

Philosophy and Economics in the Writings of Karl Marx

In the 1920s Georg Lukacs deduced, from a reading of Marx's *Capital* and *Theories of Surplus Value*, the conclusion that Marx's economic theories were consistent and comprehensible only if one imputes to Marx a fairly elaborate social philosophy and philosophical anthropology. This imputed philosophy, spelled out in Lukacs's extraordinary book, *History and Class Consciousness*, differed drastically from the "official" Marxian philosophy of dialectical materialism as propagated by Engels and by the international communist movement. During the 1930s and '40s Marx's early philosophical writings were rediscovered. In general, the philosophical extensions Lukacs had made on the basis of Marx's later economic writings turned out to be amazingly accurate (wrong only in understating the extent to which Marx had radically departed from Hegel). The notion that Marx's economics represents a working out of his philosophy has been persuasively argued and extensively documented by a number of scholars.¹ * In this essay I shall briefly summarize my own version of this connection between Marx's philosophy and his economics.

Human Essence and Existence

In Marx's break with the philosophy of Hegel, the influence of Ludwig Feuerbach's critique of Hegelian philosophy was particularly important. This critique was, simultaneously, a critique of Christianity. According to Feuerbach, human beings created religion and God by mentally projecting their real human essence into the heavens and imagining this essence to be God. This projection had a twofold importance: First, it separated human essence from human existence in such a manner that the two were opposed to each other. Human essence was alienated from human existence and came to be seen as an opposing domineering force. Second, to the degree that people have greater importance to their own alienated essence—God—they debased and degraded their own existence. This process had gone so far in contemporary Christianity that the product of human mental creation (God and religion) had come to dominate and control totally its human creators.

Marx embraced Feuerbach's critique of Hegel, and Feuerbach's views on Christianity. But he immediately went far beyond Feuerbach in his attempt to comprehend the more general problem of human beings being enslaved by their own creations—creations that reflected their alienated essence. In one of his most famous and most important passages, Marx wrote:

Man makes religion, religion does not make man. . . . But man is no abstract being encamped outside the world. Man is the world of man, the state, society. This state, this society, produce religion, an inverted world-consciousness, because they are an inverted world. Religion is the ... realization in fantasy of the human essence because the human essence has no true reality. The struggle against religion is therefore indirectly a fight against the world of which religion is the spiritual aroma.

Religious distress is at the same time the expression of real distress and also the protest against real distress. Religion is the sigh of the oppressed creature, the heart in a heartless world, just as it is the spirit of spiritless conditions. It is the opium of the people.

To abolish religion as the illusory happiness of the people is to demand their real happiness. The demand to give up illusions about the existing state of affairs is the demand to give up a state of affairs which needs illusions. (1975a: 175-76)

¹ See, for example, Colletti (1973: 199-249); O'Malley and Algozin (1981: 82-189); and Hunt (1982: 7-27).

Marx saw Feuerbach's conception of religious alienation as only one facet of generalized human alienation. He extended Feuerbach's ideas by formulating a conception of the nature of human essence as well as a social theory of how human essence becomes alienated in general and how this alienated essence projected into created objects comes to rule its human creators. In other words, Marx agreed with Feuerbach that in religion humans projected their essence into the heavens and then allowed that alienated essence to rule them, but he insisted that this was merely the religious reflection of a process that was totally general in a capitalist system. Marx specifically discussed religious alienation, political alienation, and economic alienation as distinct but related facets of this general tendency of humans to alienate their essence and then to be ruled by this alienated essence. These facets were not, however, co-equal reflections of some more basic underlying process. On the contrary—and the kernel of truth in the generally false characterization of Marx as an economic determinist consists in this—the economic facet of this alienation was the more basic, and the religious and political facets were at least partly reflections of this economic facet. Marx's discussion of economic alienation, however, involved the whole of his economic theory. Therefore, from Marx's youthful Feuerbachian critique of Hegel in the early 1840s to his mature economic writings of the last decades of his life there is an essential continuity. Indeed, I believe that Marx's mature economic theories are not fully comprehensible unless one builds on a prior understanding of his early Feuerbachian critique of Hegel's philosophy. If this is true, then clearly the starting point in Marx's whole philosophical and theoretical system is his concept of human essence.

By essence, Marx had in mind something very similar to the way Aristotle used that term. Essence was the inherent developmental potential of every human being when that development proceeded in the natural or proper way. Moreover, essence was much more than an intellectual concept denoting abstract possibilities. There was a very important sense in which a person or a thing was its essence while simultaneously it was not empirically its essence. Thus, Aristotle insisted that a part of what an acorn actually *was* was its essence as a mighty oak tree, and even though the acorn might not be in the proper environment for its essence (to be a mighty oak) to coincide with its actual existence, that essence would remain a part (though empirically unobservable) of its actual existence. In such a case the acorn's existence (as an unhealthy, undeveloped small bush) contradicted its essence (as a mighty oak tree).

For Marx, the essence of the human species is that each individual human being is the unity of the particular and the general. It is through an exploration of Marx's meaning of the particular and the general that one can come to understand his concept of human nature. A person's particularity is obvious. As a natural creature, each individual has an absolutely unique identity. Each person is one material entity acting in an objective environment that consists of innumerable other particular, finite, material entities. A person's generality or "species-being" is more difficult to grasp. Indeed it is one of the most difficult to comprehend of all of Marx's concepts. This is particularly unfortunate since it is a concept of vital importance in his overall intellectual system. There appear to be two separate senses in which Marx speaks of the universality or generality of human beings. However, I shall show that both meanings of human generality are, in fact, identical, being merely two ways of viewing the same thing.

First, a person is a species-being because of the nature of human perceptual and conceptual faculties and human life-activity. A human being is able to appropriate mentally (consciously understand) the essential features of all forms of material existence and to act upon them, to influence, mold, or condition them in accordance with these principles of understanding. In this way one is able to make features of all existence a part of oneself subjectively and to objectify oneself in all existence. In Marx's words:

Man is a species-being . . . because in practice and in theory he adopts the species (in his own as well as those of other things) as his object. . . . Just as plants, animals, stones, air,

light, etc., constitute theoretically a part of human consciousness, partly as art—his spiritual inorganic nature, spiritual nature, spiritual nourishment which he must first make palatable and digestible—so also in the realm of practice they constitute a part of human life and human activity. . . . The universality of man appears in practice precisely in the universality which makes all nature his inorganic body. (1975b: 275-76)

Second, a person is the general or the universal because of the social nature of human life-activity. Our sociality is inherent in our individuality. Each person is, in her or his *subjective* essence, the family, the tribe, the clan, the state, the society, and ultimately the whole human race. *Objectively* she or he is, of course, always involved in interdependent relations with other humans. This objective interdependence is only possible because one's subjective self is entirely social. This is sufficiently important (and widely misunderstood) that I shall quote five passages from Marx's writings:

