolute exchangeability), is realised in a particular commodity that is the object of the individual want of the owner of the commodity now in the form of M . *It is within this relation that the want of the commodity owner plays a role.* As far as the commodity itself is concerned, now being in the form of M merely signifies that it is in the form of possessing general direct exchangeability, and it is a matter of indifference to the commodity whether that ability is realised through its exchange with this type of commodity or some other type. The decision regarding which commodity it will be exchanged with in order to realise that potential is exclusively made by the owner (in this case, the owner of money). The owner reads backwards from the list of the values of commodities expressed in the form of M – made up of an infinite number of individual value equations – and then chooses whatever on the right of $M=C_2$ is the object of his particular individual want. *This is the only point at which the owner's specific individual want plays a role.* It is in this form that the ideal use value of the owner's money, as a general means of exchange, is realised.

In the case of $C_1=C_2$ (and therefore C_1-C_2 as its realisation), what is subsequently differentiated to become independent has yet to split apart; C_1 equates C_2 to itself, thus positing it with the formal determination as value body, and then expresses its own value in the natural body of C_2 (thus positing that natural body with significance as the embodiment of the abstract human labour within C_1). Along with this relative value expression of C_1 in the original sense, there is at the same time the expression of the will of the owner of C_1 who seeks to realise the formal use value of C_1 as a potential value body – and therefore as a potential means of direct exchange⁴² – in the concrete use value of C_2 , which is the particular object that he happens to want (so that the natural body of C_2 has significance as the product of specific concrete labour of a different type than the labour that made C_1). The former moment subsequently develops into the independent factor of $C_1=M$, while the latter moment develops into $M=C_2$.

In contrast, the two factors have not yet split apart in the case of $C_1=C_2$. But the fact that they are not yet separate at that stage does not mean they are indistinguishable, nor does it suggest by any means the latter constitutes an essential moment of the former. The expression of the want of the commodity

42 In the case of C_1 as well, insofar as it is posited in the equivalent form for another commodity, which is a potentiality naturally taken into account by the producer of C_1 from the outset, it comes to be the value body for the other commodity and thus also has direct exchangeability vis-à-vis that commodity.

owner (encompassed within $C_1=C_2$) is not what constitutes the value form as such. Rather, it is a heterogeneous factor that renders the form incomplete as a value form. Therefore, the value form cannot remain at the simple value form: it has to develop to the money form, where the value form is first completed by freeing itself from the heterogeneous factor that develops into the separate and independent form of $M=C_2$. If our intention in analysing $C_1=C_2$ is to elucidate the value form, we naturally must uncover and extract the form that becomes independent as $C_1=M$ (i.e., the money form), not the factor that develops subsequently to become independent as $M=C_2$. This primarily involves uncovering the embryo of the money form within $C_1=C_2$, providing us with a vital clue for unfolding the theory of the value form in *Capital*. Marx proudly noted that this was one of his most important original ideas:

These gentry, the economists, have hitherto overlooked the extremely simple point that the form 20 yards of linen = 1 coat is but the undeveloped basis of 20 yards of linen = gold of £2, and thus that the simplest form of a commodity, in which its value is not yet expressed as its relation to all other commodities but only as something differentiated from its own natural form, contains the whole secret of the money form and thereby, *in nuce*, of all bourgeois forms of the product of labour. In my first presentation [*Contribution*], I avoided the difficulty of the development by providing an actual analysis of the expression of value only when it appears already developed and expressed in money.⁴³

Every one knows, if nothing else, that commodities have a common value form which presents a marked contrast to the varied natural forms of their use values – the money form. Here, however, we have to perform a task never even attempted by bourgeois economics; namely, to show the genesis of this money form, i.e., to pursue the development of the expression of value contained in the value relation of commodities, from its simplest, almost imperceptible shape, to the dazzling money form. When this has been done, the riddle of money disappears also at the same time.⁴⁴

The only difficulty in the comprehension of the money form is that of grasping the general equivalent form, and hence the general form of value

43 Marx 1987b, p. 384.

44 Marx 1976a, p. 139.

itself,⁴⁵ i.e., form C. Form C can be reduced by working backwards to form B, the expanded form of value, and its constitutive element is form A: 20 yards of linen = 1 coat or x commodity A = y commodity B. The simple commodity form is therefore the germ of the money form.

This form [the simple value form] is somewhat difficult to analyse, because it is simple. ([Footnote:] It is, to a certain extent, the cell form or, as Hegel would say, the '*an sich*' of money.) The different specifications which are contained in it are veiled, undeveloped, abstract, and consequently only able to be distinguished and grasped through the rather intense application of the power of abstraction.⁴⁶

The value form of the commodity must itself again be an objective form. The exclusive objective forms of commodities are their use figures, i.e., their natural forms. Now, since the natural form of a commodity, of the linen, for instance, is the diametrical opposite of its value form, it must turn a different natural form, the natural form of a different commodity, into its value form. That which it cannot do immediately vis-à-vis itself, it can do immediately vis-à-vis another commodity, thus doing it vis-à-vis itself via a detour. It cannot express its value in its own body or in its own use value, but it can relate itself to a different use value or commodity body as the immediate existence of value. It cannot relate itself to the concrete labour contained in itself as the mere form of realisation of abstract human labour, but it can relate itself to that contained in other commodity kinds. All it has to do is to equate the other commodity to itself as the equivalent. Generally, the use value of a commodity exists only for a different commodity so far as it serves, in this way, as the form of appearance of its value. If one considers in the simple relative expression of value, x commodity A = y commodity B, only the quantitative relation, one will also only find the laws developed above about the movement of relative value⁴⁷ ... However, if one considers the value relation of the two commodities according to their qualitative side, one uncovers in every simple value expression the secret of the value form, and therefore, *in nuce*, that of money.⁴⁸

45 Marx 1976a, p. 163.

46 Marx 1976b, p. 18.

47 Cf. Marx 1976a, pp. 144–6.

48 Marx 1976b, p. 22.

In addition to the various arguments Uno introduced earlier, he also says that ‘the coat in the equivalent form has yet to appear in a material form, so it does not become active’;⁴⁹ that ‘the commodity in the equivalent form is an ideal existence, so the commodity owner as well is not actually in a relation of opposition’; and that ‘the commodity in the equivalent form ... is not yet actually provided for exchange’.⁵⁰ Such views, however, are clearly based on a misconception.⁵¹ The fact that the coat is the equivalent form for the value expression of another commodity certainly does not mean that it does not actually exist as a commodity. The coat itself exists as such, and it is precisely because of the possibility of it being ‘actually provided for exchange’ in the case of the value expression in which the coat posits the linen in the equivalent form, that the value expression of the linen (in which it posits the coat in the equivalent form) is also able to be given. In this case, when the linen owner says, ‘20 yards of linen are worth 1 coat’, and the owner of the coat says, ‘1 coat is worth 20 yards of linen’, exchange between those two parties becomes possible. If only one of the two commodities exists in reality, and therefore value expression is only unilateral, exchange would never take place. However, this certainly does not mean that the subject and object of value-expression are unclear. Two commodities exist actually in this case, so there are two value expressions, and the question of which is subject or object must of course be decided for each. This means that it is perfectly clear which commodity is in the relative value form and which is the equivalent form.⁵²

49 Sakisaka and Uno 1948, p. 166.

50 Sakisaka and Uno 1948, pp. 233–5.

51 Uno seems to be confusing two things. As I noted above, it is clearly wrong to declare that the commodity in the equivalent form does not appear as an actual good; however, it is also a clear fact that the commodity in the equivalent form *within the value relation in which it is posited as equivalent* – i.e., as far as being the material for the value expression of the commodity in the relative form of value – exists as something imagined in the mind. Uno’s observations seem to be linked to this fact, but in doing so he is clearly mistaken. In fact, the opposite supposition should be made, as I note in the main text above.

52 ‘Let us consider transactions of exchange between linen producer A and coat producer B. Before the deal is struck, A says: 20 yards of linen are worth 2 coats (20 yards of linen = 2 coats), but B says: 1 coat is worth 22 yards of linen (1 coat = 22 yards of linen). Finally, after they have haggled for a long time, they come to agreement. A says: 20 yards of linen are worth 1 coat, and B says: 1 coat is worth 20 yards of linen. In this case, both linen and coat are situated at the same time in relative value form and equivalent form. But (*nota bene*), the circumstance obtains for two different persons and in two different value expressions, which appeared only at the same time. As far as A is concerned, his linen (because for him the initiative has its origin in his commodity) is situated in the relative value form, and

In other words, a failure to identify the subject/object of value expression is not the result of overlooking the want of the commodity owner or of inadequately pondering whether a commodity appears in reality, but rather is solely the result of not taking a value equation as a given or the result of focusing exclusively on content without considering the *form* of value expression (thus remaining on the level of the theory of the substance of value).

If there is confusion between subject and object, as Uno notes with concern, I think the best way to deal with the problem is to adopt the standpoint of strict scientific analysis. In other words, we should take a certain equation as a given and engage in the elucidation of the value form, grasping it through an observation of the form of value expression and extracting and analysing the relation of value expression within it. Uno, however, recommends that we consider the want of the commodity owner and the existence (or non-existence) of the commodity, which, from my perspective, is a case of going to an opposite extreme in the hope of preventing an error. There are cases where one must fight one evil with another, but in this case, at least, I cannot agree with such an approach.

Uno's Third Argument

The essential difference between the general equivalent form and the money form becomes clear when we consider the want of the commodity owner. When the general equivalent becomes money it is no longer limited to the relation where that commodity is desired for its inherent use value and expresses the value of another commodity on that basis. If we set aside this characteristic, there would be no essential distinction established between the general equivalent form and the money form.

Within the developmental stages of the value form in *Capital*, after the general equivalent form (form C), Marx takes the further step of introducing the money form as the fourth form (form D); however, he says that there is no essential difference between the two forms. Therefore, at first glance, one may wonder why he bothered to distinguish between them. So it might seem that Kōzō Uno managed to compensate for Marx's shortcoming of only distinguishing between

it is the commodity of the other person (the coat) on the other hand which is situated in equivalent form. It is the other way around from the standpoint of B. The same commodity thus never – not even in this case – possesses both forms at the same time in the same value expression' (Marx 1976b, pp. 50–1).

the two without clarifying their essential difference. Uno's explanation, which supposes such an error on the part of Marx, adheres to the following line of reasoning:

For Marx, the 'money form' is merely a matter of the linen, which is the equivalent form *qua* 'general value form', changing into gold. He says that 'form D differs not at all from form C, except that now, instead of linen, gold has assumed the general equivalent form', but as I mentioned earlier, if we clearly suppose the existence of the owner of the commodity in the relative value form, we can understand that in the case of the money form a change occurs so that the liberation from its use value is completed, whereas this had still only been latent in the case of the general value form.⁵³

It is not clear what use value is being freed from, exactly, when Uno speaks of the 'liberation from its use value', but the gist of his argument seems to concern the liberation of the value form from the restriction by some individual desire, such as the case where a commodity's value is expressed in the object that the commodity owner happens to want. Uno writes:

The general equivalent is distinguished from other commodities, and 'it is not until this exclusion has once and for all confined itself to one specific kind of commodity that the uniform relative value of the whole commodity world gains objective fixity and general social validity'.⁵⁴ At the same time, it can then no longer be said that this is still a relation where each commodity owner desires the general equivalent because of its use value and expresses his own commodity's value by means of it. In the case of what Marx calls the general value form, it can be said that already each commodity is developing such a relation, but for value expression to be 'completely' transformed in that manner it is necessary for the equivalent to be 'restricted to one particular commodity'. This is precisely the development of the relation where the general equivalent is posited as the 'form of general direct exchangeability', on the one hand, while all of the other commodities are posited with the 'form of indirect exchangeability', on the other hand. Stated differently, commodities in general make the general equivalent into something able to purchase

53 Uno 1947, p. 164.

54 Marx 1976a, p. 162.

a commodity at any time, while at the same time those commodities cannot directly purchase each other ...

Along with the general equivalent becoming this sort of money commodity, however, as already mentioned, it is not directly the use value *qua* commodity, as such, that is the desired object, but rather it is set against other commodities as ‘use value for everyone, i.e., general use value’ that serves as the ‘general means of exchange’.⁵⁵

The development of the value form is also the process of the genesis of a value form independent of the individual want of the commodity owner. This genesis of the value form constitutes a necessary moment within the development of commodity production; the value form is completed with the money form and at the same time the equivalent commodity comes to be ‘use value for everyone, i.e., general use value’ that serves as the ‘general means of exchange’. All of these points are undeniable truths; but Marx did not overlook them, nor did he fail to identify their importance. Indeed, Marx writes:

In the direct exchange of products, each commodity is directly a means of exchange to its owner, and an equivalent to those who do not possess it, although only in so far as it has use value for them. At this stage, therefore, the articles exchanged do not acquire *a value form independent of their own use value, or of the individual wants of the exchangers*. The need for this form first develops with the increase in the number and variety of the commodities entering into the process of exchange. The problem and the means for its solution arise simultaneously. Commercial intercourse, in which the owners of commodities exchange and compare their own articles with various other articles, never takes place without different kinds of commodities, that belong to different owners, being exchanged for, and equated as values with one single further kind of commodity. This further commodity, by becoming the equivalent of various other commodities, directly acquires the form of a general or social equivalent, if only within narrow limits. This general equivalent form comes and goes with the momentary social contacts which call it into existence. It is transiently attached to this or that commodity in alternation. But with the development of commodity exchange it fixes itself firmly and exclusively onto particular kinds of commodity, i.e., it crystallises out into the money form ...

55 Uno 1947, pp. 161–2.

*The money commodity acquires a dual use value. Alongside its special use value as a commodity (gold, for instance, serves to fill hollow teeth, it forms the raw material for luxury articles, etc.) it acquires a formal use value, arising out of its special social function.*⁵⁶

Marx, in this manner, clearly recognises that commodities having ‘a value form independent of their own use value, or independent of the individual wants of the exchangers,’ is a need that ‘first develops with the increase in the number and variety of the commodities entering into the process of exchange’, and that it is the formation of the general value form – and further, the money form – that precisely satisfies this need, with the money commodity acquiring ‘a formal use value, arising out of its special social function’.

It is worth noting, however, that unlike Uno, who thinks this is a problem pertaining to the theory of the value form (and that the development of the value form cannot be understood without focusing on it), Marx makes no mention of it in the theory of the value form. Marx first raises that problem in the theory of the exchange process because it falls outside of the framework of the particular problem elucidated in the theory of the value form. It is certainly not the task of the theory of the value form to discuss every sort of problem related to the value form, which at any rate would be impossible – just as the discussion of value in Chapter One does not (and could not) deal with every conceivable problem related to value.

The task particular to the theory of the value form is to unravel the riddle of the commodity’s price (i.e., the riddle of the money form), and therefore the riddle of money. The money form itself is the developed value form, so the riddle of the money form is nothing more than the developed form of the fundamental riddle of the value form. In carrying out his analysis, Marx traces his way back from the money form so as to reduce it to its elementary form: the simple form of value. He discovers, through this analysis, the core of the riddle of the money form, which is the peculiar fact that a commodity’s value is expressed in another commodity’s use value (the oppositional factor to value). Here we have the riddle of the value form, which is the basis of the riddle of the money form. Without solving the former there is no way to solve the latter, whereas the riddle of the money form is easily unravelled once the riddle of the value form has been solved. Marx writes:

⁵⁶ Marx 1976a, pp. 182–4.

It is clear that the actual money form does not in itself provide any difficulty. Just as soon as the general equivalent form is penetrated it no longer costs one the least sort of headache to comprehend that this equivalent form holds fast to a specific sort of commodity, like gold; and all the less headache in that the general equivalent form from its nature preconditions the social excluding of one determined sort of commodity by all other commodities. The only problem that remains is that excluding gains objectively social consistency and universal validity, and hence neither happens to different commodities in turn nor possesses a merely local significance in particular circles of the commodity world alone. The difficulty in the concept of the money form is limited to the comprehension of the general equivalent form, and thus of the general value form as such, form III. Form III, however, is analysed reversely into form II, and the constituent element of form II is form I: 20 yards of linen = 1 coat or x commodity A = y commodity B. Now if one knows what use value and exchange value are, then one finds that this form I is the simplest, most undeveloped manner of manifesting a random labour product (like linen, e.g.) as commodity, that is, as unity of the opposites use value and exchange value. One then easily finds at the same time the sequence of metamorphoses which the simple commodity form: 20 yards of linen = 1 coat must pass through in order to attain its finished structure: 20 yards of linen = 2 pounds Sterling, i.e., the money form.⁵⁷

Marx pointed out in a 22 June 1867 letter to Engels that earlier economists had not perceived the significance of the simple form of value:

These gentry, the economists, have hitherto overlooked the extremely simple point that the form 20 yards of linen = 1 coat is but the undeveloped basis of 20 yards of linen = gold of £ 2, and thus that the simplest form of a commodity, in which its value is not yet expressed as its relation to all other commodities but only as something differentiated from its own natural form, contains the whole secret of the money form ...⁵⁸

Marx's comments do not pertain solely to the orthodox economists who displayed almost no interest in the question of the value form. He notes that even the 'few economists, such as S. Bailey, who have concerned themselves with the

57 Marx 1976b, pp. 69–70.

58 Marx 1987b, p. 384.

analysis of the form of value'⁵⁹ not only failed to solve the riddle in the analysis of the simple value form, but were not even aware of its existence and that the 'real problem, how it is possible to express the value in exchange of A in the value in use of B – does not even occur to him [Bailey]'.⁶⁰

In my *Keizai shirin* article criticising the first of Uno's arguments, I discussed how the analysis of the simple value form in *Capital* primarily seeks to clarify the riddle of that form, which Marx brilliantly accomplished in uncovering the 'detour' of value expression. In order to unravel the riddle, we must set aside the want of the commodity owner, as Marx did, because to introduce that issue would only hinder the solution of the problem at hand and generate confusion. In response to my article, Uno quickly presented a counter criticism in his article titled, 'The Tasks of the Theory of the Value Form: A Response to Professor Kuruma's Criticism', published in the June 1950 issue of *Keizai hyōron*. One of the main grounds of his argument presented in that article is the idea that the position of the simple value form within the developmental process of the value form could not be understood if we abstract from the want of the commodity owner. Below, in italics, are passages quoted from Uno's article where he presents his argument (pp. 79–80), followed by my response in brackets (to avoid having to quote the same passages twice).

In the simple value form, even though the coat, 'as a specific use value, takes on significance as the direct embodiment of human labour, becoming the value body,'⁶¹ it becomes such as a result of the owner of the linen positing the coat as the equivalent, so that it is not the equivalent generally for other commodities.

[It certainly is true that in the case of '20 yards of linen = 1 coat', the coat only has significance as the equivalent vis-à-vis the linen, rather than generally as the equivalent for every other commodity as well; but this should not be explained in terms of the equation being the inception of the value form. Rather, the fact that it is merely the initial form should be explained on the basis of it only having significance as the equivalent vis-à-vis the linen, which occurs because the coat is only equated to the linen and not to any other commodities. In other words, it is a fundamental fact that, no sooner than a commodity is equated to another commodity,

59 Marx 1976a, p. 141.

60 Marx 1989, p. 335.

61 Kuruma 1957, p. 70.

it becomes the form of that other commodity's value. The theoretical problem at hand ultimately comes down to grasping the 'how' pertaining to this fact.]

Professor Kuruma, however, draws the distinction in the following terms: 'The coat is posited as the equivalent form because it is an object that the linen owner wants, but the reason the coat is able to express the value of the linen is not because it is a desired object'.⁶² This sounds reasonable enough, to be sure ... but this idea does not clarify that in this simple form of value the coat expresses the value of the linen or that the value of the linen is inadequately expressed, nor does it clarify that the form of value must therefore necessarily be developed.

[This is a matter of course. My discussion there was entirely related to problems common to the value form, or what might be called the problem of the value form itself (i.e., the fundamental mechanism of value expression), so it is natural that the defects of the simple value form and the necessity for it to develop beyond that level were not clarified in that discussion.]

As I mentioned earlier, my own view is that this point constitutes the theoretical task regarding the value form.

