

COMMUNICATIONS

A NOTE ON MARX'S TERMINOLOGY

A little-noticed terminological difficulty can impede our understanding of Marx's theory of value. Throughout his mature writings, Marx uses the expression "value" to mean (roughly) the socially necessary, simple, abstract labor embodied in a commodity. But apparently while preparing the first volume of *Capital* for publication, Marx altered his use of a closely-related expression, "exchange-value." Prior to this change, Marx meant by "exchange-value" precisely what he meant by "value." But after the change, he used "exchange-value" to denote something quite distinct.

The earlier interchangeability of the expressions "value" and "exchange-value" can be illustrated by several passages from a pre-change text, the *Contribution to a Critique of Political Economy*:

If some factor were to cause the productive power of all types of labor to fall in equal degree, thus requiring the same proportion of additional labor for the production of all commodities, then the value of all commodities would rise.¹

But we also find:

Simple, homogeneous, abstract general labor... is the substance of exchange-value. ... Regarded as exchange-values, all commodities are merely definite quantities of congealed labor-time.²

Here "value" and "exchange-value" are both identified with the abstract labor embodied in a commodity, and thus identified with each other. This earlier text thus presents what we could call "the labor theory of exchange-value," without thereby suggesting that this differs in any way from the labor theory of *value*.

Before the change, moreover, Marx contrasted "value" or "exchange-value" with "the form in which (exchange-) value appears." But after

1 Karl Marx, *A Contribution to the Critique of Political Economy* (New York, 1970), p. 41. German text in *Marx-Engels Werke* (henceforth *MEW*) 13 (Berlin, 1964), p. 27.

2 *Critique*, pp. 29f (*MEW* 13, pp. 17f).

the change, he identified "exchange-value" with "the form in which value appears." Thus we find him speaking, before the change, of "the converted form in which the exchange-value of commodities appears within the circulation process," or "the form in which the exchange-value of the commodity—as commodity—appears, manifests itself."³ But later he writes that "exchange-value" is "the necessary mode of expression or form of appearance of value."⁴ "Exchange-value" has become merely the appearance of its former self.

But this shift in the meaning of "exchange-value" leaves Marx's theoretical structure completely unaffected. Both before and after the shift, Marx drew a distinction between (to use shift-neutral terms) "value" and "the form in which value appears." The only effect of the shift was to take the expression "exchange-value," which earlier was used interchangeably with "value," and move it over to the side of "the form of appearance of value." No new content entered Marx's theory with the shift, and no old content left it.

What motivated the shift, then, if not a substantive change in the theory of value? Here we can only speculate, I think, but two motives seem plausible. First, Marx might have desired a compendious way to refer to "the form of appearance of value" ("*die Erscheinungsform des Werts*"), and decided to use "exchange-value" ("*Tauschwert*") for that purpose.

This purely stylistic motive might have been reinforced by theoretical considerations. The fact that surplus-value is a special type of value (specifically characteristic of capitalist production) is much more per-spiciously expressed if we use the expressions "value" ("*Wert*") and "surplus-value" ("*Mehrwert*"): It would not be at all evident that "surplus-value" is a kind of "exchange-value." In this regard, it is interesting that Marx tends most often to use "exchange-value" as a synonym for "value" in those pre-change texts which treat commodity production and value in general, not capitalist production and surplus-value specifically—texts such as the 1859 *Critique*.

Again, the form in which the value of a commodity appears (ultimately its price) can be specified only by reference to some other commodity which serves as an equivalent (ultimately money). But the value itself of the commodity can in principle be specified without any such reference to other commodities, in terms of the abstract labor required to produce it. (Note that this does not mean that the concept of value has expla-

3 *Critique*, p. 66 (*MEW* 13, p. 51); *Theories of Surplus Value*, III (Moscow, 1971), p. 139 (*MEW* 26.3 [1968], p. 136).

