

*Dieter Wolf*

**Value, abstract human labor (socially form-determined), commodity  
Supplementation and fundamental modification of Marx's explanation of value,  
socially form-determined abstract human labor and the commodity especially in  
the first sub-section of Capital Volume I**

**The part of Marx' explanation, which is incomplete, erroneous and possess an irrational character is replaced, i.e. rewritten, in a scientifically rational way in this treatise.**

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<sup>1</sup> Georg Wilhelm Friedrich Hegel, 1st volume of the Science of Logic, 1812, revised 1831. Werke. Vol. 5, Frankfurt a. M. 1979, pp. 63,79.

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## I. Preliminary note

This text has been translated from German into English mainly with the help of "DeepL" but also with "Google translator".

If any reader would like to make suggestions for changes to the text, they should not hesitate to contact me. [dieterwolf@online.de](mailto:dieterwolf@online.de)

## II. The circuit of capital and its explanation by means of the method of ascending from the abstract to the concrete. The simple non-capitalistically determined circulation of commodities as the "abstract sphere of capital".

### II.1 Remarks on the circuits of capital: M-C-M' and M - C - P- C` - M'

Marx, while writing the *Grundrisse* i.e. in the course of the alternating research processes and the written representations under the influence of Hegel<sup>2</sup>, came to the insight that capital consists of a circuit, which in turn consists of two passage phases - the capitalist commodity circulation and capitalist production. This means that the circuit of capital is the movement structure of each single capital, of the total capital and of the capitalist social total reproduction process.

Significantly, on the basis of this insight Marx discarded his attempt to begin the exposition with capitalist production. Whatever the details of these insights are, it shall only matter here that Marx first has to explain what the circuit of capital is without further specifications as a structure of movement of each individual capital and of the social total capital.

In the fourth chapter of *Capital*, Marx explains the "transformation of money into capital", which is characterized by the dialectical contradiction between use value and value in the third determination of money. Its solution movement, which consists of the circuit of capital M-C-P-C` - M', is visible in the simple circulation of commodities in a shortened form as M-C-M'. Thus, in a first but at the same time fundamental way, it is clear what capital is in contrast to the simple circulation of commodities C-M-C and to the economic-social forms determining it, which consist of value, the commodity, money and the three money functions. Only as phases in the circuit of capital M - C - P- C` - M' is the commodity circulation a capitalist commodity circulation and the production a capitalist production.

The individual capitals consist of their respective circuits and by means of their competitive entanglement the circuit of the social total capital arises and reproduces

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<sup>2</sup> Dieter Wolf, Why was Hegel's "Logic" able to "render great service" to Marx? Accessed online: [www.dieterwolf.net](http://www.dieterwolf.net) Menu: Articles. Orig. Dieter Wolf, Warum konnte Hegels „Logik“ Marx „große Dienste leisten“? Online zugänglich: [www.dieterwolf.net](http://www.dieterwolf.net) Menu: Artikel.

itself. The social total reproduction process is structured by the circuit of capital as the solution movement of the dialectical contradiction between use-value and value contained in the third determination of money ("money as money").<sup>3</sup> Hence it is shown once again and confirmed in a fundamental way that the dialectical contradiction between use-value and value is the spring or fountainhead of the dialectics of the economic social reality explained in Marx' "Critique of Political Economy".<sup>4</sup>

With the knowledge that Marx acquired with the explanation of the "transformation of money into capital"<sup>5</sup> of the circuit of capital, he presents, after the simple circulation of commodities, the production process as a capitalistically determined production process, in which the dialectical contradiction between use value and value consists of the dialectical contradiction between the utilization of value and the concretely useful use value producing labor process. The solution movements of this dialectical contradiction consist of the constant increase of labor productivity overcoming the barriers of the labor process through its progressive technological-social reorganization. These solution movements of the dialectical contradiction between the restless utilization of value and the labor process limiting it take the forms of the "simple cooperation", the "manufactory" and the "great more and more digitalized machinery", which are explained in the logically systematic representation progressing according to the ascent from the abstract to the concrete. For the self-mediation of capital, or capital as an "automatic subject," Marx initially still limits himself to the circuit as it appears in the sphere of simple commodity circulation, so that the phase of the production process is not yet included in the representation, as it is later. This abbreviated circuit is sufficient to make clear what it is about capital as a self-organizing "automatic subject". "The

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<sup>3</sup> Between the unlimited, unrestricted quality of money as universal equivalent and the quantitative limitation of the mass of money and commodities determined in each case by the use-value, there is a dialectical contradiction which finds a solution movement in the circuit of capital in a rationally explicable way.

<sup>4</sup> Marx expresses this meaning of the dialectical contradiction abstractly and summarized it by calling the "Hegelian contradiction" the "spring source of all dialectics" analogously to the speech of the "double character of labor" as the "spring point of the critique of political economy". MEW 23, P. 623, FN. 41. on this, see Dieter Wolf, Hegel und Marx. Zur Bewegungsstruktur des absoluten Geistes und des Kapitals. Accessed online: <https://dieterwolf.net/wordpress/> Rubric: "Books" Ders. turning Hegel's idealist dialectic "upside down" or "inside out." Transforming Philosophy into Science . Ibid, rubric "articles". Dieter Wolf, the "forms of movement" of "absolute spirit" as solution movements of the dialectical contradiction between "nature" and "spirit" and the "forms of movement" of capital as solution movements of the dialectical contradiction between use-value and value. Idealist dialectics - materialist dialectics. On the beginning of science in Capital, on the dialectic of value forms, on the relation of materialist to idealist dialectic, on Adorno's epistemology. Ibid. Menu item: „Artikel“.

<sup>5</sup> Part Two, The Transformation of Money into Capital, Chapter 4 : The General Formula for Capital, Penguin , p. 246 seq. This edition is first published 1976 Reprinted 1979, 1982. Translated from the German original: (MEW 23, p. 161 seq.): "Section Two, The Transformation of Money into Capital, Chapter Four, The Transformation of Money into Capital, 1. The General Formula of Capital" etc.

independent forms, the money-forms, which the value of commodities assumes in simple circulation, mediate only the exchange of commodities and disappear in the final result of the movement. In circulation  $M - C - M'$  on the other hand, both commodity and money function only as different modes of existence of value itself, money its general mode of existence, commodity its particular mode of existence, only disguised, so to speak. It constantly passes from one form into the other without losing itself in this movement, and thus transforms itself into an automatic subject. If one fixes the particular manifestations which the valorizing value alternately assumes in the circuit of its life, one obtains the explanations: Capital is money, capital is commodity. In fact, however, value here becomes the subject of a process in which, under the constant change of the forms of money and commodity, it changes its size itself, repels itself as surplus value from itself as original value, valorizes itself.

For the movement in which he adds surplus value is his own movement, his utilization, that is, self-utilization. He has received the occult quality to set value, because he is value. It throws live young or at least lays golden eggs."<sup>6</sup> Regarding the last sentence, it must be noted that when the mystery of plus-making is solved with the production and commodity circulation determined capitalistically in each case as a phase in the circuit of capital, there is no longer an occult quality for the scientific observer.

In this circuit, which consists of the valorizing value, production and commodity circulation are two mutually dependent phases existing in simultaneous succession and coexistence. The complete formal expression of the circuit is therefore  $M - C - P - C - M'$ . It is, together with the other circuits  $C - P - C'$ ,  $M' - C'$  and  $P - C' - M' - P' - C' - P'$ , the object of representation from the second volume of Capital on.

## **II.2 In the circuit of capital, value exists simultaneously after and side by side in capitalist production and in capitalist commodity circulation.**

For the circuit of capital it is self-evident that value exists in the capitalist production and the capitalist circulation. But the value and the magnitude of value of commodities are first formed in capitalist production and not in the capitalist circulation of commodities. In the circuit of capital the capitalist production and the capitalist circulation of commodities exist simultaneously after and alongside each other and are mutually for each other a precondition and a result. "However, it is correct (...) to concede" correspondently to "a second determination of socially necessary labor time" to accept a "co-determining influence of the capitalist circulation of commodities on the value", or, in other words "to concede to solvent demand not only an influence on commodity prices, but also on the magnitude of value.

But it is quite wrongly to claim a value, coming from capitalist production, would already be present in that exchange relation of use values which Marx analyzes in the

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<sup>6</sup> MEW 23, p. 169, MEGA II/5, S. 109.

first subsection of the first chapter of Capital Vol. I. Because Marx starts to explain the economical social forms by means of a exchange relation which belongs to the simple commodity circulation, there are two reasons for which it is excluded that such a economical social form already exists before this exchange relation. Firstly doesn't exist a temporal succession between the capitalist production and the simple commodity circulation and secondly it is for the sake of the scientific consistence necessary to avoid circular reasoning.

In a blatant way, some theorists establish between capitalist production and simple commodity circulation a mystically irrational connection determined by their temporal succession. They make the serious mistake of not respecting that the value and socially form-determined abstract human labor must first be explained on the level of abstraction of simple commodity circulation. Only after having finished this task it can be explained what it is about with the economical-social forms concerning their emergence and existence in capitalist commodity circulation and capitalist production. They treat the exchange relation of use values analyzed by Marx in the first chapter by which the two economic social forms are explained so, as if it were about the exchange relation of products emerging from capitalist production. Just as capitalist production is determined by the double character which consists of the processing unit of labor and value formation process, the products of this production are determined by the double character, common to all commodities, of being use-value and value. By means of money, their real value is ideally expressed in price, so that they pass through the circulation phase W'-G' as price-determined commodities. In the circuit of capital it is shown that value is created in production and that the sphere of circulation participates in this creation by means of solvent demand. The value exists in the capitalist circulation of commodities because it was previously created in production. While there is one kind of commodities existing in commodity circulation, other commodities of the same kind are created simultaneously in production. As self-evident as it is that between the simple circulation of commodities, in which value, socially form-determined human labor, the commodity and money are explained, there is no connection with capitalist production determined by a temporal succession, as self-evident it is that such a connection exists only and exclusively within the circuit of capital between the capitalist circulation of commodities and the capitalist production process.

Marx at the time of his work on the *Grundrisse* initially wanted to explain the economic social forms starting from capitalist production. He recognized, however, that this is not correct, as demonstrated with the explanation of the circulation of capital outlined above. "In order to develop the concept of capital, *it is necessary to start not from labor, but from value, and specifically from the exchange-value already developed*

in the movement of circulation.<sup>7</sup> It is just as impossible to pass directly from labor to capital as from the various races of men directly to the banker or from nature to the steam engine."<sup>8</sup>

### **II.3 To what extent the structure of movement of the total social reproduction process determined by the circuit of capital has system-theoretically spoken a non-linear structure**

The movement structure of the total social reproduction process determined by the circuit of capital possesses system theoretically spoken a nonlinear structure, thus, in *Capital*, Marx is dependent on a method with which he must overcome the difficulty of explaining a dynamic, nonlinear economic-social system with the linear representation. A linear representation proceeding from sentence to sentence, from chapter to chapter, from section to section, from volume to volume, must take into account the nonlinear process of social reproduction, the subject areas of which exist simultaneously after and alongside one another and mutually presuppose each other. The method with which the problem of the linear representation of a nonlinear, complex dynamic system is to be solved is described by Marx under the title of the "method of ascending from the abstract to the concrete"<sup>9</sup> in the introduction to the *Grundrisse*.

