

KARL MARX

# Capital

A Critique of  
Political Economy

Volume One

Introduced by  
Ernest Mandel

Translated by  
Ben Fowkes

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# Chapter 1: The Commodity

## I. THE TWO FACTORS OF THE COMMODITY: USE-VALUE AND VALUE (SUBSTANCE OF VALUE, MAGNITUDE OF VALUE)

The wealth of societies in which the capitalist mode of production prevails appears as an 'immense collection of commodities'<sup>1</sup>; the individual commodity appears as its elementary form. Our investigation therefore begins with the analysis of the commodity.

The commodity is, first of all, an external object, a thing which through its qualities satisfies human needs of whatever kind. The nature of these needs, whether they arise, for example, from the stomach, or the imagination, makes no difference.<sup>2</sup> Nor does it matter here how the thing satisfies man's need, whether directly as a means of subsistence, i.e. an object of consumption, or indirectly as a means of production.

Every useful thing, for example, iron, paper, etc., may be looked at from the two points of view of quality and quantity. Every useful thing is a whole composed of many properties; it can therefore be useful in various ways. The discovery of these ways and hence of the manifold uses of things is the work of history.<sup>3</sup> So also is the invention of socially recognized standards of measurement for the quantities of these useful objects. The diversity of the

1. Karl Marx, *Zur Kritik der Politischen Ökonomie*, Berlin, 1859, p. 3 [English translation, p. 27].

2. 'Desire implies want; it is the appetite of the mind, and as natural as hunger to the body . . . The greatest number (of things) have their value from supplying the wants of the mind' (Nicholas Barbon, *A Discourse on Coining the New Money Lighter. In Answer to Mr Locke's Considerations etc.*, London, 1696, pp. 2, 3).

3. 'Things have an intrinsic vertue' (this is Barbon's special term for use-value) 'which in all places have the same vertue; as the loadstone to attract iron' (op. cit., p. 6). The magnet's property of attracting iron only became useful once it had led to the discovery of magnetic polarity.

measures for commodities arises in part from the diverse nature of the objects to be measured, and in part from convention.

The usefulness of a thing makes it a use-value.<sup>4</sup> But this usefulness does not dangle in mid-air. It is conditioned by the physical properties of the commodity, and has no existence apart from the latter: It is therefore the physical body of the commodity itself, for instance iron, corn, a diamond, which is the use-value or useful thing. This property of a commodity is independent of the amount of labour required to appropriate its useful qualities. When examining use-values, we always assume we are dealing with definite quantities, such as dozens of watches, yards of linen, or tons of iron. The use-values of commodities provide the material for a special branch of knowledge, namely the commercial knowledge of commodities.<sup>5</sup> Use-values are only realized [verwirklicht] in use or in consumption. They constitute the material content of wealth, whatever its social form may be. In the form of society to be considered here they are also the material bearers [Träger] of . . . exchange-value.

Exchange-value appears first of all as the quantitative relation, the proportion, in which use-values of one kind exchange for use-values of another kind.<sup>6</sup> This relation changes constantly with time and place. Hence exchange-value appears to be something accidental and purely relative, and consequently an intrinsic value, i.e. an exchange-value that is inseparably connected with the commodity, inherent in it, seems a contradiction in terms.<sup>7</sup> Let us consider the matter more closely.

4. 'The natural worth of anything consists in its fitness to supply the necessities, or serve the conveniences of human life' (John Locke, 'Some Considerations on the Consequences of the Lowering of Interest' (1691), in *Works*, London, 1777, Vol. 2, p. 28). In English writers of the seventeenth century we still often find the word 'worth' used for use-value and 'value' for exchange-value. This is quite in accordance with the spirit of a language that likes to use a Teutonic word for the actual thing, and a Romance word for its reflection.

5. In bourgeois society the legal fiction prevails that each person, as a buyer, has an encyclopedic knowledge of commodities.

6. 'Value consists in the exchange relation between one thing and another, between a given amount of one product and a given amount of another' (Le Trosne, *De l'intérêt social*, in *Physiocrates*, ed. Daire, Paris, 1846, p. 889).

7. 'Nothing can have an intrinsic value' (N. Barbon, op. cit., p. 6); or as Butler says:

'The value of a thing  
Is just as much as it will bring.'\*

\*Samuel Butler, *Hudibras*, Part 2, Canto 1, lines 465-6, 'For what is worth in any thing, but so much money as 'twill bring?'

A given commodity, a quarter of wheat for example, is exchanged for  $x$  boot-polish,  $y$  silk or  $z$  gold, etc. In short, it is exchanged for other commodities in the most diverse proportions. Therefore the wheat has many exchange-values instead of one. But  $x$  boot-polish,  $y$  silk or  $z$  gold, etc., each represent the exchange-value of one quarter of wheat. Therefore  $x$  boot-polish,  $y$  silk,  $z$  gold, etc., must, as exchange-values, be mutually replaceable or of identical magnitude. It follows from this that, firstly, the valid exchange-values of a particular commodity express something equal, and secondly, exchange-value cannot be anything other than the mode of expression, the 'form of appearance',\* of a content distinguishable from it.

Let us now take two commodities, for example corn and iron. Whatever their exchange relation may be, it can always be represented by an equation in which a given quantity of corn is equated to some quantity of iron, for instance 1 quarter of corn =  $x$  cwt of iron. What does this equation signify? It signifies that a common element of identical magnitude exists in two different things, in 1 quarter of corn and similarly in  $x$  cwt of iron. Both are therefore equal to a third thing, which in itself is neither the one nor the other. Each of them, so far as it is exchange-value, must therefore be reducible to this third thing.

A simple geometrical example will illustrate this. In order to determine and compare the areas of all rectilinear figures we split them up into triangles. Then the triangle itself is reduced to an expression totally different from its visible shape: half the product of the base and the altitude. In the same way the exchange values of commodities must be reduced to a common element, of which they represent a greater or a lesser quantity.

This common element cannot be a geometrical, physical, chemical or other natural property of commodities. Such properties come into consideration only to the extent that they make the commodities useful, i.e. turn them into use-values. But clearly, the exchange relation of commodities is characterized precisely by its abstraction from their use-values. Within the exchange relation, one use-value is worth just as much as another, provided only that it is present in the appropriate quantity. Or, as old Barbon says: 'One sort of wares are as good as another, if the value be equal. There is no difference or distinction in things of equal value . . .

\* *Erscheinungsform*. This word appears in inverted commas in the original.

One hundred pounds worth of lead or iron, is of as great a value as one hundred pounds worth of silver and gold.<sup>78</sup>

As use-values, commodities differ above all in quality, while as exchange-values they can only differ in quantity, and therefore do not contain an atom of use-value.