4 *Capital I* (New York, 1967), p. 38 (*MEW* 23 [1968], p. 53).

natory force when applied to a non-exchange economy.⁵) Now the expression "exchange-value" seems much more apt as a term for the former sort of feature than as a term for the latter, because the former but not the latter involves a relation between *exchangeable* commodities. In one text written after the change, Marx identifies "exchange-value" with "the exchange-relation of commodities" (i.e., "*Tauschwert*" with "*austauschverhältnis der Waren*").⁶

Thus both brevity and clarity might have inspired Marx to give "exchange-value" a new meaning.

Let us try to situate this change more precisely, and to see which texts fall on either side of it. We find Marx using "value" and "exchange-value" interchangeably in the *Grundrisse* (written 1857–58), the *Critique* (published 1859), and the manuscripts dating from 1861–63 and 1864–65 that went into *Theories of Surplus Value* and *Capital III* respectively.⁷ In *Wages, Prices and Profit*, completed near the end of June, 1865, we find this remark: "'Price' is exchangeable value—and in speaking of value I speak always of exchangeable value—is exchangeable *value expressed in money* . . .," which suggests that price is the form of ap-

5 Some commentators have maintained that Marx regarded value as a category of political economy applicable to all economic formations, not merely exchange economies. According to Maurice Godelier, "The theory of value . . . permits the constitution of a model of socialist development, as well as a model of capitalist development, and it also permits us to construct a theory of precapitalist processes of production." (*Rationalité et irrationalité en économie* [Paris, 1966], p. 148). And Athar Hussain holds that: "The category of value is common to all modes of production, but each mode of production expresses value in a manner specific to that particular mode." ("Marx's Notes on Adolf Wagner: An Introduction," *Theoretical Practice*, No. 5, p. 36.)

But despite such claims, Marx thought that his concept of value had meaning only when used in the analysis of an exchange economy: "Within the cooperative society based on common ownership of the means of production the producers do not exchange their products; similarly, the labor spent on the products no longer appears as the value of these products, possessed by them as a material characteristic, for now, in contrast to capitalist society, individual pieces of labor are no longer merely indirectly, but directly, a component part of the total labor." (*Critique of the Gotha Program*, in Karl Marx, *Political Writings*, Vol. III, ed. David Fernbach [New York, 1974], p. 345 [MEW 19 (1962), pp. 19f.]; see also *Theories of Surplus Value*, III, p. 129 [MEW 26.3, p. 127]).

6 *Capital I*, p. 47 (MEW 23, p. 62).

7 In addition to the passages cited above from the 1859 *Critique* and *Theories of Surplus Value III*, see also: *Grundrisse: Foundations of the Critique of Political Economy (Rough Draft)*, trans. Martin Nicolaus (New York, 1974), pp. 136f. (German edition, *Grundrisse der Kritik der politischen Ökonomie* [Berlin, 1953], pp. 55f.); *Capital III* (New York, 1967), pp. 182, 516 (MEW 25, pp. 191–532). For the dating of Marx's manuscripts, see Engels' remarks in his Preface to *Capital II* (New York, 1967), pp. 2–5 (MEW 24 [1963], pp. 8–13).

pearance of "exchange-value."⁸ If so, this is still a pre-shift text. However that may be, by the time Marx revised his manuscripts for the publication of the first edition of *Capital I* (a process he began on January 1, 1866 and finished by April, 1867⁹), he seems to have decided to use the expression "exchange-value" to designate the form of appearance of value, thus producing the later terminology, with which most people are more familiar. In the first edition we find the assertion:

Therefore commodities are first of all simply to be considered as *values*, independent of their exchange-relationship or of the *form* in which they *appear* as *exchange-values*.¹⁰

This is the earliest text in which Marx identifies "exchange-value" with "the form of appearance of value," and thus contrasts "exchange-value" to "value." But in a footnote to this text we find an apparently incompatible remark, reminiscent of the one in *Wages, Prices and Profit*: "If I use simply the word '*value*' without further qualification, it is always a question of *exchange-value*."¹¹

This might indicate that Marx had not yet fully clarified the new usage in his own mind. In any event no traces of the earlier usage appeared in the second edition of *Capital I* (published in 1872),¹² and the