### **III. Sequence of stages of scientific abstractions. The simple non-capitalistic commodity circulation as the "abstract sphere" of capital**

#### **III.1 Abstraction from the circuit of capital by its decomposition into its two phases consisting of the capitalist production process and the capitalist commodity circulation.**

In order to explain the circuit of capital, it is necessary to abstract from it for the purpose of avoiding the circular argument or vicious circle. What measure must be taken to receive the result of each abstraction which is necessary for explaining the economical

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<sup>7</sup> From the perspective of *Capital* of 1872 it should read a little more precisely: "... but of value" and its "already in the movement of circulation developed" manifestation consisting of exchange value (value form).

<sup>8</sup> *Grundrisse*, MEW 42, p.183.

<sup>9</sup> *Grundrisse*, MEGA<sup>2</sup> II/1.1, p. 36 (*Grundrisse*, Berlin 1953, p. 22, MEW 42, p. 35). See in more detail: Dieter Wolf: Kritische Theorie und Kritik der Politischen Ökonomie. In: Dieter Wolf, Zur Konfusion des Wertbegriffs. Ein kritische Auseinandersetzung mit Hans-Georg Backhaus und Helmut Reichelt. Beiträge zur "Kapital" - Diskussion, Teil A, insbesondere Unterabschnitt 6, Hamburg 2004 (Wissenschaftliche Mitteilungen, Heft 3), Derselbe: Zur Methode des Aufstiegens vom Abstrakten zum Konkreten. Derselbe: Zur Methode in Marx' Kapital unter besonderer Berücksichtigung ihres logisch-systematischen Charakters. On the "Method Controversy" between Wolfgang Fritz Haug and Michael Heinrich. Both writings are accessible at [www.dieterwolf.net](http://www.dieterwolf.net) under the headings: books and articles, respectively.

social forms? The circuit of capital is characterized by the simultaneous succession and side by side of its two stages of passage or its two phases, which is based on their temporal succession. One abstracts consequently from the circuit or one brings it to the disappearance, if one cancels the temporal succession of its two phases, so that only its two phases remain as such. The measure, which is necessary for this abstraction, consists therefore in decomposing the circuit into its two phases, which lose thereby their status of being phases. What then remains of them, must be considered more closely.

As far as capitalist production is concerned, this leads to reducing it to concretely useful labor or the labor process, in which any economically social determination of form is extinguished. Instead of the capitalist production process as the processing unit of labor- and value forming process, one has before one only an abstractly general labor process consisting of concretely useful labor creating concretely useful use values. If the process of production is not regarded as a phase in the circuit of capital, if there is, as Marx says, no "incorporation of labor into capital," so that capital does not become the process of production, then the process of production is "material process" in general.<sup>10</sup> "Its determination of form is completely extinguished."<sup>11 12</sup> which, however, is shown to be a "sham" by the "incorporation"<sup>13</sup> taking place *within* the circuit of capital.

With a socially unspecific "production process in general", which is not considered as a phase in the circuit of capital explained with the "transformation of money into capital", no beginning of science can be made, as Marx originally intended in the *Grundrisse*, whose object is the explanation of the circulation of commodities as a prerequisite for the explanation of the capitalist production process.

If one now considers the capitalistically determined circulation of commodities after the decomposition of the circuit of capital, then, after the loss of its phase character, the non-capitalistically determined circulation of commodities remains. All economically social forms containing the capitalist surplus value have disappeared in it, while the simple non-capitalist forms contained in them - value, commodity, money, etc. - remain.

It is shown here how important it is for the understanding of capitalist production to practice the method of ascending from the abstract to the concrete. The abstraction, from

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<sup>10</sup> Grundrisse, MEGA<sup>2</sup> II/1.1, p. 36 (*Grundrisse*, Berlin 1953, p. 22, MEW 42, p. 225).

<sup>11</sup> MEW 23, p. 189

<sup>12</sup> But if "the incorporation of labor into capital" takes place, and explicit is taken into account that the production process is a phase in the circuit of capital, i.e., an integral part of the utilization (exploitation) of value, then it looks at first, i.e., at first sight also, as if the production process were reduced to the "material process of production in general" in which any "determination of form is completely extinguished." However, it will be shown that "even within the production process itself this extinction of the determination of form is only appearance"; for the production process as capitalist is always the process of utilization of capital. The use-value of the commodity labor-power shows itself in the consumption process of labor-power, which is "at the same time the production process of commodity and of surplus-value." (MEW 23, p. 189.)

<sup>13</sup> All quotations: *Grundrisse*, MEGA<sup>2</sup> II/1.1, p. 223f. (MEW 42, p. 225).

the circuit of capital leads us to the *simple circulation of commodities* not yet determined capitalistically. The explanation of the simple circulation of commodities starts with the analysis of the exchange relation of use values i.e. with an analysis which has first nothing to do with the circuit of capital, with the capitalist production process, with money, with the commodity, with the socially form-determined equal human labor, and after all nothing to do with the value. With the analysis of the exchange relation of use-values, Marx begins, according to the ascent from the abstract to the concrete, to explain value and the other economic-social forms mentioned above, without getting entangled in a circular argument or vicious circle.

At the end of the Explanation of the simple circulation of commodities one encounters the third determination of money, which contains the dialectical contradiction between use-value and value. The solution movement of this dialectical contradiction *leads out of the simple commodity circulation into the circuit of capital: G-W-P-W'-G'*. Because of all, that belongs to the simple commodity circulation under the aspect of the abstraction from the circuit of capital and the return to it, it is called the *abstract sphere of capital*.

### **III.2 Explanation of the simple non-capitalistically determined circulation of goods. Step sequence of abstractions descending from the concrete to the abstract. "With what must the beginning of science be made?"<sup>14</sup>**

After Marx has arrived at the simple commodity circulation as the "abstract sphere of capital" with the abstraction from capital or from its circulation, the application of the method of ascending from the abstract to the concrete is far from being over. The circuit of capital can, of course, be explained from the simple circulation of commodities only if this circulation itself has first been explained.

For this purpose it is necessary to abstract from money and thus also from all its functions, so that one comes across simpler relations of exchange included in the circulation of commodities, in which money is not yet present, but from which it can be explained. This simpler exchange relation is first the exchange relation W-W of simple, not yet price-determined commodities. As little as one has previously known about money and the price of commodities, so little does one know about the commodity. One knows of money and the commodity at least that they are something social. Since it is a matter of explaining this social, one is thus forced to abstract from what the social of the commodity might be. If one does this, one inevitably encounters the use values, which belong to the commodities in each case, but do not possess a specific historical-social character with which the commodities would first have to be explained. Thus, with the last scientific abstraction one encounters the exchange relation of use-values (UW1-

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<sup>14</sup> Georg Wilhelm Friedrich Hegel, 1st volume of the Science of Logic, 1812, revised 1831. Werke. Vol. 5, Frankfurt a. M. 1979, pp. 63,79.

UW2). With the exchange relation of use-values, therefore, must be explained what the value is as something which has a specific "purely social reality".<sup>15</sup>

After the value, the socially determined, abstract human labor has been explained, the exchange relation of use values turns into an exchange relation of already explained commodities. This can then be used to explain what the various exchange values are as different forms of the value (value-forms) i.e. as manifestations of the value. This is especially on the basis of the first subsection the subject of the third subsection in the first chapter of the Capital.

The exchange relation of use values is the simplest most abstract economic social relation of the simple commodity circulation and of the capitalist total reproduction process. The method doubly determined by the "descent from the concrete to the abstract" and the "ascent from the abstract to the concrete" is thus the method practiced by Marx, with which he takes into account the criterion of every science that understands itself as rational, namely concerning in everything that has to be explained to avoid getting enmeshed in circular reasoning.<sup>16</sup>

Neither the value nor the form-determined abstract human labor are already present, as someone could wrongly assume, in the exchange relation of use values with which Marx begins the explanation of the simple commodity circulation. Both economically social forms and the commodity determined by them must be explained starting from this exchange relation of use values and not erroneously with the capitalist production.

What is actually present in the exchange relation of use values, in contrast to the value and the socially form-determined abstract human labor, are the historically generally valid properties of the use values and the concretely useful labor to be a labor product and equal human labor, respectively.<sup>17</sup> Just as one can only understand money in contrast to the "monetary theory of value" if one has previously explained value starting from the exchange relation of use-values, so one can only understand capital or the circuit of capital if one has previously explained the simple circulation of commodities, which is - as the "abstract sphere of capital" - not yet capitalistically determined.

In the *monetary theory of value*, it is falsely assumed that *money is the "common third"* in the exchange relationship of use values (MEW 23, p. 50ff.), which is

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<sup>15</sup> MEW 23, p. 62.

<sup>16</sup> "A circular argument, circular proof, logical circle, circular reasoning, or hysteron- proteron (from ancient Greek ὕστερον πρότερον *hýsteron próteron*, literally roughly "the later [is] the earlier"), is a proof error in which the premises already contain the thing to be proved. Thus, it is claimed to prove a statement by deduction, using the statement itself as a presupposition. It is also called a *circulus vitiosus* (from Latin *circulus vitiosus*, literally faulty circle) or vicious circle[1]." Brockhaus, Weltbildverlag; 2005, Wikipedia.

<sup>17</sup> On page 52, MEW 23, it has turned out for the historically generally valid common third (equal) of the different use values and concretely useful works that it consists of the historically generally valid general property of being a labor product respectively equal human labor.

responsible for the equating of commodities as values. The "common Third" or the "Equal" of the different use-values and concretely useful labor, which is really at stake, consists first of all of the historically generally valid property of use-values to be a product of labor and of the historically generally valid property of concretely useful labors to be equal human labor. So there is really something equal in the social exchange relation of the various use-values that has nothing to do with money and nothing yet to do with the value and the socially form-determined abstract human labor. There is an act of equating because the "common third" i.e. the equal has really existed independent of each exchange relation since there have been human beings who by means of various concretely useful labors shaped or remodeled nature to obtain use-values that satisfy their needs.

With the historically socially exchange relation of use values one has to explain that on the one hand the historically generally valid property of use values as a product of labor receives the social meaning to be the value and that on the other hand the historically generally valid property of different concretely usefully labors as an abstract equal human labor receives the social meaning to be the socially form-determined abstract equal human labor. By this is proved that there is an equating as values and an equating as social form-determined abstract human labor, having still nothing to do with the money. Only as the form of appearance of value and of socially form-determined equal human labor does money, as a means of exchange, constantly realize on the one hand an equating of use values, which independently of money are equal as products of human labor and on the other hand an equating of different useful labors which independently of money are equal as an abstract equal human labor, as a human labor per se. This is the subject of Marx's analysis in the first subsection of the first chapter of Capital, starting from the simplest exchange relation of use-values contained in the simple commodity circulation. (See in particular sections IV. and V. in this treatise). There is the exchange relation of use values and the exchange relations of simple commodities without the prior simultaneous or subsequent existence of money. In the movement C-M-C money realizes an equating, which is based on the above explained properties which either as historically generally valid ones or as historically socially form-determined ones are already equal to each other without money and can and must be explained without it.