If then we disregard the use-value of commodities, only one property remains, that of being products of labour. But even the product of labour has already been transformed in our hands. If we make abstraction from its use-value, we abstract also from the material constituents and forms which make it a use-value. It is no longer a table, a house, a piece of yarn or any other useful thing. All its sensuous characteristics are extinguished. Nor is it any longer the product of the labour of the joiner, the mason or the spinner, or of any other particular kind of productive labour. With the disappearance of the useful character of the products of labour, the useful character of the kinds of labour embodied in them also disappears; this in turn entails the disappearance of the different concrete forms of labour. They can no longer be distinguished, but are all together reduced to the same kind of labour, human labour in the abstract.

Let us now look at the residue of the products of labour. There is nothing left of them in each case but the same phantom-like objectivity; they are merely congealed quantities of homogeneous human labour, i.e. of human labour-power expended without regard to the form of its expenditure. All these things now tell us is that human labour-power has been expended to produce them, human labour is accumulated in them. As crystals of this social substance, which is common to them all, they are values – commodity values [*Warenwerte*].

We have seen that when commodities are in the relation of exchange, their exchange-value manifests itself as something totally independent of their use-value. But if we abstract from their use-value, there remains their value, as it has just been defined. The common factor in the exchange relation, or in the exchange-value of the commodity, is therefore its value. The progress of the investigation will lead us back to exchange-value as the necessary mode of expression, or form of appearance, of value. For the present, however, we must consider the nature of value independently of its form of appearance [*Erscheinungsform*].

8. N. Barbon, op. cit., pp. 53 and 7.

A use-value, or useful article, therefore, has value only because abstract human labour is objectified [*vergegenständlicht*] or materialized in it. How, then, is the magnitude of this value to be measured? By means of the quantity of the 'value-forming substance', the labour, contained in the article. This quantity is measured by its duration, and the labour-time is itself measured on the particular scale of hours, days etc.

It might seem that if the value of a commodity is determined by the quantity of labour expended to produce it, it would be the more valuable the more unskilful and lazy the worker who produced it, because he would need more time to complete the article. However, the labour that forms the substance of value is equal human labour, the expenditure of identical human labour-power. The total labour-power of society, which is manifested in the values of the world of commodities, counts here as one homogeneous mass of human labour-power, although composed of innumerable individual units of labour-power. Each of these units is the same as any other, to the extent that it has the character of a socially average unit of labour-power and acts as such, i.e. only needs, in order to produce a commodity, the labour time which is necessary on an average, or in other words is socially necessary. Socially necessary labour-time is the labour-time required to produce any use-value under the conditions of production normal for a given society and with the average degree of skill and intensity of labour prevalent in that society. The introduction of power-looms into England, for example, probably reduced by one half the labour required to convert a given quantity of yarn into woven fabric. In order to do this, the English hand-loom weaver in fact needed the same amount of labour-time as before; but the product of his individual hour of labour now only represented half an hour of social labour, and consequently fell to one half its former value.

What exclusively determines the magnitude of the value of any article is therefore the amount of labour socially necessary, or the labour-time socially necessary for its production.<sup>9</sup> The individual

9. 'The value of them' (the necessaries of life) 'when they are exchanged the one for another, is regulated by the quantity of labour necessarily required, and commonly taken in producing them' (*Some Thoughts on the Interest of Money in General, and Particularly in the Publick Funds*, London, pp. 36, 37). This remarkable anonymous work of the eighteenth century bears no date. However, it is clear from its contents that it appeared in the reign of George II, about 1739 or 1740.

commodity counts here only as an average sample of its kind.<sup>10</sup> Commodities which contain equal quantities of labour, or which can be produced in the same time, have therefore the same value. The value of a commodity is related to the value of any other commodity as the labour-time necessary for the production of the one is related to the labour-time necessary for the production of the other. 'As exchange-values, all commodities are merely definite quantities of *congealed labour-time*.'<sup>11</sup>

The value of a commodity would therefore remain constant, if the labour-time required for its production also remained constant. But the latter changes with every variation in the productivity of labour. This is determined by a wide range of circumstances; it is determined amongst other things by the workers' average degree of skill, the level of development of science and its technological application, the social organization of the process of production, the extent and effectiveness of the means of production, and the conditions found in the natural environment. For example, the same quantity of labour is present in eight bushels of corn in favourable seasons and in only four bushels in unfavourable seasons. The same quantity of labour provides more metal in rich mines than in poor. Diamonds are of very rare occurrence on the earth's surface, and hence their discovery costs, on an average, a great deal of labour-time. Consequently much labour is represented in a small volume. Jacob questions whether gold has ever been paid for at its full value.\* This applies still more to diamonds. According to Eschwege, the total produce of the Brazilian diamond mines for the eighty years ending in 1823 still did not amount to the price of 1½ years' average produce of the sugar and coffee plantations of the same country,† although the diamonds represented much more labour, therefore more value. With richer mines, the same quantity of labour would be embodied in more diamonds, and their value would fall. If man succeeded, without much labour, in transforming carbon into diamonds,

10. 'Properly speaking, all products of the same kind form a single mass, and their price is determined in general and without regard to particular circumstances' (Le Trosne, *op. cit.*, p. 893).

11. Karl Marx, *op. cit.*, p. 6 [English translation, p. 30].

\*William Jacob, *An Historical Enquiry into the Production and Consumption of the Precious Metals*, London, 1831, Vol. 2, p. 101.

† This information comes from H. A. M. Merivale, *Lectures on Colonization and Colonies*, London, 1841. Cf. *Grundrisse*, p. 833.

their value might fall below that of bricks. In general, the greater the productivity of labour, the less the labour-time required to produce an article, the less the mass of labour crystallized in that article, and the less its value. Inversely, the less the productivity of labour, the greater the labour-time necessary to produce an article, and the greater its value. The value of a commodity, therefore, varies directly as the quantity, and inversely as the productivity, of the labour which finds its realization within the commodity. (Now we know the substance of value. It is labour. We know the measure of its magnitude. It is labour-time. The form, which stamps value as exchange-value, remains to be analysed. But before this we need to develop the characteristics we have already found somewhat more fully.)\*

A thing can be a use-value without being a value. This is the case whenever its utility to man is not mediated through labour. Air, virgin soil, natural meadows, unplanted forests, etc. fall into this category. A thing can be useful, and a product of human labour, without being a commodity. He who satisfies his own need with the product of his own labour admittedly creates use-values, but not commodities. In order to produce the latter, he must not only produce use-values, but use-values for others, social use-values. (And not merely for others. The medieval peasant produced a corn-rent for the feudal lord and a corn-tithe for the priest; but neither the corn-rent nor the corn-tithe became commodities simply by being produced for others. In order to become a commodity, the product must be transferred to the other person, for whom it serves as a use-value, through the medium of exchange.)† Finally, nothing can be a value without being an object of utility. If the thing is useless, so is the labour contained in it; the labour does not count as labour, and therefore creates no value.

## 2. THE DUAL CHARACTER OF THE LABOUR EMBODIED IN COMMODITIES

Initially the commodity appeared to us as an object with a dual character, possessing both use-value and exchange-value. Later

\*The passage in parentheses occurs only in the first edition.