8 Karl Marx and Frederick Engels, *Selected Works* in one volume (New York, 1968), p. 201.

9 For the former date, see Marx to Engels, February 13, 1866 (in Marx-Engels, *Briefe über "Das Kapital"* [Berlin, 1954], p. 130). Marx did not immediately begin to revise the theoretical part of *Capital I* (see Marx to Engels, February 10, 1866, *Briefe über "Das Kapital,"* p. 129). But on October 13, 1866 he wrote Kugelmann that he had decided to begin *Capital I* with a new discussion of the analysis of the commodity, because of defects in the account given in the 1859 *Critique* (*Briefe über "Das Kapital,"* p. 131). The revision was apparently complete at least by April 10, 1867 (the Wednesday preceding April 17, 1867: see *Briefe über "Das Kapital,"* p. 133). On the tenth Marx left England for Hamburg, carrying the last part of the manuscript to his publisher, Otto Meissner.

10 *Das Kapital, Kritik der politischen Oekonomie*, Erster Band (Hamburg, 1867), p. 4. In the English translation by Axel Davidson of Chapter One of the first German edition (New York, 1972), this passage is on p. 8.

11 *Das Kapital*, Erster Band (Hamburg, 1867), p. 4, note 9 (omitted from the English translation). Marx seems to vacillate this way throughout the first edition. At the end of Chapter One, Marx says that "the commodity is the direct unity of use-value and exchange-value" (p. 44; English translation, p. 38). On p. 764 he says that "the analysis of the commodity has shown that it is a twofold thing, use-value and value"; but then on p. 784 he says again that the commodity is the "unity of the contradiction use-value and exchange-value." The passages cited from the first edition suggest that although by April, 1867 Marx had decided to use the term "exchange-value" in a new way, he did not carry out this intention systematically in that edition.

12 Except in a quote from the 1859 *Critique*. See *Capital I*, p. 76n (MEW 23, p. 90n29). This passage occurs in *Critique*, p. 60 (MEW 13, p. 46).

new terminology was used consistently in all his writings thereafter, including the manuscripts incorporated by Engels in *Capital II*, and the marginal notes on Wagner's *Lehrbuch*.¹³

Now though this terminological change does not constitute an obstacle to one who tries to grasp the teaching of only post-1866 writings (e.g., *Capital I*), or of only pre-1866 writings (e.g., the *Critique*), it clearly does stand in the way of one who wishes to grasp the continuity and development of Marx's theory from before 1866 to after 1866. This is illustrated by a recent exchange between Donald Clark Hodges and J. Duffield concerning Marx's concept of value.¹⁴

Hodges argues, *inter alia*, that (1) in the *Critique* Marx "refrains from using the term 'value' . . . except in the qualified sense of use-value and exchange-value," so that "the unqualified term 'value' is unnecessary for elucidating the mysteries of capitalist commodity production in this earlier work," and therefore that (2) the unqualified term "value" "is also superfluous to the summary discussion of these mysteries in chapter one of *Capital*."¹⁵

It is unclear which of two distinct claims (1) is supposed to state. Is Hodges saying that Marx never uses the expression "value" in the *Critique*, but only the expressions "use-value" and "exchange-value"? If so, then (1) is obviously false. But since Hodges also says that "the term 'value' is merely a shorthand expression for exchange-value,"¹⁶ it is likely that (1) means merely that in the *Critique* Marx always means by "value" exactly what he means by "exchange-value." And since Hodges further thinks that in the *Critique* "exchange-value" means "congealed labor-time,"¹⁷ it follows that in the *Critique* both "value" and "exchange-value" mean "congealed labor-time."

13 For instance, *Capital II*, p. 106 (*MEW* 24, p. 110) (written 1877-78); "Randglossen zu Adolph Wagner's *Lehrbuch der politischen Ökonomie*," *MEW* 19, pp. 368f. (English translation, *Theoretical Practice*, No. 5, pp. 50f.). A good example of the change can be found in the series of passages in which Marx criticizes Samuel Bailey for his failure to distinguish value from the form of value. Compare *Theories of Surplus Value III*, p. 139 (*MEW* 26.3, p. 136) (written 1862-63); *Capital I*, p. 49n1 (*MEW* 23, p. 63n17), and the passage just cited from *Capital II*.