If . . . the social modes of man's existence are regarded as the actualization, the objectification of his essence, then . . . [these social institutions] appear as qualities inherent in a subject. The human being remains always the essence of all these entities, but these entities also appear as man's actual generality. (1975c: 39)

Every relationship in which man stands to himself is realized and expressed only in the relationship in which a man stands to other men. (1975b: 277)

[Man] in his individual existence is at the same time a social being . . . Above all we must avoid postulating" 'society'" again as an abstraction vis vis the individual . The individual is the social being. . . . Man's individual and species-life are not *different*, however much—and this is inevitable—the mode of existence of the individual is a more *particular*, or more *general* mode of the life of the species, is a more particular or more general individual life. (1975d: 296, 299)

Since *human* nature is the *true community* of men, by manifesting their *nature* men *create*, produce, the *human community*. . . . Men, not as an abstraction, but as real living, particular individuals, *are* this entity. (1975d: 217)

These two seemingly different conceptions of human universality (as all nature and as all of the human race) come together when one realizes that, for Marx, a person's sensuous perceptions and conceptual understanding of nature are always social. He wrote: "But *nature* too, taken abstractly, for itself—nature fixed in isolation from man—is nothing for man" (1975b: 345). And continuing:

It is obvious that the *human* eye enjoys things in a way different from the crude, non-human eye; the human ear different from the crude ear etc. . . . [Moreover], the *senses* of the social man *differ* from those of the non-social man. Only through the objectively unfolding richness of man's essential being [as a social being] is the richness of *human* sensibility (a musical ear, an eye for beauty of form—in short *senses* affirming themselves as essential powers of *man*) either cultivated or brought into being. For not only the five senses but also so-called mental senses, the practical senses . . . , in a word, *human* sense, the human nature of the senses, comes to be by virtue of *its* object, by virtue of humanized nature. (1975b: 301-302)

Thus, human sociality in its generality as the whole of humanity creates the *form* in which all nature is apprehended (i.e., humans see, hear, and think about things only in the manner of the social creatures they are, and not in the manner of a fly or a Martian, etc.). Moreover, nature per se is not immediately the contents of human experience, rather nature as "humanized nature," as "man's inorganic body," constitutes the contents of experience. Human generality as all of nature is attained only through the individual's social perceptual powers and his or her social intellect.

The two forms of human generality are but two ways of viewing the same process of human experience.

Human Life Activity: The Social Transformation of Nature

Human activity is always, for Marx, an activity in which humanity, individually and collectively, creates itself by socially transforming nature. This activity can be seen as either a society-mediated interchange with nature or a nature-mediated interchange with other humans. These are simply two ways of viewing human life-activity: “man's relation to nature is immediately his relation to man, just as his relation to man is immediately his relation to nature” (1975b: 295). Therefore, peoples' productive transformation of nature constitutes the active living-out of their general species-being:

It is just in his work upon the objective world, therefore, that man really proves himself to be a *species-being*. This production is his active species-life. Through this production, nature appears as *his* work, and his reality. The object of labour is, therefore, the *objectification of man's species-life*: for he duplicates himself not only, as in consciousness, intellectually, but also actively, in reality, and therefore he sees himself in a world that he has created. (1975b: 277)

Marx's concept of mode of production—which I deem to be of central significance for his entire system of thought—is constituted by his analyses of different epochs of human history in terms of the society-mediated interchange with nature (the forces of production) and the nature-mediated interchange with society (the social relations of production). Since social production constitutes the active living-out of human species being, the mode of production determines the degree to which human essence will be realized in actual human existence. Marx described explicitly the manner in which social production in a communist society would permit the individual to realize his essence. After a passage in which he had described the alienation inherent in the capitalist mode of production, Marx wrote:

Let us suppose that we had carried out production as human beings. Each of us would have *in two ways* affirmed himself and the other person. 1) In my *production* I would have objectified my *individuality, its specific character*, and therefore enjoyed not only an individual manifestation of my life during the activity, but also when looking at the object I would have the individual pleasure of knowing my personality to be *objective*, visible to the senses and hence a power beyond all doubt. 2) In your enjoyment or use of my product I would have the direct enjoyment both of being conscious of having satisfied a human need by my work, that is, of having objectified man's essential nature, and of having thus created an object corresponding to the need of another man's essential nature. 3) I would have been for you the *mediator* between you and the species, and therefore would become recognized and felt by you yourself as a completion of your own essential nature and as a necessary part of yourself, and consequently would know myself to be confirmed both in your thought and your love. 4) In the individual expression of my life I would have directly created your expression of your life, and therefore in my individual activity I would have directly confirmed and *realized* my true nature, my human nature, my communal nature

This relationship would moreover be reciprocal; what occurs on my side has also to occur on yours. (1975d: 227-28)

Marx believed that in all social modes of production, up to and including capital-ism, production had not been under the control of the producers and that, consequently, human existence had always contradicted its essence.

At this point it is necessary to discuss briefly the way in which Marx used the word “contradiction.” For him, human experience was irreducibly both subjective and objective.

Formal logic is constituted by a set of rules for dis-course about objects. Contradiction is generally a term relating to discourse about objects. Our habits of thought and our practical experience about the consequences of thinking in different ways both suggest that it is extremely ineffective to think about purely objective things in contradictory ways. If we think, for example, that a gun is loaded and simultaneously that it is not loaded we are confused and are likely to have a tragic, unintended accident. The gun is either loaded or it is not. It cannot be both. In our thought about the gun as an object of experience it is much more practical to follow the rules of logic and to reject the notion that a statement about an object and the contradiction of that statement are simultaneously equally true.

It is very important to be aware that Marx, unlike Engels, never used the word contradiction in reference to material objects considered only as objects. An object qua object cannot be ontologically contradictory. We may have contradictory ideas about the object, but such ideas will prove to be extremely ineffective in the practical actions in which we are engaged with the object.

Human experience, however, is different. It is simultaneously subjective and not subjective (objective); it is simultaneously particular and not particular (general or social); it is simultaneously passive and not passive (active). There are a number of ways in which discourse about human experience must therefore be very different from discourse about objects *qua* objects. Statements describing human experience often (as above) must be contradictory. In such cases contradictions in language need not be practically ineffective. Indeed they are often effective and even necessary, because each side of the contradiction refers to an important aspect of human experience. Thus, only in human experience does contradiction have ontological status. Human experience, including human history, embodies contradiction. Inanimate objects as objects do not embody contradiction. This distinction, while never explicitly discussed by Marx, accurately reflects how he used the term contradiction. In addition to the contradictions listed above, the most profound contradiction of human experience in capitalism was the contradiction between a person's actual, empirical existence and that person's essence.