† [Note by Engels to the fourth German edition:] I have inserted the passage in parentheses because, through its omission, the misconception has very frequently arisen that Marx regarded every product consumed by someone other than the producer as a commodity.

on it was seen that labour, too, has a dual character: in so far as it finds its expression in value, it no longer possesses the same characteristics as when it is the creator of use-values. I was the first to point out and examine critically this twofold nature of the labour contained in commodities.<sup>12</sup> As this point is crucial to an understanding of political economy, it requires further elucidation.

Let us take two commodities, such as a coat and 10 yards of linen, and let the value of the first be twice the value of the second, so that, if 10 yards of linen =  $W$ , the coat =  $2W$ .

The coat is a use-value that satisfies a particular need. A specific kind of productive activity is required to bring it into existence. This activity is determined by its aim, mode of operation, object, means and result. We use the abbreviated expression 'useful labour' for labour whose utility is represented by the use-value of its product, or by the fact that its product is a use-value. In this connection we consider only its useful effect.

As the coat and the linen are qualitatively different use-values, so also are the forms of labour through which their existence is mediated – tailoring and weaving. If the use-values were not qualitatively different, hence not the products of qualitatively different forms of useful labour, they would be absolutely incapable of confronting each other as commodities. Coats cannot be exchanged for coats, one use-value cannot be exchanged for another of the same kind.

The totality of heterogeneous use-values or physical commodities reflects a totality of similarly heterogeneous forms of useful labour, which differ in order, genus, species and variety: in short, a social division of labour. This division of labour is a necessary condition for commodity production, although the converse does not hold; commodity production is not a necessary condition for the social division of labour. Labour is socially divided in the primitive Indian community, although the products do not thereby become commodities. Or, to take an example nearer home, labour is systematically divided in every factory, but the workers do not bring about this division by exchanging their individual products. Only the products of mutually independent acts of labour, performed in isolation, can confront each other as commodities.

To sum up, then: the use-value of every commodity contains

12. Karl Marx, op. cit., pp. 12, 13, and passim [English translation, pp. 41, 42].

useful labour, i.e. productive activity of a definite kind, carried on with a definite aim. Use-values cannot confront each other as commodities unless the useful labour contained in them is qualitatively different in each case. In a society whose products generally assume the form of commodities, i.e. in a society of commodity producers, this qualitative difference between the useful forms of labour which are carried on independently and privately by individual producers develops into a complex system, a social division of labour.

It is moreover a matter of indifference whether the coat is worn by the tailor or by his customer. In both cases it acts as a use-value. So, too, the relation between the coat and the labour that produced it is not in itself altered when tailoring becomes a special trade, an independent branch of the social division of labour. Men made clothes for thousands of years, under the compulsion of the need for clothing, without a single man ever becoming a tailor. But the existence of coats, of linen, of every element of material wealth not provided in advance by nature, had always to be mediated through a specific productive activity appropriate to its purpose, a productive activity that assimilated particular natural materials to particular human requirements. Labour, then, as the creator of use-values, as useful labour, is a condition of human existence which is independent of all forms of society; it is an eternal natural necessity which mediates the metabolism between man and nature, and therefore human life itself.

Use-values like coats, linen, etc., in short, the physical bodies of commodities, are combinations of two elements, the material provided by nature, and labour. If we subtract the total amount of useful labour of different kinds which is contained in the coat, the linen, etc., a material substratum is always left. This substratum is furnished by nature without human intervention. When man engages in production, he can only proceed as nature does herself, i.e. he can only change the form of the materials.<sup>13</sup> Furthermore,

13. 'All the phenomena of the universe, whether produced by the hand of man or indeed by the universal laws of physics, are not to be conceived of as acts of creation but solely as a reordering of matter. Composition and separation are the only elements found by the human mind whenever it analyses the notion of reproduction; and so it is with the reproduction of value' (use-value, although Verri himself, in this polemic against the Physiocrats, is not quite certain of the kind of value he is referring to) 'and wealth, whether earth, air and water are turned into corn in the fields, or the secretions of an insect are turned into silk by the hand of man, or some small pieces of metal are

even in this work of modification he is constantly helped by natural forces. Labour is therefore not the only source of material wealth, i.e. of the use-values it produces. As William Petty says, labour is the father of material wealth, the earth is its mother.\*

Let us now pass from the commodity as an object of utility to the value of commodities.

We have assumed that the coat is worth twice as much as the linen. But this is merely a quantitative difference, and does not concern us at the moment. We shall therefore simply bear in mind that if the value of a coat is twice that of 10 yards of linen, 20 yards of linen will have the same value as a coat. As values, the coat and the linen have the same substance, they are the objective expressions of homogeneous labour. But tailoring and weaving are qualitatively different forms of labour. There are, however, states of society in which the same man alternately makes clothes and weaves. In this case, these two different modes of labour are only modifications of the labour of the same individual and not yet fixed functions peculiar to different individuals, just as the coat our tailor makes today, and the pair of trousers he makes tomorrow, require him only to vary his own individual labour. Moreover, we can see at a glance that in our capitalist society a given portion of labour is supplied alternately in the form of tailoring and in the form of weaving, in accordance with changes in the direction of the demand for labour. This change in the form of labour may well not take place without friction, but it must take place.

If we leave aside the determinate quality of productive activity, and therefore the useful character of the labour, what remains is its quality of being an expenditure of human labour-power. Tailoring and weaving, although they are qualitatively different productive activities, are both a productive expenditure of human brains, muscles, nerves, hands etc., and in this sense both human labour. They are merely two different forms of the expenditure of human labour-power. Of course, human labour-power must itself

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arranged together to form a repeating watch' (Pietro Verri, *Meditazioni sulla economia politica* – first printed in 1771 – in Custodi's edition of the Italian economists, *Parte moderna*, Vol. 15, pp. 21, 22).

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\* *A Treatise of Taxes and Contributions*, published anonymously by William Petty, London, 1667, p. 47.

have attained a certain level of development before it can be expended in this or that form. But the value of a commodity represents human labour pure and simple, the expenditure of human labour in general. And just as, in civil society, a general or a banker plays a great part but man as such plays a very mean part,<sup>14</sup> so, here too, the same is true of human labour. It is the expenditure of simple labour-power, i.e. of the labour-power possessed in his bodily organism by every ordinary man, on the average, without being developed in any special way. *Simple average labour*, it is true, varies in character in different countries and at different cultural epochs, but in a particular society it is given. More complex labour counts only as *intensified*, or rather *multiplied* simple labour, so that a smaller quantity of complex labour is considered equal to a larger quantity of simple labour. Experience shows that this reduction is constantly being made. A commodity may be the outcome of the most complicated labour, but through its *value* it is posited as equal to the product of simple labour, hence it represents only a specific quantity of simple labour.<sup>15</sup> The various proportions in which different kinds of labour are reduced to simple labour as their unit of measurement are established by a social process that goes on behind the backs of the producers; these proportions therefore appear to the producers to have been handed down by tradition. In the interests of simplification, we shall henceforth view every form of labour-power directly as simple labour-power; by this we shall simply be saving ourselves the trouble of making the reduction.

