

in cultured Germany, to treat Hegel in the same way as the brave Moses Mendelssohn in Lessing's time treated Spinoza, i.e., as a "dead dog." I therefore openly avowed myself the pupil of that mighty thinker, and even here and there, in the chapter on the theory of value, coquetted with the modes of expression peculiar to him. The mystification which dialectic suffers in Hegel's hands, by no means prevents him from being the first to present its general form of working in a comprehensive and conscious manner. With him it is standing on its head. It must be turned right side up again, if you would discover the rational kernel within the mystical shell.

In its mystified form, dialectic became the fashion in Germany, because it seemed to transfigure and to glorify the existing state of things. In its rational form it is a scandal and abomination to bourgeoisdom and its doctrinaire professors, because it includes in its comprehension an affirmative recognition of the existing state of things, at the same time also, the recognition of the negation of that state, of its inevitable breaking up; because it regards every historically developed social form as in fluid movement, and therefore takes into account its transient nature not less than its momentary existence; because it lets nothing impose upon it, and is in its essence critical and revolutionary.

The contradictions inherent in the movement of capitalist society impress themselves upon the practical bourgeois most strikingly in the changes of the periodic cycle, through which modern industry runs, and whose crowning point is the universal crisis. That crisis is once again approaching, although as yet but in its preliminary stage; and by the universality of its theatre and the intensity of its action it will drum dialectics even into the heads of the mushroom-upstarts of the new, holy Prusso-German empire.

London, January 24, 1873

Karl Marx

Part I. Commodities and Money

CHAPTER I. COMMODITIES

Section 1. *The Two Factors of a Commodity: Use-Value and Value (The Substance of Value and the Magnitude of Value)*

The wealth of those societies in which the capitalist mode of production prevails, presents itself as "an immense accumulation of

commodities,"¹ its unit being a single commodity. Our investigation must therefore begin with the analysis of a commodity.

A commodity is, in the first place, an object outside us, a thing that by its properties satisfies human wants of some sort or another. The nature of such wants, whether, for instance, they spring from the stomach or from fancy, makes no difference.² Neither are we here concerned to know how the object satisfies these wants, whether directly as means of subsistence, or indirectly as means of production.

Every useful thing, as iron, paper, &c., may be looked at from the two points of view of quality and quantity. It is an assemblage of many properties, and may therefore be of use in various ways. To discover the various uses of things is the work of history.³ So also is the establishment of socially-recognised standards of measure for the quantities of these useful objects. The diversity of these measures has its origin partly in the diverse nature of the objects to be measured, partly in convention.

The utility of a thing makes it a use-value.⁴ But this utility is not a thing of air. Being limited by the physical properties of the commodity, it has no existence apart from that commodity. A commodity, such as iron, corn, or a diamond, is therefore, so far as it is a material thing, a use-value, something useful. This property of a commodity is independent of the amount of labour required to appropriate its useful qualities. When treating of use-value, we always assume to be dealing with definite quantities, such as dozens of watches, yards of linen, or tons of iron. The use-values of commodities furnish the material for a special study, that of the commercial knowledge of commodities.⁵ Use-values become a reality only by use or consumption: they also constitute the substance of all wealth, whatever may be the social form of that wealth. In the

1. Karl Marx, "Zur Kritik der Politischen Oekonomie." Berlin, 1859, p. 3. [Marx]

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

3. "Things have an intrinsic virtue" (this is Barbon's special term for value in use) "which in all places have the same virtue; as the loadstone to attract iron" (l. c., p. 6). The property which the magnet possesses of attracting iron, became of use only after by means of that property the polarity of

the magnet had been discovered. [Marx]

4. "The natural worth of anything consists in its fitness to supply the necessities, or serve the conveniences of human life." (John Locke, "Some Considerations on the Consequences of the Lowering of Interest, 1691," in Works Edit. Lond., 1777, Vol. II., p. 28.) In English writers of the 17th century we frequently find "worth" in the sense of value in use, and "value" in the sense of exchange-value. This is quite in accordance with the spirit of a language that likes to use a Teutonic word for the actual thing, and a Romance word for its reflexion. [Marx]

5. In bourgeois societies the economic fictio juris prevails, that every one, as a buyer, possesses an encyclopaedic knowledge of commodities. [Marx]

form of society we are about to consider, they are, in addition, the material depositories of exchange-value.

Exchange-value, at first sight, presents itself as a quantitative relation, as the proportion in which values in use of one sort are exchanged for those of another sort,⁶ a relation constantly changing with time and place. Hence exchange-value appears to be something accidental and purely relative, and consequently an intrinsic value, *i.e.*, an exchange-value that is inseparably connected with, inherent in commodities, seems a contradiction in terms.⁷ Let us consider the matter a little more closely.