Value Production as Alienated Human Sociality

The principal source of this contradiction was the indirectness of human productive interdependence and hence the indirectness of human sociality. Rather than producers directly controlling their social interdependence as they would in a communist society, producers in a capitalist society were separated by money and the market. This rendered their sociality indirect. Value expressed what Marx took to be an essential fact of capitalism—the fact that interdependent labor is only indirectly social and is not seen by the participants in the capitalist system as being a social relation at all.

To illustrate this, Marx described the *directly* social labor of precapitalist society with which indirectly social labor can be contrasted:

Under the rural patriarchal system of production, when spinner and weaver lived under the same roof—the women of the family spinning and the men weaving, say for the requirements of the family—yarn and linen were *social* products, and spinning and weaving *social* labour within the framework of the family. But their social character did not appear in the form of yarn becoming a universal character exchanged for linen as a universal equivalent, i.e., of the two products exchanging for each other as equal and equally valid expressions of the same universal labour time [as would be the case under capitalism]. On the contrary, the product of labour bore the specific social imprint of the family relationship with its naturally evolved division of labour. Or let us take the services and dues in kind of the Middle Ages. It was the distinct labour of the individual in its original form, the particular features of his labor and not its universal aspect that formed the

social ties at the time. Or finally let us take communal labor in its spontaneously evolved form as we find it among all civilized nations at the dawn of their history. In this case the social character of labour is evidently not affected by the labour of the individual assuming the abstract form of universal labour. . . . The communal system on which his mode of production is based prevents the labour of an individual from becoming private labour and his product the private product of a separate individual; it causes individual labour to appear rather as the direct function of a member of the social organization. (1970: 33-34)

In capitalist commodity production Marx saw each individual producer as producing only for the market. One neither knows nor cares who will consume one's commodity or who will produce the commodities one consumes. Each person produces only in order to acquire exchange value. And the use values one acquires with one's exchange values are seen as merely the quantitative equivalents of one's own production, desired only to sustain one's own life.

As a general rule, articles of utility become commodities only because they are the products of the labour of private individuals or groups of individuals who carry on their work independently of each other. The sum total of all the labour of these private individuals forms the aggregate labour of society. Since the producers do not come into social contact with each other until they exchange their products, the specific social character of each producer's labour does not show itself except in the act of exchange. In other words, the labour of the individual asserts itself as a part of the labour of society, only by means of the relations which the act of exchange establishes directly between the producers. To the latter, therefore, the relations connecting the labour of one individual with that of the rest appear, not as direct social relations between individuals at work, but as . . . relations between things. (1967: I, 72-73)

Thus, value is a social attribute of a commodity, a social abstraction symbolized by the physical existence (use value) of a commodity. As such it is the social manifestation of what appears directly as private labor and only indirectly, through exchange, becomes social labor.

The important point here is that the foundation of the labor theory of value—the assertion that value is abstract labor congealed in a commodity—is not a theory in any usual sense in which we speak of theories. It is intended to be simply descriptive of what Marx considered to be one of the most important, essential facts of capitalism, namely, that the concrete, particular labor of the isolated individual “becomes social labour by assuming the form of its direct opposite, of abstract universal labour” (1970: 34). Abstract universal labor is abstract in two separate but closely related ways. First, the term refers to an ordinary intellectual abstraction. We may, for example, look at a number of concrete, particular people working at different tasks. If we ask what they have in common, the answer involves an abstraction. They are all, in general, working. Abstracting from all of the particularities of each worker, we can say they are all performing abstract labor. This is the first meaning of abstract labor, and it deals with a mental abstraction that has no concrete historical meaning.

The second meaning of abstract labor, on the other hand, is peculiar to capitalism. Capitalism systematically extinguishes the differences among workers from the standpoint of capital. The peculiarities of a worker are, for capital, of no interest. The worker becomes an extension of the machinery, an extension of capital. And, as such, one worker is absolutely no different from the next. Capital is not concerned with what commodities or use values are produced but only with how much value or, more importantly, surplus value is produced. And in producing value or surplus value there is absolutely no distinction among laborers. Thus, the labor that capital demands is abstract, universal labor. And in a capitalist mode of production, such abstract universal labor embodied in a commodity is *definitionally* value.

Only as such a *universal* magnitude does it represent a social magnitude. The labour of an individual can produce exchange values only if it produces universal equivalents. . . . The effect is the same as if the different individuals had amalgamated their labour-time and allocated different portions of the labour-time at their joint disposal to the various use values. The labour time of the individual is thus, in fact, the labour-time required by society to produce a particular use-value, that is to satisfy a particular want. (1970: 85-86)

This foundation of the labor theory of value is, then, definitional. But the definition is not arbitrary. Value is rather a name for a real process that Marx saw as the essential nature of social interdependence in capitalism. The definitional status of value means that it is amenable to neither proof nor disproof. Its persuasiveness depends upon whether after an in-depth investigation of the social labor process Marx was describing one concludes that the process really, *and essentially*, occurs as he said it does. And the labor theory's scientific merit rests entirely on the usefulness of the insights gained by looking at capitalism in this way. It is clear that Marx saw value in exactly this way. In the following quotation Marx explicitly acknowledged that the labor theory of value is definitional:

Since the exchange-value of commodities is indeed nothing but a mutual relation between various kinds of labour of individuals regarded as equal and universal labour, i.e., nothing but the material expression of a specific social form of labour, it is a tautology to say that labour is the *only* source of exchange value and accordingly of wealth insofar as this consists of ex-change-value. (1970:35)

But while this conception of value is definitional, it represented, for Marx, a profound scientific discovery whereby one could go behind the superficial appearance of market exchange to discover the hidden essence of capitalism. It was, of course, not a lexical definition. It was emphatically not, however, merely an arbitrarily stipulative definition. Rather Marx believed it to be an accurate, descriptive definition of the real essence of the indirect sociality involved in capitalist commodity production. He realized that it is not an empirically obvious definition. Indeed, many of the descriptive, historical, and institutional accounts in *Capital* are intended to show the reader that only with this definition in mind can one consistently comprehend the empirical facts of capitalism.

Commodity Fetishism and the Fetishistic Character of Economics

The fact that value is generally not understood by the actors within capitalism is of central importance to Marx. He insisted that the underlying essence of capitalism is never seen by capitalists. They reach only the superficial forms of this essence which “are brought home to the mind and consciousness of the individual capitalist as the directing motives of his operations” (1967: I, 316). In the all-important first chapter of volume 1 of *Capital*, Marx wrote:

Hence, when we bring the products of our labour into relation with each other as values, it is not because we see in these articles the material receptacles of homogeneous human labour. Quite the contrary: whenever, by an exchange, we equate as values our different products, by that very act, we also equate, as human labour, the different kinds of labour expended upon them. We are not aware of this, nevertheless we do it. Value, therefore, does not stalk about with a label describing what it is. It is value, rather, that converts every product into a social hieroglyphic. Later on, we try to decipher the hieroglyphic, to get behind the secret of our own social products. (1967: I, 74)

Far from having a theory about a simple causal relationship between quantities of labor embodied in commodities and their prices, Marx stressed the complexity of the relationship: “We perceive, at first sight, the deficiencies of the elementary form of value: it is a mere germ, which must undergo a series of metamorphoses before it can ripen into the price-form” (1967: I, 62). In

fact, the complexity of the relationship between values and prices is the principle obstacle to recognizing and understanding capitalist social relations: “It is . . . just this ultimate money-form of the world of commodities that actually conceals, instead of disclosing, the social character of private labour, and the social relations between the individual *producers*” (1967: I, 76).