[If the question is whether the task of the theory of the value form concerns the elucidation of the fundamental mechanism of value expression or the elucidation of the development of form, I do not have an answer because both are crucial to that theory. Still, from my perspective, the ultimate task of the theory of the value form is to solve the riddle of the commodity's money form, and thereby also solve the riddle of the money fetish. And those riddles themselves are merely the riddle of the developed value form or the development of the fundamental riddle concerning the value form. In order to unravel this fundamental riddle, Marx analyses and traces back the money form, reducing it to the simplest form of value so that he can clarify the fundamental mechanism of value expression. Then, starting out once again from that point, while limiting himself to the mechanism of value expression, Marx follows the developmental process of the value form from the simple value form to its completion as the

62 Kuruma 1957, p. 69.

money form. This is my view regarding the nature of the theory of the value form in *Capital* and the approach we should take in dealing with that theory. Clarifying the fundamental mechanism of value expression and clarifying the development of the value form are partial tasks indispensable to the solution of the ultimate theoretical task concerning the value form; so both must be accomplished before we can arrive at the theory of the value form. However, if the question becomes which of the two tasks is the fundamental one to be carried out first, it is of course the former, because without clarifying the fundamental mechanism of value expression we cannot basically understand how the development of the value form is possible. Moreover, I clearly state that the former task also poses the greatest challenge to the understanding of the value form. Marx describes this task as 'the point where all the difficulties originate which hinder an understanding of the *value form*';⁶³ and once the problem has been solved, one 'easily finds at the same time the sequence of metamorphoses which the simple commodity-form: 20 yards of linen = 1 coat must pass through in order to attain its finished structure: 20 yards of linen = 2 pounds Sterling, i.e., the money form'.⁶⁴]

Kuruma says that the 'fact that the use value of the coat, in its given state, becomes the form of value for the linen can, if not very carefully reflected on, foster the illusion that the coat as a useful thing is capable in that given state of expressing the value of the linen by being an object that the linen owner wants';⁶⁵ but could it then be said that in the simple value form 'the coat as a useful thing' without 'being an object that the linen owner wants' is 'capable in that given state of expressing the value of the linen?'

[This manner of quoting me is rather unbecoming for a person whom I respect as much as Professor Uno. I certainly did not say that the coat as a useful thing, without being a desired object for the linen owner (and therefore without being equated to the linen), is capable *in its given state* of expressing the value of the linen. As should be clear from the sentence Uno quotes just prior to this, I am saying that the coat, in its given state, does not express the value of the linen by being a useful object desired by the linen owner. I explained this earlier in my article

63 Marx 1976b, p. 21.

64 Marx 1976b, p. 70.

65 Kuruma 1957, p. 65.

in more detail as follows: ‘Certainly the coat is posited as the equivalent form because it is an object that the linen owner wants; but the reason the coat is able to express the value of the linen is not because it is a desired object. The coat is able to express the value of the linen because the tailoring labour objectified in the coat is equated to the weaving labour objectified in the linen by means of the coat being equated to the linen. Thus, the tailoring labour in its existence as specific concrete labour becomes the realisation form of human labour in common with the weaving labour. The coat, as a specific use value, takes on significance as the direct embodiment of human labour, becoming the value body; and it is in its existence as such that the coat can express the value of the linen.’⁶⁶ I also dealt with this issue in the following passage: ‘There is no question that the owner of the linen is the one who posits the coat as the equivalent form, and that he does so because he wants the coat. Yet no matter how long we might dwell on that fact, it is of no use in elucidating the fundamental problem at hand. That problem remains even after the role of the commodity owner has been clarified. It is first posed in an independent form when the process through which a certain value equation is created (according to the want of a commodity owner) is set aside, and the equation is taken as a given. We have two separate issues, belonging to what might be called two different dimensions. It is an intentional act on the part of the commodity owner that posits a specific commodity in the equivalent form. This is a point that can be grasped easily by normal human cognition. In contrast, the process whereby the use value of the commodity in the equivalent form becomes the value form for the commodity in the relative value form takes place independently of the consciousness of the commodity owner. The subject is the commodity, not a human being, and in place of human language we have a fetishistic world where the ‘language of commodities’ is spoken. This is precisely why – when considering this issue at the core of the riddle of the value form – the commodity owner must be abstracted from, by taking a certain equation as a given.’^{67]}

The problem is that if, in the simple value form, a distinction is made as Professor Kuruma does between ‘the coat being posited in the equivalent form’ and ‘the coat in the equivalent form being able to express the value

66 Kuruma 1957, pp. 69–70.

67 Kuruma 1957, p. 80.

of the linen', the position of the simple value form within the developmental process of the value form becomes unclear.

[It does not become unclear at all. As Marx plainly notes: 'One sees right away the insufficiency of the simple form of value, of this embryonic form which must undergo a series of metamorphoses before ripening into the price form. The expression of the value of commodity A in terms of some other commodity B merely distinguishes the value of A from its own use value, and therefore also only places commodity A in an exchange relation with one particular different kind of commodity, instead of representing A's qualitative equality with all other commodities and its quantitative proportionality to them. To the simple relative form of value of a commodity there corresponds the isolated equivalent form of another commodity. Thus, in the relative expression of value of the linen, the coat possesses the form of equivalent, the form of direct exchangeability, only in relation to this one kind of commodity, the linen. However, the simple form of value passes by itself into a more complete form. Although this simple form expresses the value of commodity A in only one commodity of another kind, it is a matter of complete indifference what this second commodity is, whether it is a coat iron, corn, etc. Different simple expressions of the value of one and the same commodity arise therefore according to whether this commodity enters into a value relation with this or that other kind of commodity. The number of such possible expressions of commodity A is limited only by the number of the commodities distinct from A. The isolated expression of A's value transforms itself therefore into the indefinitely expandable series of different simple expressions of that value.'⁶⁸ The reason that the simple value form is incomplete as a value form, as well as the circumstances of its transformation to form B, can thus very well be explained through an analysis that concentrates solely on form. There is no need to consider the factor of the want of the commodity owner and hence the reason why a certain commodity is posited as the equivalent form (such as a coat rather than wheat).]

The point noted by Marx in the passage I quoted above concerns the simple value form, but in the case of the developed value form as well, the form's defect – and its development into the general equivalent form – can be fully

68 Marx 1976a, p. 154.

explained through an analysis of the form alone, as is immediately apparent from reading *Capital*. There is some room for doubt, however, regarding the transition from the general value form to the money form, as mentioned earlier. That transition, likewise, bears no relation to the want of the commodity owner, but unlike the previous cases, the change in form is not an essential one, as Marx explains:

Fundamental changes have taken place in the course of the transition from form A to form B, and from form B to form C. As against this, form D differs not at all from form C, except that gold instead of linen gold has now assumed the general equivalent form. Gold is in form D what linen was in form C: the general equivalent. The advance consists only in that the form of direct general exchangeability, in other words the general equivalent form, has now by social custom irrevocably become entwined with the specific bodily form of the commodity gold.⁶⁹

Given Marx's view that no 'fundamental change' has taken place, why did he go to the trouble of recognising the money form as the fourth form, in distinction from the general value form? At first glance it seems a meaningless distinction. Uno's view is that the shift from the general value form to the money form has great significance. He commends Marx for drawing a distinction between the two, but criticises him for failing to clarify the true significance of the distinction. The reason that Marx falls short, in Uno's mind, is that he did not consider the vital factor of the want of the commodity owner. And Uno believes that this demonstrates the mistake of abstracting from the owner's want in the theory of the value form. This is the view Uno proposed in the article from which I just quoted at length, but I think it should now be apparent that it lacks validity.

The crux of Uno's explanation is the discovery that the characteristic of the money form centres on the fact that when the general equivalent becomes the money commodity, 'it is not directly the use value *qua* commodity, as such, that is the desired object'. Rather, it is set against other commodities as 'use value for everyone, i.e., general use value' that serves as the 'general means of exchange'. Uno's view, however, amounts to nothing more than making 'serv[ing] as the general means of exchange' the basis or premise of the conceptual determination within the theory of the value form. Granted, the function as a 'general means of exchange' is one that the money commodity inevitably comes to

69 Marx 1976a, 162.

acquire along with the development of the value form into the money form. Yet this is certainly not a function in the expression of value but rather a function in the exchange process. It is a methodological error to make this function the premise for unfolding the theory of the value form – just as it would be wrong to carry out an examination of the function of money as a measure of value by presupposing the function of money as a means of circulation. It is true that the function of money in value expression takes on even greater concrete significance through the development of the function of money in the exchange process, but it is not acceptable to have the latter as a premise of the former. The conceptual determinations within the theory of the value form are extremely abstract and formalistic, but this is a necessity from a methodological standpoint, and through the subsequent development our understanding gradually becomes more concrete.

Yet there remains the question of why Marx made a distinction in his theory of the value form between the general value form and the money form. Is there a distinction between them apart from the idea of becoming a 'general means of exchange'? I have already noted my view that Marx, in the theory of the value form, first clarifies the fundamental mechanism of value expression by analysing the simple value form, and then (while restricting himself to that mechanism) clarifies the process whereby the form of value expression develops sequentially until it reaches completion as the money form. The mechanism of value expression necessarily deals with the riddle of the equivalent form, and since the developmental process of the value form is at the same time the developmental process of the riddle of the equivalent form, the elucidation of the developmental process of the value form clarifies the developmental process of the riddle of the equivalent form that crystallises in the dazzling money fetish. We recognise, from the perspective of the development of the riddle of the equivalent form, the great significance of the general equivalent form adhering ultimately to the natural form of a particular sort of commodity (i.e., the fact that the general form of value becomes the money form); for this adherence accompanies the tremendous unfolding of the fetish character of the equivalent form. This is illustrated by the fact that vulgar economists have tried to elucidate the riddle of money fetish, i.e., the riddle of gold and silver, by listing the names of commodities that have played the role of general equivalent other than gold or silver.

The relative value form of a commodity, of the linen for example, expresses the value existence of the linen as something quite different from its body and bodily properties, namely, for example, as something which looks like a coat. This expression itself therefore indicates that it

conceals a social relation. It is the other way around with the equivalent form. The equivalent form consists precisely in this, that the commodity body, the coat for instance, this thing in its unadorned figure, expresses value, and is therefore endowed with the value form by nature itself. Admittedly this holds good only within the value relation, in which the commodity linen relates itself with the commodity coat as its equivalent. However, the properties of a thing do not arise from its relation to other things; they are, rather, merely activated by such relations. The coat, therefore, seems to have its equivalent form – its property of direct exchangeability – just as much from nature as its property of being heavy or its ability to keep us warm. Hence the riddling character of the equivalent form, which only impinges on the crude bourgeois vision of the political economist when it confronts him in its fully developed shape, that of money. He then seeks to explain away the mystical character of gold and silver by substituting less dazzling commodities for them and, with ever-renewed satisfaction, reeling off a catalogue of all the inferior commodities which have played the role of the commodity equivalent at one time or another. He does not suspect that even the simplest expression of value, such as 20 yards of linen = 1 coat, already presents the riddle of the equivalent form for us to solve.⁷⁰

The following passage from *Capital*, which supports my view presented thus far, also deals with the gist of the theory of the value form:

We have already seen, from the simplest expression of exchangeable value, x commodity A = y commodity B, that the thing in which the magnitude of the value of another thing is represented seems to have the equivalent form independently of this relation, as a social natural-property which it possesses. We followed the process by which this false semblance solidified itself. *This semblance was completed when the general equivalent form adhered to the natural form of a particular commodity or crystallised into the money form. Although a particular commodity only becomes money because all other commodities express their values in it, it seems, on the contrary, that all other commodities universally express their values in a particular commodity because it is money. The movement through which the process has been mediated vanishes in its own result, leaving no trace behind.* Without any initiative on their part, the commodities find their

70 Marx 1976a, pp. 149–50.

own value figure ready to hand, in the form of the body of a commodity existing outside and alongside them. This physical object, gold or silver in its crude state, becomes, immediately on the emergence from the bowels of the earth, the direct incarnation of all human labour. *Hence the magic of money.*⁷¹

We can see, then, that the main theoretical issue at hand can be more easily understood if we consider why the general value form is recognised as the stage prior to the money form, rather than concentrating on why Marx recognised the money form independently of the general value form. What is posited before us in reality is the money form, and thus it is natural to think of it as the final form. Our task is to solve the riddle of this money form, but to do so we must first reduce it to the general value form. It is in the form where every sort of commodity is on the left of the equation, and a special commodity is on the right, that for the first time the inherent relation becomes clear wherein 'all other commodities universally express their values in a particular commodity because it is money'. In the money form, 'the movement through which this process has been mediated vanishes in its own result, leaving no trace behind'. When the list of commodities on the left in the general value form is dissolved, the value form at first glance takes the form of price identical to the simple value form. This also completes the peculiar riddle of money. Making the reduction to the general form of value is the indispensable first step towards solving the riddle of money.

This, at any rate, is the manner in which I understand the distinction between the general value form and the money form. I do not think that the significance of that distinction will be misunderstood if we do not consider the want of the commodity owner. It is true, of course, that by taking the want of the commodity owner into consideration we can understand that there is additional significance to the transition from the general form of value to the money form, and our understanding thus becomes more concrete. However, as I have repeatedly emphasised, approaching the issue from that perspective does not help us solve the task specific to the theory of the value form, and in fact hinders a solution by blurring the nature of the task. If we become too engrossed by the fact that the coat is posited as the equivalent of the linen because of the want of the linen owner, for instance, we would end up overlooking the fundamental riddle of the value form which concerns exactly how it is possible for the use value of the coat (in its given state) to become the value form of the linen; and

71 Marx 1976a, p. 187.

we would also be unable to clarify the ‘detour’ of value expression that is the key to solving this riddle. This demonstrates why Marx had to abstract from the want of the commodity owner in the theory of the value form.

PART 2

Marx's Theory of the Genesis of Money
(An Interview Conducted by Teinosuke Ōtani)

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The Questions ‘How, Why and through What’ (*The Genesis of Money*)

ŌTANI: I want to begin by discussing the content of the first *Marx-Lexikon zur Politischen Ökonomie*¹ volume on the topic of money, particularly issues related to Part I of that volume titled ‘The Genesis of Money’. Since the time of your debate in the late 1940s with Kōzō Uno, scholars have presented a variety of arguments regarding the genesis of money in *Capital* – or regarding, more specifically, the content of and relation between (1) the theory of the value form, (2) the theory of the fetish character, and (3) the theory of the exchange process. Some of the scholars have inherited the fundamental aspects of Uno’s viewpoint (although there have also been numerous splits within the ‘Uno school’), while others have viewed your explanation as fundamentally correct but felt the need to partially revise it. Although the latter group may seem close to your standpoint, there seem to be a number of differences (or misunderstandings) concerning key points. There is also no shortage of scholars claiming to have fundamentally gone beyond both you and Uno, but to list every view would be quite time-consuming. I am curious, at any rate, about the extent to which you were aware of such opinions and criticisms when editing Part I on the genesis of money in that *Marx-Lexikon* volume, and what sort of points you paid attention to.

KURUMA: I have not read many books of that sort in recent years, so I did not edit that volume of *Marx-Lexikon* on the basis of any awareness of the types of arguments others were offering. Colleagues have gone to the trouble of sending me a great number of books and articles, but because my energy has been directed so exclusively towards editing *Marx-Lexikon*, in most cases I have not had the time to carefully read them. Much of what I have read a bit more carefully was connected to the questions you posed for the booklet² inserted in

1 [*Marx-Lexikon zur Politischen Ökonomie*, edited by Kuruma, is a multi-volume collection of passages from Marx’s complete works (in German and Japanese), organised according to five main topics: competition, method, materialist conception of history, crisis, and money. The first volume was published in 1968, and Kuruma continued work on the project up to his death in 1982.]

2 [Included in each volume of *Marx-Lexikon* was a roughly 20-page booklet featuring a discussion among the editors, usually led by Kuruma, on the specific topic of the volume.]

that first volume on money. I had read some works criticising my book *Theory of the Value Form and Theory of the Exchange Process* (and then reread a few of them to answer your questions), but when editing the first volume on money I was not that aware of the articles and books to which you are now referring and only addressed the criticism expressed in those works in order to answer your questions.

ŌTANI: Looking at the content of Part 1 of the first *Marx-Lexikon* volume on money, there is an introductory chapter titled, ‘How Did Marx Pose the Question for the Genesis of Money? – How, Why, and Through What Is a Commodity Money?’, which is followed by three chapters that address, respectively, how, why, and through what a commodity is money. The title of the introductory chapter is not a heading that appears in *Capital* or *A Contribution to the Critique of Political Economy*, is it?

KURUMA: That’s correct. I did not incorporate the headings from *Capital* because Marx had not introduced an independent section on the genesis of money. He did analyse the commodity and clarify how money necessarily emerges from out of the commodity world in the first chapter of *Contribution* and the first two chapters of *Capital*.³ In *Capital*, the genesis of money is dealt with directly in Section Three and Four of Chapter One, as well as in Chapter Two, but the ‘genesis of money’ is not the direct subject in any of those parts. They all differ, therefore, from Chapter Three of *Capital* (or Chapter Two of *Contribution*), where money is directly taken up as the main subject.

Thus, in order to deal in one place with the references to money in the first two chapters of *Capital*, I had to set up an independent heading that does not exist in *Capital* or in *Contribution*. ‘The Genesis of Money’ seemed an appropriate heading to address the issue in its entirety. Still, there was the question of how to organise the information and what sorts of other headings to create. One approach might have been to incorporate the headings from *Capital* (regarding the theory of the value form, fetish character, and the exchange process), or it also might have been possible to establish headings according to the topic of the necessity of money. Despite such alternatives, though, I did not hesitate to introduce the questions ‘how, why, and through what’ as the three organisational pillars.

As you know, I think that the best indication of Marx’s analysis of the genesis of money is found in his sentence on how the ‘difficulty lies not in

3 The content of Chapter One and Two of *Capital* corresponds to Chapter One in *Contribution*.

comprehending that money is a commodity, but in discovering how, why and through what a commodity is money'.⁴ I felt that raising those three questions would best reflect Marx's intention in the first two chapters of *Capital* from the perspective of the genesis of money, which is another reason why I did not incorporate the headings from *Capital*.

ÔTANI: Already in *Theory of the Value Form and Theory of the Exchange Process*, you offered a clear and detailed account of how to read Marx's analysis of money in the first two chapters of *Capital*. In Part I of that book, near the beginning, you indicate the following three questions that naturally enter the mind of someone encountering the first three chapters of *Capital*:

1. What is the relation between the examination of money in the first two chapters and the 'theory of money' in Chapter 3?
2. If the examination of money in the first two chapters is introductory (as compared to the theory of money *proper* in Chapter Three), what is the peculiar significance of the analysis of money presented, respectively, in the theory of the value form, theory of the fetish character, and theory of the exchange process?
3. Why is Chapter Two, which may be thought to be introductory, positioned as an independent chapter, parallel to the much longer Chapter One that includes four sections, which are each longer than the entire second chapter?⁵

Near the end of the first part of *Theory of the Value Form and Theory of the Exchange Process* you respond to each of these questions. That explanation provides us with a good understanding of your fundamental thinking, so that we can also grasp the structural significance of Part I of the first of the *Marx-Lexikon* volumes on money. Do you have anything to add regarding that explanation?

KURUMA: My thinking has not changed since then, but there is one point that I was aware of at the time but did not emphasise. Near the end of Part I of my book I wrote that Marx examines the simplest form of exchange value ('x commodity A = y commodity B') from a different perspective in Section One

4 Marx 1976a, p. 186.

5 [To avoid repetition, the passages quoted by Ôtani from *Theory of the Value Form and Theory of the Exchange Process* have been summarised as the three points listed above.]

than in Section Three. Of course, that equation is an abstraction from the commodity as it immediately presents itself to people in the course of their daily lives in a commodity production society. That abstraction is made in order to purely grasp the object of analysis. What is immediately visible to people, needless to say, is the shape of the commodity in the equation 'x commodity A = y money commodity', which is the money form of the commodity or its price form; in other words, 'commodity equals money'. With regard to their relation to the money form, the theories of the value form, fetish character, and exchange process clarify the *how*, *why*, and *through what* of this form. Regarding this, Marx offers us the following observation in the section on the fetish character in *Capital*:

Man's reflection about the forms of social life, and therefore also his scientific analysis of these forms, takes a course directly opposite to the actual development of these forms. He begins 'after the feast' with the completed results of the development process ... It was only *the analysis of the prices of commodities* which led to the determination of the magnitude of value, and only *the common expression of commodities* in money which led to the fixation of their character as values.⁶

As early as the seventeenth century economists had emphasised in their analysis of commodity prices that money is a commodity, but no one prior to Marx had clarified 'how, why, and through what a commodity is money'. Marx writes:

That money is a commodity is therefore a discovery only for those who proceed from its finished shape in order to analyse it afterwards ... In the last decades of the seventeenth century the first – but for that time well taken – step in the analysis of money, the discovery that money is a commodity, had long been taken; but this was merely the first step, and nothing more. The difficulty lies not in comprehending that money is a commodity, but in discovering how, why and through what a commodity is money.⁷

As for why economists prior to Marx, particularly the Classical economists, had been unable to pose the question in that way (and were thus unable to solve the problem at hand), I would recommend looking at the passages in the first

6 Marx 1976a, p. 168.

7 Marx 1976a, pp. 184–6.

section of Chapter One in that *Marx-Lexikon* volume on money.⁸ The important point to note here, at any rate, is that Marx ultimately is analysing the *price form of the commodity*.

ŌTANI: In place of the phrase 'commodity is money', you created three independent sentences using the interrogatives 'how', 'why', and 'through what', and inserted them as the following headings in Part I of the first *Marx-Lexikon* volume on the topic of money:

1. How is money generated?
2. Why does the labour socially necessary for the production of commodities take the form of the value of commodities (or why does the value of commodities take the form of money)?
3. Through what circumstances does the genesis of money become necessary (or through what praxis is money generated)?

Could you explain the content of those three questions in more detail?