Just as, in viewing the coat and the linen as values, we abstract from their different use-values, so, in the case of the labour represented by those values, do we disregard the difference between its useful forms, tailoring and weaving. The use-values coat and linen are combinations of, on the one hand, productive activity with a definite purpose, and, on the other, cloth and yarn; the values coat and linen, however, are merely congealed

14. Cf. Hegel, *Philosophie des Rechts*, Berlin, 1840, p. 250, para. 190.\*

15. The reader should note that we are not speaking here of the wages or value the worker receives for (e.g.) a day's labour, but of the value of the commodity in which his day of labour is objectified. At this stage of our presentation, the category of wages does not exist at all.

\*Hegel says here: 'In civil society as a whole, at the standpoint of needs, what we have before us is the composite idea which we call man. Thus this is the first time, and indeed the only time, to speak of man in this sense' (*Hegel's Philosophy of Right*, tr. T. M. Knox, Oxford, 1952, p. 127).

quantities of homogeneous labour. In the same way, the labour contained in these values does not count by virtue of its productive relation to cloth and yarn, but only as being an expenditure of human labour-power. Tailoring and weaving are the formative elements in the use-values coat and linen, precisely because these two kinds of labour are of different qualities; but only in so far as abstraction is made from their particular qualities, only in so far as both possess the same quality of being human labour, do tailoring and weaving form the substance of the values of the two articles mentioned.

Coats and linen, however, are not merely values in general, but values of definite magnitude, and, following our assumption, the coat is worth twice as much as the 10 yards of linen. Why is there this difference in value? Because the linen contains only half as much labour as the coat, so that labour-power had to be expended twice as long to produce the second as to produce the first.

While, therefore, with reference to use-value, the labour contained in a commodity counts only qualitatively, with reference to value it counts only quantitatively, once it has been reduced to human labour pure and simple. In the former case it was a matter of the 'how' and the 'what' of labour, in the latter of the 'how much', of the temporal duration of labour. Since the magnitude of the value of a commodity represents nothing but the quantity of labour embodied in it, it follows that all commodities, when taken in certain proportions, must be equal in value.

If the productivity of all the different sorts of useful labour required, let us say, for the production of a coat remains unchanged, the total value of the coats produced will increase along with their quantity. If one coat represents  $x$  days' labour, two coats will represent  $2x$  days' labour, and so on. But now assume that the duration of the labour necessary for the production of a coat is doubled or halved. In the first case, one coat is worth as much as two coats were before; in the second case two coats are only worth as much as one was before, although in both cases one coat performs the same service, and the useful labour contained in it remains of the same quality. One change has taken place, however: a change in the quantity of labour expended to produce the article.

In itself, an increase in the quantity of use-values constitutes an increase in material wealth. Two coats will clothe two men, one coat will only clothe one man, etc. Nevertheless, an increase in the

amount of material wealth may correspond to a simultaneous fall in the magnitude of its value. This contradictory movement arises out of the twofold character of labour. By 'productivity' of course, we always mean the productivity of concrete useful labour; in reality this determines only the degree of effectiveness of productive activity directed towards a given purpose within a given period of time. Useful labour becomes, therefore, a more or less abundant source of products in direct proportion as its productivity rises or falls. As against this, however, variations in productivity have no impact whatever on the labour itself represented in value. As productivity is an attribute of labour in its concrete useful form, it naturally ceases to have any bearing on that labour as soon as we abstract from its concrete useful form. The same labour, therefore, performed for the same length of time, always yields the same amount of value, independently of any variations in productivity. But it provides different quantities of use-values during equal periods of time; more, if productivity rises; fewer, if it falls. For this reason, the same change in productivity which increases the fruitfulness of labour, and therefore the amount of use-values produced by it, also brings about a reduction in the value of this increased total amount, if it cuts down the total amount of labour-time necessary to produce the use-values. The converse also holds.

On the one hand, all labour is an expenditure of human labour-power, in the physiological sense, and it is in this quality of being equal, or abstract, human labour that it forms the value of commodities. On the other hand, all labour is an expenditure of human labour-power in a particular form and with a definite aim, and it is in this quality of being concrete useful labour that it produces use-values.<sup>16</sup>

16. In order to prove that 'labour alone is the ultimate and real standard by which the value of all commodities can at all times and places be estimated and compared', Adam Smith\* says this: 'Equal quantities of labour, at all times and places, must have the same value for the labourer. In his ordinary state of health, strength and activity; in the ordinary degree of his skill and dexterity, he must always lay down the same portion of his ease, his liberty, and his happiness' (*Wealth of Nations*, Bk I, Ch. 5 [pp. 104-5]). On the one hand, Adam Smith here (but not everywhere) confuses his determination of value by the quantity of labour expended in the production of commodities with the determination of the values of commodities by the value of labour, and therefore endeavours to prove that equal quantities of labour always have the same

\* Here, as elsewhere occasionally, Marx quotes an English author in German. This explains certain slight divergences from the original English text.

commodities it also functioned as an equivalent, either as a single equivalent in isolated exchanges or as a particular equivalent alongside other commodity-equivalents. Gradually it began to serve as universal equivalent in narrower or wider fields. As soon as it had won a monopoly of this position in the expression of value for the world of commodities, it became the money commodity, and only then, when it had already become the money commodity, did form D become distinct from form C, and the general form of value come to be transformed into the money form.

The simple expression of the relative value of a single commodity, such as linen, in a commodity which is already functioning 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.

The only difficulty in the concept of the money form is that of grasping the universal equivalent form, and hence the general form of value as such, 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.

#### 4. THE FETISHISM OF THE COMMODITY AND ITS SECRET

A commodity appears at first sight an extremely obvious, trivial thing. But its analysis brings out that it is a very strange thing, abounding in metaphysical subtleties and theological niceties. So far as it is a use-value, there is nothing mysterious about it, whether we consider it from the point of view that by its properties it satisfies human needs, or that it first takes on these properties as the product of human labour. It is absolutely clear that, by his activity, man changes the forms of the materials of nature in such a way as to make them useful to him. The form of wood, for instance, is altered if a table is made out of it. Nevertheless the table continues to be wood, an ordinary, sensuous thing. But as soon as it emerges as a commodity, it changes into a thing which transcends sensuousness. It not only stands with its feet on the ground, but, in relation to all other commodities, it stands on its head, and evolves out of its wooden brain grotesque ideas,

far more wonderful than if it were to begin dancing of its own free will.<sup>27</sup>

The mystical character of the commodity does not therefore arise from its use-value. Just as little does it proceed from the nature of the determinants of value. For in the first place, however varied the useful kinds of labour, or productive activities, it is a physiological fact that they are functions of the human organism, and that each such function, whatever may be its nature or its form, is essentially the expenditure of human brain, nerves, muscles and sense organs. Secondly, with regard to the foundation of the quantitative determination of value, namely the duration of that expenditure or the quantity of labour, this is quite palpably different from its quality. In all situations, the labour-time it costs to produce the means of subsistence must necessarily concern mankind, although not to the same degree at different stages of development.<sup>28</sup> And finally, as soon as men start to work for each other in any way, their labour also assumes a social form.