In the contemporary literature on Marx, one frequently finds the charge that he failed to prove the connection between labor and values. This charge is based on a failure to understand what Marx meant by the terms and, generally, a failure to understand the way in which he used these definitional foundations in his social theory. Responding to a similar criticism in his own time, Marx wrote:

All that palaver about the necessity of proving the concept of value comes from complete ignorance both of the subject dealt with and of the scientific method. Every child knows that a nation which ceased to work . . . even for a few weeks would perish. Every child knows, too, that the masses of products corresponding to the different needs require different and quantitatively determined masses of total labour of society. That this *necessity* of the *distribution* of social labour in definite proportions cannot possibly be done away with by a *particular form* of social production but can only change the *mode* of its appearance, is *self-evident*. *No natural laws can be done away with. What can change in historically different circumstances is only the form in which these laws assert themselves. And the form in which this proportional distribution of labour asserts itself, in a state of society where the interconnection of social labour is manifested in the private exchange of the individual products of labour, is precisely the exchange value* of these products.

Science consists precisely in demonstrating *how* the law of value asserts itself. . . . The vulgar economist has not the faintest idea that the actual everyday exchange relations can *not* be directly identical with the magnitudes of value. The essence of bourgeois society consists in this, that *a priori* there is no conscious regulation of production. The rational and naturally necessary asserts itself only as a blindly working average. And then the vulgar economist thinks he has made a great discovery when, as against the revelation of the inner interconnection, he proudly claims that in appearance things look different. In fact, he boasts that he holds fast to appearance, and takes it for the ultimate. Why, then, have any science at all? (Marx and Engels, n.d. : 251-52)

This quotation shows, beyond doubt, that his economic theory begins with certain definitional premises upon which his entire economic theory is constructed. It is assumed that every mode of production must have some way of coordinating social labor. It is also inherent in his conception of the capitalist mode of production that in that mode individual concrete labor becomes social by being treated as abstract universal labor. It finally achieves its actual sociality when it appears as the price that someone else pays for the object of my labor. Only then does my labor become useful to another (and hence social).

Price, therefore, is an abstraction projected mentally “onto” or “into” a commodity. Within capitalism there is no other way for labor to become social. But capitalism is not a universal system, and prices are by no means always attached to the products of labor. Therefore any conception of prices that sees them as resulting from the material or chemical constitution of a product (and hence as universally a part of that product) is guilty of a fetishism that imagines a particular set of social relations to have a material, bodily existence in an inanimate thing. Marx spent many hundreds of pages of analyses attempting to explain such fetishism. He believed that the key to understanding the fetishism of commodities (in which one looks only at the superficial sphere of market exchange and sees social relations as relations among things and concludes that these relations derive from the physical nature of the things) lies in fully comprehending the contradictory twofold nature of commodities.

Commodities are the unity of exchange value and use value. These two aspects are contradictory in the sense that as use values commodities are qualitatively heterogeneous and inherently incommensurable, while as exchange values they are simply quantities with no qualitative difference whatsoever. The exchange value of a commodity, having no inherent relation to any physical feature of the commodity, can only be an abstraction that symbolizes a social relation. Moreover, as such an abstraction, “the exchange-value of any commodity is expressed in terms of the use value of any other commodity” (Marx, 1970: 41).

The fetishism of commodities originates because this abstraction must always have a material, bodily form if exchange is to take place. The commodity's

Value must . . . have an existence which is qualitatively distinguishable from it, and in actual exchange this separability must become a real separation, because the natural distinctness of commodities must come into contradiction with their economic equivalence, and because both can exist together only if the commodity achieves a double existence. (Marx, 1974: 141)

The commodity first has to be transposed into labour time, into something qualitatively different from itself (qualitatively different . . . because it is not the objectification of labour time in general, which exists only as a conception . . .), in order then to be compared as a specific amount of labour time, as a certain magnitude of labour, with other amounts of labour time, other magnitudes of labour. For the purpose of merely making a comparison—an appraisal of products—of determining their value ideally, it suffices to make this transformation in the head. . . . This abstraction will do for comparing commodities; but in actual exchange this abstraction in turn must be objectified, must be symbolized, realized as a symbol. (Marx, 1974: 143-44)

To the owner of a commodity, the commodity's existence as an exchange value is its *essential* feature while its existence as a use value is accidental and nonessential:

The commodity *is* a use-value, wheat, linen, a diamond, machinery, etc., but as a commodity it is simultaneously *not* a use-value. It would not be a commodity, if it were a use-value for its owner, that is a direct means for satisfaction of his own needs. For the owner it is on the contrary a *non-use-value*, that is merely the physical depository of exchange-value, or simply a *means of exchange*. The commodity is a use value for its owner only in so far as it is an exchange value. (Marx, 1970: 42)

Thus, for the commodity owner the exchange value of the commodity seems to be its concrete material reality. Two important consequences flow from this. First, the commodity can ultimately prove itself to be exchange value only by being exchanged. But in the market, “persons exist for one another merely as representatives of, and, therefore, as owners of commodities” (Marx, 1967: I, 85). This means that when we look only at market exchange, social relations among people will appear as characteristics of commodities. Therefore, fetishism is not simply an illusion created in the imagination, but the actual empirical form that human relations take in capitalism when one confines one's investigation entirely to the sphere of circulation, the market. The second important consequence is that a commodity ultimately proves itself to be an exchange value only by being transformed into the actual, material, pure, bodily form of exchange value—money. “The particular commodity which represents the exchange value of all commodities, that is to say, the exchange value of commodities regarded as a particular, exclusive commodity, constitutes money” (Marx, 1970: 48).