8 [The passages Kuruma is referring to include the following:

'In order to decipher how the simple expression of the value of a commodity is embedded in the value relation between two commodities, we must, for now, look at the value relation independently of its quantitative aspect. The usual procedure is the precise opposite of this: one sees in the value relation only the proportion in which definite quantities of two sorts of commodity count as equal to each other. One overlooks that the magnitudes of different things only become comparable in quantitative terms when they have been reduced to the same unit. It is only as expressions of such a common unit that they are of the same denomination, and are therefore commensurable magnitudes' (Marx 1976a, pp. 140–1).

'It is one of the chief failings of Classical political economy that it has never succeeded in finding, from the analysis of commodities and more specifically of commodity value, the form of value, i.e., that which turns value into exchange value. Even its best representatives, Adam Smith and Ricardo, treat the form of value as something quite indifferent or extraneous to the nature of the commodity itself. The reason for this is not solely that their attention is entirely absorbed by the analysis of the magnitude of value. It lies deeper. The value form of the product of labour is the most abstract, but also the most general form of the bourgeois mode of production; by that fact it stamps the bourgeois mode of production as a particular species of social production, and therewith as one of a historical and transitory character. If one considers it to be the eternal form of social production, one necessarily overlooks the specificity of the value form as well – and consequently that of the commodity form, together with its further developments, the money form, the capital form, etc.' (Marx 1976a, p. 174).]

KURUMA: My aim with the headings was to more clearly state the distinctive content of each of the three questions, although fundamentally speaking it could be said that the content is already indicated by each of the three interrogatives. Of course, all three headings are based precisely on what is discussed in the three parts of *Capital* where each question is addressed. I chose the headings so that the reader could gain a better grasp of the content of the three questions 'how, why, and through what', since in *Marx-Lexikon* the headings are the most reliable guide for the reader.

Riddle of the Money Form and the Riddle of Money

ŌTANI: Next, I would like to consider a view of the *riddle of money* expressed by Naomichi Hayashi in an article titled, ‘On the So-called “Riddle of Money”: The Problem of How, Why, and Through What’, published in the December 1975 issue of the journal *Keizaigaku zasshi*.

KURUMA: I don’t recall the exact title of that article, but I believe Hayashi’s view is that the ‘riddle of money’ refers to the entire issue of ‘how, why, and through what a commodity is money’. Is that right?

ŌTANI: Yes. In the introduction to his article, Hayashi writes that the problem ‘will be referred to hereafter as the problem of the riddle of money’ – after which he inserts a heading titled, ‘The Significance of Elucidating the “Riddle of Money”’. Even though the title includes the word ‘so-called’ and the ‘riddle of money’ is placed in quotation marks, Hayashi does not seem to be saying that he finds this manner of expression to be mistaken. And in the main body of the article as well he repeats the view that the ‘riddle of money’ refers to the entire issue of ‘how, why, and through what’.

KURUMA: I see. But in that case, why does Hayashi use the term ‘riddle of money’? I cannot really understand his point since, first of all, the word ‘riddle’ conveys the idea that a problem is presented in a twisted (rather than straightforward) manner. But the question of ‘how, why, and through what a commodity is money’ is precise and to the point, not convoluted at all. Yet ‘riddle’ also has the meaning of something not easily solved, so in that sense I suppose that ‘how, why, and through what a commodity is money’ is a difficult question that could be described as a ‘riddle’.

In Hayashi’s case, though, he starts from the view that the French edition of Volume 1 of *Capital*, which Marx thoroughly revised, is superior to the original German edition, and he notices that the passage in the French edition is quite different from the original German. Hayashi points out that the German expression, ‘*wie, warum, wodurch Ware Geld ist*’ (how, why, and through what the commodity is money), becomes ‘*comment et pourquoi une marchandise devient monnaie*’ (how and why a commodity becomes money) in the French edition. He thinks that ‘*une marchandise*’ (a commodity) in the passage signifies gold, so that the question is: ‘Why does *gold* become money?’ That question, far

from being difficult or confusing, can be easily answered by saying that gold becomes money because it is the commodity whose physical properties are best suited to the functions of money. There is no ‘riddle’ here in any sense.

But what would be the case if ‘*une merchandise*’ is not referring to the specific commodity gold? What if ‘*une*’ is referring to a numeral, rather than an indefinite article, so that Marx is speaking of *one* commodity? Well, that would merely suggest that a single commodity, rather than two or more commodities, should function as money. So the question then centres on the reason why bimetallism does not function well. Here, again, we are hardly grappling with a riddle. As for how Marx himself understood the riddle of money in *Capital*, we can look to the following passage from Section Three of Chapter One, which he added to the second edition:

Every one knows, if nothing else, that commodities have a common value form which presents a marked contrast to the varied natural forms of their use values – the money form. Here, however, we have to perform a task never even attempted by bourgeois economics; namely, to show the genesis of this money form, i.e., to pursue the development of the expression of value contained in the value relation of commodities, from its simplest, almost imperceptible shape, to the dazzling money form. When this has been done, the riddle of money disappears also at the same time.¹

When Marx says that the task is to ‘show the genesis of this money form, i.e., to pursue the development of the expression of value contained in the value relation of commodities, from its simplest, almost imperceptible shape, to the dazzling money form’, he seems to be illuminating the issue of *how* a commodity is money. And it is through solving this problem that ‘the riddle of money disappears also at the same time’. We can get a better idea of what Marx means by the expression the ‘riddle of money’ by looking at other things he has written, such as the passages below:

This fetish character to be sure reveals itself much more strikingly *in the equivalent form* than in the relative value form. The relative value form of a commodity is mediated; namely, through its relationship to another commodity. Through this value form, the value of the commodity is expressed as something completely different from its own sensible existence. There

1 Marx 1976a, p. 139.

is at the same time the aspect that the value being can only be a relating which is foreign to the thing itself, and its value relation to another thing can only, therefore, be the appearance form of a social relation concealed behind. *It is the other way around with the equivalent form. It consists precisely in the fact that the corporeal or natural form of a commodity counts immediately as the social form, as the value form for another commodity.* Within our traffic, possessing the equivalent form appears to be a social-natural property of a thing, a property that thing inherently has, and therefore being directly exchangeable with other things appears the same as existing there sensibly. Because, however, within the value expression of a commodity A, the equivalent form inheres in commodity B from nature, it appears to belong to the latter from nature, even outside of this relation. Hence, for example, *the riddling character of gold*, which appears to possess along with its other natural properties (its dazzling color, specific gravity, non-oxydizability-in-air, etc.) also *the equivalent form by nature*; that is, the social quality of being directly exchangeable with all other commodities.²

The relative value form of a commodity, of the linen for example, expresses the value existence of the linen as something quite different from its body and properties, namely, for example, as something which looks like a coat. This expression itself therefore indicates that it conceals a social relation. *It is the other way around with the equivalent form. The equivalent form consists precisely in this, that the commodity body, the coat for instance, this thing in its unadorned figure, expresses value, and is therefore endowed with the form of value by nature itself.* Admittedly, this holds good only within the value relation, in which the commodity linen relates itself with the commodity coat as its equivalent. However, the properties of a thing do not arise from its relation to other things; they are, rather, merely activated by such relations. The coat, therefore, seems to have its equivalent form, its property of direct exchangeability, just as much from nature as its property of being heavy or its ability to keep us warm. *Hence the riddling character of the equivalent form, which only impinges on the crude bourgeois vision of the political economist when it confronts him in its fully developed shape, that of money.* He then seeks to explain away the mystical character of gold and silver by substituting less dazzling commodities for them, and, with ever-renewed satisfaction, reeling off a

2 Marx 1976b, p. 60.

catalogue of all the inferior commodities which have played the role of the commodity equivalent at one time or another. *He does not suspect that even the simplest expression of value, such as 20 yards of linen = 1 coat, already presents the riddle of the equivalent form for us to solve.*³

We have already seen, from the simplest expression of exchangeable value, $x \text{ commodity A} = y \text{ commodity B}$, that the thing in which the magnitude of the value of another thing is represented seems to have the equivalent form independently of this relation, as a social-natural property. We followed the process by which this false semblance solidified itself. This semblance was completed when the general equivalent form adhered to the natural form of a particular commodity, or crystallised into the money form. Although a particular commodity only becomes money because all other commodities express their values in it, it seems, on the contrary, that all other commodities universally express their values in a particular commodity because it is money. The movement through which the process has been mediated vanishes in its own result, leaving no trace behind. Without any initiative on their part, the commodities find their own value figure ready to hand, in the form of a commodity body existing outside and alongside them. This physical object, gold or silver in its crude state, becomes, immediately on the emergence from the bowels of the earth, the direct incarnation of all human labour. *Hence the magic of money. The merely atomistic behavior of men in their social process of production, and hence the fact that their own relations of production take on an objectified figure which is beyond their control and independent of their conscious individual striving, manifest themselves at first in the fact that the products of labour generally take the form of commodities. The riddle of the money fetish is therefore merely the riddle of the commodity fetish itself that has become visible and blinding to the eyes.*⁴

We can see, from the passages just quoted, that Marx uses the term ‘riddle’ to refer to how the natural form of the commodity in the equivalent form – or developed further, the natural form of gold or silver – appears to inherently have the thoroughly social attribute of *direct exchangeability*. Bourgeois economists were unaware that ‘the riddling character of gold’ is the developed form of ‘the riddling character of the equivalent form’, so that the key to unrav-

3 Marx 1976a, pp. 149–50.

4 Marx 1976a, p. 187.

elling the riddle is found through analysing the simple value form. Instead of doing that, economists tried to solve the riddle of money by 'explain[ing] away the mystical character of gold and silver by substituting less dazzling commodities for them, and, with ever-renewed satisfaction, reeling off a catalogue of all the inferior commodities which have played the role of the equivalent at one time or another'. The riddle, however, is not one that can be unravelled by such means.

ŌTANI: In *Theory of the Value Form and Theory of the Exchange Process*, you mention the 'riddle of the *money form*' in distinction from the 'riddle of money'. Some have criticised your use of that expression, saying that Marx did not use it. I am curious to hear your view of such criticism.

KURUMA: As for whether or not Marx himself used the expression 'the riddle of the money form', I was never concerned enough to look into the matter. I imagine that those who say that he did would be correct if they have investigated it carefully. Marx did, however, use the expression, 'the *secret* of the money form'. There may be other examples, but the one I have in mind is his 22 June 1867 letter to Engels, in which he writes:

These gentry, the economists, have hitherto overlooked the extremely simple point that the form 20 yards of linen = 1 coat is but the undeveloped basis of 20 yards of linen = gold of £2, and thus that the simplest form of a commodity, in which its value is not yet expressed as its relation to all other commodities but only as something differentiated from its own natural form, contains the whole secret of the money form and thereby, *in nuce*, of all bourgeois forms of the product of labour. In my first presentation [*Contribution*], I avoided the difficulty of the development by providing an actual analysis of the expression of value only when it appears already developed and expressed in money.⁵

Another point of reference is the following passage from *Capital* (near the beginning of the theory of the value form) that I quoted a bit earlier:

Every one knows, if nothing else, that commodities have a common value form which presents a marked contrast to the varied natural forms of their use values – the *money form*. Here, however, we have to perform

5 Marx 1987b, pp. 384–5.

a task never even attempted by bourgeois economics; namely, to show the *genesis of this money form*, i.e., to pursue the development of the expression of value contained in the value relation of commodities, from its simplest, almost imperceptible shape, to the dazzling money form. When this has been done, the *riddle of money* disappears also at the same time.⁶

Here, in relation to clarifying the ‘riddle of money’, Marx speaks of showing the ‘genesis of this money form’ and pursuing the ‘development of the expression of value contained in the value relation of commodities, from its simplest, almost imperceptible shape, to the dazzling *money form*’. If we can grasp the connection this has to the elucidation of the ‘riddle of money’, I think that we will be able to understand not only the ‘riddle of money’ but also the ‘riddle of the money form’.

In my view, the connection has the following three aspects. First, money is the outcome of the development of the equivalent form, *so the riddle of money is nothing more than the development of the riddle of the equivalent form*. Second, the equivalent form is the moment that constitutes the pivot of value expression (or the pivot of the form of value expression, which is the value form), so the riddle of the equivalent form necessarily constitutes the riddle of the value form. Third, the money form is the developed value form, so the riddle of the value form develops to become the riddle of the money form. With regard to this, Marx writes:

If one considers in the simple relative expression of value, x commodity A = y commodity B, only the quantitative relation, one will also only find the laws developed above about the movement of relative value, which are all based on the fact that the magnitude of value of the commodities is determined by the labour time necessary for their production. However, if one considers the value relation of the two commodities according to their qualitative side, one uncovers in every simple value expression the *secret of the value form, and therefore, in nuce, that of money*.⁷

Marx clearly indicates in this passage the connection between the *secret of money* and the *secret of the value form*, as well as the secret of the *money form* as the developed form of the latter. In my own case, taking into consideration

⁶ Marx 1976a, p. 139.

⁷ Marx 1976b, p. 22.

the sort of points mentioned thus far, I have used the expression the 'riddle of the money form' in addition to the 'riddle of money', but I did not see the need to explain this in my book.

ŌTANI: In one of the passages you quoted, there is a reference to the 'riddle of the money fetish', with Marx saying that the 'riddle of the money fetish is therefore merely the riddle of the commodity fetish that has become visible and blinding to the eyes'. Judging from the use of the term 'money fetish' or 'commodity fetish', could it be said that the 'riddle of the money fetish' is something elucidated to a greater extent in the theory of the fetish character in Section Four than in the theory of the value form?

KURUMA: My basic view is that Marx's analyses of the commodity in Chapter One of *Capital* are naturally carried out by examining the fundamental form in which a product appears as a commodity, 'x commodity A = y commodity B'; particularly in the part up to and including Section Three. After clearly indicating that a commodity is a unity of use value and value, Marx demonstrates that the substance of value is labour. Then he makes clear the twofold character of the labour that appears within a commodity, where labour has a concrete character in terms of creating use value and an abstract character in terms of creating value. Here Marx already clarifies that, in the case of a commodity's value, the *social character of labour takes the form of the value character of a labour product; in other words, the form of a thing*. Next, in Section Three on the value form, Marx underscores that the value of a commodity is not manifested in the body of that commodity itself, but rather in the *bodily shape of another commodity that is equated to it*, so the other commodity's given bodily shape becomes the form of value. Marx, in other words, further clarifies that the *social character of human labour appears in the form of a thing*. In the second edition of *Capital*, however, in examining the substance of value and the value form, Marx *merely indicates this point as a fact, without offering any unified explanation of how it is a manifestation of the fetish character particular to commodity production*. It is in Section Four of Chapter One that he first offers that explanation. His earlier analysis of the commodity already clarifies some manifestations of the fetish character of the commodity, but Marx looks back on these manifestations in Section Four to uncover the fetish character of the commodity that runs through them. This is the new perspective from which Marx explores the root cause of the fetish character, while reconfirming the results of his previous analysis.

Here I have sketched Marx's presentation in the second German edition of *Capital*, but in the first edition that entire examination was positioned within

the analysis of the value form. For instance, at the end of the passage in the first edition where Marx discusses the general equivalent form, he writes:

Indeed all use values are commodities only because they are products of mutually independent private labours, private labours, which, however, materially depend on one another as special, even though autonomised, branches of the naturally grown system of division of labour. They are thus socially connected exactly by their diversity, their particular usefulness. It is exactly because of this that they produce qualitatively different use values. Did they not do this, these use values would not become commodities for each other. On the other hand, their different useful quality does not yet turn these products into commodities. If a peasant family produces coat, linen, and wheat for their own consumption, then these objects confront the family as different products of their family labour, but they do not confront each other as commodities. If the labour were immediately social, i.e., joint labour, then the products would obtain the immediately social character of a joint product for their producers, but not the character of commodities for each other. Yet we do not have to go far in order to find what is the social form of the private labours that are contained in the commodities and independent of one another. This was already clarified in the analysis of the commodity. *The social form of private labours is the relationship with each other as equal labour*, i.e., since the equality of altogether different labours can only consist in an abstraction from their inequality, *their relationship with each other is as human labour in general: expenditures of human labour power*, something which all human labours, whatever their content and their mode of operation, indeed are. In every social form of labour, the labours of the different individuals stand also in a relation to each other as human labour, but here, this relationship itself counts as the specifically social form of the labours. *It is true that none of these private labours in its natural form possesses this specific social form of abstract human labour; just as little as the commodity in its natural form possesses the social form of mere congelation of labour, or of value. By the fact that the natural form of one commodity, here the linen, becomes the general equivalent form (because all other commodities refer themselves to the latter as the form of appearance of their own value), the linen weaving labour also becomes the general form of realisation of abstract human labour*, or it becomes labour in immediately social form. The measuring stick for 'being social' must be borrowed from the nature of the relations peculiar to each mode of production, not from the imaginations alien to it. Just as it was shown a minute ago that the com-

modity, by nature, excludes the direct form of general exchangeability, that therefore the general equivalent form can only develop antagonistically, the same is true for the private labours contained in the commodities. *Since they are not immediately social labours, it follows first that the social form is a form different from the natural forms of the actual useful labours, a form that is alien to them and abstract, and secondly, all kinds of private labour obtain their social character only antagonistically, by all of them being equated to an exclusive kind of private labour, here the linen weaving.* By this, the latter becomes the immediate and general form of appearance of abstract human labour, and thus labour in immediately social form. It represents itself therefore also immediately in a socially valid and generally exchangeable product.⁸

This passage from the theory of the value form in the first edition of *Capital* was moved (although not in that exact form) to the independent Section Four of the second edition, where Marx examines the theory of the fetish character. This merely suggests, however, that Marx's descriptive approach changed, in terms of where it seemed most appropriate to discuss the issue. I should also note that in the first edition's discussion of the value form, as we can see in the passage just quoted, the word 'fetish' does not yet appear, but in that edition's appendix on the value form there is the heading, 'The fourth peculiarity of the equivalent form: The fetishism of the commodity form is more striking in the equivalent form than in the relative form'. Under that heading, Marx writes:

But within our traffic, these social characters of their own labours appear to the producers as social-natural properties, as objective determinations of the labour products themselves; the equality of the human labours appears as the value property of the labour products; the measure of the labour by the socially necessary labour time appears as the value magnitude of the labour products; and finally, the social relation of the producers through their labours appears as a value relation or social relation of these things, the labour products ... [T]he commodity form and the value relation of the labour products have absolutely nothing to do with their physical nature and the material relationship which is derived from it. It is only the determined social relation of people itself which in this case assumes for them the phantasmagoric form of a relation of things. Thus in order to find an analogy we must flee into

8 Marx 1976b, pp. 31–2.

the nebulous region of the religious world. Here it is that the products of the human head appear as independent figures endowed with their own life and standing in relationship to one another and to men. That is the way it is in the commodity world with the products of the human hand. That is what I call the *fetishism* which clings to labour products as soon as they are produced as commodities, and which is thus inseparable from commodity production.

Now this *fetish character* to be sure reveals itself much more strikingly in the equivalent form than in the relative value form ... Hence, for example, the riddling character of gold, which appears to possess along with its other natural properties (its dazzling color, specific gravity, non-oxidizability-in-air, etc.) also the equivalent form by nature; that is, the social quality of being directly exchangeable with all other commodities.⁹

But the question you raised, I believe, centres on how Marx says that ‘the riddle of the money fetish is therefore merely the riddle of the commodity fetish that has become visible and blinding to the eyes’, which would seem to suggest (judging from the expression ‘riddle of the money fetish’ and ‘riddle of the commodity fetish’) that this is something that should be analysed in the theory of fetish character, rather than in the theory of the value form. Is that correct?

ŌTANI: Yes, that’s right.

KURUMA: I have already said quite a few things related to the question you raised, but my basic argument could be summed up as follows.

First of all, Marx already elucidates the fetish character as a fact in the section in which he analyses the substance of value and in his examination of the value form. In looking at the substance of value, he shows that, in the case of a commodity’s value, the socially necessary labour for its production presents itself in the form of the value character of a product – a thing. Then in his analysis of the value form, Marx indicates that the value of a commodity is not manifested in the body of the commodity itself, but rather is expressed in the natural, bodily form of another commodity that is equated to it, and ultimately in the natural form of the money commodity, gold. In other words, Marx has already elucidated all of these points as facts.

However, a second issue we need to be aware of is the difference between recognising a fact as such through the analysis of the commodity, and examin-

9 Marx 1976b, pp. 59–60.

ing this fact as something particular to commodity production (where production is immediately carried out as private production) or as a necessary moment for the commodity producers' directly private labour to become social labour and thereby gain determinate being as one part of the total social labour.

It seems difficult to make a sweeping declaration regarding where such an examination should be presented. Indeed, there is a major difference on this point between the first and the second edition of *Capital*, as is already clear from the passage quoted from the first edition. From that perspective, I think that there may be room to reconsider the way you posed the question in terms of whether the issue should be examined in the theory of the fetish character rather than the theory of the value form, especially if we take into consideration Marx's statement that the 'riddle of the money fetish is therefore merely the riddle of the commodity fetish that has become visible and blinding to the eyes'.