Since it is about the purely social of the commodity, which is different from the use value, it is now necessary for the capitalist total reproduction process to explain with its abstract most general economic-social relation the value, which is its most abstract most general economic-social form. Hereby after consistently following the method of ascending from the abstract to the concrete, Hegel's question is finally also answered in Marx' Capital: "With what must the beginning of science be made?"<sup>18</sup>

With the exchange relation of use-values, in the first subsection of the first chapter of Capital, the beginning of science is made; because with it, without getting entangled in a

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<sup>18</sup> 1st volume of the Science of Logic, 1812, revised 1831.

circular reasoning, is begun to explain value, form-determined abstract human labor, the commodity, money, the circuit of capital, etc. - in short, to explain the capitalist process of reproduction as a whole. Capital or its circuit can only be explained on the basis of the simple commodity circulation determined by value, commodity and money. Money determines or "dominates" the circulation of commodities, because all actions occurring in it are carried out in the exercise of its functions as measure of values, means of exchange, means of payment, and so on.<sup>19</sup> The circuit of capital, in which commodity circulation, as one of its two phases, is a capitalist one, is made the subject of representation only in the second volume of *Capital*. Therefore, apart from its fundamental importance for the course of the logically systematic representation and for the understanding of the capitalist production process, it plays no role for the explanation of the simple circulation of commodities or for the explanation of value, the commodity, money and the three money functions.

Marx abstracts from the "circuit of capital" and explains the simple circulation of commodities, which is not yet capitalistically determined, by explaining the following social forms, which are also not yet specifically capitalistically determined: value, the socially form-determined equal human labor, the commodity, the forms of value, money and the three money functions - measure of values, means of circulation, means of payment and treasure ("money as money"). Thus, it is not yet about what the value is in capitalist production as self-verifying and self-recovering value. Everything that can initially be said about value and its manifestations is determined by what it is in the exchange relation C-M-C explained in the third chapter, in the "exchange process" explained in the second chapter, and in the exchange relations of use-values and commodities analyzed in the first chapter. All exchange relations analyzed in the first chapter are distilled out of the exchange process analyzed in the second chapter.

#### **IV. Marx's Explanation of Value and of Socially Form-Determined Abstract Human Labor**

##### **IV.1 The path from the historically generally valid "common third" of the various use-values to the historically generally valid property of use-values to be a product of labor and to the historically generally valid property of concretely useful labor to be abstract human labor**

In terms of the explanation of economic social forms, the scientific representation in *Capital* begins with the analysis of the most abstract, general economic social relation,

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<sup>19</sup> Ansgar Knolle-Grothusen: The Connection between Money Functions and Money Forms in "Capital". In: Ansgar Knolle-Grothusen, Stephan Krüger, Dieter Wolf. "Money commodity, money and currency. Foundations for the solution of the problem of the money commodity." Argumentverlag Hamburg, October 2009, ISBN - 978-3-88619-345-5 (262 pages, [D]) The book is out of print. However, the article in question is available online at [www.dieterwolf.net](http://www.dieterwolf.net).

which consists of the exchange relation of use-values. This beginning of scientific representation, as the beginning of the explanation of value, is directed, like the entire scientific representation in *Capital*, according to the method of ascending from the abstract to the concrete, with which is avoided to become entangled in a circular argument in the explanation of the economic social forms. The last of the abstractions necessary for the descent from the concrete to the abstract for the explanation of value, which was above explained in detail, consists of the abstraction from the exchange relation of commodities or from the value of commodities. *With this necessary scientific abstraction, one encounters the exchange relation of use values i.e. the exchange relation of commodities from the aspect that these are use-values.* The difficult task that Marx now has to overcome is to explain the commodity by explaining value and the historically socially form-determined abstract human labor, both not yet being present, so that an enmeshment in a circular argument is avoided from the outset.

In the analysis of the exchange relationship of use values not the absent historically specific social value is it, which is first "mentally identified" by a scholarly observer but the ahistorically generally valid "common third", for which it turns out that it consists of the ahistorically generally valid properties of the use values and the concretely useful labor, of being a labor product par excellence or equal human labor. It is explained how the not yet present value comes into being, when each of the ahistorically valid properties additionally receive the social meaning of a historically specific social form. In other words: It must not be forgotten that the value is not only a simple ahistorically generally valid property of the use values, but a property which has become additionally, caused by the exchange relation of the use values, a historically specific social form. This must be borne in mind when speaking of the transformation of a general quality into a specific, socially general form. One has to avoid the false impression that it is about a mystical transubstantiation.

If one encounters the "common third" then it is not yet the value that should have been already present and explained in order to be able to discover it. Value and socially form-determined abstract human labor are explained by explaining how they arise in the exchange relation of use values analyzed by Marx. This exchange relation of use values alone explains the fact that the "common third" i.e. the historically universal properties forming it are each converted into a historically and socially specific form.

This way in which value and the socially form-determined equal human labor emerge in the process of their explanation has nothing to do with the way in which both economically social forms are created in capitalist production. The historically socially specific form of production consists of the processual double-character of labor- and value formation process, i.e. of the further developed form of the double character of the simple commodity. The simple commodity and its respectively simple double-character have been explained on the level of abstraction of the simple commodity circulation being the "abstract sphere" of capital.

In what follows, we are concerned in particular with the path Marx took in explaining the value and the equal human labor as a historically specific social form of the different concrete useful labors. The first stage of this path leads on page 52, MEW 23, from the "common third" of the various use-values to the property of use-values to be a product of labor and to the property of concretely useful labor to be abstract human labor. The second stage, which begins with the last seven-line long paragraph on page 52, leads to the "residuum of the products of labor", i.e. leads, how Marx asserts, to the value, which is described metaphorically as a „Gallerte” (Gelatin-like substance) as a "ghostly objectivity” which corresponds to a ghostly- abstract human labor in which all differences between the concrete useful labors are extinguished.

The path finally ends with the characterization of an abstract human labor as the "*communal*<sup>20</sup> substance" of value, which, like the "Gallerte" is supposed to be a ghostly objectivity or a phantom-like objectivity consisting of a "crystal". Marx, after starting from the exchange relation of use values in a scientifically correct way, nevertheless speaks of the exchange relation of commodities, i.e. of commodities that are only concerned with their use values, with whose exchange relation it still has to be explained what a commodity is in the first place. *This is scientifically correct, if one takes into account that he first considers the exchange relation of commodities only from the point of view that they are use values.*

That it is about the exchange relation as a "relation of equality", in which completely different use values are equated and hence it is about the solution of the problem of their equality, is expressed in the following text passage introducing the exchange relation. "The exchange value appears at first as the quantitative relation, the proportion in which use-values of one kind are exchanged for use-values of another kind,<sup>21</sup> a relation that constantly changes with time and place. Exchange value therefore appears to be something accidental and purely relative, an exchange value (*valeur intrinsèque*) intrinsic to the commodity, thus *a contradictio in adjecto*.<sup>22</sup> "(A)n intrinsic value, i.e. an exchange-value that is inseparably connected with the commodity, inherent in it, seems a *contradiction in terms*.<sup>23</sup> Let us consider the matter more closely."

Marx gives out the exchange relation of use-values as exchange-value, whereby one cannot know more than that the quantity of one use-value is equated with the quantity of another use-value, the second quantity of the use-value being the exchange-value of the first. It is necessary to reflect on the fact that Marx intends to explain value and socially

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<sup>20</sup> For the importance of the difference between common and communal, see below section V. ff.

<sup>21</sup> "Value consists in the relation of exchange which exists between one thing and another, between the quantity of one product and that of another." (Le Trosne, "De l'Intérêt Social", [in] "Physiocrates", éd. Daire, Paris 1846, p. 889.) Italics- D.W.

<sup>22</sup> MEW 23, p. 50ff.

<sup>23</sup> " ' Nothing can have an intrinsick value ' (N. Barbon, op. cit., p. 6) ; or as Butler says: ' The value of a thing Is just as much as it will bring!.' MEW 23, p. 50ff. Footnote Nr. 7.

form-determined equal human labor without presupposing them as already explained, i.e. without applying to their explanation what could already be known about them. He does not presuppose value and socially form-determined labor as already explained economic social forms when he begins to explain them with the analysis of the exchange relation of use values.

What an exchange value is in contrast to the value, Marx explains only in the third subsection of the first chapter in the analysis of the exchange relation of commodities, which were already explained in the first subsection. One knows from them what they respectively are as use-value and value. In contrast to use-value, value is something "purely social."<sup>24</sup> Starting from this, Marx explains in the third subsection that all forms of the value being exchange values are manifestations<sup>25</sup> of the value. "If, however, we bear in mind that the value of commodities has a purely social reality, and that they acquire this reality only in so far as they are expressions or embodiments of one identical social substance, viz., human labour, it follows as a matter of course, that value can only manifest itself in the social relation of commodity to commodity."<sup>26</sup>

This statement could give the false impression that value is only something purely social because it is the objectification of socially form-determined human labor. Both, the latter and value, whose difference and connection are at stake in their respective explanation, are each something purely social. What is about the scientific not acceptable speech of a temporal ongoing processual abstract human labor and its "embodiment", its "objectification" or its "expression" will be shown below.

In the first subsection, which deals with the explanation of value and not with the explanation of exchange value, the problem already posed above must first be solved as to how it is possible that use values that are completely different from each other are actually equated in their exchange relation, which consists of a social relation of equality. Marx calls the still to be discovered equality of the different use values, the "common third", the "immanent exchange value (valeur intrinsèque)". But the "common third" which is still not explained has first nothing to do with the value and the exchange value. For the way in which Marx explains value and socially form-determined human labor, it is therefore important to note the following about the "common third": The "common third" or the equal of the different use-values is indeed a precondition for value. But it is not yet the value, let alone the exchange value to be explained with it. It is reserved not alone for the representatives of the NML<sup>27</sup> mistakenly to assume that this equal or the "common third" of different use-values owes its existence to money, of which they do not seem to know in what way it is a manifestation of value.<sup>28</sup>

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<sup>24</sup> MEW 23. P. 71.

<sup>25</sup> i.e. appearance form.

<sup>26</sup> MEW 23. P. 62.

<sup>27</sup> "New Marx Reading"

<sup>28</sup> [http://www.dieterwolf.net/pdf/Geldware\\_Dieter\\_Wolf\\_Gesellschaftliche\\_Praxis.pdf](http://www.dieterwolf.net/pdf/Geldware_Dieter_Wolf_Gesellschaftliche_Praxis.pdf)

In the exchange relationship, the various use values and the concretely useful labors that produces them are equated in the respect in which they are actually the same, independently of the exchange relationship, namely in their property of being a labor product and equal human labor respectively. The equal or "common third" is thus something that exists historically generally valid independently of the exchange relationship of use values and commodities, i.e. that exists independently of value, of socially form-determined human labor, of money, of capital, wherever people produce use values for the sake of reproducing their lives in relation to each other and to nature. If one has come across the "common third" of the different use-values within the exchange relationship, then the fear that the equating of the different use values is a "contradictio in adjecto" or "contradiction in terms" is eliminated.<sup>29</sup> In the exchange relationship, the various use values and the concretely useful labors that produces them are equated in the respect in which they are really the same, independently of the exchange relationship, namely in their property of being respectively labor product and equal human labor.