The Contradictory Nature of the Money Commodity

As a particular commodity embodying the essence of value in general, money represents the essence of the inverted and perverted nature of the entire capitalist system. In capitalism the

individual human being's particular existence is utterly severed from his species-being. In the political sphere the individual's concrete life is unconnected to his or her political life in which he or she exists only as the pure, empty abstraction of the undifferentiated political individual. For example, the abstract voter has a real, daily, individual life that is unrelated to his political life, which consists purely of voting. In religion the individual's concrete, real world existence is unconnected to his or her heavenly existence as pure, abstract, undifferentiated child of God and brother or sister to all humanity. For example, the actual, individual, daily lives of the poorest unemployed worker and the richest member of the Rockefeller family have absolutely no connection to their abstract religious status as equal children of God, as equal brothers. In the economic sphere, one's concrete real labor is not social whereas one's social labor, as value, is pure abstract undifferentiated labor, and again, the particular and the general appear as utterly unconnected. Humanity's existence contradicts its essence. In essence the individual is the unity of the particular and the general; in existence our particularity is unconnected to our generality—our generality exists only as an empty, undifferentiated abstraction.

Humanity's real essence does have a real material existence in capitalism, however, but it exists in the form of an alien physical entity—money. In capitalism money is the real physical unity of the particular and the general:

The general form of relative value, embracing the whole world of commodities, converts the single commodity that is excluded from the rest [money], and made to play the part of an equivalent . . . into the universal equivalent. (Marx, 1967: I, 66)

Universal labour-time thus appears as a specific thing, as a commodity in addition to and apart from all the commodities. . . . As a result of their alienation as use values all commodities are converted into . . . [money, which then] becomes the converted form of all other commodities, and only as a result of this transformation of all other commodities into . . . [money] does it become the direct *reification of universal labour time*, i.e., the product of universal alienation and of the supersession of all individual labour. While commodities thus assume a dual form in order to represent exchange-value for one another, the commodity which has been set apart as universal equivalent *acquires a dual use-value. In addition to its particular use-value as an individual commodity it acquires a universal use-value.* (Marx, 1970: 47)

These quotations very forcefully refute the old notion (revived more recently by the followers of Althusser) that there is no important connection between Marx's writings of the 1840s and those of the 1850s and '60s. Marx summed up the *1844 Manuscripts* with this sentence: "Money is the alienated ability of mankind" (1975b: 325). And in his "Comments on James Mill," written during the same period, he wrote:

The essence of money is not, in the first place, that property is alienated in it, but that the *mediating activity* or movement, the *human*, social act by which man's products mutually complement one another, is *estranged* from man and becomes the attribute of money, a *material thing* outside man. Since man alienates this mediating activity itself, he is active here only as a man who has lost himself and is dehumanized; the *relation* itself between things, man's operation with them, becomes the operation of an entity outside man and above man. Owing to this *alien mediator*—instead of man himself being the mediator for man—man regards his will, his activity and his relation to other men as a power independent of him and them. His slavery, therefore, reaches its peak. It is clear that this *mediator* now *becomes a real God*, for the mediator is the *real power* over what it mediates to me. Its cult becomes an end in itself. Objects separated from this mediator have lost their value. . . . This *mediator* is therefore the lost, estranged *essence* of private property, private property which has become *alienated*, external to itself, just as it is the *alienated* species-

activity of man, the *externalized mediation* between man's production and man's production. (1975d: 212)

The same idea is developed equally eloquently in the *1844 Manuscripts*. In an unalienated noncapitalist society, where a person's essence and existence coincide

and his relationship to the world . . . [is a fully] human one; then you can exchange love only for love, trust for trust, etc. If you want to enjoy art, you must be an artistically cultivated person; if you want to exercise influence over other people, you must be a person with a stimulating encouraging effect on other people. Every one of your relations to man and to nature must be a specific expression corresponding to . . . your real individual life. (1975b: 326)

In capitalism, by contrast:

That which is for me through the medium of money—that for which I can pay—that am I *myself*, the possessor of money. The extent of the power of money is the extent of my power. Money's properties are my—the possessor's—properties and essential powers. Thus, what I *am* and *am capable of* is by no means determined by my individuality. I am ugly, but I can buy for myself the most beautiful of women. Therefore, I am not ugly, for the effect of ugliness . . . is nullified by money. I . . . am lame, but money furnishes me with twenty-four feet. Therefore I am not lame. I am bad, dishonest, unscrupulous, stupid; but money is honoured, and hence its possessor. Money is the supreme good, therefore its possessor is good. (1975b: 324)

Marx concluded with the the [sic] statement that was to link his social philosophy and his economic theory for the remainder of his life: “The distorting and confounding of all human and natural qualities, the fraternisation of impossibilities—the divine power of money—lies in its character as men's estranged, alienating and self-disposing *species nature*. Money is the alienated *ability of mankind*” (1975b: 325).

He was still referring to exactly the same phenomenon when fourteen years later, in the *Grundrisse*, Marx wrote that money “represents . . . labour time as such” (1974: 144). And “with the increasingly social character of production,” he continued, “so grows the power of *money*, i.e., the exchange relation establishes itself as a power external to and independent of the producers. What originally appeared as a means to promote production becomes a relation alien to the producers” (1974: 146).

In this situation, the contradiction between man's essence and his existence is manifested in the contradictory characteristics of money. Assertions about the contradictory nature of money are frequent throughout many of Marx's earliest and latest works. A full understanding of this contradictory nature of money makes it impossible to separate, as so many commentators on Marx have done, either his early from his late works or his writings on value theory and fetishism from those on alienation. His theory of value and his theory of alienation each imply, if not contain, the other. They are an integral whole.

The contradictory nature of money consists of the fact that it is the actual, material embodiment of the unity of the particular and the general. It is human nature materially embodied in an external, alien form. This is incomprehensible unless we grasp the fact that value is particular human productive activity made social by becoming materially congealed abstract universal human labor and the fact that money is value (which exists in the individual commodity only as an abstraction) made concrete in a material substance. As such, the contradictory nature of money is manifested in its two fundamentally different roles: First, as a mere thing it serves merely as a symbol to be used and controlled by men. Second, as the real, physical embodiment of man's species powers it has full control over men.

In the “Comments on James Mill” Marx wrote that “objects only have value insofar as they *represent* the mediator [money], whereas originally it seemed that the mediator had value only insofar as *it* represented them” (1975d: 212). And in the *Grundrisse* he repeated this: “money is originally the representative of all values; in practice this situation is inverted, and all real products and labours become representatives of money” (1974: 149). This contradiction reflects the fact that money “as the *general* commodity . . . comes into contradiction with itself and with its characteristic by virtue of being itself a *particular* commodity” (1974: 150).