A final issue to consider is that the passage concerning the riddle of the money fetish you mentioned that appears at the end of Chapter Two on the process of exchange can also be found, in exactly the same form, in the first German edition (under 'heading 1'). Two points arise with regard to this. The first is that in writing that passage Marx must have had in mind what he had written concerning the commodity in Chapter One of the second edition (or under 'heading 2' in the first edition); and the second point concerns why he included this within the theory of the exchange process rather than in the theory of the value form or the theory of the fetish character.¹⁰

If we consider the first point, regarding how Marx had the entire first chapter in mind, it seems clear that there is no definitive answer to the question of whether it is a problem that is examined in the theory of the value form or in the theory of the fetish character. As for the second point, I think the following answer is possible. In the first edition of *Capital*, the development of the value form does not proceed up to the money form. Money first appears as an outcome of the exchange process. Thus, it was not possible to raise the issue of the 'riddle of the money fetish' prior to the theory of the exchange process. In the appendix on the value form in the first German edition, the development of the value form does proceed up to the money form. However, that appendix was added upon the recommendation of Kugelmann, and Marx did not rewrite the main text of the first edition to accommodate it (including the part where he had presented the theory of the exchange process). Thus, in raising the issue

10 In the first German edition of *Capital*, Marx did not clearly distinguish between the separate theories by placing them under different headings, but we can ascertain the point up to which he is analysing the value form.

of the ‘riddle of the money fetish’ at the end of the analysis of the exchange process, he was unlikely to have had the appendix in mind.

But there remains the question of why the passage concerning ‘the riddle of the money fetish’ from the first edition is included, as is, in the second edition’s theory of the exchange process. Marx notes in his afterword to the second edition of *Capital* that for the new edition ‘Chapter One, Section Three (on the value form), has been completely revised’ and that the last section of the first chapter, ‘The Fetish Character of the Commodity and its Secret’, has been ‘altered considerably’.¹¹ In contrast, Chapter Two on the exchange process is the same as the first edition, apart from the revision of a few expressions. So it could be said that the passage in question remained as the result of this.

11 Marx 1976a, 94.

Difference between the First and the Second Edition of *Capital*

ŌTANI: There is a significant difference in the way the theory of the value form is developed in the first German edition of *Capital* compared to the second edition. In particular, the development of the value form in the first edition ends with the independent form IV, rather than the money form. At the same time, though, the first edition already includes the sentence, ‘The difficulty lies, not in comprehending that money is a commodity, but in discovering how, why, and through what a commodity is money’. Marx places this sentence in the section on the exchange process that corresponds to Chapter Two in the second edition. Thus, the question ‘*how* ... a commodity is *money*’, at least in the first edition, would not seem to refer to the theory of the value form since that theory is not developed up to the money form. Moreover, the theory of the fetish character in the first edition – perhaps influenced by the way the theory of the value form unfolds – does not *directly* deal with money, which seems to suggest that the question ‘*why* ... a commodity is *money*’ is not indicating the theory of the fetish character either. – I would be interested to hear your view on those points.

KURUMA: Perhaps I can begin by considering the theory of the value form. Certainly, it is true that the development of the value form in the main body of the first German edition only leads up to the general value form. However, as Marx himself notes, ‘The advance [from form C to form D] consists only in that the form of direct general exchangeability, in other words the general equivalent form, has now by social custom irrevocably become entwined with the specific natural form of the commodity gold’,¹ and that, ‘The only difficulty in the comprehension of the money form is that of grasping the general equivalent form’.²

In other words, the examination of the general value form already clarifies, theoretically, how the money form is established. Thus, in the theory of the exchange process, when Marx considers the necessity of money to mediate the contradiction confronting the commodity owners in the case of direct barter,

¹ Marx 1976a, p. 162.

² Marx 1976a, p. 163 (Marx 1976b, p. 70).

he can say (in the first edition as in the second) that ‘they [commodity owners] can only relate their commodities to each other as values, and therefore as commodities, if they place them in a polar relationship with a third commodity that serves as the general equivalent’ and that ‘we concluded this from *our analysis of the commodity*’.³ Here there is no doubt that the ‘analysis of the commodity’ basically refers to the theory of the value form.

The fact that the theory of the value form does not proceed up to the money form in the first German edition should indeed trouble Naomichi Hayashi, because he argued that the theory deals with the ‘how question’ in terms of how one commodity (*gold*) becomes money. Thus, according to his view, it would have to be said that in the first edition that ‘how question’ was not elucidated in the theory of the value form.

Next we can consider the theory of the fetish character. As I just mentioned, there is no essential difference between the general value form and the money form from the perspective of the development whereby the value of a commodity progressively comes to acquire a more complete form of expression. But the ‘fetish character’ peculiar to commodity production manifests itself in the value form, particularly the equivalent form. From this perspective, the fetish character undergoes a marked development when the general value form turns into the money form, so that the general equivalent form adheres to gold. In the main body of the first edition, however, the development of form in the theory of the value form does not proceed up to the money form, so it is not possible to present the fetish character of money there. That issue can only first be presented when money appears in the theory of the exchange process. Thus, at the end of the theory of the exchange process, Marx writes the following about the fetish character of money:

We have already seen, from the simplest expression of exchangeable value, x commodity A = y commodity B, that the thing *in which* the magnitude of the value of another thing is represented seems to have the equivalent form independently of this relation, as a social *natural property*. We followed the process by which this false semblance solidified itself. This semblance was completed when the general equivalent form adhered to the natural form of a particular commodity, or crystallised into the money form. Although a particular commodity only becomes money because all other commodities express their values in it, it seems, on the contrary, that all other commodities universally express their values in a

3 Marx 1976a, p. 180.

particular commodity because it is *money*. The movement through which the process has been mediated vanishes in its own result, leaving no trace behind. Without any initiative on their part, the commodities find their own value figure ready to hand, in the form of the body of the commodity existing outside and alongside them. This physical object, gold or silver in its crude state, becomes, immediately on the emergence from the bowels of the earth, the direct incarnation of all human labour. Hence the magic of money. The merely atomistic behavior of men in their *social* process of production, and hence the fact that their own relations of production take on an *objectified* figure which is beyond their control and independent of their conscious individual striving, manifest themselves at first in the fact that the products of labour *generally* take the *form of commodities*. The *riddle of the money fetish* is therefore merely the *riddle of the commodity fetish itself* that has become visible and blinding to the eyes.⁴

Incidentally, this passage also appears in the second edition of *Capital*, in the same form except for the deletion of the word 'exchangeable' in the first sentence and the word 'itself' after 'commodity fetish' in the final sentence. Because the development of the value form in the second edition leads up to the money form, it would seem that this part should be moved to an earlier section; yet this trace of the first edition remains.⁵

At the beginning of the passage just quoted, Marx says that, 'We have already seen ...', which suggests that this is connected to what was presented earlier. If we examine what he is referring to, we find the following passage at the end of the analysis of the general value form in the first German edition:

As the *immediate social materialisation of labour*, the linen, the general equivalent, is the *materialisation of immediately social labour*, while the other commodity bodies, which represent their values in linen are the materialisations of *not immediately social labours*.

Indeed all use values are commodities only because they are *products of mutually independent private labours*, private labours, which, however, materially depend on one another as special, even though autonomised, branches of the naturally grown system of *division of labour*. They are thus socially connected exactly by their *diversity*, their *particular usefulness*.

4 Marx 1976a, p. 187.

5 It could be related to this circumstance that in the French edition of *Capital* the final two sentences have been deleted (starting from 'The merely atomistic behavior ...').

It is exactly because of this that they produce qualitatively different use values. Did they not do this, these use values would not become commodities for each other. On the other hand, this different useful quality does not yet turn these products into commodities. If a peasant family produces coat, linen, and wheat for their own consumption, then these objects confront the family as different products of their family labour, but they do not confront each other as commodities. If the labour were *immediately social*, i.e., joint labour, then the products would obtain the immediately social character of a joint product for their producers, but not the character of commodities for each other. Yet we do not have to go far in order to find what is the *social form* of the *private labours* that are contained in the commodities and independent of one another. This resulted already from the analysis of the commodity. Their social form is their relationship with each other as *equal labour*, i.e., since the *equality* of altogether *different* labours can only consist in an *abstraction from their inequality*, their relationship with each other is as *human labour in general: expenditures of human labour power*, something which all human labours, whatever their content and their mode of operation, indeed *are*. In every social form of labour, the labours of the different individuals stand also in a relation to each other as human labour, but here, this *relationship itself* counts as the *specifically social form* of the labours. It is true that none of these private labours in its natural form possesses this specific social form of abstract human labour, just as little as the commodity in its natural form possesses the social form of mere congelation of labour, or of value. By the fact that the natural form of one commodity, here of the linen, becomes the general equivalent form (because all other commodities refer to the latter as the form of appearance of their own value), also the linen weaving labour becomes the general form of realisation of abstract human labour, or it becomes labour in immediately social form. The measuring stick for 'being social' must be borrowed from the nature of the relations peculiar to each mode of production, not from imaginations alien to it. Just as it was shown a minute ago that the commodity, by nature, excludes the direct form of general exchangeability, that therefore the general equivalent form can only develop *antagonistically*, the same is true for the private labours contained in the commodities. Since they are *not immediately social* labours, it follows first that the *social form* is a form different from the natural forms of the actual useful labours, a form that is alien to them and abstract, and secondly, all kinds of private labour obtain their *social* character only *antagonistically*, by all of them being *equated* to an exclusive kind of private labour, here the linen weaving. By

this, the latter becomes the immediate and general form of appearance of abstract human labour, and thus labour in immediately social form. It represents itself therefore also immediately in a socially valid and generally exchangeable product.

The semblance, as if the equivalent form of a commodity springs from its own material nature, instead of being the mere reflection of the relations of the other commodities, solidifies itself with the development of the *single* to the *general* equivalent, because the oppositional moments of the value form no longer develop *evenly* for the commodities placed in relation with each other, because the general equivalent form distinguishes one commodity as something quite apart from all other commodities, and finally because this form of that commodity is indeed no longer the product of the relationship of any one *individual* other commodity.⁶

As a further point of reference, we can look at how Marx addresses the question of the fetish character in the appendix on the value form that he inserted in the first German edition. The following passage from the appendix comes under the heading, 'Fourth peculiarity of the equivalent form: The fetishism of the commodity form is more striking in the equivalent form than in the relative form':

The fact that labour products (such useful things as coat, linen, wheat, iron, etc.) are *values*, *definite value magnitudes* and, in general, *commodities*, are properties which inhere in them naturally only *in our traffic*, not derived from nature like the property of being heavy, retentive of heat, or nourishing. But *within our traffic* these things relate to one another as *commodities*. They are *values*; they are *measurable as value magnitudes* and their common *value property* places them into a *value relation* with one another. Now, the equation that *20 yards of linen = 1 coat*, for example, or *20 yards of linen are worth 1 coat*, expresses the fact that, (1) the labours of *different sorts* which are necessary for the production of these things *count equally as human labour*; (2) the *quantity* of labour expended in their production is *measured* in accordance with definite social laws; and (3) tailors and weavers enter into a definite *social production relation*. It is a *definite social relation of the producers*, in which they *set* their different sorts of useful labour *equal, as human labour*. It is not to a lesser extent a *definite social relation of the producers*, in which they *measure*

6 Marx 1976b, pp. 31–2.

the magnitude of their labours *by the duration of expenditure of human labour power*. But *within our traffic*, these social characters of their own labours appear to the producers as social natural properties, as *objective determinations of the labour products themselves*; the equality of the human labours appears as the *value property* of the labour products; the *measure* of the labour by the socially necessary labour time appears as the *value magnitude* of the labour products; and finally, the social relation of the producers through their labours appears as a *value relation* or *social relation of these things*, the labour products. Precisely because of this, the labour products appear to them as *commodities*, sensibly super-sensible or *social things*. Likewise, the light impression of a thing upon the optic nerve does not manifest itself as the subjective excitation of the optic nerve itself, but in the *objective form* of a thing outside of the eye. But in the act of seeing, what happens in reality is that light is thrown from a thing (the external object) onto another thing (the eye). It is a physical relationship between physical things. In distinction from this, the *commodity form* and the *value relation* of the labour products have absolutely nothing to do with their physical nature and the material relationship which is derived from it. It is only the determined *social relation of people* itself which in this case assumes for them the phantasmagoric form of a *relation of things*. Thus in order to find an analogy we must flee into the nebulous region of the *religious world*. Here it is that *the products of the human head* appear as *independent figures* endowed with their own life and standing in relationship to one another and to men. That is the way it is in the *commodity world* with the *products of the human hand*. That is what I call the *fetishism* which clings to labour products as soon as they are produced as *commodities*, and which is thus inseparable from *commodity production*.

Now this fetish character to be sure reveals itself much more strikingly in the *equivalent form* than in the *relative value form*. The relative value form of a commodity is *mediated*; namely, *through its relationship to another commodity*. Through this value form, the value of the commodity is expressed as something completely different from its own sensible existence. There is at the same time the aspect that the value being can only be a relating which is foreign to the thing itself, and its value relation to another thing can only, therefore, be the appearance form of a social relation concealed behind. It is the other way around with the *equivalent form*. It consists precisely in the fact that the *corporeal* or *natural form* of a commodity counts *immediately* as the *social form*, as the *value form* for another commodity. *Within our traffic*, possessing the *equivalent*

form appears to be a *social natural property* of a thing, a property that thing *inherently* has, and therefore being *directly exchangeable* with other things appears the same as existing there sensibly. Because, however, *within the value expression of a commodity A*, the equivalent form inheres in *commodity B* from nature, it appears to belong to the latter from nature, even *outside of this relation*. Hence, for example, the riddling character of *gold*, which appears to possess along with its other natural properties (its dazzling color, specific gravity, non-oxydizability-in-air, etc.) also the equivalent form by nature; that is, the social quality of being *directly exchangeable* with all other commodities.⁷

As is clear from the passage just quoted, the fetish character manifests itself in the value form of the commodity (particularly in the equivalent form), and reaches completion in the money form, where the general equivalent form is attached to a particular commodity. In the first edition, this fact is not merely recognised as such in the theory of the value form, but also traced back further to clarify the ‘why question’ of the fetish character; in other words, why products of labour take the commodity form under commodity production, and why the social character of human labour manifests itself in the form of a commodity and ultimately in the form of gold.

Chapter One in the first edition is not divided into four sections as in the second edition, but if we carefully consider the content we can discern which part is dealing with the theory of the fetish character. The passage from the main body of the first edition, quoted a moment ago, comes near the end of the examination of the value form. And I think it can be seen as a sort of bridge linking that theory to the theory of the fetish character.

In the second edition, however, this examination of the ‘why question’ of fetish character that is confirmed in the case of the value form (above all in the equivalent form) is no longer included within the theory of the value form. The description we just looked at from the theory of the value form in the first edition is not placed within Section Four of Chapter One; perhaps as the result of Marx dividing the first chapter into four sections. In its place, however, the following passage was inserted:

Man’s reflection about the forms of social life, and therefore also his scientific analysis of these forms, takes a course directly opposite to the actual development of these forms. He begins ‘after the feast’ with the

7 Marx 1976b, pp. 59–60.

completed results of the development process. The forms that stamp labour products as commodities, which is therefore presupposed for commodity circulation, have already acquired the fixity of natural forms of social life, before man seeks to give an account, not of the historical character of these forms – for in his eyes they have already become immutable – but of their content. It was only the analysis of the prices of commodities which led to the determination of the magnitude of value, and only the common expression of commodities in money which led to the fixation of their character as values. It is however precisely this finished form of the commodity world – the money form – which conceals objectively the social character of private labour and therefore the social relations between the private labourers, instead of revealing these relations plainly. If I say that coats, boots, etc. relate themselves to linen as the general incarnation of abstract human labour, it is plain how bizarre an expression this is. However, when the producers of coats, boots, etc. relate their commodities to linen (or to gold and silver, which does not change the matter in the least) as the general equivalent, the relation of their own private labour to the social aggregate labour appears in exactly this crazy form.⁸

This is followed a bit later by the following footnote:

It is one of the chief failings of Classical political economy that it has never succeeded in finding, from the analysis of commodities and more specifically of commodity value, the form of value, i.e., that which turns value into exchange value. Even its best representatives, Adam Smith and Ricardo, treat the form of value as something quite indifferent or extraneous to the nature of the commodity itself. The reason for this is not solely that their attention is entirely absorbed by the analysis of the *magnitude of value*. It lies deeper. The *value form of the product of labour* is the most abstract, but also the most general *form* of the *bourgeois* mode of production; by that fact it stamps the bourgeois mode of production as a *particular* species of *social* production, and therewith as one of a *historical* and *transitory* character. If one considers it to be the eternal form of social production, one necessarily overlooks the specificity of the value *form* as well – and consequently that of the *commodity* form, together with its further developments, the *money* form, the *capital* form,

8 Marx 1976a, pp. 168–9.

etc. That is why certain economists who are entirely agreed that labour time is the measure of the magnitude of value, have the strangest and most contradictory notions concerning *money*, i.e., the finished figure of the general equivalent. This emerges sharply when they deal with banking, where the commonplace definitions of money will no longer do. Hence there has arisen in opposition to the Classical economists a *restored Mercantilist System* (Ganilh etc.), which sees in value only the *social form*, or rather the insubstantial semblance of that form.⁹

In the first German edition, Marx places that footnote at the end of the following paragraph, which appears near the end of the part dealing with the theory of the value form:

As one sees, the analysis of the commodity yields all *essential* determinations of the *form of value*. It yields the form of value itself in its antagonistic moments, the *general relative form of value*, the *general equivalent form*, finally the never-ending *series of simple relative value expressions*, which first constitute a transitional phase in the development of the form of value, and eventually turns into the *specific relative form of value of the general equivalent*. However, the analysis of the commodity yielded these forms as *forms of the commodity* in general, which can therefore be taken on by every commodity – although in a polar manner, so that when commodity A finds itself in *one* form determination, then commodities B, C, etc. assume the *other* in relation to it. It was however of decisive importance to discover the inner necessary connection between *form* of value, *substance* of value, and *magnitude* of value, i.e., expressed ideally, to prove that the *form* of value springs from the *concept* of value.¹⁰

In the second German edition of *Capital*, Marx moves the same footnote to the section on the theory of the fetish character, attaching it to the second sentence in the following paragraph:

Political Economy has indeed, however incompletely, analysed value and its magnitude, and has uncovered the content concealed within these forms. But it has never once asked why this content takes that form, that is to say, why labour is expressed in value, and why the measurement of

9 Marx 1976a, p. 174 (Marx's emphasis as in first edition).

10 Marx 1976b, pp. 33–4.

labour by its duration is expressed in the magnitude of the value of the product.* These formulas, which have it written on their foreheads that they belong to a social formation in which the production process has the mastery over men, and man does not yet master the production process, are considered by the political economists' bourgeois consciousness to be self-evident and nature-imposed necessities, just as necessary as productive labour itself. Hence the pre-bourgeois forms of the social organisation of production are treated by political economy in much the same way as pre-Christian religions were treated by the Fathers of the Church.¹¹

It is clear from the passages quoted that there is a significant difference between the first and the second edition with regard to the relation between the theory of the value form and the theory of the fetish character. Unlike the first edition, where Marx moves from a recognition of the fetish character that is concretely manifested in the value form to a more general consideration of the fetish character of the commodity, the second edition deals with the question of the fetish character of the value form (and therefore the money form as well) as part of a general consideration of the fetish character of the commodity. I have my own view of why the second edition was revised in that way, but I will not delve into it here.

At any rate, we can see that in the second edition, and of course in the first edition, the question of 'why' pertaining to the value form (and therefore to money as well) is dealt with in the theory of the fetish character. I think this is clear without any room for doubt if we read *Capital* in a straightforward way, particularly those passages that I have quoted. This is my reason for stating in *Theory of the Value Form and Theory of the Exchange Process* that the 'why' of money is elucidated in the theory of the fetish character.

11 Marx 1976a, pp. 173–5.

The Significance of the ‘Why Question’

(*The Particularity of Commodity Production and the Essence of Value*)

ŌTANI: Many readers may not have a copy of your book *Keizaigaku shi* (*History of Political Economy*),¹ but in the third chapter of that book – on the Classical school of political economy – you include a long footnote with a clear and comprehensive explanation of the ‘why question’ and of the essence of value and the relation of value to its phenomenal forms. That explanation tends to be overlooked because it appears in a footnote, so here I would like to quote from it to conclude our discussion of problems pertaining to the overall genesis of money. I think it will contribute to a better understanding of the fetish character that we have been examining in relation to the difference between the first and the second German edition of *Capital*. Before looking at the footnote itself, though, I want to introduce the following passage, to which the footnote is attached:

Commodity production is social production carried out under a system of private ownership by private producers who are independent of each other. The labour of the producers, which is private labour directly speaking, only first takes on an independent social form in the relation of product exchange. In exchange, the products of the producers’ labour are mutually equated as value, regardless of their manifold shapes as use values. The various real differences between types of labour as use-value-producing labour are abstracted from when considered as value-forming labour. In the case of value-forming labour, we are only dealing with indiscriminate human labour, or general human labour in abstraction from concrete differences, i.e., a certain quantity of the simple expenditure of human labour power. And it is in the form of ‘value’, as the crystallisation of this general human labour, i.e., in the material form of the value of a product, that a commodity producer’s labour first acquires significance as a certain quantity of the total labour time expended by society to satisfy its needs.²

1 [My English translation of Chapter Three of Kuruma’s *History of Political Economy*, including the passage quoted here, was published in the 2007 issue of *Research in Political Economy* under the title, ‘A Critique of Classical Political Economy’.]