14 Donald Clark Hodges, "The Value Judgment in *Capital*," *Science & Society*, Vol. 29 (1965), pp. 296-311; J. Duffield, "The Value Concept in *Capital*, in Light of Recent Criticism," *Science & Society*, Vol. 34 (1970), pp. 293-302. Hodges responded to Duffield in "Marx's Concept of Value and Critique of Value Fetishism," *Science & Society*, Vol. 34 (1970), pp. 342-46, but this response does not touch on the issue treated here.

15 Hodges, "The Value Judgment in *Capital*," p. 308.

16 *Ibid.*, p. 309.

17 *Ibid.*, p. 308.

But, though true, (1) by itself does not imply (2). To get to (2) we must also assume that in *Capital I* the expressions "value" and "exchange-value" have the same meaning that they did in the *Critique*. Otherwise we would have no reason to think that the justification for eliminating the term "value" from the *Critique* (its redundancy) is also a justification, as (2) claims, for eliminating it from *Capital I*. But this assumption is false, as we have seen: the expression "exchange-value" does not mean in *Capital I* what it means in the *Critique*. Hodges has interpreted the *Critique* correctly but *Capital I* incorrectly.

Duffield does just the reverse:

Exchange-value, as the phenomenal form of the value relation, cannot correctly be explained directly in terms of standard labor, *i.e.*, "directly" in the sense of skipping the concept of value as a *tertium comparationis*, as Dr. Hodges claims is the case in the *Critique*. As such, the more detailed analysis of Part I [of *Capital I*], by the addition of the construct "value," should be viewed as an instance of what Marx described in the preface to the first German edition as one of those many "points only hinted at in the earlier book (which) are here worked out more fully."¹⁸

Here Duffield apparently agrees with Hodges that (1) in the *Critique* Marx always uses the expression "value" as a synonym for "exchange-value" (or even that he never uses the expression "value" at all). But from this he concludes that (3) *Capital I* advances beyond the theory of the *Critique*: The former, but not the latter, contains a theory of "value" as distinct from "exchange-value."

How does Duffield get (3) from (1)? He first establishes that in *Capital I* the expression "exchange-value" means the phenomenal form (form of appearance) of embodied abstract labor.¹⁹ Then, tacitly assuming that "exchange-value" (and therefore "value," by (1)) must have the *same* meaning in the *Critique*, he concludes that *Capital* makes an advance in that it distinguishes value from the phenomenal form of embodied abstract labor.

Both Hodges and Duffield assume that "exchange-value" bears a

¹⁸ Duffield, p. 299. As evidence for his interpretation, Duffield also adduces Marx to Engels, June 22, 1867: "In my first presentation . . . [the 1859 *Critique*], I avoided the difficulty of the development by giving the actual analysis of the value-expression only when it appears, already developed, as money-expression" (*Briefe über "Das Kapital,"* p. 137). But this does not mean, as Duffield thinks, that in the *Critique* Marx discusses only the form of value and not value itself. It means that Marx there treats only one of the forms of value, the money-form (in Chapter Two), whereas in *Capital I* (Chapter One, section three) Marx presents a development of the form of value as it progresses through four distinct stages, the last stage being price or the money-form of value.

¹⁹ Duffield, p. 298.

constant meaning in Marx's works, though each gives it a different meaning. Hodges gets the meaning of "exchange-value" right for ~~Capital~~ ^{the Critique}, but wrong for ~~the Critique~~ ^{Capital}: Duffield does the reverse. The mistaken assumption of a constant meaning is the basis of both their errors of interpretation.

Marx seems to have altered the meaning of "exchange-value" so that he could state his theory of value more clearly. It is an irony that this alteration can serve instead as a stumbling-block to those seeking a correct understanding of that theory.

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