Therefore, in one sense money is “only a symbol” (1974: 150), but in another sense it is not a symbol. A symbol is a social convention in which people apprehend or comprehend that which is being symbolized when they perceive the symbol. Money is treated not as a symbol but as the real, material existence of value, of real social human power. Treated as such, in actual human interaction in capitalism it becomes tantamount to the physical existence of universal human power. Therefore, as the material, bodily form of value,

Money is not a symbol, just as the existence of a use-value in the form of a commodity is no symbol. A social relation of production appears as some-thing existing apart from individual human beings, and the distinctive relations into which they enter in the course of production in society appear as the specific properties of a thing—it is this perverted appearance, this prosaically real, and by no means imaginary, mystification that is characteristic of all social forms of labour positing exchange-value. This perverted appearance manifests itself merely in a more striking manner in money than it does in commodities. (Marx, 1970: 49)

Money: The Link Between Value and Alienation

The notion that Marx's labor theory of value is merely an extension of Ricardo's theory of the determination of the quantitative magnitudes of prices has been prevalent in the twentieth century. Consequently, most considerations of the “validity” of Marx's labor theory have been preoccupied with the so-called transformation problem, or the theoretical or mathematical “transforming” of quantities of values into price magnitudes. Given this preoccupation, it is not surprising that commentators have seen little or no connection among Marx's labor theory, his concept of fetishism, and his analysis of alienation. All three of these concerns merge in Marx's treatment of the nature of money. It is therefore also not surprising that these commentators have shown little concern for Marx's writings on money, despite the fact that Marx himself clearly stated that the inadequacy of the classical economists' labor theory of value shows up most strikingly in their “contradictory ideas of money.” One can only understand this if one clearly keeps in mind the distinction between value as congealed social labor within a specific social context and exchange value as the independent, visible, quantitative form of value. Typical of the confusion on this point is Anthony Giddens' (1971: 46) statement that “whenever Marx speaks of 'value' without qualification, he means ‘exchange value.’” With this statement, the unity of Marx's philosophical writings and his labor theory of value is simply summarily dismissed. Marx, however, spends all of section three of the chapter on commodities (chapter 1) in *Capital* explaining the distinction between value and exchange value.

Only when one understands this distinction can one comprehend the foundation of the labor theory of value and the importance of Marx's concept of money as the connecting link between his labor theory of value and his analysis of alienation. Moreover, without such an understanding one misses entirely the significance of Marx's charge that the deficiency of the classical economists' labor theory is most directly manifested in their “contradictory ideas on money”:

Political economy has indeed analysed, however incompletely, value and its magnitude, and has discovered what lies beneath these forms. But it has never once asked the question

why labour is represented by the value of its product and labour-time by the magnitude of that value

It is one of the chief failings of classical political economy that it has never succeeded . . . in discovering that form in which value becomes exchange-value. . . . The reason for this is not solely because their attention is entirely absorbed in the analysis of the magnitude of value. It lies deeper. The value-form of the product of labour is not only the most abstract, but also the most universal form, taken by the product in bourgeois production, and stamps that production as a particular species of social production, and thereby gives it its special historical character. If then we treat this mode of production as one eternally fixed by Nature for every state of society, we necessarily overlook that which is the differential specifica of the value-form, and consequently of the commodity form, and of its further developments, money-form, capital-form, etc. We consequently find that economists, who are thoroughly agreed as to labour-time being the measure of the magnitude of value, have the most strange and contradictory ideas of money, the perfected form of the general equivalent. (1967: 80-81)

The important point in this quotation is that the pure value form—where the labor that is concrete and specific becomes social only by taking the form of materially congealed abstract universal labor—is the underlying substance of the independent, quantitative form of value (exchange value), the homogeneous objectified form of exchange value (the money-form), and the totally general form of human labor as value-creating labor (the capital-form). It follows that the fetishism of commodities is compounded when we move from the commodity-form to the money-form to the capital-form. “The mode of production in which the product takes the form of a commodity, or is produced directly for exchange, is the most general and most embryonic form of bourgeois production” (1967: 82). The full fruition of commodity production only occurs when the differentia specifica of capitalism—the wage labor-capital relation—comes into existence: “The capitalist epoch is therefore characterized by this, that labour power takes in the eyes of the labourer himself the form of a commodity which is his property; his labour consequently becomes wage-labour. On the other hand, it is only from this moment that the produce of labour universally becomes a commodity” (1967: 170). But the universal production of commodities is possible only with the full development of money as the concrete embodiment of the universal, social, or species power of labor, and it is “this ultimate money-form of the world of commodities that actually conceals, instead of disclosing . . . the social relations” (1967: 76). The concealment is the result of the striking dissimilarity between what Marx called “many capitals in competition” and capital in general—this dissimilarity being merely a different way of looking at the differences between the “prices of production” and values. This dissimilarity and its relation to the transformation problem is the subject of my article “Marx as a Social Economist: The Labor Theory of Value” (1979b). In another article (1982), I have attempted to show that Marx's demonstration of how capital—the product of labor—controls labor, of how human beings create machines only to become enslaved extensions of those machines, is carefully built step by step upon the foundation provided by his demonstration that human essence (as the unity of the particular and the general) is not realized in human existence. This essence is estranged, externalized, and made the essence of a humanly created object, money.

Money and the Nature of Capitalist Crises

Marx's views on the class structure of capitalism, on the labor theory of value, on money, and on capital are all involved in his intellectual working out of the full implications of Feuerbach's far more limited insight, that in contemporary society religion is a human creation that in turn inhumanly controls its creators. My last point is briefly to show that at the most general level Marx's theory of economic crises is also an integral part of his investigation of how in capitalism the creations of human beings dominate their creators.

It is at this point that my earlier discussion of Marx's notion of contradiction becomes central. In particular, we must note the important difference between Marx's philosophical writings and Engels' philosophy of dialectical materialism, which is generally (and erroneously) labeled as Marx's philosophy. For Marx, human experience is unresolvably paradoxical. It involves a unity between a subjective and an objective element, and neither element can be reduced to the other. It involves a unity of the particular and the general, as we have seen. It also involves a unity of elements of freedom and unfreedom.

Any reference to the dialectic or to the ontological (as opposed to the epistemological) status of contradiction pertains, in Marx's writings, to human social experience. Material objects as objects are never dialectical or contradictory in Marx's writings.

By contrast, in Engels' dialectical materialism, the dialectic is characteristic of material objects as objects. Such objects ontologically are contradictory. This contrast between the philosophies of Engels and Marx has been amply documented by Lucio Colletti (1973).

This distinction is particularly important in Marx's writings on money and crises. Particularity and generality are opposites. Human beings are essentially and ontologically a unity of particularity and generality. But nonhuman, natural objects are not and cannot be ontologically contradictory. Therefore, when the human essence is estranged and projected to an object—money—there is an inherent impossibility. Material objects, unlike human beings, can never ontologically be a unity of particularity and generality.

There have been two schools of thought concerning the nature and functioning of money. Both have had numerous adherents from the eighteenth century to the present. First is the school that began with the mercantilists and is represented in the twentieth century by the Keynesians. This school sees primarily the generality of money as the representative of all value. Second is the quantity theory of money school as represented in the twentieth century by the Chicago school. This school sees primarily the particularity of money as simply one commodity among many.