2 Kuruma 1954, p. 81 (Kuruma 2007, p. 300).

You attach the following footnote to the end of that passage:

My explanation of the particularity of commodity production and the essence of value in the main body of this book is quite simple, which conversely may make it difficult for many readers to understand. So I would like to offer an additional explanation here. I have placed the explanation in a footnote because it pertains to the principles of political economy, not its history, but I want to underscore the fundamental importance of this issue.

Commodity production, needless to say, is also a type of social production, wherein commodity producers do not produce the objects they themselves need through their own labour. If *that* were the case, it would be possible for them to remain unrelated to each other. But in fact a social division of labour is carried out. Commodity producers, instead of producing the objects they need through their own labour, engage in the production of a particular item that then is provided for the use of other commodity producers, and in return have their own needs met by the labour of these other commodity producers.

In order for this to take place, the various labours of the commodity producers that are respectively engaged in the specialised production of various things must, first of all, in their totality compose an organic system of the social division of labour, thereby integrally responding to the needs of society as a whole. In other words, the total labour time of society must be distributed to the various spheres of production in such a way as to respond to the various needs of the entire society. Unless this is achieved, in some manner or form, it is not possible for the various things that society requires to be produced in line with necessity. This would not simply mean that it is carried out in an imperfect (rather than ideal) manner, but that it could not be carried out at all.

Secondly, in order for a system of the social division of labour to be feasible, wherein a person produces a particular use value for other members of society (rather than producing by himself all of the things he requires), and then has his own needs met by the products of the labour of other members of society, it is necessary that the mode of the distribution be decided upon in some manner or formed so that the producers are able to receive a certain portion of the total product of society. Unless this is determined, social production is not feasible.

These two points are the general conditions for social production, and without them being realised in some form or another social production cannot be carried out. Commodity production is no exception; but the

manner in which those conditions are realised under commodity production is fundamentally different from other cases.

In other forms of social production, even if there are differences in the manner of determining how to allocate the total labour time of society to the various production spheres and distribute the total product of society to the various members of society – whether based on the will of a dictatorial individual (or group of individuals) or rather according to democratic consensus; and whether done in a basically arbitrary manner or instead based on tradition or carried out on the basis of carefully considered plans – this is always carried out according to some decision based on human will, in a way that can be immediately grasped.

Things are different in the case of commodity production, where there is no person who makes such decisions. A commodity producer does not engage in the production of a particular thing according to someone else's direction, but rather completely in line with his own free will and decisions, according to his own responsibility and calculations. The labour power of the producers is their own private capability as autonomous personalities who constitute the subject of private property, and therefore the labour that is the expenditure of their labour power is carried out as a private matter. Since the labour power itself is not social, labour also does not directly have a social character: it remains private labour. Therefore, the products produced do not belong to society, but rather come into the producer's individual possession, so that they cannot be freely disposed of by society. In order for society to decide on the distribution of products, it would have to possess them, since one cannot freely dispose of something without possessing it.

If there is no one to determine the method of organising the division of labour and of carrying out distribution, how exactly is commodity production feasible as a system of social production? Production relations between commodity producers are not formed as direct relations between human beings, but rather are established via the detour of the exchange relation of their products *qua* commodities. We need to consider how the production relations between commodity producers are established through the exchange relation of their products *qua* commodities, and how the exchange relation between the commodity producers' products *qua* commodities mediates the relations of production between them.

We know from the discussion thus far that the most fundamental condition for social production to be carried out is the social integration, in one way or another, of the labour of individuals so that they are connected

with one another as parts of society's total labour. The labour of commodity producers, however, is carried out as private labour, not socially integrated labour. Yet labour must come to have the substance as one part of the total labour of society, as something that constitutes the overall system of the social division of labour. This represents a fundamental contradiction unique to commodity production. The problem comes down to identifying how this contradiction is mediated via the exchange relation of labour products or locating the moment within the exchange of commodity producers' labour products through which their private labour acquires existence as social labour.

Commodities come in many varieties and are diverse as use values, which is precisely why they can be exchanged for each other. This exchange presupposes that the use values of commodities are different; but on that basis alone exchange could not be carried out. It is also premised that the thing possessed by Person A must be superfluous for him yet useful to Person B, and vice-versa for Person B. In this way, the two people are first able to exchange their products. Even though this is unquestionably a precondition for any sort of exchange to occur, on its basis alone the exchange of products as commodities will not necessarily take place immediately. For instance, even if a child with an extra spinning top and another child with extra playing cards exchange these items, we are not dealing with commodity exchange. The children's exchange does not mediate the establishment of a system of social production between them.

What characterises the exchange of commodities, to repeat, is not merely the mutual difference between things possessed by people as use values, or the relation between those things and the wants of human beings, but rather a relation in which commodities are equal as value despite being different as use values; which is to say, the value relation between commodities. Commodities as use values come in an infinite variety, but as value they are indistinguishable and equal. This is why commodities all uniformly have the form of being worth such-and-such yen in gold, i.e., a price. The value indicated in a price is precisely the moment through which the labour of the commodity producers first comes to obtain unity.

The labour of commodity producers does not directly have social unity, nor does it have a social character. This is the inevitable outcome of labour power itself not being social. As long as labour power is private, rather than social, labour as its exertion also remains private and cannot be social. In the case of commodity production, labour power is not social-

ised to begin with, nor does it exist as society's total labour power expended for various production purposes (e.g., as tailoring labour or weaving labour). If that were the case, labour in an active state, from the moment it is carried out, would have a social character in its natural form – directly as labour itself or as specific concrete labour. In the case of commodity producers, however, things are different. The producers' labour is instead objectified in products to form their value. As value, all labour is indiscriminate and equal, differing only quantitatively (not qualitatively). It is in this form as the character of the product of labour (rather than the character of the labour itself), and in the form of indiscriminate and qualitatively equal value (rather than use values for some particular purpose), that the different types of labour of commodity producers first gain unity, becoming social labour. In this way, labour comes to exist as one part of the total labour time society expends to satisfy its aggregate wants, as one part of the total labour power expended by society.

The social relations between producers in the case of commodity production are thus established in a manner completely contrary to that of a planned economy, with everything appearing upside-down. Instead of the relations between human beings existing from the outset, followed by the actual carrying out of social production, what occurs first is the independent exchange of products of private labour, which are equated as value in this exchange. That is the way in which the labour of commodity producers becomes identical as value-producing labour and is reduced to indiscriminate abstract human labour. This is how the labour of commodity producers obtains unity in a specific form, becoming one part of the total labour power expended by society.

Value, in other words, is the distinctive form assumed by the private labour of commodity producers in order to become social labour, forming a moment that mediates the fundamental contradiction of commodity production noted above. Commodity production develops along with this 'moment' (value), developing at precisely the same pace as it does; while on the other hand the development of value means that products have become commodities so as to exist not merely as use values but at the same time as value. Thus, the contradiction particular to commodity production is sublimated in the form of the commodity as the direct unity of use value and value. In this way, the contradiction is manifested in the more concrete form of the contradiction pertaining to the commodity.

The question then becomes how the commodity unfolds and resolves this contradiction, and to clarify this we above all need to clarify the commodity's need for a particular form to express its own value. If we say that

a commodity is both use value and value, this is something that can first be perceived through theoretical consideration. And the intrinsic value of a commodity – the fact that 10 hours of social labour are embodied within it, for example – cannot be expressed as is. This is natural from the perspective of the formation of value just explained. It is precisely because the labour of commodity producers does not have existence as a certain quantity of social labour that this labour only first obtains unity as the abstract general labour that produces the value held in common. This is the manner through which the labour of the producers becomes social labour. It occurs through the exchange of the products of the producers' labour and the relation through which their products are mutually equated within exchange. This means that social labour time does not exist from the outset; not only does it not exist within labour in an active state, it does not directly exist in an objectified state. If it did exist at such, it could be indicated, as is, as labour time. However, if that were the case, labour would not be objectified to become value and products would not become commodities. The value of a commodity is not indicated as labour time because the labour of the commodity producer is not directly social labour, and therefore the labour included in the product is not directly social labour, which means that the product of that labour cannot be grasped as the product of directly social labour.

How, exactly, is the value of a commodity indicated? Given that a commodity cannot indicate its value on its own, it is indicated instead by another commodity with which it is in a relation of exchange. Yet in the case of that other commodity as well, its natural form is its use value (not value), and it does not, on its own, have a form of value in addition to its natural form. The natural form of that other commodity must therefore become the form of value. This is indeed what happens, as is clear from the fact that the value of every sort of commodity today is indicated in the form of a certain quantity of gold. There is still the question, however, of how it is possible (whether in the case of gold or something else) for the natural body of a commodity, its material form, to express the value of another commodity and thus become the form of value. This is the crux of the problem regarding the value form, which Marx elucidates in Section Three of Chapter One (under the heading: 'A. Simple, Isolated, or Accidental Form of Value'). There he traces the development of the form itself, and in so doing thoroughly solves the riddle of money. But here we will have to omit a further explanation of what Marx elucidates in that part of *Capital*, as well as his explanation of the development of the contradiction of the commodity within the real process of exchange,

the necessity of the genesis of money, and the manner in which money mediates the contradiction of the exchange process.³

Following that long footnote, you refer to the defect of the Classical school of political economy in the following way:

Bourgeois economists, however, starting with Smith, failed to grasp the character of value as the specific social form of labour particular to commodity production. Economists were aware that the value of a commodity is in fact labour, but they did not understand why labour, instead of appearing as such, manifests itself in the form of the value of the product; in the peculiar form of being an attribute of a thing, which is an upside-down form that requires scholars to uncover and demonstrate the substance of value. Not only did they fail to understand this pivotal point, it was not even posed as a problem to begin with. This was the inevitable outcome of viewing commodity production as the natural form of social production, equating it with social production itself. As Marx notes: 'Political economy has indeed, however incompletely, analysed value and its magnitude, and has uncovered the content concealed within these forms. But it has never once asked why this content takes that form, that is to say, why labour is expressed in value, and why the measurement of labour by its duration is expressed in the magnitude of the value of the product. These formulas, which have it written on their foreheads that they belong to a social formation in which the production process has mastery over man, and man does not yet master the production process, are considered by the political economists' bourgeois consciousness to be self-evident and nature-imposed necessities, just as productive labour itself'.⁴

3 Kuruma 1954, pp. 82–8 (Kuruma 2007, pp. 331–4).

4 Kuruma 1954, pp. 88–9 (Kuruma 2007, p. 300).

In What Sense is the Simple Value Form ‘Accidental’?

ŌTANI: Now I want to turn to the ‘how question’; in other words, the theory of the value form. My first question concerns the initial value form, which Marx calls ‘the simple, isolated or accidental form of value’. The meaning of the adjectives ‘simple’ and ‘isolated’ can be easily grasped from his description, whereas in the case of ‘accidental’ there does not seem to be a single, uniform answer. I should note that the word ‘accidental’ (*zufällig*) does not appear in the first German edition of *Capital* (or in its appendix on the value form); nor does it appear in the second German edition.¹ My question concerns the sense in which that form is ‘accidental’. Should that term be understood in relation to the process of the historical development of the value form?

KURUMA: In the very first paragraph of *Capital*, Marx writes:

The wealth of those societies, in which the capitalist mode of production reigns, presents itself as ‘an immense accumulation of commodities’. The single commodity appears as the elementary form of this wealth. The analysis of the commodity will therefore be the starting point of our investigation.²

¹ The caption for this initial value form was gradually modified as follows:

- 1) ‘I. First or simple form of relative value’ (First German edition, 1867)
- 2) ‘I. Simple value form’ (Appendix of the first German edition, 1867)
- 3) ‘A. Simple or isolated value form’ (Second German edition, 1872)
- 4) ‘A. Simple or accidental value form’ (French edition, 1872–5)
- 5) ‘A. Simple, isolated or accidental value form’ (Third German edition, 1883; fourth German edition, 1890)
- 6) ‘A. Elementary or accidental form of value’ (English edition, 1887)

From this we can see that the adjective ‘accidental’ was first used by Marx in the French edition, then taken over by Engels for use in the following editions.

² Marx 1976a, p. 125.

If we look at this passage, the commodity that is the object of analysis is the commodity that appears as the elementary form of the wealth of a society in which the capitalist mode of production prevails. I think it is thus clear that we are not dealing with the commodity as in the case of commodity production that has yet to be generalised so that products only *accidentally* become commodities. So the question remains: Why is the simple value form said to be the 'accidental' form of value? In order to answer that question, we can begin by considering the following passage from *Capital*:

The only difficulty in the comprehension of the money form is that of grasping the general equivalent form or, more broadly, the general form of value, form C. Form C can be reduced by working backwards to form B, the expanded form of value, and *its constitutive element is form A: 20 yards of linen = 1 coat or x commodity A = y commodity B*. The simple commodity form is therefore the germ of the money form.³

Marx is saying that 'form A', the simple value form, is the constitutive element of the expanded form of value that he calls 'form B'. In the case of form B, if we borrow his example, the linen is in the relative value form, with a countless number of other commodities in the equivalent form. In this case, the coat exists as one of the countless number of commodities that make up the equivalent form. In the simple value form, only the coat is in the equivalent form, which simply means that from out of the countless number of commodity types in the equivalent form for the expanded value form, the coat *happens to be* taken out. Tea could have been taken out instead, or coffee, wheat, or anything else, but Marx happened to choose a coat as the equivalent form. It is in this sense that he refers to the simple form of value as the 'accidental form of value'.

We might also consider the fact that the value form develops to become the money form, ' $x \text{ commodity A} = y \text{ money commodity}$ ', thus returning to the same shape as the simple value form, which is the form in which there is only a single commodity on either side of the equation. Marx writes:

The expression of the value of a commodity in gold – $x \text{ commodity A} = y \text{ money commodity}$ – is its money form or its price. A single equation, such as 1 ton of iron = 2 ounces of gold, now suffices to express the value of the iron in a socially valid manner. There is no longer any need for

3 Marx 1976a, p. 163.

this equation to line up together with all other equations that express the value of the other commodities, because the equivalent commodity, gold, already possesses the character of money. *The commodities' general relative value form has thus the same shape as their original relative value form, the simple or individual relative value.*⁴

In other words, arriving at the money form means that the 'original shape' of 'simple or individual relative value' is again taken. But in the case of the money form it is the money commodity (gold) that is fixed as the equivalent form, rather than a single commodity that is *randomly* (or accidentally) selected out from a variety of commodities, as in the case of the simple form of value. It seems to me that Marx inserted the adjectives 'simple' and 'isolated' as well as 'accidental' in order to draw attention to this difference.

Regarding your question about whether or not the 'accidental' form of value bears a relation to the process of the historical development of the value form, we can look to the following passage from *Capital*:

The first form (form A) brought about equations like this: 1 coat = 20 yards of linen, 10 lb. of tea = 1/2 of iron, etc. The value of the coat is expressed as something which is like linen, that of the tea as something which is like iron, etc. These expressions of the value of coat and tea are therefore as different as linen is from iron. *This form, it is plain, appears in practice only in the early stages, when the products of labour are converted into commodities by accidental occasional exchanges.*⁵

Marx writes that the 'form ... appears in practice only in the early stages, when the products of labour are converted into commodities by accidental occasional changes'. However, the form that Marx is referring to is the equation in which there is just one particular type of commodity on each side of the equation, so it would be a terrible misunderstanding to imagine that he is referring, instead, to the simple form of value *qua* fundamental form of value expression. The value form of a commodity is premised on the fact that the product has already become a commodity, and that the labour expended on the commodity's production constitutes its value as one part of the total labour expended by society. The form through which the value of the commodity is expressed in distinction from its use value is the value form. What is at issue

4 Marx 1976a, p. 189.

5 Marx 1976a, p. 158.

in the passage just quoted, however, is the 'early stages, when the products of labour are converted into commodities by accidental occasional changes', so that the product prior to exchange has yet to become a commodity. Therefore, the value form of the commodity is not yet under consideration. Of course, I do think that it is worthwhile, upon the basis of grasping that distinction, to consider the development of form within the theory of the value form and how that development corresponds to history.

The ‘Detour’ of Value Expression

ŌTANI: One central question is whether the two moments within the mechanism of value expression – in other words, the linen equating the coat to itself and the linen in this relationship expressing its own value in the form of the coat – are in a logical sequential relation or not. One view is that it is a relation in which the two moments presuppose each other, rather than being a unilateral relation of just one moment premising the other. That is to say, the moment whereby the linen posits the coat as the value body is not a unilateral premise for the linen to express its value through the coat *qua* value body because the latter moment is also the premise of the former. Rather, the coat becomes the value body by being equated to the linen, and through this equating the linen at the same time expresses its value using the coat as the material for this value expression. Still, there is the question of whether the coat is the value body only insofar as the linen is expressing its own value, or if the coat alone is the value body prior to the expression of the linen’s value.

KURUMA: That sounds like a reasonable question. If I had anticipated it, I probably would have explained myself more clearly in *Theory of the Value Form and Theory of the Exchange Process*. Still, I don’t think my manner of explanation was necessarily wrong, as I will try to explain.

In *Capital*, the analysis of the value form begins with the simple form of value. Marx clarifies the role played by the commodity on either side of the value-expression equation, referring to them as the ‘relative value form’ and the ‘equivalent form’. In so doing, he confirms the points that are clear at a glance, as categorised under the following headings in the appendix on the value form in the first German edition: (a) ‘The inseparability of both forms’ (b) ‘The polarity of both forms’ and (c) ‘Relative value and equivalent are both only forms of commodity value’.¹ At this stage, Marx has yet to fully analyse the simple value form so he speaks of the relation (*Verhältnis*) between the relative value form and the equivalent form in the following manner:

The relative form of value and the equivalent form are two moments which belong together, mutually condition each other, and cannot be

¹ Marx 1976b, pp. 50–1.

separated; but, at the same time, they are mutually exclusive or opposite extremes. They are the two poles of the same expression of value.²

One commodity expresses its value using another commodity, while that other commodity serves as the material for value expression and thus functions as the equivalent. These two moments are 'mutually exclusive', or to use your term they 'presuppose each other'. At this stage, certainly, we are dealing with a relation of mutual presupposition. For the linen to express its value the coat must be made the equivalent, and at the same time for the coat to become the equivalent the linen must express its value in the coat. We are not dealing, therefore, with a relation that has a unilateral premise. However, we must be careful to note that both moments pertain to the value expression of a *single* commodity – the linen. Thus, linen can be said to play an active role, whereas the coat cannot transform itself into the equivalent. This point is important when we move on to analyse the relative form of value.

In his analysis of the relative value form in *Capital* (at the beginning of the subsection titled 'The content of the relative form of value'), Marx clearly indicates that the task is to discover 'how the *simple expression of the value of a commodity* is embedded in the value relation between two commodities',³ and he then analyses the qualitative aspect of the equation '20 yards of linen = 1 coat'. Here we have already gone beyond the relation of mutual exclusion and opposition. The issue now concerns how the commodity expressing its own value, the linen, relates itself (*Beziehung*) to another commodity. Marx notes that those two qualitatively equated commodities do not play the same role: only the *value of the linen* is expressed, not that of the coat. As for how this occurs, Marx's answer is that 'in this relation, the coat counts as the form of existence of value, as a thing representing value – for only as such is it the same as the linen'.⁴ What I refer to as the 'mechanism of *value expression*' concerns this answer to the question posed. And I use the term 'detour' to express the most fundamental, qualitative content of Marx's answer in a clear and concise way.

The linen, by itself, is quite unable to express its own value. It must make another commodity the value body in order to express its own value. The linen equates the other commodity to itself as value, thus making it the equivalent and positing that commodity with validity as the value thing. The *linen*

² Marx 1976a, pp. 139–40.

³ Marx 1976a, p. 140.

⁴ Marx 1976a, p. 141.

expressing its own value, which is the ‘how’ question under consideration, is *first accomplished by means of* positing another commodity with the formal determination as value body. I think this is an undeniable fact. But in dealing with the issue at hand it is of no use to think along the lines of *the coat becoming the value body* because the linen must express its own value in the coat. Such a viewpoint, even if not mistaken in itself, poses the question in terms of how the *coat actively* becomes the equivalent. In fact, the coat passively comes to acquire this form. Moreover, what is at issue is not that sort of ‘how’ question, but rather the ‘how’ of value expression.

The linen does not relate itself to the coat by immediately equating *itself* to the *coat*. That could not occur unless the linen already figured as value for the other commodity. What happens, rather, is that a commodity that does not yet have a form as value equates *the other commodity* to *itself*, so as to relate itself with this other commodity that has become *something equal to itself*. In this way, for the first time, the linen is able to express its own value.