First of all, it can be stated that the abstraction made by Marx or someone else is basically a paraphrase of the equating, which, in contrast to the abstraction, really exists in real terms in the exchange relation. The exchange relation, as a social "relation of equality" cannot create the "common third" or the equal of the different use values. The exchange relation can only equate the use values in that respect in which these are really equal to each other outside of any exchange relation since time immemorial, namely as labor products, i.e. in their property of being a labor product. The fact that this abstraction, as misplaced as it is superfluous, made by the scientist Marx, is capable of misleading the reader and has fatal consequences for Marx's own explanation of value, will be dealt with later.<sup>30</sup>

To sum up, it is scientifically necessary to interpret the equating, which, unlike all kinds of abstraction, really exists in the exchange relation of use-values, in the sense of a

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<sup>29</sup> Chris Arthur does not see that the "common third" has nothing to do with his obscure "common *thing*". Therefore he assumes correspondingly that it is evidently nonsense to give to a "common third" being a "common *thing*" any importance for the explanation of the value. He pays no attention to the passages in which Marx explains that the "common third" consists of *the transhistorical generally valid properties* of the various use-values and the various useful labors respectively being a product of human labor and the abstract equal labor. Reading the respective sentences in *Capital* not knowing what the common third really is i.e. not knowing that it consists of the transhistorical generally valid properties than arises the false impression the common third is in an irrational mystical way a thing like the use values. Arthur reveals himself to be a representative of the monetary theory of value. He gets entangled in a vicious circle (circular reasoning) and explains the value with money instead of explaining the money with the value. A more detailed critic of the monetary theory of values is already given above on page 11ff.

<sup>30</sup> It is assumed by interpreters of capital, for example, that the abstraction that is supposed to lead to value takes place in people's heads, or that, in contrast, there is a *real abstraction* ("Realabstraktion"). (H. Reichelt, M. Heinrich). The one is as wrong as the other.

"determinatio est negatio" freed from all metaphysical presuppositions.<sup>31</sup> For the equating in the exchange relation of use-values, what is meant by this dictum "Omnis determinatio est negatio" is true: every determination is a negation. In the exchange relation as a relation of equality, what matters is that there is an equal (property of being a labor product) (determinatio) and not that there is an unequal (use value) (negatio). The equating is one-sidedly linearly oriented towards the objectively real existing equal.

Neither the abstraction made by Marx himself and on behalf of the reader, nor the non-existent "real abstraction", brought into play by Sohn Rethel, is compatible with Marx's scientifically correct previously presented equating of the different use values in the exchange relation. Having demonstrated the equal or the "common third" of the various utility values as their property of being a product of labor, Marx deduces from this property the property of concretely useful labors being respectively human labor par excellence. Within the historically socially specific exchange relation of use values, Marx encounters these historically non-specific generally valid properties, which make up the "common third".

With the abstraction made by Marx himself one should always bear in mind, that it is a description of the equating in the very specific sense in which there is in fact an equating existing independently of every abstraction made by Marx or someone else. That different concrete use values as products of different concrete useful labors have in common to be a product of human labor and that different concrete useful labors have in common to be a human labor are facts, which self-evidently exist independently of every kind of exchange relations.

Up to the differentiation of the "equal" or the "common third" into the two historically generally valid properties, Marx followed a scientifically correct path, which is basically characterized by the avoidance of a circular argument. It is incomprehensible and astonishing that, after this scientific achievement, he ignores the fact that these characteristics are not yet economically social forms, i. e. not yet value and not yet socially form-determined abstract human labor. In Section IV and specially in section V is explained by means of a recourse to the specifically historically social exchange relationship of use-values all what makes up for what Marx had omitted. Independently of Marx' false speculations, he makes in the last paragraph on page 52 (MEW 23), it is explicitly explained in a rational scientific manner why the historically generally valid properties forming the historically generally valid common third each becomes a specifically historically social form.

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<sup>31</sup> Dieter Wolf, Die "Bewegungsformen" des "absoluten Geistes" als Lösungsbewegungen des dialektischen Widerspruchs zwischen "Natur" und "Geist" und die "Bewegungsformen" des Kapitals als Lösungsbewegungen des dialektischen Widerspruchs zwischen Gebrauchswert und Wert. Idealist Dialectics - Materialist Dialectics. A contribution to the interpretation of Marx's Capital: A.2.2.2 Excursus: Scientific Abstraction and Real Equating in the Exchange Relationship of Use Values or Commodities. ("On the Beginning of Science in Marx's "Capital", on the Dialectic of Value Forms, on the Relationship of Materialist to Idealist Dialectics, on Theodor Adorno's Theory of Knowledge, etc.) Available online at: [www.dieterwolf.net](http://www.dieterwolf.net)

## IV.2 Remarks on Marx's flight into an inadequate explanation of value and socially form-determined human labor, in which he is dependent on the use of metaphors

Starting the explanation of the value and the social form-determined labor with the analysis of the exchange relation of use values, Marx takes into account the scientific criterion of avoiding a circular reasoning. After having discovered that the labor product and the abstract human labor each being a property of the use values or of the concrete useful labors, it is therefore necessary to cognize first, that each of this property in principle is a ahistorical valid property which is not has become a historical specific social form.

The Reasoning for the historically generally valid properties becoming the historically socially specific form of value or respectively the historically socially specific form of abstract human labor is not given by Marx. Instead of a necessary reasoning he continues using metaphorically descriptions: "Let us now consider the residuum of the products of labor. There is nothing left of them but the same ghostly phantom-like objectivity, a mere jelly-like lump of indiscriminately human labor, i.e. "the expenditure of human labor-power without regard to the form of its expenditure. These things only represent the fact that human labor power is spent in their production, that human labor is accumulated. (...) As crystals of this substance common to them, they are values - commodity values."<sup>32</sup>

The "residuum" or what remains of the "common third" is, as Marx explicitly stated, the property of the various use values of being a labor product, which is of course invisible, sensually imperceptible. Marx metaphorically circumscribes the "residuum" with "ghostly phantom-like objectivity" and a "mere jelly-like lump". With this he turns away from the use-value being as product of labor a simple property from which he makes with his metaphorical paraphrases an artificially generated independent product of labor par excellence. In contrast, for the simple property of use-value, suffices to state: "It is no longer a table, a house, a piece of yarn or any other useful thing. All its sensuous characteristics are extinguished. Nor is it any longer the product of the labour of the joiner, the mason or the spinner, or of any other particular kind of productive labour."<sup>33</sup> Accordingly, for the *property of abstract human labor* it is sufficient to state: "With the disappearance of the useful character of the products of labour, the useful character of the kinds of labour embodied in them also disappears; this in turn entails the disappearance of the different concrete forms of labour. They can no longer be distinguished, but are all together reduced to the same kind of labour, human

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<sup>32</sup> MEW 23, p. 52 Mega II/10, p. 40

<sup>33</sup> Ibid.

labour in the abstract (...) i.e. the "expenditure of human labor-power without regard to the form of its expenditure."<sup>34</sup>

The property of the labor product, after the "ghostly phantom-like objectivity", is replaced by the metaphor „Gallerte“, which Marx associates with the property of abstract human labor. That's why he can say that the property of being a labor product is about the "Gallerte" of indiscriminately human labor". He does not explain the important fact that what matters is that these "things" i.e. the use-values "only represent (that) human labor-power is expended (...) in their production", let alone, that he explains why the both properties acquire a historically specific social meaning through the historically specific social exchange relation of use-values. Instead, continuing his metaphorical game of hide-and-seek, he speaks of abstract human labor being "heaped up" in these "things". With this false associations creating metaphorical speech of the "heaping up" of abstract human labor, Marx refers to the "ghostly phantom-like objectivity", to the „jelly-like lump“ and to the "crystal" invoked in the next sentence. Analogous to what he has already said about the „jelly-like lump“, he states about the "crystal": "As crystals of this substance (the property of abstract human labor) which is communally theirs, they are values - commodity values."<sup>35</sup>

*This „Gallerte“ or “ghostly phantom-like objectivity and this "crystal" are as little historically socially specific as the historically generally valid properties of the use values and of the concretely useful labors are of being a labor product or an abstract human labor.* It is at stake here is also the general property of human labor, which Marx calls "indiscriminate human labor", or the "expenditure of human labor-power without regard to the form of its expenditure."<sup>36</sup> Consequently, it is not a question of someone being in the process of actually setting all the capacities or potentials of human labor power in motion for changing or transforming nature by means of productive measures or activities for the purpose of getting a concretely useful thing.

In the sense of the "general property of human labor", only the facticity that human labor power is spent is meant. Marx expressed this facticity in the sense of the historically generally property with the words: "These things only represent that in their production human labor power is spent, human labor is accumulated."<sup>37</sup> The property of use-values to be labor-products becomes the historically socially specific form of use-values. For this property it is likewise very important that in the sense of the pure simple facticity use-values or the "things" "only represent, that in their production human labor-power is expended."<sup>38</sup> Why Marx's sentence, specified in this way, is of fundamental

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<sup>34</sup> Ibid.

<sup>35</sup> Ibid. „Als Kristalle dieser ihnen *gemeinschaftlichen* Substanz sind sie Werte - Warenwerte.“ Ibid. Italic. D.W. „As crystals of this substance *communally* they are values - commodity values. Italic. D.W.

<sup>36</sup> Ibid.

<sup>37</sup> MEW 23, p. 52, MEGA II/6, p. 72.

<sup>38</sup> Ibid.

importance for the understanding of historically socially form-determined abstract human labor, apart from the misleading metaphorical paraphrase "heaped up", which is related to the "jelly-like lump", will be treated in detail in section IV and V.<sup>39</sup>

From the necessary connection between the two aforementioned properties, Marx makes the so self-evidently appearing speech of value as objectified equal human labor or of a value-objectivity. At the level of knowledge reached before the last paragraph on page 52, the talk of the objectivity of value assumes that the property of "equal indiscriminate human labor" is "objectified" in the property of use values to be a product of labor. This historically generally valid socially unspecific property of concretely useful labor, of being equal human labor, is supposed to be value solely through its mysterious irrational objectification, which then, in addition, just as little as the historically generally valid property can be something specifically historical-social.

Instead of giving the necessary rational explanation for the transformation of the historically generally valid properties into historically socially specific forms, Marx takes refuge in an inadequate scientifically not acceptable explanation of value and socially form-determined human labor, in which he is dependent on the use of metaphors. It is correct to say that use-value and concretely useful labor only count as something specifically social in the sense that they possess the properties of being a product of labor par excellence, or human labor par excellence. However, it is necessary to explain why these historically generally valid properties are the historically socially form of use-value or of the wealth existing in use-values and the historically socially form of concretely useful labors.

Marx falls behind the inference from the property of being labor product to the property of being abstract human labor, i.e. behind the way of mediating the two properties given with the inference. By this is meant: Marx should first have explained why the general properties of being labor product and equal human labor are respectively transformed into value and socially form-determined equal human labor. Necessarily one came across equal human labor as the historically societal specific form of concretely useful labors through the conclusion from value as the socially form-determined labor-product. In this way, value and socially form-determined human labor belong together with inner necessity.