One can find numerous passages in Marx's writings where he seems to be a precursor of the Chicago school and an equal number where he seems to be a precursor of the Keynesian school. In fact, his ideas are radically different from both. In Keynes's emphasis on the importance of holding money as a store of value, money's universality is recognized. In the Chicago school's emphasis on money as a particular commodity that arbitrarily happens to serve as a medium of exchange, we have the other side of the contradiction. These are two antagonistic schools, each of which has fastened on one side of the social contradiction of money. Each side has grasped a partial truth, in Marx's opinion, but neither side can fully grasp the real nature of money because neither recognizes that it has grasped but one side of a contradiction, that is, neither recognizes that the functions of money in capitalism are contradictory.

This results, in the Marxian view, in a fundamental error of considerable practical significance that is characteristic of each side. The Chicago school is incapable of comprehending any cause of economic crises except arbitrary government interference with the monetary system and the market. While Marx was aware that "bungling legislative interference with the regulation [of the market] may . . . give rise to . . . stagnation" (1967: I, 138), he insisted that this is generally not the proximate cause and is never the underlying cause of stagnation or crises. On the other hand, Keynes's characteristic error involves his abstraction from the whole problem of value determination and exchange and his consequent faith that governments can eliminate crises through fiscal and monetary policy (Hunt, 1979a: 374-97).

The cause of crises, in Marx's view, is an "antagonism, which has its origin in the nature of commodities, and is reproduced in their circulation" (1967: I, 121). It has its origin in the

contradictory nature of commodities as the unity of use value and value, that is, as the unity of concrete, nonhuman matter that constitutes use value and the ideal (or abstract), nonmaterial, human relations that constitute value. This requires that the commodity first be seen as having a dual existence as a material thing and as an ideal thing (viz., as a symbol of a sum of money, the independent form of value). But for the commodity really to prove itself to be a commodity, to be social as well as material, it must then undergo an actual metamorphosis in which its value comes to be actually realized in the form of independent exchange value (money). Moreover, its sociality is not realized until its value (now in the pure, independent form of money) is metamorphosed into a new and qualitatively different use value. But money itself is also (in part) merely a particular commodity having use value and value: “Hence the riddle presented by money is but the riddle presented by commodities; only it now strikes us in its most glaring form” (Marx, 1967: I, 93). The riddle is how two seemingly unrelated attributes—use value and value—can coexist in one thing.

The error of the quantity theory of money, and every defender of some version or another of Say's law, is in treating money simply as one particular commodity that does not differ in principle from any other commodity. In this view every exchange is simultaneously a purchase and a sale of commodities of equal value. Every desire to sell a commodity must be, by definition, a desire to purchase a commodity of equal value. Monetary exchange is reduced to barter; and what in Marx's view is an “antagonistic unity” of purchase and sale in a temporal process of commodity metamorphosis becomes an atemporal identity. Marx wrote:

Where the economic relation—and therefore also the categories expressing it—includes contradictions, opposites, and likewise the unity of the opposites, he [James Mill] emphasises the aspect of the *unity* of the contradictions and denies the *contradictions*. He transforms the unity of opposites into the direct identity of opposites.

For example, a commodity conceals the contradiction of use-value and exchange value. This contradiction develops further, presents itself and manifests itself in the duplication of the commodity into commodity and money. This duplication appears as a process in the metamorphosis of commodities in which selling and buying are different aspects of a single process and each act of this process simultaneously includes its opposite. . . . Mill disposes of the contradiction by concentrating only on the unity of buying and selling; consequently he transforms circulation into barter, then, however, smuggles categories borrowed from circulation into his description of barter. (1971: 88)

The important point in this quotation is that the contradictions are between separate and distinct aspects of the commodity (its physical features and its abstract feature whereby it reflects a particular social relation) and of the circulation process (exchanging commodities for money or selling and exchanging money for commodities or buying). The contradiction is not a contradiction of ontological status, that is, the very objective existence of two things does not constitute the contradiction; it is purely a contradiction within thought. Capitalism needs to function, however, as if each of the contradictory features of the commodity and the exchange process had ontological status in the very physical nature of the commodity. This is Marx's whole point in his analysis of the fetishism of commodities. In other words, capitalism needs to function as though the ideas of the dialectical materialists (that material things were ontologically contradictory) were true. But they cannot be true. The two poles of a contradiction cannot have ontological status and existential identity in objective things. If they could, however, then it would be possible for capitalism to function exactly as its apologists picture it.

It is precisely because of the impossibility of contradiction as an inherent existential feature of purely objective things or processes that capitalism suffers crises. Marx's view presupposes that the Aristotelian principle of identity or noncontradiction applies to purely objective things

and processes. “In so far as I abstract from what distinguishes a concrete datum from its abstraction,” Marx wrote, “the concrete becomes of course that abstraction, and does not differ from it all” (1974: 249).² It is precisely because only human experience can be ontologically the true unity of seemingly contradictory qualities, and material things cannot, that money, the externalized, estranged, reified manifestation of human sociality, cannot possibly function as it would have to if it were to accomplish effectively what should, by its very nature, be the free, conscious, human task of coordinating and integrating social production. By failing to recognize that a nonhuman material thing—money—is required to function as though it truly, ontologically possessed human traits, economists are incapable of grasping the true nature of crises. In particular the quantity theorists deny crises by denying the very socioeconomic structure—capitalism—that requires money to function as alienated general human power:

In the crises of the world market, the contradictions and antagonisms of bourgeois production are strikingly revealed. Instead of investigating the nature of the conflicting elements which erupt in the catastrophe, the apologists content themselves with denying the catastrophe itself and insisting, in the face of their regular and periodic recurrence, that if production were carried on according to the textbooks, crises would never occur. Thus the apologetics consist in the falsification of the simplest economic relations, and particularly in clinging to the concept of unity in the face of contradiction.

If, for example, purchase and sale—or the metamorphosis of commodities—represent the unity of two processes, or the movement of one process through two opposite phases, and thus essentially the unity of the two phases, the movement is just as much the separation of these two phases and their becoming independent of each other. Since, however, they belong together, the independence of the two correlated aspects can only *show itself* forcibly, as a destructive process. It is just the *crisis* in which they assert their unity, the unity of the different aspects. The independence which these two linked and complimentary phases assume in relation to each other is forcibly destroyed. Thus the crisis manifests the unity of the two phases that have become independent of each other. There would be no crises without this inner unity of factors that are apparently indifferent to each other. But no, says the apologetic economist, because there is this unity, there can be *no* crisis. Which in turn means nothing but that the unity of contradictory factors excludes contradiction.