Whence, then, arises the enigmatic character of the product of labour, as soon as it assumes the form of a commodity? Clearly, it arises from this form itself. The equality of the kinds of human labour takes on a physical form in the equal objectivity of the products of labour as values; the measure of the expenditure of human labour-power by its duration takes on the form of the magnitude of the value of the products of labour; and finally the relationships between the producers, within which the social characteristics of their labours are manifested, take on the form of a social relation between the products of labour.

The mysterious character of the commodity-form consists therefore simply in the fact that the commodity reflects the social characteristics of men's own labour as objective characteristics of

27. One may recall that China and the tables began to dance when the rest of the world appeared to be standing still – *pour encourager les autres*.\*

28. Among the ancient Germans the size of a piece of land was measured according to the labour of a day; hence the acre was called *Tagwerk*, *Tagwanne* (*jurnale*, or *terrajurnalis*, or *diornalis*), *Mannwerk*, *Mannskraft*, *Mannsmaad*, *Mannshaut*, etc. See Georg Ludwig von Maurer, *Einleitung zur Geschichte der Mark-, Hof-, usw. Verfassung*, Munich, 1854, p. 129 ff.

\* 'To encourage the others'. A reference to the simultaneous emergence in the 1850s of the Taiping revolt in China and the craze for spiritualism which swept over upper-class German society. The rest of the world was 'standing still' in the period of reaction immediately after the defeat of the 1848 Revolutions.

the products of labour themselves, as the socio-natural properties of these things. Hence it also reflects the social relation of the producers to the sum total of labour as a social relation between objects, a relation which exists apart from and outside the producers. Through this substitution, the products of labour become commodities, sensuous things which are at the same time supra-sensible or social. In the same way, the impression made by a thing on the optic nerve is perceived not as a subjective excitation of that nerve but as the objective form of a thing outside the eye. In the act of seeing, of course, light is really transmitted from one thing, the external object, to another thing, the eye. It is a physical relation between physical things. As against this, the commodity-form, and the value-relation of the products of labour within which it appears, have absolutely no connection with the physical nature of the commodity and the material [*dinglich*] relations arising out of this. It is nothing but the definite social relation between men themselves which assumes here, for them, the fantastic form of a relation between things. In order, therefore, to find an analogy we must take flight into the misty realm of religion. There the products of the human brain appear as autonomous figures endowed with a life of their own, which enter into relations both with each other and with the human race. So it is in the world of commodities with the products of men's hands. I call this the fetishism which attaches itself to the products of labour as soon as they are produced as commodities, and is therefore inseparable from the production of commodities.

As the foregoing analysis has already demonstrated, this fetishism of the world of commodities arises from the peculiar social character of the labour which produces them.

Objects of utility become commodities only because they are the products of the labour of private individuals who work independently of each other. The sum total of the labour of all these private individuals forms the aggregate labour of society. Since the producers do not come into social contact until they exchange the products of their labour, the specific social characteristics of their private labours appear only within this exchange. In other words, the labour of the private individual manifests itself as an element of the total labour of society only through the relations which the act of exchange establishes between the products, and, through their mediation, between the producers. To

the producers, therefore, the social relations between their private labours appear as what they are, i.e. they do not appear as direct social relations between persons in their work, but rather as material [*dinglich*] relations between persons and social relations between things.

It is only by being exchanged that the products of labour acquire a socially uniform objectivity as values, which is distinct from their sensuously varied objectivity as articles of utility. This division of the product of labour into a useful thing and a thing possessing value appears in practice only when exchange has already acquired a sufficient extension and importance to allow useful things to be produced for the purpose of being exchanged, so that their character as values has already to be taken into consideration during production. From this moment on, the labour of the individual producer acquires a twofold social character. On the one hand, it must, as a definite useful kind of labour, satisfy a definite social need, and thus maintain its position as an element of the total labour, as a branch of the social division of labour, which originally sprang up spontaneously. On the other hand, it can satisfy the manifold needs of the individual producer himself only in so far as every particular kind of useful private labour can be exchanged with, i.e. counts as the equal of, every other kind of useful private labour. Equality in the full sense between different kinds of labour can be arrived at only if we abstract from their real inequality, if we reduce them to the characteristic they have in common, that of being the expenditure of human labour-power, of human labour in the abstract. The private producer's brain reflects this twofold social character of his labour only in the forms which appear in practical intercourse, in the exchange of products. Hence the socially useful character of his private labour is reflected in the form that the product of labour has to be useful to others, and the social character of the equality of the various kinds of labour is reflected in the form of the common character, as values, possessed by these materially different things, the products of labour.

Men do not therefore bring the products of their labour into relation with each other as values because they see these objects merely as the material integuments of homogeneous human labour. The reverse is true: by equating their different products to each other in exchange as values, they equate their different kinds of labour as human labour. They do this without being

aware of it.<sup>29</sup> Value, therefore, does not have its description branded on its forehead; it rather transforms every product of labour into a social hieroglyphic. Later on, men try to decipher the hieroglyphic, to get behind the secret of their own social product: for the characteristic which objects of utility have of being values is as much men's social product as is their language. The belated scientific discovery that the products of labour, in so far as they are values, are merely the material expressions of the human labour expended to produce them, marks an epoch in the history of mankind's development, but by no means banishes the semblance of objectivity possessed by the social characteristics of labour. Something which is only valid for this particular form of production, the production of commodities, namely the fact that the specific social character of private labours carried on independently of each other consists in their equality as human labour, and, in the product, assumes the form of the existence of value, appears to those caught up in the relations of commodity production (and this is true both before and after the above-mentioned scientific discovery) to be just as ultimately valid as the fact that the scientific dissection of the air into its component parts left the atmosphere itself unaltered in its physical configuration.

What initially concerns producers in practice when they make an exchange is how much of some other product they get for their own; in what proportions can the products be exchanged? As soon as these proportions have attained a certain customary stability, they appear to result from the nature of the products, so that, for instance, one ton of iron and two ounces of gold appear to be equal in value, in the same way as a pound of gold and a pound of iron are equal in weight, despite their different physical and chemical properties. The value character of the products of labour becomes firmly established only when they act as magnitudes of value. These magnitudes vary continually, independently of the will, foreknowledge and actions of the exchangers. Their own movement within society has for them the form of a movement made by things, and these things, far from being under

29. Therefore, when Galiani said: Value is a relation between persons (*'La Ricchezza è una ragione tra due persone'*) he ought to have added: a relation concealed beneath a material shell. (Galiani, *Della Moneta*, p. 221, Vol. 3 of Custodi's collection entitled *Scrittori classici italiani di economia politica, Parte moderna*, Milan, 1803.)

their control, in fact control them. The production of commodities must be fully developed before the scientific conviction emerges, from experience itself, that all the different kinds of private labour (which are carried on independently of each other, and yet, as spontaneously developed branches of the social division of labour, are in a situation of all-round dependence on each other) are continually being reduced to the quantitative proportions in which society requires them. The reason for this reduction is that in the midst of the accidental and ever-fluctuating exchange relations between the products, the labour-time socially necessary to produce them asserts itself as a regulative law of nature. In the same way, the law of gravity asserts itself when a person's house collapses on top of him.<sup>30</sup> The determination of the magnitude of value by labour-time is therefore a secret hidden under the apparent movements in the relative values of commodities. Its discovery destroys the semblance of the merely accidental determination of the magnitude of the value of the products of labour, but by no means abolishes that determination's material form.