Since there is no embodiment or objectification of the socially-form-determined abstract labor in a value being an obscure gelatinous lump, it is wrong to assume that the

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<sup>39</sup> See also: Dieter Wolf, „Misinterpretations of Marx's account in Capital and how Marx could have avoided them. On the interpretation of fundamental facts in the first chapters of Marx's Capital." "Also, the deceptive evidence of metaphors would have to be distrusted" 10.10. 2012 (Date last modified: ( 25.07.2018) Accessible online: [www.dieterwolf.net](http://www.dieterwolf.net) Section Article". "The "forms of movement" of the "absolute spirit" as solution movements of the dialectical contradiction between "nature" and "spirit" and the "forms of movement" of capital as solution movements of the dialectical contradiction between use value and value. On the scientific character of Marx's Capital, taking into account the relation of materialist to idealist dialectics. Accessible online: [www.dieterwolf.net](http://www.dieterwolf.net) Article section

socially-formed abstract labor is the "social substance" of values." In the manner explained above, however there is an inner necessary connection between both economic-social forms and the use value, which is whatever way a kind of embodiment, an objectification. The two economic-social forms are in each case nothing more than a socially form-determined property of use values or of concretely useful labors.

Marx unfortunately believes he must metaphorically describe value in terms of the ghostly phantom-like objectivity or jelly-like lump of abstract equal indiscriminate human labor, rather than scientifically rationally explaining it in prosaic language. It must be questioned why he has failed to use what he has himself made available to him before digressing into the realm of metaphors, where he explains the economical- social forms in an irrational mystical way. He doesn't ask the question why the historically generally valid properties of labor product and equal indiscriminate human labor are transformed respectively into the historically socially specific value and into the historically socially specific form of concretely useful labor.

It is not equal human labor, hitherto in Marx' explanations known only as the historically generally valid general property of concretely useful labor, but only equal human labor explained as the historically socially specific form of concretely useful labor, that can be meant when someone like Marx states that it is the "communal", i.e. specifically "social substance of values".<sup>40</sup>

#### **IV. 3 On the role played by equating and "abstractions" in the analysis of the exchange relation of use values. Reasoning of Marx's irrational explanation of value and socially form-determined abstract human labor, which relies on metaphors, in the last paragraph of page 52, (MEW 23).**

In Marx's principally scientifically correct foundation of the rational explanation of value in the "first stage" of the first subsection, there is nevertheless a circumstance that prevented him from drawing the correct consequences resulting from this foundation. This circumstance consists of nothing else than the abstractions made by Marx himself, which one could believe were only intended to illustrate or make clear the equating of the different use values given by the exchange relation itself. The general properties of use values and concretely useful labors forming the "common third" of the different use-values are the historically generally valid conditions for transforming these general properties each into a historical economically socially specific form by the historical economically socially specific exchange relation of the different use values. It will be explained in detail in the next section that the value and the socially form-determined abstract human labor must be explained in terms of what the exchange relation is more than a social relation of equality determined by the equating of the various use-values.

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<sup>40</sup> Marx describes this metaphorically as follows: "As crystals of this substance common to them, they are values - commodity values".(MEGA2 II.6. P. 40.)

To explain what within the exchange relation what is meant by equating and the historically generally valid "common something" are in detail is the task that is solved in the text passages on page 52 that are designated as the first stage and ends before the last seven lines long paragraph.

If a mental reproduction of equating is undertaken in the analysis of the exchange relationship of use values, then it is essential with which "means of thought" or with which operations undertaken in thought an attempt is made to do justice to it. These operations refer to abstraction: "Abstraction also refers to an operation of thought that "subtracts" general properties from concrete objects of reality (such as this tree here, that tree there, etc.) and forms general concepts from them (such as the genus: tree)."<sup>41</sup> First, Marx gets involved with what objectively takes place in the exchange relation of use values with regard to their equating: This includes the discovery, which prevents a "contradictio in adjecto": There is namely in fact a "common third" i.e. something equal of the various use-values. This "common third item", which is historically generally valid, must not, as is commonly the case, be confused with the value that has yet to be explained.<sup>42</sup>

With regard to this "common third", which is essential for the objectively given act of equating, Marx states, among other things: "Let us further take two commodities, e.g. wheat and iron. Whatever their exchange ratio, it can always be represented in an equation in which a given quantum of wheat is equated with some quantum of iron, e.g. 1 quart of wheat = a pint of iron. What does this equation say? That a common thing of the same size exists in two different things, in 1 quart of wheat and also in a center of iron. Both are therefore equal to a third thing, which in itself is neither the one nor the other. Each of the two, in so far it is exchange value<sup>43</sup>, must therefore be reducible to this third."<sup>44</sup> Marx then moves from equating to abstraction made by himself: "On the other hand, it is precisely the abstraction from their use values that evidently characterizes the exchange relation of commodities.<sup>45</sup> Within it, a use-value is just as valid as any other, if it is only present in the proper proportion."<sup>46</sup>

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<sup>41</sup> <https://de.wikipedia.org/wiki/Abstraktion>

<sup>42</sup> See in detail in the excursus on Stephan Krüger. Dieter Wolf: Zu Stephan Krügers Erklärung des Anfangs der Wissenschaft, des Werts, der gesellschaftlich formbestimmten abstrakt menschlichen Arbeit und der Ware in dem von ihm in der Zeitschrift „Z.“ verfassten Kommentar zu dem Artikel von Barbara Lietz und Winfried Schwarz: „Wert, Austausch und Neue Marx-Lektüre“  
[Als PDF : Stephan Krüger: Anfang der Wissenschaft, Wert, gesellschaftlich formbestimmte abstrakt menschliche Arbeit, Ware / www.dieterwolf.net](#) unter „Artikel“.

<sup>43</sup> In speaking of exchange value, one does not leave the level of the exchange relation of use values. Exchange value is and remains in the first stage of the first subsection no more than what it appears, namely as a "quantitative *relation of use values*".

<sup>44</sup> MEW 23, p. 51.

<sup>45</sup> It should be pointed out that it is scientifically completely wrong to speak here, as is commonly done, of the exchange relationship of commodities of which one cannot yet know what they are at all. They must be explained by something in which they themselves do not yet appear, because only then can one avoid becoming entangled in an erroneous circle when explaining them. One is

When Marx speaks of the "abstraction of use values" that seemingly characterizes the exchange relation of use values, this is commonly understood as if an abstraction actually takes place within the exchange relation. This is fundamentally wrong when measured against what actually takes place within the exchange relation. It is without any doubt in fact a real and rational explainable act of equation, which, in contrast to all abstractions made by Marx or someone else, takes place within the exchange relation.

There is no abstraction within the exchange relation of use-values, not even Sohn Rethels "real-abstraction" one endows with the mystical irrational capacity to create not only the historically generally valid "common third" as the condition sine qua non for the act of equating in the exchange relation of use-values but also the value and the social determined abstract human labor themselves.

There is no abstraction within the exchange relation of use-values, also not Sohn Rethels "real-abstraction" one endows with the mystical irrational capacity to create not only the historically generally valid "common third" but also the value and the social form-determined abstract human labor.

If this equal or this common third would not be already present outside the exchange relation, then no equating could take place within the exchange relation either. The common third, the same, is composed, as has already been shown, of the respective historically generally valid properties of the use-values and of the concretely useful labors, to be a product of labor and to be equal human labor respectively. The various use-values are equated in the exchange relation in the respect in which they are already equal among themselves even without the exchange relation.

Ever since humans exist the use-values are products of labor or possess the general property of being a product of labor. To prove this there is no need for an exchange relation of use-values or commodities. It is indeed a mystically irrational speculation to assume that a social exchange relation would be able to create the "common third" or the "equal" of the different use-values. We will in the following see, that the exchange relation owns the capacity to give to the historically generally valid properties a historically socially specific meaning i.e. to transform them into a historically socially specific form.

If Marx describes or characterizes the exchange relation by means of the abstraction from the concrete useful properties of the use-values", then this is an illustration made by the scientific observer of something which exists objectively independently of his abstraction. That every use-value is a labor-product is established and proven independently of an exchange relation of use-values to each other. Use-values comes

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therefore first dealing with the exchange relation of use values, which is an exchange relation of commodities in the respect in which these are use values. Even though Marx himself speaks of commodities, the "first stage" that ends before the last paragraph on page 52 (MEW 23) proves that it is the exchange relation of use values with which Marx creates the scientifically correct precondition for explaining value and socially form-determined labor.

<sup>46</sup> MEW 23, p. 51.

namely into being when people by means of labor produce something that possesses properties that satisfy their needs. People can only consume the use-values, if they first have carried out a nature transforming labor.<sup>47</sup>

With the abstraction carried out by the scientific observer in thought, one also encounters the "common third", i.e. the equal, which is the condition for the equating, that takes place in the exchange relationship in real and objective terms. This also means, however, that there is a redundancy here that has already been described: Namely by using the ideal act of abstraction one encounters likewise the "common something" or the equating. Instead of exploring what the equating is in detail, Marx unexpectedly switches to the independent abstractions, which are replacing the equating. This leads, as will be shown, to the fact that essential particularities that are to be grasped by means of the equating cannot be grasped by the abstractions. Serious misunderstandings arise as a result, which have fatal consequences for the explanation of the value and the socially form-determined abstract human labor. It is extremely important that the abstractions are meaningful and not carried out arbitrarily. In the following, it is also important to avoid that they replace the equating and became by this independent. It is then impossible that the events in the exchange relationship of use values that are to be explained on the basis of equating are perceived. All events determined by the equating which has been lost from view will be examined in more detail in the following section V. They are as essential as indispensable for the explanation of the value and the socially form-determined abstract human labor.

The equating of the various use values that actually exists in the exchange relationship must be understood, independently of any abstraction in the sense of the already explained "omnis determinatio est negatio", as a linear process directed towards the actually existing equal. In the exchange relation, as a social relation of equality, there is an equating of the different use-values only in the one respect in which they are already i.e. independent of every exchange relations equal among themselves as labor products.

Marx encounters the common third or the equal before he confines himself to the abstractions he himself has carried out, which, measured against the equating actually existing in the exchange relation, have only an illustrative character serving to clarify. Regarding to the actually existing "common third" of the different use-values, Marx illustrates with the abstractions all that what already was explainable without these abstractions and all that what in the following will be explainable without them. That which automatically arises with what is meant by "negatio" in Spinoza's dictum "omnis determinatio est negatio" can be clarified with the abstractions made by Marx.

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<sup>47</sup> Breathing in air is not a process consisting of labor, but it is also not a specifically human process, but a vital process for all non-human living beings. Apart from the fact that it is a matter of explaining a human society, capitalist society is characterized by the fact that in order to consume use values, their exchange must first take place. When "Berlin air" is sold in cans, the labor expended consists of producing the cans.