In order to prove that capitalist production cannot lead to general crises, all its conditions and distinct forms, all its principles and specific features—in short *capitalist production* itself—are denied. In fact it is demonstrated that if the capitalist mode of production had not developed in a specific way and become a unique form of social production, but were a mode of production dating back to the most rudimentary stages, then its peculiar contradictions and conflicts and hence also their eruption in crises would not exist. (Marx, 1971: 500-501)

It is interesting to note in this quotation that Marx used the terms “contradiction,” “opposite,” and “unity” quite differently than Hegel or the dialectical materialists. Marx used both “antagonisms” and “conflicting elements” as synonyms of contradictions. Purchase and sale are called “opposites,” but they are also called “different aspects,” or “correlated aspects,” or “complimentary phases” of a process. The “unity” of these “opposites” is nothing except that in capitalism “they belong together,” that is, in capitalism everyone sells in order to buy, and capitalists both buy in order to sell and sell in order to buy. Thus, the “opposites” are merely “complimentary phases” of a process; and their mutual interdependence constitutes their “unity,”

² I have altered slightly the Nicolaus translation in accordance with what I believe to be a superior translation in Colletti (1973: 138).

while the fact that in capitalism there is absolutely no social mechanism to assure that the complex matrix of market interdependencies ever has a universally consistent set of buying and selling decisions constitutes their “contradiction.” The unity is revealed in a crisis because when a capitalist cannot sell he cannot buy. Clearly, this Hegelian terminology does not constitute a “dialectic of nature” and “ontological unity of opposites,” or a system in which “relations ontologically define what a thing is.” Clearly Marx's philosophy differs drastically from that of Engels, and Marx's economic theory is built on the foundation of his own philosophy.

Precisely the same view of the inherent, virtual certainty of crises can be derived from a Walrasian general equilibrium system of millions of interdependent market equations. It does not require Hegel or his terminology. I have argued elsewhere that the Walrasian system, divorced from its philosophical foundation (utilitarianism), would seem to lead to this conclusion and is, in fact, a useful analytical framework for understanding crises (1979a: 253-68). In fact, the framework of either Marx or Walras seems to me to be superior to that of Keynes.

There are, however, many very important differences between the systems of Walras and Marx. The most important difference, in my view, is that between the philosophical foundations of their theories. Walras's utilitarianism predisposed him to look for harmony and to defend some version of Say's law. The later disciples of Walras have produced innumerable articles and tomes proving that the existence of a stable general equilibrium is logically or mathematically possible and have produced very few insights into the nature of capitalism's crises. I believe that this reflects the kinds of presuppositions underlying their theory and equations that result, quite inevitably, from their philosophical perspective. By contrast, in Marx's system the very conception of the nature of capitalism, commodities, and money predisposes the Marxist to focus directly on crises. Crises are inherent in the very nature of the different functions of money:

The function of money as the means of payment implies a contradiction without a terminus medius. In so far as the payments balance one another, money functions only ideally as money of account, as a measure of value. In so far as actual payments have to be made, money does not serve as a circulating medium, as a mere transient agent in the interchange of products, but as the individual incarnation of social labour, as the independent form of existence of exchange value, as the universal commodity. This contradiction comes to a head in those phases of industrial and commercial crises which are known as monetary crises. Such a crisis occurs only where the ever-lengthening chain of payments, and the artificial system of settling them, has been fully developed. Whenever there is a general and extensive disturbance of this mechanism, *no matter what its cause*, money becomes suddenly and immediately transformed, from its merely ideal shape of money of account, into hard cash. Profane commodities become valueless, and their value vanishes in the presence of its own independent form. On the eve of the crisis, the bourgeois, with the self-sufficiency that springs from intoxicating prosperity, declares money to be a vain imagination. Commodities alone are money. But now the cry is everywhere: money alone is a commodity! As the hart pants after fresh water, so pants his soul after money, the only wealth. In a crisis, the antithesis between commodities and their value-form, money, becomes heightened into an absolute contradiction. Hence, in such events, the form under which money appears is of no importance. The money famine continues, whether payments have to be made in gold or in credit money such as banknotes. (Marx, 1967: I, 137- 38)

Here again we see that when the “antithesis . . . becomes heightened into an absolute contradiction” the existential referents of the terms of the contradiction are not only entirely different objects (use values and money) but as an “absolute contradiction” they cease having any practical relationship to each other: “The use-value of commodities becomes valueless” and “money alone is a commodity!” The contradiction involved in money cannot be worked out. When capitalism requires that money be simultaneously a particular commodity and the general

commodity, a crisis results because it cannot simultaneously be both. The point should be sufficiently obvious by now: to attribute Engels' views on contradiction to Marx is to render much of Marx's analysis quite meaningless.

There is another part of this last quotation that I should like to discuss, however. Marx stated that this contradictory nature of commodities and money is the heart of every crisis of capitalism “no matter what its cause.” The opinion has always been, and continues to be, widespread that Marx's economic theory contains a “breakdown theory” showing the inevitable self-destruction of capitalism through the inexorable workings of its “laws of motion.” Although one can find numerous statements of Marx's faith that capitalism is doomed and will be replaced by socialism, there are very few passages which can be construed as constituting a breakdown theory in Marx's writings. He discusses several possible immediate causes of crises. But all of these crises, regardless of their immediate causes, are but manifestations of the above-discussed nature of commodities and money. In order that the above-quoted description of a monetary crisis not be mistakenly identified as relevant only to those crises that have been traditionally labeled monetary crises, Marx added the following footnote to the passage in the previous quotation:

The monetary crisis referred to in the text, *being a phase of every crisis*, must be clearly distinguished from that particular form of crisis, which also is called a monetary crisis, but which may be produced by itself as an independent phenomenon in such a way as to react only indirectly on industry and commerce. The pivot of these crises is to be found in moneyed capital, and their sphere of direct action is therefore the sphere of that capital, viz., banking, the stock exchange, and finance. (1967: I, 138)

Conclusion

Marx's views on the class structure of capitalism, on the labor theory of value, on money, on capital, and on crises are all involved in his intellectual working out of Feuerbach's far more limited insight, that in contemporary society religion is a human creation that in turn inhumanly controls its creators. Marx sought to show that religion merely reflected a more fundamental process—a process whereby in capitalism human beings produce objects that come to control them. In general, we may conclude that in his crisis theory, as well as his theories of value, money, and capital, Marx was finishing the task that he set for himself in his youth—the task of understanding the social and economic foundations of that peculiar form of human alienation and estrangement whereby the products of human creation appear to take on a life of their own and come to dominate and degrade their creators. We see in Marx's economic theories—most particularly the theories of value and crises, but elsewhere as well—the working out of his belief that Feuerbach's essentially correct but incomplete views on religious alienation can only be completed and fully understood when one scientifically understands the normal workings of the capitalist economy. Marx was not, however, simply a neutral intellectual investigator seeking understanding for its own sake. A knowledge of how our products dominate us is a necessary prerequisite to eventually freeing ourselves from this domination. Despite the fact that many persons and social institutions representing the forces of unfreedom have used his name, I believe that if a human society embodying genuine equality and freedom is ever created, its creators will owe an enormous debt to the ideas of Karl Marx.

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