Reflection on the forms of human life, hence also scientific analysis of those forms, takes a course directly opposite to their real development. Reflection begins *post festum*,\* and therefore with the results of the process of development ready to hand. The forms which stamp products as commodities and which are therefore the preliminary requirements for the circulation of commodities, already possess the fixed quality of natural forms of social life before man seeks to give an account, not of their historical character, for in his eyes they are immutable, but of their content and meaning. Consequently, it was solely the analysis of the prices of commodities which led to the determination of the magnitude of value, and solely the common expression of all commodities in money which led to the establishment of their character as values. It is however precisely this finished form of the world of commodities – the money form – which conceals the social character of private labour and the social relations between the individual

30. 'What are we to think of a law which can only assert itself through periodic crises? It is just a natural law which depends on the lack of awareness of the people who undergo it' (Friedrich Engels, *Umrisse zu einer Kritik der Nationalökonomie*, in the *Deutsch-Französische Jahrbücher*, edited by Arnold Ruge and Karl Marx, Paris, 1844) [English translation in Marx/Engels' *Collected Works*, Vol. 3, London, 1975, p. 433].

\* 'After the feast', i.e. after the events reflected on have taken place.

workers, by making those relations appear as relations between material objects, instead of revealing them plainly. If I state that coats or boots stand in a relation to linen because the latter is the universal incarnation of abstract human labour, the absurdity of the statement is self-evident. Nevertheless, when the producers of coats and boots bring these commodities into a relation with linen, or with gold or silver (and this makes no difference here), as the universal equivalent, the relation between their own private labour and the collective labour of society appears to them in exactly this absurd form.

The categories of bourgeois economics consist precisely of forms of this kind. They are forms of thought which are socially valid, and therefore objective, for the relations of production belonging to this historically determined mode of social production, i.e. commodity production. The whole mystery of commodities, all the magic and necromancy that surrounds the products of labour on the basis of commodity production, vanishes therefore as soon as we come to other forms of production.

As political economists are fond of Robinson Crusoe stories,<sup>31</sup> let us first look at Robinson on his island. Undemanding though he is by nature, he still has needs to satisfy, and must therefore perform useful labours of various kinds: he must make tools, knock together furniture, tame llamas, fish, hunt and so on. Of his prayers and the like, we take no account here, since our friend takes pleasure in them and sees them as recreation. Despite the diversity of his productive functions, he knows that they are only different forms of activity of one and the same Robinson, hence only different modes of human labour. Necessity itself compels him to divide his time with precision between his different func-

31. Even Ricardo has his Robinson Crusoe stories. 'Ricardo makes his primitive fisherman and primitive hunter into owners of commodities who immediately exchange their fish and game in proportion to the labour-time which is materialized in these exchange-values. On this occasion he slips into the anachronism of allowing the primitive fisherman and hunter to calculate the value of their implements in accordance with the annuity tables used on the London Stock Exchange in 1817. Apart from bourgeois society, the "parallelograms of Mr Owen" seem to have been the only form of society Ricardo was acquainted with' \*(Karl Marx, *Zur Kritik etc.*, pp. 38-9) [English translation, p. 60].

\*The 'parallelograms' were the utopian socialist Robert Owen's suggestion for the most appropriate layout for a workers' settlement, made in *A New View of Society* (1813) and immediately seized on by his critics. Ricardo's reference to them is from his *On Protection of Agriculture*, London, 1822, p. 21.

tions. Whether one function occupies a greater space in his total activity than another depends on the magnitude of the difficulties to be overcome in attaining the useful effect aimed at. Our friend Robinson Crusoe learns this by experience, and having saved a watch, ledger, ink and pen from the shipwreck, he soon begins, like a good Englishman, to keep a set of books. His stock-book contains a catalogue of the useful objects he possesses, of the various operations necessary for their production, and finally of the labour-time that specific quantities of these products have on average cost him. All the relations between Robinson and these objects that form his self-created wealth are here so simple and transparent that even Mr Sedley Taylor\* could understand them. And yet those relations contain all the essential determinants of value.

Let us now transport ourselves from Robinson's island, bathed in light, to medieval Europe, shrouded in darkness. Here, instead of the independent man, we find everyone dependent – serfs and lords, vassals and suzerains, laymen and clerics. Personal dependence characterizes the social relations of material production as much as it does the other spheres of life based on that production. But precisely because relations of personal dependence form the given social foundation, there is no need for labour and its products to assume a fantastic form different from their reality. They take the shape, in the transactions of society, of services in kind and payments in kind. The natural form of labour, its particularity – and not, as in a society based on commodity production, its universality – is here its immediate social form. The *corvée* can be measured by time just as well as the labour which produces commodities, but every serf knows that what he expends in the service of his lord is a specific quantity of his own personal labour-power. The tithe owed to the priest is more clearly apparent than his blessing. Whatever we may think, then, of the different roles in which men confront each other in such a society, the social relations between individuals in the performance of their labour appear at all events as their own personal relations, and are not disguised as social relations between things, between the products of labour.

\*The original German has here 'Herr M. Wirth', chosen by Marx as a run-of-the-mill vulgar economist and propagandist familiar to German readers. Engels introduced 'Mr Sedley Taylor', a Cambridge don against whom he polemicized in his preface to the fourth German edition (see above, p. 117).

For an example of labour in common, i.e. directly associated labour, we do not need to go back to the spontaneously developed form which we find at the threshold of the history of all civilized peoples.<sup>32</sup> We have one nearer to hand in the patriarchal rural industry of a peasant family which produces corn, cattle, yarn, linen and clothing for its own use. These things confront the family as so many products of its collective labour, but they do not confront each other as commodities. The different kinds of labour which create these products – such as tilling the fields, tending the cattle, spinning, weaving and making clothes – are already in their natural form social functions; for they are functions of the family, which, just as much as a society based on commodity production, possesses its own spontaneously developed division of labour. The distribution of labour within the family and the labour-time expended by the individual members of the family, are regulated by differences of sex and age as well as by seasonal variations in the natural conditions of labour. The fact that the expenditure of the individual labour-powers is measured by duration appears here, by its very nature, as a social characteristic of labour itself, because the individual labour-powers, by their very nature, act only as instruments of the joint labour-power of the family.