The most important of these is: "If we now disregard in the sense of "negatio" the use-value of commodity, then only one property remains to them, that of labor products". The equating in the sense of "determinatio", i.e. as a certain process, focuses on the already existing "common third". "However, the labor product is also already transformed in our hands. If we abstract from its use-value, we also abstract from the physical components and forms that make it a use-value. It is no longer a table or a house or a yarn or any other useful thing. All its sensuous qualities are extinguished."<sup>48</sup>

As a consequence of these abstractions, it is possible to make the following conclusion: Like the common attribute of use-values of being a product of labor the common attribute of different concretely useful labors, is being equal human labor. "With the useful character of the products of labor disappears the useful character of the labors represented in them, there disappears therefore also the various concrete forms of these labors, they no longer differ, but are all together reduced to equal human labor, abstract human labor."<sup>49</sup>

Marx replaces the exchange relation with his abstractions, insofar as he replaces with them the real equating of the various use-values that occurs in the exchange relation, without explicitly going into how his subjective abstractions from the concretely useful properties of use-values are connected with this real actually existing equating. Marx should have made it clear in what way the abstractions he also carried out vicariously for the readers are an aid to the description of the equating he encountered in the analysis of the exchange relation of the various use-values. Without explicitly referring to it, he *describes* with his abstractions that the various use-values and various concretely useful labors are equated in their exchange relation in the respect in which they *are in fact already the equal independent of the exchange relation and all abstractions*.

But all that is important in the explanation of the value and of the socially form-determined abstract human labor goes decisively beyond what Marx is able to grasp with the help of the abstractions from the equating that occurs in the exchange relation. Sticking one-sidedly to his abstractions, he does not come to stringently comprehend the way in which the exchange relation causes the transformation of the ahistorically generally valid properties into value or into socially form-determined abstract human labor. By evading to the abstractions, Marx has moved away himself from the equating and the exchange relation, i.e. he has lost sight of the two facts that are absolutely necessary for the explanation of value and socially form-determined labor.

Marx suddenly behaves as if he does not need equating and the exchange relation, as if he does not need to know what happens to equating in the exchange relation, as if he does not need to know that the exchange relation is more than the equating. The historically socially specific exchange relation namely has the effect that the historically

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<sup>48</sup> MEW 23, P. 52. Italic, D.W.

<sup>49</sup> Ibid.

generally valid properties of being the product of labor or of being the equal human labor, are transformed" into the value and respectively in the socially form-determined abstract human labor.

The products of labor are rationally explicable real existing objects only because they are use-values, i.e. different things or objects that possess different concretely useful properties that satisfy different needs of people. It is these use-values that possess the property common to them of being a product of labor. This is and remains correct, even if Marx no longer continues the consideration of the objectively proceeding equating that he had begun, but unnecessarily and misleadingly replaces it with his subjective abstractions. Perhaps this is also the reason why he is not aware that up to the last paragraph on page 52 (MEW 23) he has created the precondition for being able to explain the value and the socially form-determined abstract human labor in a scientifically correct way without being entangled in a circular argument or circular reasoning and without enter the terrain of inadequate irrational speculations in the last paragraph of page 52 (MEW 23).

In the last seven lines of page 52, Marx speaks of the "residue of each of these products of labor", although he had previously only stated that a product of labor is the ahistorically generally valid property of use-values and that abstract human labor is the ahistorically generally valid property of the different concrete useful labors. Marx, however, continues to move on the level of abstractions and thus continues to make them independent against the exchange relation and against that which takes place in it on the basis of equating. This means nothing other than, that the analysis of what objectively takes place in the exchange relation and is brought about by it, is transformed due to the drifting away to the abstractions undertaken by Marx, into a conceptualization undertaken by him. We do not have before us a use-value that is a labor-product, but, as a result of the concept formation conjured up by the abstractions, the concept of labor-product that becomes independent against the use-value. In his talk of the "residuum of labor products", Marx does not consider that the property of use values to be labor products is already an indissoluble residuum, namely the residuum of the historically generally valid equal or "common third". There is no residuum of the property of being a product of labor, unless one generates it in a way that is not possible in reality, by separating, as Marx is doing the property of use-values of being a product of labor from use-values and making them to an independently existing essence to which one gives the name "products of labor". Marx begins this false explanation of value with the words: "Let us now consider the residuum of the products of labor". These products of labor invoked by Marx are unfortunately no longer the use-values which possess the property of being a product of labor. Marx rather changes this property into a independently existing essence which consists of a labor product par excellence, which owes itself as a mental construct to a misguided conceptualization, the close of which inevitably is crowned with a "phantom like representational" or with a "jelly-like lump" or with a "crystal".

It is a hardly noticeable, easily overlooked step on Marx's path on which he explains the value when he concludes from the property of use values to the "labor product" and derives a noun from a property in the sense of a concept formation. In truth, however, it is a huge step, because it is a step into an inadequate unacceptable explanation of value and historically socially form-determined labor. In the exchange relation, one labor product par excellence is not equated with the other labor product par excellence, but one use-value is equated with the other use-value in that regard in which each use-value is a labor product or possesses the property of being a labor product. Here is no "phantom-like objectivity no "mystic crystallization: here is no need for a metaphorical paraphrase through which one is led into a no-man's land that does not exist in real terms and for which there is no rational scientific basis. It is not about the independent labor product par excellence, that does not exist – it is rather the general property of use-values to be a product of labor. This general property of the use-values is it, which is transformed into the historically socially specific value by the historically socially specific exchange relation.

There is nothing mysterious, nothing mystically irrational, in the fact that factors involved in a social relation acquire a social meaning that is different from them. This can be seen, for example, in language, where sounds or combinations of sounds uttered by people relating to each other have become "carriers" of social-spiritual meanings. The indissoluble residuum of the "common third" or "equal" that consists of the generally property of use values to be a labor product is, as already has been emphasized, by no means a "phantom -like representational or objectivity" or a "mystic jelly-like lump". Marx has produced these irrational mystically jelly-like lumps or crystallizations in the way above described, through changing the properties of the use values and of the concrete useful labors into independent substances, how it is typical for the Scholasticism.

In order to give a rational, scientifically correct explanation of value and the socially form-determined equal human labor, one is referred to the text passages of the previous first stage. At the end of the latter, the task arises of explaining, with the historically socially specific exchange relation of use-values, why the ahistorically generally valid properties are transformed in each case into historically socially specific form-determinations. In the second stage, i.e. in the last paragraph on page 52 (MEW 23), Marx tries in vain to explain value and socially form-determined equal human labor in a rational scientific way. This is unfortunately the case because he completely omits the knowledge acquired in the first stage of the analysis of the exchange relation of use values, simply "sweeping it under the carpet".

There could be no better proof of this than the following statement, which Marx, on the basis of his failed inadequate explanation of value in the second stage, retrospectively makes about the "common third" that he encounters in the first stage. "In the exchange relation of commodities themselves, their exchange value appeared to us as something quite independent of their use values. If we now really abstract from the use-

value of the products of labor, we obtain their value as it has just been determined."<sup>50</sup> Obviously, his memory really did leave him here, because in reality this abstraction was completely different: *"If we now disregard the use-value of the commodity bodies, only one property remains to them, that of labor products."*<sup>51</sup> The general property of use values and the general property of concretely useful labors to be abstract equal human labor form together the "common third". The two juxtaposed, contradictory propositions clearly demonstrate that Marx has destroyed the continuity of the account beginning with the first stage by failing to explain why the general properties are transformed by the historically socially specific exchange relation into the historically socially specific value on the one hand and into the historically socially specific equal human labor on the other hand.

The fact that Marx, in the first stage, established the basis for the important difference that exists between what is historically generally valid and what is historically socially specific does not generally exist for the interpreters of Capital. First, the fact that use-value is a labor product is described by saying that it is a labor product par excellence. Then one forgets that it is a property of use-values. Without knowing that it is something irrational, one acts as if the product of labor par excellence existed in strangely way just as independently and autonomously as the use-value as a product of concretely useful labor. Accordingly, if one wants to ascribe the corresponding product character to the labor product par excellence, then abstract human labor is needed as the counterpart to concretely useful labor. Analogous to concretely useful labor, which is objectified in a use value, abstract human labor is supposed to accomplish the feat of objectifying itself in an ominous ghostly labor product par excellence. This receives the representational contours of use-value by being passed off as "jelly-like lump, as "crystal", as "ghostly phantom-like objectivity or embodiment".

There is only one reasonable way to speak of the products of labor, and that is the way in which Marx concludes in the first step of the first subsection on page 52 that "only one property of the use-values remains" namely the ahistorically generally valid property to be a product of labor. If one forgets this, as is unfortunately the case for Marx himself, and if one fails to take it into account, as is scientifically required, then one generate unconsciously the afore mentioned scholastic mystically irrational independence of this general property. One separates it from the respective item and turns it into a special independent essence existing separately beside the item. If one forgets this, as is unfortunately the case for Marx himself, and if one subsequently fails to take it into account, as is scientifically required, then one generate unconsciously the afore mentioned scholastic mystically irrational independence of this general

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<sup>50</sup> Ibid. Italic - D.W.

<sup>51</sup> Ibid. Italic - D.W.

property. One solves it from the respective item and turns it into a special independent essence existing separately beside the item.

It is like in the fairy tale by Adalbert Chamisso, in which Peter Schlemihl separates the shadow of his body from it in order to sell it to the devil. The ahistorically generally valid property of use-values to be a product of labor, which can be rationally explained by the equating within the exchange relation of use values, is transformed into an equally ahistorically generally valid conceptual construct called "labor product". It is separated from the use-values of which it is the property and is taken then for Marx's phantom-like objectification, for the "jelly-like lump" or "crystal". All these unreal fantastical obscure entities, in turn, are each falsely passed off as a real existing and rational explicable "value."



Source (Goethezeitportal) and URL <http://www.goethezeitportal.de/index.php?id=6896>

The graphic shows the running Peter Schlemihl and his shadow, separated from him, running in front of him.

## **V. New explanation of value and of socially form-determined equal human labor with social recognition, without mixing the two economically-social forms with the historically generally valid conditions of their existence, and without the aid of poetic metaphors**

### **V.1 Preliminary remark**

Looking back to the analysis of the exchange relation of use-values, Marx states: "We have seen that when commodities are in the relation of exchange, their exchange-value manifests itself as something totally independent of their use-value. *But if we abstract from their use-value, there remains their value, as it has just been defined.*"

The common factor in the exchange relation, or in the exchange value of the commodity, is therefore its value." <sup>52</sup> This ahistorically generally valid "common third" which Marx here passes off as value, is the "common third", which, up to the last paragraph on page 52 (MEW 23), is composed of the labor product and abstract human labor which both are the historically generally properties of use-values and the concretely useful labors. Above it was shown, that Marx mistakenly assumed on page 53 after his disastrous failed attempt to explain the value that the historically generally property of being the product of labor is already the value.

Although these properties are not yet the value or the socially form-determined human labor, they are the necessary condition for their existence. Whoever passes off the "common third" as value right at the beginning of the presentation disregards the course of the logically systematic presentation. To avoid a vicious circle i.e. a circular argument, Marx begins the explanation of the value, the commodity, the value-forms and the money with an analysis of the exchange relation of use-values.

It goes without saying that Marx abstracts in this presentation, which continues on page 53 (MEW 23), from the manifestations of value which are explained later in the third subsection as "value form or exchange value". Although Marx starts with the analysis of the exchange relation of use-values, he unfortunately fails to explain with it explicitly the value, and the socially form-determined human labor and the commodity determined by both.