ŌTANI: Regarding the issue of whether the linen equates the *coat to itself*, or rather equates *itself to the coat*, in your book *Theory of the Value Form and Theory of the Exchange Process* you point out that Marx’s expression ‘*sich den Rock gleichsetzen*’ has been mistranslated in Japanese editions of *Capital*. In that phrase, ‘*den Rock*’ is clearly in the accusative just as ‘*sich*’ is clearly in the dative, so the translation should be: ‘equates the coat to itself’. Yet in all of the Japanese translations of the first German edition of *Capital* we find, instead, ‘equates itself to the coat’. Apparently it was not a simple oversight on the part of the translators, given that in other passages there are similarly mistaken translations of ‘*sich einen Rock gleichsetzen*’ and ‘*sich ihn als Wert gleichsetzen*’. The translators seem to have thought that, at least in terms of *content*, the phrase should be translated so that the linen equates itself to the coat.

KURUMA: As for that particular passage, I believe that Kōzō Uno, in his book *Shihon-ron gojū nen (Fifty Years with Capital)*, said that either translation is fine, in terms of both grammar and content.

ŌTANI: That is a very strange argument for anyone familiar with the German language to make, so I suppose Uno must have meant that either is fine in terms of *content*. There was, incidentally, a comment regarding this issue made by [Uno’s follower] Setsuo Furihata in the discussion published as the 1967 book *Shihon-ron kenkū (An Inquiry into Capital)*. In the discussion, Furihata says that this translation issue constitutes the basis for your position regarding the detour of value expression. Then, after referring to what you have to say

about the phrase '*sich den Rock gleichsetzen*', Furihata suggests that your position on the detour 'incorporates a unique interpretation of that translation'. In response to your view that the 'linen cannot become the value body by immediately equating itself to the coat, thereby declaring itself to be equal to the coat, which would be a "presumptuous" act', Furihata comments:

Whether the linen seeks to 'immediately equate itself to the coat' or seeks to 'equate the coat to itself', there is no difference in either case in terms of the linen being 'presumptuous'. For the value form, it seems its fundamental character should be understood as being established through the 'presumptuous' act of the commodity in the relative value form. Regardless of whether the linen 'equates itself to the linen' or 'equates the coat to itself', the establishment of this equivalent relation is a matter that does not involve the coat. Precisely for this reason, the premise of this equivalent relation is that only the coat is able to have the 'attribute of direct exchangeability'. In other words, the fact that within this relationship it is the owner of the coat, not the owner of the linen, who is able to decide to exchange his commodity with another commodity, is merely the reverse side of the 'presumptuous' act of the linen.⁵

Furihata does not say that either translation is fine grammatically speaking but that both are fine in terms of content.

KURUMA: In that case, how does he think the passage should be translated? Is he saying that either translation would be fine?

ŌTANI: I wonder? The strange thing is that the same mistake is made by Jirō Okazaki in his relatively recent translation of the first German edition of *Capital*. So there is the question, again, of whether or not we are dealing with a mere careless mistake.

KURUMA: People seem to have a fixed idea regarding that passage. I recall having written some comments in the margins of my copy of *Fifty Years with Capital*. Shall we look at them?

ŌTANI: Yes, Uno in that book makes the following comment:

5 Uno et al. 1967, p. 133.

Kuruma says that the linen equates the coat to itself, rather than the linen saying that it is equal to the coat. For Kuruma, the detour involves the linen saying that the coat is equal to itself. That may very well be the case. But I do not think there is great significance in saying that the expression of equating the coat to itself, rather than equating itself to the coat, is the detour.⁶

Following this, another participant in the discussion says:

In terms of the linguistic issue, can it really be said that the '*sich*' in '*sich den Rock gleichsetzen*' is definitely not in the accusative?

To which you respond in a margin note:

How foolish! The question is not whether '*sich*' can be in the accusative (which of course it can), but that '*den Rock*' is in the accusative, so that '*sich*' can only be in the dative. If the coat were put in the dative, so that the phrase was '*sich dem Rock gleichsetzen*', then the current translation would be fine. In that case, because the coat is in the dative, the '*sich*' can be exclusively in the accusative. This is because it is not possible for both to be in the dative, or both to be in the accusative.

A different participant in the discussion then adds:

In terms of that point, even those who specialise in German do not seem to know. I asked Professor Nakano Tadashi about this, and he seems to have investigated the question to a considerable extent when writing his book *Kachikeitai-ron (Theory of the Value Form)*. In the end, even he arrived at the conclusion that either translation is the same.⁷

You write in response: 'Astounding! What did you ask and how did you ask it? Foolish boys!' Meanwhile, in that same discussion, Uno goes on to say:

The notion of a distinction between a 'presumptuous' act and 'making a declaration' is a highlight of Kuruma's position. He says that it is not presumptuous to 'equate to oneself' – but rather is a *declaration*. Kuruma

6 Uno 1970, p. 714.

7 Uno 1970, p. 715.

says that to 'equate oneself to the other' is to act in a presumptuous way. But I would argue, instead, that the price expression of the commodity is originally a presumptuous declaration; it is not simply a presumptuous act. There are other sellers of the same commodity, and depending on circumstances the price is modified. There is certainly significance in this fact.⁸

In response to Uno's idea that the price expression of the commodity is a 'presumptuous declaration', you write in the margin: 'Is he thinking in terms of the level of the price (asking price)? The essential problem of the value form lies elsewhere. He is not even aware of the distinction!' Then, regarding Uno's statement as a whole, you write:

This is not a question particular to the German language. For instance, there is a difference between Person A saying, 'I equate myself to Person B', as compared to saying, 'I equate Person B to myself'. If Person A says to Person B: 'You are my soulmate', then B can behave as the 'soulmate' vis-à-vis A; whereas if Person A says to Person B: 'I am *your* soulmate', B may very well say, 'Get lost, you conceited jerk!' This is what is meant by a 'presumptuous' act.

Later in the discussion, Uno says:

The fundamental point concerns the want of the commodity owner, which is to say, the meaning of value being expressed in the use value of another commodity, but I think that Marx did not make this clear. I feel there is a merit in my own view concerning this matter.⁹

Your comments in the margins deal with that view as well, but I would be interested to hear what you have to say about Furihata's claim that either 'equate to itself' or 'equate itself to' are acceptable because the linen is acting in a presumptuous manner in both cases.

KURUMA: Furihata's idea seems to be that only the linen plays an active role, whereas the coat passively becomes the equivalent. That is what he considers the 'presumptuous' act of the linen and the fundamental character of the value

8 Ibid.

9 Ibid.

form. So for him it is sufficient to understand this point – whereas it matters little whether the linen ‘equates itself to the coat’ or ‘equates the coat to itself’.

His view seems to stem from the idea that the *owner* of the linen desires the coat and for that reason *equates the linen and the coat*, saying that he is *willing to exchange* the linen for the coat. This is seen as the core of the equation ‘linen = coat’. Thus, according to Uno’s view as well, if one grasps that the *linen owner* is doing the *equating*, it is by nature a ‘presumptuous’ act because it is done at the owner’s discretion, without regard for the owner of the coat. Here we have the fundamental content of Uno’s argument, which is repeated by Furihata. This is a view I criticised in *Theory of the Value Form and Theory of the Exchange Process*, such as in the following passage:

[I]f a child wants to trade some spare playing cards for a spinning top and asks if anyone wants to swap a top for 10 cards, the top does not become the phenomenal form of the cards’ value because we are not dealing with a value relation between commodities. What characterises a value relation between commodities is a relation of equivalence between commodities as objectified human labour.¹⁰

If we recognise that the relation between the linen and the coat is a value relation, we abstract from the linen owner desiring the coat, to focus on the relation of equivalence between commodities as objectified human labour. We need to clarify how the value of the linen is expressed within this equivalence. By posing the question in this manner, we are able to understand the decisive difference between ‘linen equating itself to the coat’ and the ‘linen equating the coat to itself’. We need to be aware that in the equation ‘linen = coat’ we are dealing with a relation of equivalence; and that at the same time only the linen’s value is expressed and only the coat becomes the equivalent. There is a difference in the significance of the commodity on the left of the equation and the commodity on the right. But the difference does not concern the fact that the commodity on the right is an object desired by the owner of the commodity on the left. Rather, it is a difference that remains even after we have set that point aside.

Of course, in the equation it is the linen that is expressing its own value. So we are dealing with the commodity linen as the *subject*, and an equating *to it* is carried out. In our example, a coat is equated *to* the linen. The opposite relation, where the linen is equated to the coat, would be expressed by the equation ‘coat = linen’.

10 Kuruma 1954, pp. 66.

Next, there is the question of which commodity is carrying out the equating: Is it the linen or the coat? Although we know that the linen owner is the one equating the coat to the linen, the subject in the *value expression of the linen* is the linen itself, so it is the *linen* (not the coat) that does the equating. The act of equating refers precisely to the linen equating the coat to itself. If we reverse the linen equating the coat to itself, so that we have linen *equating itself to the coat*, it would ultimately be the same as saying that the equation 'coat = linen' is created by the linen (i.e., the commodity on the right of the equation), which would mean that a commodity on its own accord could turn itself into the equivalent. That is certainly *not* possible, however. Even if a commodity were to designate itself as the equivalent of another commodity, it would merely be a 'presumptuous' act with no validity as far as the other commodity is concerned. A commodity that is directly a use value cannot count as the value body for another commodity *at will*.

However, if a commodity (linen) equates another commodity (a coat) to itself, it is able to posit that other commodity with the formal determination as the value body. Linen is thus able to indicate its own value through the coat that it has posited with this determination. The linen turns the bodily form of the commodity posited with that formal determination into the form of its own value. As Marx says: 'That what it cannot do immediately for itself it can do immediately for other commodities, and therefore on a detour for itself'.¹¹ Therefore, we are certainly not dealing, in this case, with a 'presumptuous' act on the part of the linen. The outcome is that the coat is posited with the attribute of direct exchangeability vis-à-vis the linen. It is in this sense that there is a decisive difference between saying that the 'linen equates itself to the coat' and saying that 'linen equates the coat to itself'.

I think the reason Furihata fails to grasp this distinction, as I already mentioned, is that he does not recognise that we need to abstract from the want of the commodity owner – and from the very existence of the commodity owner – in order to uncover how the simple value expression of a commodity is encompassed in the value relation between two commodities.

ÔTANI: We seem to have gone off on a bit of a tangent by discussing the translation issue regarding the linen equating the coat to itself. Shall we return to the topic of the detour of value expression?

11 Marx 1976b, p. 22.

KURUMA: Perhaps it isn't such a tangent. I think this issue is important for an understanding of the 'detour' we are discussing. At any rate, as I mentioned, there is no question that it is the want of the linen owner for the coat that establishes the equation 'linen = coat'. But in analysing the value form we must set aside the reason why the equation is established. The very existence of the equation means that there is a relation of equivalence, and this is of course equality *as value*. At issue is how the value of the linen is expressed within this equation. And to say that this occurs by the linen relating itself with the coat as the other commodity is merely the first step in answering the question.

It is often said that the relation of the linen to the coat is a *self-reflecting* relation. There is no question that this is indeed the case, because the linen comes into a relation with itself by relating itself with some other thing. Or as Marx says: 'By equating the other commodity to itself as value, the linen relates to itself as value. By relating to itself as value, it differentiates itself at the same time from itself as a use value'.¹² So I have no objection to viewing this as a self-reflecting relation, nor would I disagree with those who say that the 'detour' is such a self-reflecting relation where value is expressed through the mediation of relating with something else. What I wanted to emphasise in using the term 'detour', however, is the core content of this self-reflecting relation; in other words, the mediating way of value expression or the pivot of the 'content of the relative form of value' that Marx focused on. This concerns the linen equating the coat as 'value thing' to itself, thus positing the coat with the formal determination as 'value body', which is the formal determination as the embodiment of abstract human labour. It is through this mediation that the linen expresses itself as a thing of value. As long as we are examining the mechanism of value expression, the term 'detour' can only be referring to a detour of such a trajectory.

This certainly does not negate, however, that *the coat is posited with the formal determination as value body* because the linen expresses its own value through it. When Marx moves on to look at the equivalent form, his analysis is premised on what was already elucidated with regards to the relative form of value, but he shifts the angle of analysis to view the matter from the perspective of the equivalent form. A commodity comes to be the equivalent, with the trait of direct exchangeability, because another commodity has equated that commodity to itself and uses it to express its own value. Marx clarifies that the riddling character of the equivalent form arises from the bodily form of a commodity counting, in its given state, as the form of value (thus becoming

¹² Marx 1976b, p. 19.

the 'value body'). Marx speaks of a relationship in which the *genesis of the equivalent is premised on the value expression of the other commodity*. This is the 'how question' pertaining to the equivalent form. But this question is merely one part of a larger 'how question' regarding value expression. Answering that larger question allows us to also fundamentally clarify the 'how question' regarding the equivalent form. This is why Marx, after discussing the equivalent form itself, moves on immediately to deal with the 'peculiarities' of that form. Thus, even in his examination of the equivalent form, there are passages that contribute to an understanding of the detour of value expression. In particular, there are noteworthy descriptions of the second peculiarity of the equivalent form, such as the following passage from the first German edition of *Capital*:

The coat counts as *value body* in the linen's value expression, and the coat's *body* or *natural form* therefore counts as the *value form*; that is, thus, for the *embodiment of indistinguishable human labour*, of human labour pure and simple. The labour, however, by which the useful thing, coat, is made and obtains its particular form is not *abstract human labour*, human labour pure and simple, but a *particular, useful concrete sort of labour – tailoring*. The simple relative value form demands that the value of a commodity (e.g., linen) be only expressed in *one single other commodity sort*. Just *which* the *other* commodity sort is, is utterly indifferent for the simple value form. The linen *value* could have been expressed in the commodity type, *wheat*, instead of in the commodity type, *coat*; or instead of in the commodity type, *wheat*, in the commodity type, *iron*, etc. But regardless of whether it were coat, wheat, or iron, the *equivalent* of linen would always count as *value body* for the linen, and therefore as *embodiment of human labour pure and simple*. And the *particular body form of the equivalent* – whether coat, wheat or iron – would always remain *not* an embodiment of *abstract human labour* but of a *particular, concrete, useful sort of labour*, whether that of tailor, farmer, or mine worker. The *particular, concrete, useful labour* which produces the commodity *body* of the *equivalent* must therefore always count necessarily in the *value expression* as a *particular realisation form or appearance form of human labour pure and simple*, that is, of *abstract human labour*. The coat, for example, can only count as *value body*, and therefore as *the embodiment of human labour pure and simple*, insofar as tailoring counts as *the determinate form* in which human labour power is expended or in which abstract human labour realises itself.

Within the value relationship and the value expression included therein the abstract universal does not count as the property of what

is concrete and sensibly real, but the opposite holds: what is sensible-concrete counts as the mere appearance form or determinate realisation form of the abstract-universal. It is not that *tailoring labour*, which resides for example in the *equivalent* coat, possesses within the value expression of linen the *universal property* of also being human labour. The opposite holds: Being human labour counts only as the *essence of tailoring labour*, and being tailoring labour counts only as the *appearance form or determinate realisation form of this essence*. This *quid pro quo* is unavoidable because the labour manifested in the labour product is only *value creating* as far as it is indistinguishable human labour, with the result that labour objectified in the value of a product is *in no way distinguished* from the labour objectified in the value of a different kind of product.

The *inversion* whereby the sensible concrete counts only as the appearance form of the abstract universal, and it is not to the *contrary* that the abstractly universal counts as the property of the concrete – this inversion characterises the value expression. At the same time it renders difficult its comprehension. If I say: Roman Law and German Law are both law, that is obvious. But if I say, on the other hand, *the Law*, this abstract entity [*Abstraktum*], *realises itself* in Roman Law and German Law, these concrete laws, then the connection becomes mystical.¹³

Marx's use of italics in the passage above indicates the points he considers to be particularly important; and I want to draw attention to the following two sentences:

The *particular, concrete, useful labour* which produces the commodity *body* of the *equivalent* must therefore always count necessarily in the *value expression as a particular realisation form or appearance form of human labour pure and simple*, that is, of *abstract human labour*.

It is not that *tailoring labour*, which resides for example in the *equivalent* coat, possesses within the value expression of linen the *universal property* of also being human labour. The opposite holds: Being human labour counts only as the *essence of tailoring labour*, and being tailoring labour counts only as the *appearance form or determinate realisation form of this essence*.

13 Marx 1976b, pp. 56–7.

In terms of the expression of value, the tailoring labour only has significance as a real form of human labour, not as something to create a useful thing that satisfies a human need. This is only possible by means of – and insofar as – the linen equates the coat to itself as the equivalent. The linen is not able to endow its own weaving labour with that property. Instead, it is the tailoring labour that takes on such a quality, and upon that basis the linen is able to express its own value, its own congealed human labour.

Some people, however, may not discern what can be clarified through such an examination, or even view it all as a pointless endeavour. My general view, however, is that without clearly grasping what is clarified through the analysis of the value form, we will end up understanding very little at all. Commodity production is a particular system of social production in which labour that is directly expended in a private manner must become social labour. Whether in commodity production or communal production, the labour of various individuals comes into a reciprocal relationship as human labour. But this is carried out in a unique form under commodity production, as is manifested in the case of the equivalent form.

Perhaps my presentation in *Theory of the Value Form and Theory of the Exchange Process* was inadequate in some respects, but in analysing anything, the way in which the analysis is conducted will always depend on, and be restricted by, what one sets out to clarify. So it would be a bit pointless to concentrate on someone's use of terminology without being adequately aware of the issue the person is addressing.

The Meaning of the ‘Formal Content of the Relative Expression of Value’

(Hegel's *Theory of Judgment* and Marx's *Theory of the Value Form*)

ŌTANI: There are probably other important theoretical points related to the detour of value expression we could discuss, but I would like to take leave of that topic and move on to other issues. My next question centres on how we should understand the meaning of a footnote in the first German edition of *Capital* in which Marx writes:

It is hardly surprising that the economists, quite under the influence of material interests, have overlooked the *formal content of the relative expression of value*, because before Hegel the logicians by nature even overlooked the formal content of the paradigms of judgment and inference.¹

I am curious to hear your view regarding Marx's use of the term ‘formal content (*Formgehalt*) of the relative expression of value’ and what you think he is trying to say in the footnote as a whole.

KURUMA: I have given some thought to that footnote where Marx compares economists overlooking the ‘formal content (*Formgehalt*) of the relative expression of value’ to ‘logicians by nature’ overlooking the ‘formal content of the paradigms of judgment and inference’ (*Forminhalt des Urteils und Schlussparadigmen*). I think that if we look at a passage from the second German edition of *Capital*, the meaning of ‘the formal content of the relative expression of value’ becomes clear. In the passage, Marx writes:

By means of the value relation, therefore, the natural form of commodity B becomes the value form of commodity A, i.e., the physical body of commodity B becomes the mirror which reflects the value of commodity A. By relating itself with commodity B as value body, i.e., as the materialisation of human labour, commodity A turns the use value of B into the material

1 Marx 1976b, p. 22.

for its own value expression. The value of commodity A, thus expressed in the use value of commodity B, has the form of relative value.²

Economists who looked at the equation of value expression, 'x commodity A = y commodity B', tended to be preoccupied by the material issue concerning the *quantity* of value. In other words, they have focused on the fact that the value magnitudes of the two commodities are equal. As a result, these economists overlooked the content of the equation; which is to say, the form of value expression, where the value of the commodity on the left is expressed in the use value of the commodity on the right. Because of their approach, economists were unable to solve the further problem of how the bodily form of commodity B is able to become the shape of value for commodity A. In fact, they were not even able to pose that question. This seems to be Marx's point when he speaks of how economists 'have overlooked the formal content of the relative expression of value'.

If this were the extent of the matter it could be grasped by carefully reading *Capital*, but things are a bit trickier because of Marx's reference to Hegel. In his afterword to the second German edition of *Capital*, Marx notes that when he was working on that first volume he was irritated by the popular tendency at the time to irreverently treat Hegel as a 'dead dog'. Marx dared to declare himself a pupil of Hegel, and 'in the chapter on the theory of value coquetted with the modes of expression peculiar to him'.³ The passage you quoted from the footnote may be one example of Marx doing this. But since he is doing more than simply mentioning Hegel in passing, we need to consider the trickier issue of the points of similarity between Marx's theory of the value form and Hegel's theory of judgment. To begin, we should note that the footnote was attached to the following passage:

If one considers in the simple relative expression of value: x commodity A = y commodity B only the *quantitative* relation, one will also only find the laws developed above about the movement of relative value, which are all based on the fact that the magnitude of value of the commodities is determined by the labour time necessary for their production. However, if one considers the value relation of the two commodities according to their *qualitative* side, one uncovers in every simple value expression the secret of the value form, and therefore, *in nuce*, that of money.⁴

² Marx 1976a, p. 144.

³ Marx 1976a, p. 103.

⁴ Marx 1976b, p. 2.