Let us finally imagine, for a change, an association of free men, working with the means of production held in common, and expending their many different forms of labour-power in full self-awareness as one single social labour force. All the characteristics of Robinson's labour are repeated here, but with the difference that they are social instead of individual. All Robinson's products were exclusively the result of his own personal labour and they were therefore directly objects of utility for him personally. The total product of our imagined association is a social product. One part of this product serves as fresh means of production and re-

32. 'A ridiculous notion has spread abroad recently that communal property in its natural, spontaneous form is specifically Slav, indeed exclusively Russian. In fact, it is the primitive form that we can prove to have existed among Romans, Teutons and Celts, and which indeed still exists to this day in India, in a whole range of diverse patterns, albeit sometimes only as remnants. A more exact study of the Asiatic, and specifically of the Indian form of communal property would indicate the way in which different forms of spontaneous, primitive communal property give rise to different forms of its dissolution. Thus the different original types of Roman and Germanic private property can be deduced from the different forms of Indian communal property' (Karl Marx, *Zur Kritik, etc.*, p. 10) [English translation, p. 33].

mains social. But another part is consumed by the members of the association as means of subsistence. This part must therefore be divided amongst them. The way this division is made will vary with the particular kind of social organization of production and the corresponding level of social development attained by the producers. We shall assume, but only for the sake of a parallel with the production of commodities, that the share of each individual producer in the means of subsistence is determined by his labour-time. Labour-time would in that case play a double part. Its apportionment in accordance with a definite social plan maintains the correct proportion between the different functions of labour and the various needs of the associations. On the other hand, labour-time also serves as a measure of the part taken by each individual in the common labour, and of his share in the part of the total product destined for individual consumption. The social relations of the individual producers, both towards their labour and the products of their labour, are here transparent in their simplicity, in production as well as in distribution.

For a society of commodity producers, whose general social relation of production consists in the fact that they treat their products as commodities, hence as values, and in this material [*sachlich*] form bring their individual, private labours into relation with each other as homogeneous human labour, Christianity with its religious cult of man in the abstract, more particularly in its bourgeois development, i.e. in Protestantism, Deism, etc., is the most fitting form of religion. In the ancient Asiatic, Classical-antique, and other such modes of production, the transformation of the product into a commodity, and therefore men's existence as producers of commodities, plays a subordinate role, which however increases in importance as these communities approach nearer and nearer to the stage of their dissolution. Trading nations, properly so called, exist only in the interstices of the ancient world, like the gods of Epicurus in the *intermundia*,\* or Jews in the pores of Polish society. Those ancient social organisms of production are much more simple and transparent than those of bourgeois society.

\* According to the Greek philosopher Epicurus (c. 341-c. 270 B.C.), the gods existed only in the *intermundia*, or spaces between different worlds, and had no influence on the course of human affairs. Very few of the writings of Epicurus have been preserved in the original Greek, and this particular idea survived only by being included in Cicero, *De natura deorum*, Book I, Section 18.

But they are founded either on the immaturity of man as an individual, when he has not yet torn himself loose from the umbilical cord of his natural species-connection with other men, or on direct relations of dominance and servitude. They are conditioned by a low stage of development of the productive powers of labour and correspondingly limited relations between men within the process of creating and reproducing their material life, hence also limited relations between man and nature. These real limitations are reflected in the ancient worship of nature, and in other elements of tribal religions. The religious reflections of the real world can, in any case, vanish only when the practical relations of everyday life between man and man, and man and nature, generally present themselves to him in a transparent and rational form. The veil is not removed from the countenance of the social life-process, i.e. the process of material production, until it becomes production by freely associated men, and stands under their conscious and planned control. This, however, requires that society possess a material foundation, or a series of material conditions of existence, which in their turn are the natural and spontaneous product of a long and tormented historical development.

Political economy has indeed analysed value and its magnitude, however incompletely,<sup>33</sup> and has uncovered the content concealed

33. The insufficiency of Ricardo's analysis of the magnitude of value – and his analysis is by far the best – will appear from the third and fourth books of this work.\* As regards value in general, classical political economy in fact nowhere distinguishes explicitly and with a clear awareness between labour as it appears in the value of a product, and the same labour as it appears in the product's use-value. Of course the distinction is made in practice, since labour is treated sometimes from its quantitative aspect, and at other times qualitatively. But it does not occur to the economists that a purely quantitative distinction between the kinds of labour presupposes their qualitative unity or equality, and therefore their reduction to abstract human labour. For instance, Ricardo declares that he agrees with Destutt de Tracy when the latter says: "As it is certain that our physical and moral faculties are alone our original riches, the employment of those faculties, labour of some kind, is our original treasure, and it is always from this employment that all those things are created which we call riches . . . It is certain too, that all those things only represent the labour which has created them, and if they have a value, or even two distinct values, they can only derive them from that' (the value) 'of the labour from which they emanate' (Ricardo, *The Principles of Political Economy*, 3rd edn, London, 1821, p. 334).† We would here only point out that

\* These are the books that appeared, respectively, as Volume 3 of *Capital*, and *Theories of Surplus-Value* (3 volumes).

† Destutt de Tracy, *Éléments d'idéologie*, Parts 4 and 5, Paris, 1826, pp. 35–6.

within these forms. But it has never once asked the question why this content has assumed that particular 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.<sup>34</sup> These formulas, which bear the unmistakable stamp of

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Ricardo imposes his own more profound interpretation on the words of Destutt. Admittedly Destutt does say that all things which constitute wealth 'represent the labour which has created them', but, on the other hand, he also says that they acquire their 'two different values' (use-value and exchange-value) from 'the value of labour'. He thus falls into the commonplace error of the vulgar economists, who assume the value of one commodity (here labour) in order in turn to use it to determine the values of other commodities. But Ricardo reads him as if he had said that labour (not the value of labour) is represented both in use-value and in exchange-value. Nevertheless, Ricardo himself makes so little of the dual character of the labour represented in this twofold way that he is forced to spend the whole of his chapter 'Value and Riches, their Distinctive Properties' on a laborious examination of the trivialities of a J. B. Say. And at the end he is therefore quite astonished to find that while Destutt agrees with him that labour is the source of value, he nevertheless also agrees with Say about the concept of value.\*

34. It is one of the chief failings of classical political economy that it has never succeeded, by means of its analysis of commodities, and in particular of their value, in discovering the form of value which in fact turns value into exchange-value. Even its best representatives, Adam Smith and Ricardo, treat the form of value as something of indifference, something external to the nature of the commodity itself. The explanation for this is not simply 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 universal form of the bourgeois mode of production; by that fact it stamps the bourgeois mode of production as a particular kind of social production of a historical and transitory character. If then we make the mistake of treating it as the eternal natural form of social production, we necessarily overlook the specificity of the value-form, and consequently of the commodity-form together with its further developments, the money form, the capital form, etc. We therefore find that economists who are entirely agreed that labour-time is the measure of the magnitude of value, have the strangest and most contradictory ideas about money, that is, about the universal equivalent in its finished form. This emerges sharply when they deal with banking, where the commonplace definitions of money will no longer hold water. 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 its insubstantial semblance. Let me point out once and for all that by classical political economy I mean all the economists who, since the time of W. Petty, have investigated the real internal framework [*Zusammenhang*] of bourgeois