Marx remembers us in the third subsection that "commodities possess an objective character as values only in so far as they are all expressions of an identical social substance, human labour, that their objective character as values is therefore purely social. From this it follows self-evidently that it can only appear in the social relation between commodity and commodity." <sup>53</sup> It is true that value must appear as something "purely social" in a social relation consisting of the exchange relation of commodities already explained as units of use-value and value. This involves explaining why it is of fundamental meaning, that the essence of every social phenomenon is, that it has to appear. This is absolutely necessary for each living being or social phenomena and has basically nothing to do with the appearance of the value in an exchange relation. <sup>54</sup>

With what has emerged from the exchange relation of use values up to the last paragraph of page 52, the following questions have to be asked: Why does the historically generally valid property of use values, to be a product of labour, becomes a

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<sup>52</sup> MEW 23, p. 53, Penguin-Books, p.128.

<sup>53</sup> MEW 23. p. 62.

<sup>54</sup> See Dieter Wolf, Dialektik der einfachen Wertform - Die einfache Wertform als Lösungsbewegung des Dialektischen Widerspruchs zwischen dem Gebrauchswert und dem Wert der Ware: Der dialektische Widerspruch zwischen dem Gebrauchswert und dem Wert der Ware und seine Lösungsbewegung. Online available: [www.dieterwolf.net](http://www.dieterwolf.net) [Dialectics of the simple value form - The simple value form as a solution movement of the dialectical contradiction between the use value and the value of the commodity: The dialectical contradiction between the use value and the value of the commodity and its solution movement.]

value, i.e. a socially general form of wealth existing in use values? Why does the historically generally valid property of the various concretely useful labors to be the abstract equal human labor becomes the historically specific socially form of the concretely useful labors?

Before making use, as Marx did, of thoroughly well-chosen metaphors consisting of figurative comparisons, these questions must be answered rationally in prosaic language with the exchange relation of use values.

In the following, it is a matter of making clear the significance of the process of *social recognition* for the explanation of value and the socially form-determined equal human labor through the exchange relation of use values. The fact that value is the historically socially specific form of the wealth existing in use values means that this wealth is *objectively socially recognized* in the form of value (later in form of money). That socially form-determined abstract human labor is the historically socially specific form of the different concretely useful labors means that these are objectively socially recognized in the form of abstract human labor. It is thus a matter of explaining how the exchange of use - values causes the social recognition of use values and of the concretely useful labors. In order to clarify exactly what this recognition is all about, it makes sense to refer to the role of money, which is familiar to everyone. By the real purchase of a commodity whose price is already ideally anticipated in form of money, the use-value of this commodity and the concretely useful labor of which he is the product are socially recognized in form of the real existing money. The money that the seller of the commodity holds in his hands is the socially general form in which the social recognition of the use value and the concretely useful labor exists in a tangible way.

## **V.2 Different steps on the way to explain by means of social Recognition the historically socially form of the social wealth existing in the use-values and the historically socially form of the concretely useful labors**

### **V.2.1 Social recognition of use values and concretely useful labors in pre-capitalist communities**

"A thing can be use-value without being value. This is the case when its usefulness to man is not mediated by labor. Thus air, virgin soil, natural meadows, wild-growing wood, etc. A thing can be useful and the product of human labor without being a commodity. He who satisfies his own need by his product creates use-value, but not commodity. In order to produce commodities, he must not only produce use-value, but use-value for others, social use-value. {...} Finally, no thing can be value without being

an object of use. If it is useless, the labor contained in it is also useless, does not count as labor, and therefore forms no value." <sup>55</sup>

In the curly brackets is the following addition by Friedrich Engels: "And not only for others par excellence. The medieval peasant produced the grain of interest for the feudal lord, the grain of tithes ('Zehntkorn') for the priest. But neither the grain of interest nor the tithes ('Zehntkorn') became a commodity because it was produced for others. *In order to become a commodity, the product must be transferred by exchange to another, to whom it serves as a use-value.*" <sup>56</sup> As justification for his addition, Engels states: "I insert the bracketed phrase because its omission very often gave rise to the misunderstanding that every product which is consumed by someone other than the producer is considered by Marx to be a commodity. - F.E. Note on the 4th edition)" <sup>57</sup> For the problem to be discussed here, Engel's reasoning can be varied as follows: "I insert the bracketed, because by its omission very often the misunderstanding arose," the historically generally valid i.e. socially unspecific qualities to be labor product respectively to be equal human labor are already the historically socially specific value respectively the historically socially specific form-determined equal human labor.

When a use-value is consumed, by someone whose need it satisfies, then they recognize that the use-value has been produced for them by someone else and is subsequently available to them. Thus, use-value is a social use-value because it is recognized by the people for whom it was produced by someone by coming into their hands through exchange and being consumed by them.

The consumption of the use value is preceded, historically generally speaking, by the social processes that fundamentally shape and structure a community. They are about the distribution of the total social labor to the concretely useful labors and its socialization on the basis of the respective different relations of domination and servitude. For a large part of the feudal polity, the *proportional distribution of total labor to concretely useful labor* is regulated by serfdom. It is a foregone conclusion that a part of the use-values produced by the peasants must be handed over to the feudal lords and the church. The socialization of concretely useful labor in every polity is a matter of the concretely useful labor acquiring a historically specific social form, depending on the prevailing economic-social conditions, *in which it is recognized by the members of the polity as socially general*. "Finally, as soon as people work for each other in some way, their work also acquires a social form." <sup>58</sup> "Every child knows," Marx writes to Ludwig Kugelmann, "that the masses of products corresponding to different masses of need require different and quantitatively determined masses of total social labor. That this necessity of the distribution of social labor in certain proportions cannot at all be abolished by the certain form of social labor, but can only change its mode of

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<sup>55</sup> MEW 23. p. 55.

<sup>56</sup> Ibid.

<sup>57</sup> Ibid.

<sup>58</sup> MEW23, p. 85f., MEGA II/10, p. 71

appearance, is self-evident. Natural laws<sup>59</sup> cannot be abolished at all. What can change in historically different states is only the form in which those laws assert themselves." <sup>60</sup> If "this proportional distribution of labor" asserts itself "in a state of society" consisting of a non-capitalist polity, then "the context of social labor", which is about the socialization of concretely useful labor, is a priori structured and organized in such a way that the specifically socially general form of concretely useful labor consists of itself or of its "natural form". In order to be *socially recognized*, they do not have to take on a form that is different from themselves, i.e. they do not have to take on the *historically socially specific form* of the value, the money, and so on.

### V.2.2 Proportional distribution of total labor and socialization of concretely useful labors in the capitalist community

What is presented here with regard to the capitalist polity only serves to draw attention to the fundamental difference between the non-capitalist and the capitalist polity from the perspective of society as a whole.

On the proportional distribution of total labor and the socialization of concretely useful labor in the capitalist polity, Marx writes: "And the form in which this proportional distribution of labor asserts itself in a state of society in which the coherence of social labor asserts itself as the private exchange of the individual products of labor is precisely the exchange value of these products" (Wert).<sup>61</sup> At the same time, the specifically socially general form of concretely useful labor consists of its property of being abstract human labor. The way in which use-value is made available to its consumers is what constitutes its sociality determined by the realization of exchange relations.

In the capitalist polity there is a social division of labor "of independently operated private labor. The complex of these *private labors* forms the social total labor." <sup>62</sup> The social context, which decides on distribution and socialization, is *subsequently* i.e. later *established* through the exchange of commodities. Of course, the naturalistically constantly a posteriori generating social mechanism<sup>63</sup> also includes production, insofar as its social character is determined by forms of value that are more developed than within the simple circulation of commodities. This naturalistic a posteriori-recognition is the counterpart to the social recognition that is determined from the outset by the special social structure of a higher developed non-capitalist polity. In the capitalist process of total reproduction, exchange relations mediate the proportional distribution of total labor

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<sup>59</sup> Social laws applicable to all communities.

<sup>60</sup> Letter to Kugelmann in Hanover London, 11. July 1868 MEW 32, p. 552ff.

<sup>61</sup> Ibid. p 553.

<sup>62</sup> MEGA<sup>2</sup> II.6, p. 40 ("Additions and modifications.")

<sup>63</sup> Aa nauralsitic constantly ex post emerging and reproducing adaptation - and compatibilty mechanism.

time among concretely useful labors. It is the relations of exchange which, at the same time as the generally prevailing circulation of commodities, determine the socialization of use-values and concretely useful labor, from which their respective socially generally forms - value, abstract equal human labor etc. consists.

As was explained above, in the non-capitalist polity, concretely useful labor is socially recognized from the outset through a specially structured social context. In the generally prevailing commodity circulation of a capitalist polity, the use values are each socially recognized as value and the concretely useful labors are each socially recognized as social form-determined human labor through exchange and the exchange relations belonging to it. This paraphrases the passage from Marx quoted above, which says: "And the form in which this proportional distribution of labor asserts itself in a state of society in which the connection of social labor asserts itself as the private exchange of the individual products of labor is precisely the exchange value of these products." (Value) In the circuit of capital, which determines and structures capitalist total reproduction, the commodities present in capitalist commodity circulation, constantly emerge from the capitalist production as a processual unit of labor- and value forming process. Consequently, only in the circuit of capital are there daily acts of exchange following production. But in the simple circulation of commodities, which is initially presented in the first three chapters of *Capital* as the "abstract sphere of capital" the exchange relations doesn't follow the production.

### **V.2.3 The recognition of people as owners of commodities and money - legal relations**

There is a social recognition that is conditioned by the exchange relationship of use values or commodities, but at the same time takes place outside of it between people as owners of use values or commodities. In the course of exchange, they mutually recognize each other as human beings who are at the same time owners of use values or commodities. This relationship between people, which is conditioned by the exchange relationship and in which they are forced to recognize each other, is a legal relationship that, accordingly to the level of abstraction of the first two chapters, of capital vol. one is as abstractly general as the exchange relationship of use values or commodities.

Because of his insufficient understanding of economic social forms, Hegel establishes a connection between legal relations and economic social relations, mixing them together. He dissolves what he perceives of the economic-social relations and economic-social forms into spiritual relations and spiritual forms, so that exchange as the practiced handover of commodities is only the sensually perceptible outside of the spiritual movements in which people mutually recognize themselves as self-consciousnesses. For Hegel, the spiritual movement of people recognizing each other, which is caused by the exchange relations, is determined by legal relations depending on the fact that the absolute spirit created the exchange of use values or commodities on one of its stages of

development in order to force people to recognize themselves as consciousnesses by means of which they became further developed self-consciousnesses.

Already in the second chapter being the counterpart to the first chapter, Marx deals with the connection between economic social relationships and legal relationships. "Commodities cannot go to market themselves and cannot exchange themselves. We must therefore look around for their guardians, the owners of commodities. Commodities are things and therefore unresisting to man. If they are not willing, he can use force, in other words, take them."<sup>64</sup> In order to relate these things to each other as commodities, the keepers of commodities must relate to each other as persons whose will resides in those things, so that one only with the will of the other, thus each only by means of an act of will common to both, appropriates the foreign commodity by alienating his own. They must therefore recognize each other as private owners. This legal relationship, whose form is the contract, whether legally developed or not, is a relationship of will, in which the economic relationship is reflected. The content of this legal or volitional relationship is given by the economic relationship itself. The persons exist here only for each other as representatives of commodities and therefore as owners of commodities. In the course of development we will find that the economic character masks of the persons are only the personifications of the economic relations as whose bearers they confront each other."<sup>65</sup>

When Marx in the second chapter of *Capital*, says of the "commodity owners" that they must "mutually recognize each other as private owners", it must be asked why what is at stake in this recognition is given by "the economic relation itself". This concerns the recognition of private labor in the specifically social form of equal human labor and of use-values in the social form of value, to be explained below.