This is included in the first German edition of *Capital*, under the heading: 'First or Simple Form of Relative Value'. Judged by the content, however, it is clear that Marx is discussing the fundamental question of the value form (up to and including the general form of value) – not the defect of the simple value form or the consequent necessity of a development of form. Thus, when Marx, in relation to this, mentions Hegel's theory of judgment (setting aside here his theory of inference), it is natural to think that he is referring to issues common to judgment in general, rather than to Hegel's examination of the progression of judgment. In *The Encyclopedia Logic*, near the beginning of Hegel's analysis of judgment, we can find passages that seem to correspond to Marx's statement that 'before Hegel the logicians by nature even overlooked the formal content of the paradigms of judgment and inference'. For example, in Section 166, Hegel writes:

When considering judgment, **one usually thinks** first of the **independence** of the extremes (the subject and the predicate): that the first is a thing or determination on its own [*für sich*], and that the predicate likewise is a universal determination outside that subject (for instance in my head), which is then brought together with the subject by me, and is thus 'judged'. But since the copula 'is' attributes the predicate to the subject, that external, subjective *subsumption* is again sublated, and the judgment is taken as a determination of the *object* itself.⁵ – The *etymological* meaning of *Urteil* in our language is more profound and expresses the unity of the Concept as what comes first, and its distinction as the *original* division, which is what the judgment truly is.

The abstract judgment is the proposition: 'The *singular* is the *universal*'. These are the determinations which *subject* and *predicate* primitively have vis-à-vis each other, where the moments of the Concept are taken in their immediate determinacy or first abstraction. (The propositions: 'The *particular* is the *universal*', and: 'The *singular* is the *particular*', belong to the further determination of the judgment.) It must be considered a quite amazing lack of observation that **we do not find any mention in the logic books [in den Logiken] of the fact that a proposition of this kind is expressed in every judgment: 'The singular is the universal', or more**

5 [The translators of the English edition of *The Encyclopedia Logic* use the hyphenated term 'ob-ject' to translate *Gegenstand*, which they define as 'the ordinary object of experience, in all its modes', as opposed to *Objekt*, which is the 'logical concept of the object' (Hegel, 1991, p. xxii).]

determinately: '*The subject is the predicate*' (e.g., 'God is absolute spirit'). It is true that the determinations of singularity and universality, or subject and predicate are also distinct, but the absolutely universal *fact* remains, nonetheless, that every judgment expresses them as identical.

The copula 'is' flows from the nature of the Concept: to be *identical* with itself is its uttering; as moments of the *Concept*, the singular and the universal are the sort of determinacies that cannot be isolated. The preceding determinacies of reflection have among their relationships *also* the relation to each other, but their connection is only one of '*having*', not of '*being*'; it is not *identity posited as such* or *universality*. Hence, only judgment is the genuine *particularity* of the Concept, for it is the determinacy or distinguishing of the Concept which continues to be *universality* all the same.⁶

We can also take a look at the following addendum to the passage just quoted:

The judgment is **usually considered** to be a combination of concepts, and indeed of concepts of diverse sorts. What is right in this interpretation is that the Concept certainly forms the presupposition of the judgment, and that in the judgment it presents itself in the form of distinction. On the contrary, it is false to speak of concepts of diverse sorts, for the Concept as such, although concrete, is still essentially *one*, and the moments contained within it must not be considered to be diverse sorts of concepts; similarly, it is false to speak of a *combination* of the sides of judgment, because, when we speak of a combination, we think of the terms combined as occurring also in their own right [*für sich*] outside the combination.

This external interpretation shows up in an even more definite way when the judgment is said to come about through the '*ascription*' of a predicate to a subject. In this view, the subject counts as what subsists 'out there' on its own account [*für sich*], while the predicate is what is found in our heads. But the copula '*is*' already contradicts this view. When we say, 'This rose *is* red', or 'This picture *is* beautiful', what the assertion expresses is that it is not just *we* who, from outside, dress the rose in red, or the picture in beauty, but, rather, that these are the objects' own characteristics. A further defect of **the usual interpretation of the judgment in formal logic** is the fact that in this perspective the judgment

6 Hegel 1991, p. 244. [Hegel's italics; Kuruma's boldface text.]

always appears to be something merely contingent, and the advance from the Concept to the judgment is not demonstrated.

But the Concept as such does not abide within itself, without development (as the understanding would have it); on the contrary, being the infinite form, the Concept is totally active. It is the *punctum saliens* of all vitality, so to speak, and for that reason it distinguishes itself from itself. This sundering of the Concept into the distinction of its moments that is posited by its own activity is the *judgment*, the significance of which must accordingly be conceived of as the *particularisation* of the Concept. Indeed the Concept is *in-itself* [*an sich*] already the particular, but the particular is not yet *posited* in the Concept as such; it is still in transparent unity with the universal there. So, as we have already [§160 addendum] noted, the germ of a plant, for instance, already contains the particular: root, branches, leaves, etc., but the particular is here present only *in-itself* [*an sich*], and is posited only when the germ opens up; this opening up should be regarded as the judgment of the plant. Consequently, the same example can also serve to make it obvious that neither the Concept nor the judgment is found only in our heads and that they are not merely formed by us. The Concept dwells within the things themselves, it is that through which they are what they are, and to comprehend an object means therefore to become conscious of its concept. If we advance from this to the judging of the object, the judgment is not our subjective doing, by which this or that predicate is ascribed to the object; on the contrary, we are considering the object in the determinacy that is posited by its concept.⁷

Both of the passages quoted above are taken from the first section, titled, 'The Judgment'. Hegel speaks of the usual ways of thinking and of the defects of 'logic books' or 'formal logic'. The defect indicated in all of those cases concerns the original meaning of the general form of judgment, where the subject is linked to the predicate via the copula 'is'; which is to say, the predicate expresses a certain determination that is originally contained in the subject itself. I think that this is what Marx is referring to when he says that 'before Hegel the professional logicians even overlooked the formal content of the paradigms of judgment and inference'.

Compared to this, when Marx notes that it is 'hardly surprising that the economists, quite under the influence of material interests, have overlooked the

7 Hegel 1991, pp. 244–5. [Hegel's italics; Kuruma's boldface text.]

formal content of the relative expression of value';⁸ he seems to be saying that when economists looked at the equation indicating the value relation, ' x commodity A = y commodity B', they only saw the material content of the commodities on either side of the equation as being of equal value. They thus overlooked the complex content of the equation, which concerns the *form* of the commodity's 'relative expression of value', wherein the value of the commodity on the left of the equation (corresponding to 'subject') is expressed in the bodily form of the commodity on the right of the equation (corresponding to 'predicate'). When Marx says that, 'it is hardly surprising that the economists ... have overlooked the formal content of the relative expression of value, because before *Hegel* the logicians by nature even overlooked the formal content of the paradigms of judgment and inference', he is implying that the situation overlooked by the 'professional' logicians prior to Hegel was a relatively simple matter compared to what the economists overlooked. And indeed this is the case.

For example, as we saw a moment ago, Hegel emphasised that, 'When we say, "This rose is red", or "This picture is beautiful", what the assertion expresses is that it is not just we who, from outside, dress the rose in red, or the picture in beauty, but rather that these are the objects' own characteristics'. Of course that is true. At the same time, though, if that were all it meant it could be easily understood, without requiring Hegel's explanation. But that natural, self-evident fact is linked in the case of Hegel to his idealistic dialectic, so as to acquire mysterious meaning. For instance, following the passage quoted above, Hegel writes:

A further defect of the usual interpretation of the judgment in formal logic is the fact that in this perspective the judgment always appears to be something merely contingent, and the advance from the Concept to the judgment is not demonstrated ... This sundering of the Concept into the distinction of its moments that is posited by its own activity is the judgment, the significance of which must accordingly be conceived of as the particularisation of the Concept ...⁹

Hegel says that the heart of the matter is to clarify the 'advance from the Concept to judgment', which seems to correspond to the following passage from the first German edition of *Capital* where Marx discusses the development of the value form:

⁸ Marx 1976b, p. 22.

⁹ Hegel 1991, p. 245.

It was however of decisive importance to discover the inner necessary connection between *form* of value, *substance* of value, and *magnitude* of value i.e., expressed ideally, to prove that the *form* of value springs from the *concept* of value.¹⁰

I think that this, like the passage quoted earlier from the afterword to *Capital*, is a typical example of how Marx ‘coquetted with the mode of expression peculiar to Hegel’. But it is necessary to clarify that the ‘concept of value’ is completely different from Hegel’s understanding of the Concept, as Marx explains in his afterword:

For Hegel, the process of thinking, which he even transforms into an independent subject, under the name of ‘the Idea’, is the creator of the real world, and the real world is only the external appearance of the idea. With me the reverse is true: the ideal is nothing but the material world reflected in the mind of man, and translated into forms of thought.¹¹

Marx clarifies all of the moments of commodity value by analysing the form in which products of labour present themselves as commodities, thereby ultimately reaching an understanding of the nature of commodity value and grasping the need for the value of a commodity to be manifested in the form of value. In this way, he clarifies how the use value of the commodity in the equivalent form becomes a ‘mirror of value’ for the commodity in the relative form of value. In a Hegelian manner, Marx says that, expressed ‘ideally’, it is of ‘decisive importance’ to ‘prove that the *form* of value springs from the *concept* of value’.

It may also be helpful to further clarify the matter and avoid any misunderstanding if we consider a passage that appears prior to the passage quoted earlier from the first German edition of *Capital*. In it, Marx describes the peculiar social and fetishistic character of the value of a commodity in the following way:

Indeed all use values are commodities only because they are *products of mutually independent private labours*, private labours, which, however, materially depend on one another as special, even though autonomised, branches of the naturally grown system of *division of labour*. They are thus socially connected exactly by their *diversity*, their *particular usefulness*. It

¹⁰ Marx 1976b, p. 34.

¹¹ Marx 1976a, p. 102.

is exactly because of this that they produce qualitatively different use values. Did they not do this, these use values would not become commodities for each other. On the other hand, this different useful quality does not yet turn these products into commodities. If a peasant family produces coats, linen, and wheat for their own consumption, then these objects confront the family as different products of their family labour, but they do not confront each other as commodities. If the labour were *immediately social*, i.e., joint labour, then the products would obtain the immediately social character of a joint product for their producers, but not the character of commodities for each other. Yet we do not have to go far in order to find what is the *social form* of the *private labours* that are contained in the commodities and independent of one another. This was already clarified in the analysis of the commodity. The social form of private labours is the relationship with each other as *equal labour*, i.e., since the *equality* of altogether *different* labours can only consist in an *abstraction from their inequality*, their relationship with each other is as *human labour in general: expenditures of human labour power*, something which all human labours, whatever their content and their mode of operation, indeed *are*. In every social form of labour, the labours of the different individuals stand also in a relation to each other as human labour, but here, this *relationship itself* counts as the *specifically social form* of the labours. It is true that none of these private labours in its natural form possesses this specific social form of abstract human labour, just as little as the commodity in its natural form possesses the social form of mere congelation of labour, or of value. By the fact that the natural form of one commodity, here of the linen, becomes the general equivalent form (because all other commodities relate themselves to the latter as the form of appearance of their own value), the linen weaving labour also becomes the general realisation form of abstract human labour, or it becomes labour in immediately social form. The measuring stick for 'being social' must be borrowed from the nature of the relations peculiar to each mode of production, not from imaginations alien to it. Just as it was shown a minute ago that the commodity, by nature, excludes the direct form of general exchangeability, that therefore the general equivalent form can only develop *antagonistically*, the same is true for the private labours contained in the commodities. Since they are *not immediately social* labours, it follows first that the *social form* is a form different from the natural forms of the actual useful labours, a form that is alien to them and abstract, and secondly all kinds of private labour obtain their *social* character only *antagonistically*, by all of them being *equated* to an exclusive kind of private labour, here the linen

weaving. By this, the latter becomes the immediate and general form of appearance of abstract human labour, and thus labour in immediately social form. It represents itself therefore also immediately in a socially valid and generally exchangeable product.

The semblance, as if the equivalent form of a commodity springs from its own material nature, instead of being the mere reflection of the relations of the other commodities, solidifies itself with the development of the *single* to the *general* equivalent, because the oppositional moments of the value form no longer develop *evenly* for the commodities placed in relation with each other, because the general equivalent form distinguishes one commodity as something quite apart from all other commodities, and finally because this form of that commodity is indeed no longer the product of the relationship of any one *individual* other commodity ...

As one sees, the analysis of the commodity yields all *essential* determinations of the *form of value*. It yields the form of value itself in its antagonistic moments, the *general relative form of value*, the *general equivalent form*, finally the never-ending *series of simple relative value expressions*, which first constitutes a transitional phase in the development of the form of value, and eventually turns into the *specific relative form of value of the general equivalent*. However, the analysis of the commodity yielded these forms as *forms of the commodity* in general, which can therefore be taken on by every commodity – although *in a polar manner*, so that when commodity A finds itself in *one* form determination, then commodities B, C, etc. assume the *other* in relation to it. It was however of decisive importance to discover the inner necessary connection between *form* of value, *substance* of value, and *magnitude* of value, i.e., expressed *ideally*, to prove that the *form* of value springs from the *concept* of value.¹²

This has gotten a bit off track, but my basic point is that, compared to grasping the ‘formal content of the paradigms of judgment and inference’, it is far more difficult to grasp the ‘formal content of the relative expression of value’, which corresponds to the heading in the second edition of *Capital*, titled, ‘The content of the relative form of value’. And this is why Marx says it is ‘hardly surprising’ that economists have ‘overlooked the formal content of the relative expression of value’.

12 Marx 1976b, pp. 32–4.

How the Development of the Value Form Unfolds

(Neither a Historical Development, Nor the 'Self-Development of a Concept')

ŌTANI: I am interested in your view regarding a number of matters raised by Marx in his examination of the simple form of value, but now I want to ask you about the *development* of the value form. At the end of his analysis of the second form of value, which is the expanded value form, Marx makes the following transition to the third, or general, form of value:

The expanded relative form of value is, however, nothing but the sum of the simple relative expressions or equations of the first form ... But, each of these equations implies the identical equation *in reverse relation* ... In fact, when a person *exchanges* his linen for many other commodities, and thus *expresses* its value in a series of other commodities, it necessarily follows that the other owners of commodities *exchange* them for the linen, and therefore *express* the values of their various commodities in one and the same third commodity, the linen. If, then, we *reverse* the series 20 yards of linen = 1 coat, or = 10 lb. of tea, etc, i.e. if we formulate the *reverse relation that is in point of fact already implied in the series*, we get the general form of value.¹

Quite a few scholars have claimed that this transition (via the 'converse relation') is incorrect or at least inappropriate. Ryōzō Tomizuka, for example, in his book *Keizai genron (Principles of Political Economy)*, expresses the following doubt regarding Marx's description of the transition from form B to form C:

In the current edition of *Capital*, the transition from form B to form C is explained by Marx in terms of form B merely being the 'sum' of the equations of form A, and that each of the equations of form A that constitute form B include the 'reverse relation'. But a doubt arises regarding this claim in light of the basis for Marx's own view: i.e., that the commodity on the right of the equation and the commodity on the left are each playing a fundamentally different role. In the explanation of the transition from form B to form C, Marx says: 'In fact, when a person exchanges his linen

1 Marx 1976a, p. 157.

for many other commodities, and thus expresses its value in a series of other commodities, it necessarily follows that the other owners of commodities exchange them for the linen, and therefore express the values of their various commodities in one and the same third commodity, the linen.² But even if the owner of the linen commodity has developed a relation of value expression, wherein the other commodities are made into the particular equivalent, it cannot be said that the owners of the other commodities ‘necessarily’ develop a relation of value expression in which they make the linen into the general equivalent vis-à-vis their own commodities. Even if such reasoning were possible, the ‘developed value form’ would be simultaneously developed for every commodity, meaning that the ‘reverse relation’ of value expression could simultaneously be developed, with all commodities able to become the ‘general equivalent’ at the same time. (In terms of this point, we can gain a hint from ‘form iv’ in the first edition of *Capital*, where it is said that the second form of value is developed simultaneously for each commodity but that the form arrived at through the reversal is not simultaneously developed.) It seems that in the theory of the value form the question of the transition from form B to form C should only be noted in the main text and then discussed in the theory of the exchange process as the ‘contradiction of overall exchange’.³

What is your view of Tomizuka’s argument?

KURUMA: Tomizuka quotes a passage from *Capital* to claim that Marx is mistaken, but from my perspective the person who is mistaken is none other than Tomizuka himself. The idea that Marx is incorrect stems from a failure to read with an adequate degree of care what he actually wrote in *Capital*. Marx emphasises that the situation where all the commodities commonly express their value in linen is *not* unconditional, noting that ‘*in fact, when a person exchanges his linen for many other commodities, and thus expresses its value in a series of other commodities, it necessarily follows that the other owners of commodities exchange them for the linen.*’ This is limited, in other words, to a situation where certain conditions are met. Namely, the linen is exchanged in reality with many other commodities. In that case the numerous other commodities are also exchanged for linen, so linen comes to express the value of

² Marx 1976a, p. 157.

³ Tomizuka 1976, pp. 35–6.

these commodities. Marx says that it is inevitable for this to occur. And I find no reason to raise any objection to his perfectly reasonable and correct observation.

Marx's statement seems closely related to the reason he placed the commodity 'linen' in the relative form of value when setting up the simple value form. Marx did this, I think, because linen is a material used in making clothes, a necessary item for daily life, and hence a commodity likely to be exchanged with many other types of commodities. The same cannot be said of every commodity. And to bring a commodity that is not commonly exchanged into the relative value form would restrict the sorts of commodities in the equivalent form to a narrow range. That would mean that in the developed value form there would only be a few commodities in the equivalent form. In such a case, even if we were to reverse the equation – and view things from the opposite perspective – the common equivalent would not be the *general* equivalent, because only a few commodities would be involved. In the case of the linen, on the contrary, it is indeed possible for it to become the general equivalent. In the passage quoted from *Capital*, Marx is speaking in the form of a 'hypothetical judgment' (*hypothetisches Urteil*). Some may object to my view, and argue that a problem which should be raised in the theory of the exchange process has been introduced in the theory of the value form, but that is not the case (as I intend to discuss when we touch on the relation of the dialectic to the value form).

I should emphasise that the point just made concerns the transition from form B to form C (the shift from the expanded value form to the general value form), not the transition from form C to form D, which is the transition from the general value form to the money form. In the transition from B to C, linen becomes the general equivalent because it is exchanged for many other commodities. But that is not the reason why gold becomes money, which occurs because gold's natural form is best suited to the functions of money. All commodities express their value in gold and desire to be exchanged for gold because it has already become money, not because gold is the individually desired object. I only mention this point, which should go without saying, because some respected theories are based upon an ignorance of it.

ŌTANI: You mention the shift from the second to the third form, but from a more general perspective, there is the question of what 'motive force' underlies the development of the value form, determining the shift from one form to the next. If each form *must* shift to the subsequent form – the first precisely to the second form, the second precisely to the third, and the third precisely to the fourth – then I think it must be shown that each form is encompassed

within the preceding form. For example, if it is said that form A must develop into another form, and that it can only be form B, it would seem that form B is inherent to form A itself. Yet I do not think the same can generally be said for the entirety of the development of the value form. Although a Hegelian ‘self-development of the concept’ lies outside of our discussion, I should note that the scholar Yoshihiro Niji thinks that the ‘contradiction between the concept of value and the mode of existence of value’ represents that sort of ‘motive force’, viewed as a contradiction within cognition,

KURUMA: If we view the first, ‘simple, isolated, or accidental form of value’ as being formed by selecting a random commodity from the numerous equivalent commodities in form B and then positing it as the equivalent form, then the shift from form A to form B is natural and there is no reason to think that some ‘motive force’ is necessary. In the transition from form B to form C as well (as I noted in answering your previous question), there is no need for any sort of ‘motive force’ underlying the transition if form C is seen as merely the reverse side of the equation given in form B.

Form A, of course, has a defect as a form of a commodity’s value expression. And it is true that value expression progressively becomes more complete as the value form develops. From this perspective, one might imagine that the motive force of the value form underlies the shift from imperfect value expression to a more complete form. Yet I believe that such an idea is problematic. Granted, the development of form under examination is a real historical development and at the same time a formal development stemming from the needs of that reality, so it is not unnatural to think of the realistic needs as the ‘motive force’ of development. However, as I noted already in discussing the term *accidental* in the ‘accidental form of value’, the two commodities in *Capital* that first appear on either side of the simple value form are not commodities as they initially appear historically. That is to say, Marx is not referring to two different products that happen to be exchanged so as to become commodities, or (with the continuation of that exchange) two products that are exchanged as commodities from the outset but are still not exchanged with any other commodities.

Rather, Marx proposes that form to fundamentally clarify the mechanism of value expression through an analysis of the fundamental form of value expression. The development of the value form is a development within a theoretical structure, so it is doubtful whether we need to suppose some ‘motive force’ that underlies development. Personally I see no such need. Not only does it seem unnecessary, I think that various misunderstandings will arise if the supposition is poorly made. For instance, some have mistaken the development of form

in the theory of the value form for a historical development, while others see it as a Hegelian self-development of a concept. Instead of looking for a motive force, I think we can be satisfied with what Marx wrote at the end of the analysis of each form regarding the form's defects and the significance of the shift to the subsequent form. It seems sufficient to summarise Marx's observations and note that the development of form has this or that significance in a given case.