\* 'I am sorry to be obliged to add that M. de Tracy supports, by his authority, the definitions which M. Say has given of the words "value", "riches", and "utility"' (Ricardo, op. cit., p. 334).

belonging to a social formation in which the process of production has mastery over man, instead of the opposite, appear to the political economists' bourgeois consciousness to be as much a self-evident and nature-imposed necessity as productive labour itself. Hence the pre-bourgeois forms of the social organization of production are treated by political economy in much the same way as the Fathers of the Church treated pre-Christian religions.<sup>35</sup>

relations of production, as opposed to the vulgar economists who only flounder around within the apparent framework of those relations, ceaselessly ruminate on the materials long since provided by scientific political economy, and seek there plausible explanations of the crudest phenomena for the domestic purposes of the bourgeoisie. Apart from this, the vulgar economists confine themselves to systematizing in a pedantic way, and proclaiming for everlasting truths, the banal and complacent notions held by the bourgeois agents of production about their own world, which is to them the best possible one.

35. 'The economists have a singular way of proceeding. For them, there are only two kinds of institutions, artificial and natural. The institutions of feudalism are artificial institutions, those of the bourgeoisie are natural institutions. In this they resemble the theologians, who likewise establish two kinds of religion. Every religion which is not theirs is an invention of men, while their own is an emanation of God . . . Thus there has been history, but there is no longer any' (Karl Marx, *Misère de la philosophie. Réponse à la philosophie de la misère de M. Proudhon*, 1847, p. 113).\* Truly comical is M. Bastiat, who imagines that the ancient Greeks and Romans lived by plunder alone. For if people live by plunder for centuries there must, after all, always be something there to plunder; in other words, the objects of plunder must be continually reproduced. It seems, therefore, that even the Greeks and the Romans had a process of production, hence an economy, which constituted the material basis of their world as much as the bourgeois economy constitutes that of the present-day world. Or perhaps Bastiat means that a mode of production based on the labour of slaves is based on a system of plunder? In that case he is on dangerous ground. If a giant thinker like Aristotle could err in his evaluation of slave-labour, why should a dwarf economist like Bastiat be right in his evaluation of wage-labour? I seize this opportunity of briefly refuting an objection made by a German-American publication to my work *Zur Kritik der Politischen Ökonomie*, 1859. My view is that each particular mode of production, and the relations of production corresponding to it at each given moment, in short 'the economic structure of society', is 'the real foundation, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness', and that 'the mode of production of material life conditions the general process of social, political and intellectual life'.†

\* English translation: Karl Marx, *The Poverty of Philosophy*, London, 1966, p. 105.

† These passages are taken from the Preface to *A Contribution to the Critique of Political Economy*, written in January 1859 (English translation, pp. 20-21).

The degree to which some economists are misled by the fetishism attached to the world of commodities, or by the objective appearance of the social characteristics of labour, is shown, among other things, by the dull and tedious dispute over the part played by nature in the formation of exchange-value. Since exchange-value is a definite social manner of expressing the labour bestowed on a thing, it can have no more natural content than has, for example, the rate of exchange.

As the commodity-form is the most general and the most undeveloped form of bourgeois production, it makes its appearance at an early date, though not in the same predominant and therefore characteristic manner as nowadays. Hence its fetish character is still relatively easy to penetrate. But when we come to more concrete forms, even this appearance of simplicity vanishes. Where did the illusions of the Monetary System come from? The adherents of the Monetary System did not see gold and silver as representing money as a social relation of production, but in the form of natural objects with peculiar social properties. And what of modern political economy, which looks down so disdainfully on the Monetary System? Does not its fetishism become quite palpable when it deals with capital? How long is it since the disappearance of the Physiocratic illusion that ground rent grows out of the soil, not out of society?

But, to avoid anticipating, we will content ourselves here with one more example relating to the commodity-form itself. If commodities could speak, they would say this: our use-value may interest men, but it does not belong to us as objects. What does belong to us as objects, however, is our value. Our own inter-

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In the opinion of the German-American publication this is all very true for our own times, in which material interests are preponderant, but not for the Middle Ages, dominated by Catholicism, nor for Athens and Rome, dominated by politics. In the first place, it strikes us as odd that anyone should suppose that these well-worn phrases about the Middle Ages and the ancient world were unknown to anyone else. One thing is clear: the Middle Ages could not live on Catholicism, nor could the ancient world on politics. On the contrary, it is the manner in which they gained their livelihood which explains why in one case politics, in the other case Catholicism, played the chief part. For the rest, one needs no more than a slight acquaintance with, for example, the history of the Roman Republic, to be aware that its secret history is the history of landed property. And then there is Don Quixote, who long ago paid the penalty for wrongly imagining that knight errantry was compatible with all economic forms of society.

course as commodities proves it. We relate to each other merely as exchange-values. Now listen how those commodities speak through the mouth of the economist:

‘Value (i.e. exchange-value) is a property of things, riches (i.e. use-value) of man. Value, in this sense, necessarily implies exchanges, riches do not.’<sup>36</sup>

‘Riches (use-value) are the attribute of man, value is the attribute of commodities. A man or a community is rich, a pearl or a diamond is valuable . . . A pearl or a diamond is valuable as a pearl or diamond.’<sup>37</sup>

So far no chemist has ever discovered exchange-value either in a pearl or a diamond. The economists who have discovered this chemical substance, and who lay special claim to critical acumen, nevertheless find that the use-value of material objects belongs to them independently of their material properties, while their value, on the other hand, forms a part of them as objects. What confirms them in this view is the peculiar circumstance that the use-value of a thing is realized without exchange, i.e. in the direct relation between the thing and man, while, inversely, its value is realized only in exchange, i.e. in a social process. Who would not call to mind at this point the advice given by the good Dogberry to the night-watchman Seacoal?\*

‘To be a well-favoured man is the gift of fortune; but reading and writing comes by nature.’<sup>38</sup>

36. *Observations on Some Verbal Disputes in Pol. Econ., Particularly Relating to Value, and to Supply and Demand*, London, 1821, p. 16.

37. S. Bailey, op. cit., p. 165.

38. Both the author of *Observations etc.*, and S. Bailey accuse Ricardo of converting exchange-value from something relative into something absolute. The reverse is true. He has reduced the apparent relativity which these things (diamonds, pearls, etc.) possess to the true relation hidden behind the appearance, namely their relativity as mere expressions of human labour. If the followers of Ricardo answer Bailey somewhat rudely, but by no means convincingly, this is because they are unable to find in Ricardo’s own works any elucidation of the inner connection between value and the form of value, or exchange-value.

\* In Shakespeare’s comedy *Much Ado About Nothing*, Act 3, Scene 3.