Without knowing what money is as a historically specific economic social form, which Marx explains in the first two chapters of *Capital*, money plays its different roles in commodity circulation for people "visible before everyone's eyes". When money is used to buy the price-determined commodities, it is obvious that social recognition is involved in two ways. When buying and selling commodities people on the one hand mutually recognize each other as owners of commodities and money. On the other hand, the use values of the commodities or the social wealth existing in them and the concretely useful labors producing it are socially recognized in the form of money. Explaining money means to go back to the exchange relation in which it isn't yet available, but by means of which it must be explained without being entangled in a

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<sup>64</sup> In the 12th century, so called by its piety, very delicate things often appear among these goods. A French poet of the time, for example, lists among the goods found in the market of Landit, in addition to clothing, shoes, leather, farming implements, skins, etc., "femmes folles de leur corps" <"women with fiery bodies">.

<sup>65</sup> MEW 23, p. 99f.

circular reasoning. Now it is to find out what the social recognition in the simple exchange relations of use values or commodities is about in detail.

For the social recognition of use-values in the exchange mediated by money, one sees that it depends on the practical behavior, i.e. on the active realization of the exchange relations, which consists of the practical handover of the use-values. With the consumption of the use-value that satisfies one's needs, the social recognition that takes place in the exchange by means of money is completed. Money which the most developed economic- social form on the level of abstraction of simple commodity circulation as the "abstract sphere of capital" is particularly suited to being the social form with which social recognition is guaranteed, because it possesses the form of immediate exchangeability. Since it is exchangeable, as it goes and stands, for any commodity, it is the economically social form in which all use-values existing in the world of commodities are socially recognized.

The "descent from the concrete to the abstract" takes place within the overall process of social reproduction and concerning money finally within the simple circulation of commodities, so that until the last abstraction there is never an abstraction from the exchange relation of commodities or use-values. The exchange relation that is generated by the last abstractions from money and commodities is the exchange relation of use-values, which must be analyzed to explain the value, the commodity and the money. The relations of exchange, whose realization in the circulation of commodities is mediated through money, are nothing other than the developed concrete form of the abstract undeveloped simple exchange relation of use-values. Therefore, it can be anticipated in abstract general terms that - concerning the social recognition of use-value and concretely useful labors - happens within the exchange relation of use-values in the simplest abstract general way that what happens within the exchange relations mediated by money in the already explained more concrete way. With the money that "rings in the till" when buying a price-determined commodity in the supermarket or ends up online in some account, the use value of this commodity and the concretely useful labor that produces it are socially recognized.

In the case of the economically social forms which, in different ways, represent the total capitalist reproduction-process , the circuit of social total capital, the circuit of the intertwining individual capitals, it is a question of socially recognizing the wealth existing in the use values and the concretely useful labor producing this wealth. The most abstract, simplest economic-social form for which this is true is the value, which has yet to be explained, of which money, capital, etc. are each differently developed manifestations. The analysis of the exchange relationship of use values is about the explanation of this value. It is about the explanation of the most abstract, simplest economic social form in which use-value and the concretely useful labor that produces it are socially recognized. With this prognosis given from the point of view of money, the first step has already been taken in the explanation of value as something purely social, without abruptly without any reasoning to pass off the historically generally valid

"common third" as value, or as socially form-determined equal human labor, and without the fatal mistakes made by Marx in the last paragraph on page 52, MEW 23 on his mystical, irrational detours.

### **V.2.5 Value as the social form in which the use values are socially recognized in their exchange relation**

The exchange process presented in the second chapter of *Capital* and the analysis of the exchange relation of use-values in the first chapter are on the same level of abstraction in terms of the different "emergence" of value in the course of its explanation. What is the initial situation in the exchange process, in which is abstracted from value and the commodity, is the beginning of science in the first subsection of the first chapter with the exchange relation of use values, in which likewise neither value nor commodities are already present.<sup>66</sup> The exchange process represented in the second chapter begins with the realization of all exchange relations of use-values. With both chapters taken together, value, socially form-determined human labor, the commodity and the general equivalent or money, which is not qualitatively different from it, are explained. How Money dominates the simple circulation of commodities by exercising its various functions in it, is represented in the third chapter. The exchange process presented in the second chapter of *Capital* and the analysis of the exchange relation of use-values in the first chapter are on the same level of abstraction in terms of the different "emergence" of value in the course of its explanation. What is the initial situation in the exchange process, in which is abstracted from value and the commodity, corresponds exactly to the beginning of science in the first subsection of the first chapter with the exchange relation of use values, in which likewise neither value nor commodities are already present. The exchange process represented in the second chapter begins with the realization of all exchange relations of all use-values. With both chapters taken together, value, socially form-determined human labor, the commodity and the general equivalent or money, which is not qualitatively different from it, are explained. How money dominates the

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<sup>66</sup> "If we look more closely, every owner of commodities regards every foreign commodity as the special equivalent of his commodity, and his commodity therefore as the general equivalent of all other commodities. But since all owners of commodities do the same, no commodity is a general equivalent, and the commodities therefore possess no general relative form of value, in which they equate themselves as values and compare themselves as magnitudes of value. They are therefore not opposed to each other at all as commodities, but only as products or use-values." (MEW 23,p. 101. *Italics- D.W.*)

The avoidance of an erroneous circle and the analysis practically carried out by Marx starting from the "quantitative relation of use-values" prove that the talk of commodities at the beginning of the analysis of the exchange relation of use-values in the first chapter must be specified as follows: It is a question of an exchange relation of commodities, which is initially analyzed solely from the point of view in which commodities are use-values.

simple circulation of commodities by exercising its various functions in it, is represented in the third chapter of Capital Vol. I.

If no effort is made to avoid a circular argument, and if no consideration is made to the *lack of temporal succession of capitalist production and simple commodity circulation*, one is forced mistakenly to claim, the value and the socially form-determined human labor are already present before Marx starts to explain them with the exchange relation of use-values. This false opinion includes the wrong assumption the economic-social forms came not only from the capitalist production, but also they have been already fundamentally explained with it. For the exchange relation of use-values, which is fundamentally a relation of equality, the problem must first be solved that the use-values, although different from one another, are nevertheless equated. That the equating of the different use-values is not a mystically irrational process follows from the trivial indisputable fact that there is a "*common third*" or *equal* to the use-values, which consists of their general property of being a product of labor.

Just as equating is the condition for exchanging and this is the *condition for social recognition*, equating in this roundabout way is a necessary condition for social recognition. It is therefore crucial to realize why and in which way is the exchange relation as a relation of equality in spite of this *at the same time more than a relation of equality*. *It is necessary to explain what is common to the relation of equality and the relation of exchange with regard to practical exchange and in what both differ.*

As has already been emphasized, Marx "abstracted" the exchange relations analyzed in the first chapter from the exchange process taking place in practice, in order to then analyze them on their own, as they are given to the scientist. The exchange relations are thus analyzed in the first chapter with regard to the exchange that takes place in practice, which is a "change of hands and places" of use values. The practiced handover of commodity and money is the social process in commodity circulation, in which the use values and the concretely useful labor that produces them *are not only equated, but also socially recognized*. By buying the commodity with money, its use-value passes into the hands of the one who consumes it. Equating is still the condition for exchanging. If it is a question of the difference between exchanging and equating, then it can only be a question of what exchanging as a practiced handover of commodities or use values is more than equating, whereby this "more" is at the same time about the social recognition of use values and concretely useful labor.

*Equating is not identical with the exchange relationship or the exchange because within the latter implicitly happens the practical handover of use values or commodities. The exchange relation of use values receives its social meaning through the realization implied in it which will then practically be carried out i.e. realized in the exchange process. The social recognition is implied within the exchange relations because these are extracted out of the exchange process within which the social recognition practically is not only started, but always also carried out and finished.*

The equating of the different use-values and concretely useful labors acquires the character of a social action through the exchange implicitly given with the exchange relation. The same consisting of the respective general properties is and remains the necessary condition for the exchange implicitly given with the exchange relation as the real practiced "change of hands and places" of the use-values. The same is thus not simply the same consisting of the properties, but, by functioning in the exchange relation as its condition, it additionally acquires the meaning of being the interchangeable ("das Austauschbare") or the social recognition of the various use-values and concretely useful labors. The exchange relations being extracted out of the exchange process remains inseparably linked to it. The exchange relations therefore participate implicit in the special social action of the reciprocal "change of hands and places" of the utility values, and goes therefore beyond a mere equating.

As a condition for exchange being a practical handover of use values i.e. a "change of hands and places" the common consisting of the two general properties simultaneously acquires the social meaning, different from itself, of the exchangeable that is identical with social recognition. Or formulated differently: The general property of use-values of being the product of labor, which in exchange process as the practiced handover of use-values is the interchangeable of use-values. It becomes *the social form of the social wealth consisting of use-values – it becomes the value*. The general property of concretely useful labors to be equal human labor, which in the exchange process as the practiced "change of hands and places" of use-values is the interchangeable of the concretely useful labor, becomes the social form of concretely useful labor, becomes the *social form-determined equal abstract human labor*.

According to the way in which above by recurring on the *social act of recognition* value and socially form-determined human labor were explained both have turned out to be historical specific social forms by means of which use-values and concrete useful labors are in the capitalist polity *socially recognized*.

#### **V.2.5.1 Remarks on Heinrich's distinction between "common" and "communal" ("collective, shared, joint")**

With regard to the important distinction between the common and the communal, to which Heinrich draws attention there are the following correspondences, for the description of which it is accepted to fall back on remarks already made above.

The common corresponds to what has been stated so far about the same as the historically generally valid "common third" that Marx encounters in the exchange relation of use values. It consists of the historically generally valid properties of use-values and concretely useful labors to be a product of labor or respectively to be equal human labor. For this equal or the "common third" in the meaning of the *common*, the following applies: According to its character of being a relation of equality, the exchange relation of use values is about the mere equating of use values in the respect in

which the same or the *common* is already present as something historically generally valid.

For the equal in the meaning of the communal: The exchange of use values being a social action by practicing the mutual handover of the use values or the "change of hands and places" is a interhuman social action by which the equal or the property of being a product of labor acquires the social meaning or the social form in which the use values are socially recognized. By this the historically generally valid property of being a product of labor is transformed into the historically specific social value.

Heinrich's reference to the communal as distinct from the common is confirmed by Marx when he, without having explicitly gone into it, something writes, what is fundamentally criticized above in this treatise: "As crystals of this substance *communal* on to them, they (the "things" i.e. the use values - D.W) are values - commodity values."<sup>67</sup> <sup>68</sup>

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<sup>67</sup> MEW 23, p. 52. „Als Kristalle dieser ihnen *gemeinschaftlichen* Substanz sind sie Werte - Warenwerte.“ Italic - D.W.

<sup>68</sup> To the preceding important sentence about the "things, which only represent that in them labor is spent, everything necessary has already been said above.