The Meaning of Abstracting from the Individual Want of the Commodity Owner

(*Nobuteru Takeda's Criticism of Kuruma*)

ŌTANI: There are other points related to the development of the value form I would have liked to discuss, but we have already had a long day so I would like to bring our discussion to a close by just raising two points related to the overall issue of the value form. The first concerns the connection between the value form and the individual want of the commodity owner. In *Theory of the Value Form and Theory of the Exchange Process*, for instance, after pointing out that ‘the simple value form of a commodity is not yet a form independent of the want of the commodity owner’, you write:

The restriction on the commodity's value form by the want of an individual commodity owner is more than just an inconvenient matter that has confounded economists; it is a serious defect for the value form, as it runs counter to the essential nature of value itself. Therefore, the value form, instead of remaining at the simple value form, must proceed to the money form, where it is first freed from the connection to the individual want of the commodity owner, thus reaching completion as a form of value.¹

Some have disagreed with your view. Are you familiar with such criticism?

KURUMA: I became aware of some of it through a cursory reading of *Kachikei-tai-ron* (*Theory of the Value Form*) by Yoshihiro Niji, after he sent me a copy. In Niji's book, there are two footnotes where he objects to my position. In the first, he writes:

In considering the value form, Samezō Kuruma sets aside the want of the commodity owner as a heterogeneous element. But there remains an inconsistency because he sees the selection of the equivalent commodity as always resulting from an individual want. Nobuteru Takeda felt this

¹ Kuruma 1957, pp. 90–1.

inconsistency needs to be resolved.² Takeda said that the choice of the equivalent commodity, whether in the process of thought or the process of reality, is carried out without regard to a want. This view seems valid, both from the perspective of the example Takeda raises [in his article] and from a theoretical perspective.³

In the other footnote, which appears later in his book, Niji writes:

Kuruma says that the 'restriction on the commodity's value form by the want of an individual commodity owner is more than just an inconvenient matter that has confounded economists', calling it a 'serious defect for the value form' that 'runs counter to the essential nature of value itself'. He seems to view the value form as developing from this motive force. And Kuruma sees the development of the value form as a process of 'emancipation' from the individual wants. In fact, as I note in the main body of this book, that is not case. And I want to look at Takeda's view regarding this matter.⁴

We can gather from the footnotes that Nobuteru Takeda adopted a position contrary to mine; and if we look for the part of his article which Niji is referring to, we find the following:

Kuruma sees the equivalent commodity as always being the object of the commodity owner's individual want, but when discussing the value form, he says that we must take the value equation created on the basis of such a want as a given and abstract from that factor. In other words, the factor of the want is only abstracted from within thought. Even though Kuruma's conclusion differs from that of Uno, who emphasises the role played by that want within the theory of the value form, both share the same premise. But is it in fact the case that the equivalent commodity must always be an object desired by the commodity owner? Is it impossible for the commodity owner to use a commodity other than one he wants as the material for carrying out value expression? Is it truly impossible to abstract from the process through which a value equation is created?

2 Niji is referring to Takeda's 1974 article titled 'Theory of the Value Form and Theory of the Exchange Process', published in No. 75 of Aichi University's *The Journal of the Association of Legal, Political and Economic Science*.

3 Niji 1978, p. 111.

4 Niji, 1978, p. 197. (Here Niji is referring to the aforementioned article by Takeda.)

Marx raises the example of the primitive exchange of products on the coast of West Africa, where in the case of the exchange of two commodities, each commodity is first equated to a 'bar' that signifies iron. The commodity on one side might be expressed by one bar, and the commodity on the other side by two bars, and then their exchange would be carried out at that proportion. As we can see, the bar is the material that expresses the value of a commodity prior to its exchange, but the bar itself is certainly not an object desired by a commodity owner. If we look at the writings of Homer, various commodities in ancient Greece were 'priced' using cattle. For example, a 'cast bronze shell' is five head of cattle, a 'large three-legged bronze cauldron' is twelve, a 'female slave skilled in all matter of arts' is four, and a 'kettle with an engraved flower pattern' is one head of cattle. We need to note that the cattle is neither the object desired by the owner of the shell or of the female slave, nor is it the object of exchange, but merely the material to expresses the value of each commodity. Such facts indicate that the equivalent commodity is not always a desired object. The choice of the equivalent commodity does not have a direct relation to a want.⁵

A bit further in his article, Takeda refers to the passage from my book that you quoted from a moment ago and offers this criticism:

According to Kuruma, the simple value form simultaneously encompasses two different relations: the relation of value expression and the relation of indicating an individual want. Thus, the value form of the commodity has a fatal defect as a value form in terms of being restricted by the individual want of the commodity owner. The flaw is overcome once the form is freed of the connection to the individual want of the commodity owner, and Kuruma says that the developmental process of the value form is a process of completion as the money form. Is it truly valid, though, to depict the development of the value form as emancipation from the individual want? ...

The defect of the simple value form is certainly not that it is restricted by an individual want. In the simple value form, one commodity (linen) expresses its value in another commodity (coat). However, this equation only expresses the value of the linen in distinction from its use value; it does not effectively express the essence of value, which is that the linen as value is qualitatively equal to every other commodity and has a pro-

5 Takeda 1974, pp. 41–2.

portional quantitative relation to them. And, seen from the opposite perspective, the coat is likewise only the equivalent form for the single commodity linen (not for every other commodity). This is precisely the defect of the simple value form. In other words, this mode of value expression is insufficient in terms of the essential nature of value, which is characterised by qualitative equality and can thus only be distinguished on a qualitative basis. This flaw is first overcome when a single commodity is excluded from the commodity world as the general equivalent. That is, by means of all commodities expressing their values in a single commodity, in a unified manner, the commodities that differ as use values are each able to express themselves as a common thing *qua* value. Thus, for the first time, value expression assumes a mode that suits the nature of value. Marx speaks of how the value form corresponds to the concept of value. From this perspective, the motive force that gives birth to the development of the value form is the contradiction between the value concept and its determinate being [*Dasein*].

Thus, the value form does not develop via the motive force of liberation from an individual want. It is not the case, as Kuruma argues, that the 'restriction on the commodity's value form by the want of an individual commodity owner' is something that 'runs counter to the essential nature of value itself'. Therefore, it is also not true that the form 'reach[es] completion as a form of value' by being 'freed from the connection to the individual want of the commodity owner' ...

Kuruma, however, is not completely unaware of the problem of viewing the developmental process of the value form as a process of emancipation from the individual want. That is, Kuruma at the same time asserts that the problem of an individual want is not something that must be focused on to understand the development of the value form, so it can be set aside when elucidating the specific problem posited in the theory of the value form. This is an idea that runs counter to his view that I examined above. In any case, Kuruma goes on to quote a passage from Marx indicating the defect of the simple form of value, to which he adds: 'The reason that the simple value form is incomplete as a value form, as well as the circumstances of its transformation to form B, can thus very well be explained through an analysis that concentrates solely on form. There is no need to consider the factor of the want of the commodity owner and hence the reason why a certain commodity is posited as the equivalent form (such as a coat rather than wheat)'.⁶

6 Kuruma 1957, p. 113.

Here, Kuruma does not look to the restriction by the individual want as an explanation of the incompleteness of the simple value form; therefore, he loses sight of the theoretical basis for depicting the development of the value form as emancipation from the individual want. Instead, he emphasises that the incompleteness of the simple value form and the overcoming of it can be explained solely through the analysis of the form itself, without an explanation regarding some want. In other words, the crux of the matter for Kuruma, when considering the development of the value form, is sought solely in the analysis of whether or not each value form is appropriate to the essential nature of value. This is indeed the correct perspective. If I could go so far as to speculate, it seems to me that Kuruma first clearly expressed this correct way of thinking when he criticised Uno for emphasising the significance of the role of a want within the development of the value form; so this view stemmed less from theoretical necessity than the need to refute Uno. That is a matter of little importance, however. The key point is that an error was corrected. But this point is also not a simple one. Even though Kuruma displays a correct viewpoint, he has not necessarily abandoned the other perspective. The two viewpoints encompassed within Kuruma's theory of the development of the value form are contradictory perspectives that are heterogeneous and mutually exclusive. Unless one of the two is abandoned, there is no avoiding a theoretical self-contradiction.

Granted, Kuruma does eventually attempt to resolve the theoretical self-contradiction. But instead of rejecting one perspective in order to reinforce the logic of the other, he attempts what might be called an ambiguous integration of the two. He begins by saying that consideration of the role of a want is not necessary for an understanding of the development of the value form. In saying this, he is obliged to reject his own depiction of the development of the value form as emancipation from the individual want. But Kuruma does not go that far. Instead, he posits the want with a new role, saying that 'by taking the want of the commodity owner into consideration we can understand that there is additional significance'⁷ concerning the development from the value form to the money form – separate from the issue of the expression of value. In other words, Kuruma says that with the expansion of the exchange process, money as the 'general means of exchange', which is premised on emancipation from an individual want, must be formed, and that the con-

7 Kuruma 1957, p. 118.

sideration of the role of the want makes possible an understanding of the formation of money within this exchange process. At some point in his argument, the role of the want shifts from a problem pertaining to the value form (value expression) to a problem pertaining to the exchange process. This is not a resolution of the theoretical self-contradiction, but rather a papering over of it.

To summarise our argument ... Kuruma's initial, seemingly trivial, mistake of *going no further than abstracting within thought from the factor of want in value expression*, while thinking that a relation indicating a want underlies the expression of value, is at the root of the self-contradiction he falls into. This throws his theory into confusion when it comes to dealing with the development of the value form. This is an example of how all 'beginnings are difficult'. It reminds me of the importance of carefully pondering how to establish the starting point before taking the first step.⁸

If we look at the final point made by Takeda, in the passage just cited, the basis of my error is apparently that I go no further than 'abstracting within thought from the factor of want in value expression'. That criticism also constitutes the main point Takeda makes in the first of the two passages quoted, so I want to look again at the argument he makes in that earlier passage.

Takeda begins his criticism by saying that in my argument 'the factor of want is only abstracted from within thought'; but it is not clear what Takeda means exactly by 'only abstracted from within thought'. The act of 'abstracting from' [*shashō*], in the proper sense of the term, is an indispensable step of scientific cognition that involves setting aside or placing out of consideration numerous aspects or moments that make up concrete reality in order to conduct a pure analysis of one aspect or moment. Along with this act of 'abstracting from' (or setting aside) those other elements, one then 'abstracts' (or extracts) [*chūshō*] the particular aspect that will be considered in a pure form, from out of the totality of complex reality. Needless to say, this involves the operation of the human mind. So both the abstracting from what is irrelevant and the abstracting (or extracting) of the relevant element solely occur 'within thought'.

Yet because 'abstraction' is the selecting of one element from out of the multi-faceted concrete reality, while 'abstracting from' is the mental operation of setting aside the other realistic elements, neither of those two mental operations is unrelated to reality. Indeed, both are premised upon reality. Therefore, we should not forget that, in addition to the element extracted from reality, the

8 Takeda 1974, pp. 47–52.

other elements that have been set aside continue to exist. As Marx writes in the introduction to the *Grundrisse*, ‘The real subject retains its autonomous existence outside the head just as before; namely as long as the head’s conduct is merely speculative, merely theoretical. Hence, in the theoretical method, too, the subject, society, must always be kept in mind as the presupposition.’⁹

The role of the commodity owner’s want, which is abstracted from in the theory of the value form but constitutes an important moment within reality, is brought into the field of vision in the theory of the exchange process. Yet even in that theory Marx notes the following about the development of the value form:

In the direct exchange of products, each commodity is directly a means of exchange to its owner, and an equivalent to those who do not possess it, although only in so far as it has use value for them. At this stage, therefore, *the articles exchanged do not acquire a value form independent of their own use value, or of the individual wants of the exchangers. The need for this form first develops with the increase in the number and variety of the commodities entering into the process of exchange.* The problem and the means for its solution arise simultaneously. Commercial intercourse, in which the owners of commodities exchange and compare their own articles with various other articles, never takes place without different kinds of commodities, that belong to different owners, being exchanged for, and equated as values with one single further kind of commodity. This further commodity, by becoming the equivalent of various other commodities, directly acquires the form of a general or social equivalent form, if only within narrow limits. This general equivalent form comes and goes with the momentary social contacts which call it into existence. It is transiently attached to this or that commodity in alternation. But with the development of commodity exchange it fixes itself firmly and exclusively onto particular kinds of commodity, i.e., it crystallises out into the money form.¹⁰

Marx says that ‘in the direct exchange of products ... the articles exchanged do not acquire a value form independent of their own use value, or of the individual needs of the exchangers’, and that ‘the need for this [independent] form first develops with the increase in the number and variety of the commodities

9 Marx 1973, pp. 101–2.

10 Marx 1976a, pp. 182–3.

entering into the process of exchange', resulting in the 'general equivalent' and ultimately the crystallisation of the money form.

However, none of these points are raised in the theory of the value form; they are abstracted from, placed outside of the field of vision. It is of no use to consider such points if our aim is to purely examine the value form as the form of the expression of commodity value and thus concentrate on the 'how' of value expression.

When Takeda criticises me for only abstracting within thought from the factor of the want in examining the theory of the value form, he does not grasp the meaning of 'abstracting from', in the proper sense of the term, as an indispensable step for scientific cognition. Thus, he comes up with the following sort of incredible argument.

Kuruma sees the equivalent commodity as *always* being the object of the commodity owner's individual want, but when discussing the value form, he says that we must take value equation created on the basis of such a want as a given and abstract from that factor. In other words, the factor of want is only abstracted from within thought. Even though Kuruma's conclusion differs from that of Uno, who emphasises the role played by that want within the theory of the value form, both of them share the same premise. But is it in fact the case that the equivalent commodity must *always* be an object desired by the commodity owner? Is it impossible for the commodity owner to use a commodity other than one he wants as the material for carrying out value expression? Is it truly impossible to abstract from the process through which a value equation is created?¹¹

Takeda poses the question in this manner. And in order to prove that it is *not* impossible he introduces the example of 'bars' in coastal West Africa or cattle in ancient Greece. However, the bars or cattle in those examples are not merely commodities, but function as the general measure of value and thus have become money. When a given commodity becomes money, it is natural that it is no longer the object of some individual want. The question in our analysis of the value form should be whether, at the stage prior to the emergence of money, the abstracting from the want of the commodity owner indeed only takes place 'within thought'. Takeda says that my abstracting from the want is only within thought, and to counter this view offers the examples above where

11 Takeda 1974, p. 41.

there is no relation to want, not only within thought but within reality as well. His examples, however, merely demonstrate that once the general equivalent becomes money it no longer has a relation to some human want.

The question of whether abstracting from the want of the commodity owner in the theory of the value form is ‘only within thought’ cannot be answered by introducing such extraordinary examples, but rather by fundamentally clarifying the meaning for scientific cognition of ‘abstracting from’ and the abstraction arrived at through that act.

As I mentioned earlier, concrete reality consists of many moments and aspects. In order to purely consider any one of them it is necessary to set aside the others. This is the essential meaning of ‘abstracting from’ as an indispensable step in the scientific cognition of a thing. Thus, the act of ‘abstracting from’ the other elements naturally implies that those elements temporarily set aside for the sake of a given theoretical objective still continue to exist within reality. The elements or aspects that are set aside at one point can be considered at a subsequent stage, which is also indispensable to the scientific understanding of a thing. Takeda, however, does not seem to grasp this elementary methodological issue concerning scientific cognition, and thus offers the following sort of argument:

Kuruma begins by saying that consideration of the role of a want is not necessary for an understanding of the development of the value form ... [But in other passages he says that] ‘by taking the want of the commodity owner into consideration we can understand that there is additional significance’ concerning the development from the [general]¹² value form to the money form – separate from the issue of the expression of value ... At some point in Kuruma’s argument, the role of a want shifts from a problem pertaining to the value form (value expression) to a problem pertaining to the exchange process. This is not a resolution of the theoretical self-contradiction, but rather a papering over of it.¹³

This is followed by Takeda’s ‘overview’ of my theory, which he evaluates as follows:

¹² In *Theory of the Value Form and Theory of the Exchange Process*, I use the term ‘general value form’ but Takeda has deleted ‘general’, which results in confusion regarding my point.

¹³ Takeda 1974, pp. 51–2.

Kuruma's initial, seemingly trivial, mistake of going no further than abstracting within thought from the factor of want in value expression, while thinking that a relation indicating a want underlies the expression of value, is at the root of the self-contradiction he falls into. This throws his theory into confusion when it comes to dealing with the development of the value form. This is an example of how all 'beginnings are difficult'. It reminds me of the importance of carefully pondering how to establish the starting point before taking the first step.¹⁴

'Beginnings *are* difficult' indeed. – And Takeda's error stems from failing to understand the significance of 'abstracting from' as the first step of scientific cognition. As a result, when Takeda sees that what was abstracted from at one stage of analysis is dealt with at a subsequent stage, he regards this as a 'theoretical self-contradiction' and develops a rather audacious but irrelevant argument on that basis.

14 Takeda 1974, p. 52.

What is the ‘Dialectic’ in the Case of the Value Form?

ŌTANI: I would like to raise one final question concerning the value form. In making corrections to the beginning of the first German edition of *Capital*, Marx sent the manuscript to Engels in 1867 to solicit his comments, and Engels wrote him the following response in a 16 June letter:

Compared with your earlier presentation [*Contribution*], the dialectic of the argument has been greatly sharpened, but with regard to the actual exposition there are a number of things I like better in the first version.¹

Marx wrote back on 22 June:

With regard to the development of the *form of value*, I have both followed and *not* followed your advice, thus striking a dialectical attitude in this matter, too ... Anyway, the issue is crucial for the whole book. These gentry, the economists, have hitherto overlooked the extremely simple point that the form *20 yards of linen = 1 coat* is but the undeveloped basis of *20 yards of linen = gold of £2*, and thus that the *simplest form of a commodity*, in which its value is not yet expressed as its relation to all other commodities but only as something *differentiated* from its own natural form, contains the *whole secret of the money form* and thereby, *in nuce*, of *all bourgeois forms of the product of labour*.²

Looking at the two letters, we can see that the ‘dialectic’ is said to play a major role in the theory of the value form. Some have wondered what aspects of the theory are in fact manifestations of the dialectic. What are your thoughts on this?

KURUMA: Engels says that ‘the dialectic of the argument has been greatly sharpened’ compared to *Contribution*, to which Marx responds, ‘I have both

1 Marx 1987b, p. 382.

2 Marx 1987b, p. 384.

followed and *not* followed your advice, thus striking a dialectical attitude in this matter'. And Marx emphasises that the core of the theory of the value form is the simple form of value. I think that in his response to Engels (who seemed to have in mind the development of the value form itself in speaking of the noticeable advance in the precision of dialectical development compared to *Contribution*), Marx emphasises that the pivot of the theory of the value form is the analysis of the simple value form, and that he necessarily adopted a dialectical attitude. The question then becomes what aspect of the analysis of the simple value form can be considered dialectical.

Marx has not written anything about this matter himself, so I can only speculate here. But in the analysis of the commodity, Marx first clarifies that the commodity is a use value and a value (a direct unity of opposites), and as such it is in a contradiction. But the opposition between use value and value is an opposition within the *same* commodity. In contrast, when we come to the value form, the internal opposition is externalised to become an oppositional relation between two commodities. The natural form of the commodity in the relative form expresses that commodity's use value, while its value is expressed using the natural form of the commodity in the equivalent form. In this way, the opposition between use value and value within a single commodity is objectified as the oppositional relation between two commodities. The bodily form or use value of the commodity in the equivalent form (in its given state) becomes the form of the value of the commodity in the relative form of value. In *Contribution* this was not yet posed as a problem, however. It is only in *Capital* that Marx first clarifies this fundamental point, in his analysis of the simple form of value. Upon the basis of that explanation, he goes on to analyse the development of the value form. The development of the value form, from this perspective, is thus the development of the form in which the commodity's value is distinguished from its use value.

I think that this is the 'dialectical attitude' Marx is referring to when he tells Engels that, 'with regard to the development of the *form of value*, I have both followed and *not* followed your advice, thus striking a dialectical attitude in this matter, too'. We need to note that the development of the value form is premised on the analysis of the simple form of value, and is first constituted on its basis. Therefore, the locus of Marx's 'dialectical attitude' in the theory of the value form must be fundamentally uncovered in the analysis of the simple form of value.



ŌTANI: There are other things that I would have liked to ask you about the ‘genesis of money’ if we had more time – and even for the questions we did discuss your answers might have been somewhat different had I posed my questions more adequately. I regret in particular that our discussion did not extend as far as the theory of the exchange process. All of this falls under my responsibility as the interviewer, so here I would like to apologise to readers. But in any case we will have to bring our conversation to an end, as I know that you must be quite tired. I look forward to continuing this discussion on another occasion. Thank you very much for taking so much time today to patiently answer my questions.

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