A given commodity, *e.g.*, a quarter of wheat is exchanged for *x* blacking, *y* silk, or *z* gold, &c.—in short, for other commodities in the most different proportions. Instead of one exchange-value, the wheat has, therefore, a great many. But since *x* blacking, *y* silk, or *z* gold, &c., each represent the exchange-value of one quarter of wheat, *x* blacking, *y* silk, *z* gold, &c., must, as exchange-values, be replaceable by each other, or equal to each other. Therefore, first: the valid exchange-values of a given commodity express something equal; secondly, exchange-value, generally, is only the mode of expression, the phenomenal form, of something contained in it, yet distinguishable from it.

Let us take two commodities, *e.g.*, corn and iron. The proportions in which they are exchangeable, whatever those proportions may be, can always be represented by an equation in which a given quantity of corn is equated to some quantity of iron: *e.g.*, 1 quarter corn = *x* cwt. iron. What does this equation tell us? It tells us that in two different things—in 1 quarter of corn and *x* cwt. of iron, there exists in equal quantities something common to both. The two things must therefore be equal to a third, which in itself is neither the one nor the other. Each of them, so far as it is exchange-value, must therefore be reducible to this third.

A simple geometrical illustration will make this clear. In order to calculate and compare the areas of rectilinear figures, we decompose them into triangles. But the area of the triangle itself is expressed by something totally different from its visible figure, namely, by half the product of the base into the altitude. In the same way the exchange-values of commodities must be capable of being expressed in terms of something common to them all, of which thing they represent a greater or less quantity.

This common "something" cannot be either a geometrical, a chemical, or any other natural property of commodities. Such prop-

6. "La valeur consiste dans le rapport d'échange qui se trouve entre telle chose et telle autre, entre telle mesure d'une production, et telle mesure d'une autre." (Le Trosne: "De l'Intérêt Social." Physiocrates, Ed. Daire. Paris, 1846. P. 889.) [Marx]

7. "Nothing can have an intrinsic value." (N. Barbon, 1. c., p. 6); or as Butler says—
"The value of a thing is just as much as it will bring."
[Marx]

erties claim our attention only in so far as they affect the utility of those commodities, make them use-values. But the exchange of commodities is evidently an act characterised by a total abstraction from use-value. Then one use-value is just as good as another, provided only it be present in sufficient quantity. Or, as old Barbon says, "one sort of wares are as good as another, if the values be equal. There is no difference or distinction in things of equal value. . . . An hundred pounds' worth of lead or iron, is of as great value as one hundred pounds' worth of silver or gold." As use-values, commodities are, above all, of different qualities, but as exchange-values they are merely different quantities, and consequently do not contain an atom of use-value.

If then we leave out of consideration the use-value of commodities, they have only one common property left, that of being products of labour. But even the product of labour itself has undergone a change in our hands. If we make abstraction from its use-value, we make abstraction at the same time from the material elements and shapes that make the product a use-value; we see in it no longer a table, a house, yarn, or any other useful thing. Its existence as a material thing is put out of sight. Neither can it any longer be regarded as the product of the labour of the joiner, the mason, the spinner, or of any other definite kind of productive labour. Along with the useful qualities of the products themselves, we put out of sight both the useful character of the various kinds of labour embodied in them, and the concrete forms of that labour; there is nothing left but what is common to them all; all are reduced to one and the same sort of labour, human labour in the abstract.

Let us now consider the residue of each of these products; it consists of the same unsubstantial reality in each, a mere congelation of homogeneous human labour, of labour-power expended without regard to the mode of its expenditure. All that these things now tell us is, that human labour-power has been expended in their production, that human labour is embodied in them. When looked at as crystals of this social substance, common to them all, they are—Values.

We have seen that when commodities are exchanged, 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 defined above. Therefore, the common substance that manifests itself in the exchange-value of commodities, whenever they are exchanged, is their value. The progress of our investigation will show that exchange-value is the only form in which the value of commodities can manifest itself or be expressed. For the present, however, we have to consider the nature of value independently of this, its form.

A use-value, or useful article, therefore, has value only because

human labour in the abstract has been embodied or materialised in it. How, then, is the magnitude of this value to be measured? Plainly, by the quantity of the value-creating substance, the labour, contained in the article. The quantity of labour, however, is measured by its duration, and labour-time in its turn finds its standard in weeks, days, and hours.

Some people might think that if the value of a commodity is determined by the quantity of labour spent on it, the more idle and unskillful the labourer, the more valuable would his commodity be, because more time would be required in its production. The labour, however, that forms the substance of value, is homogeneous human labour, expenditure of one uniform labour-power. The total labour-power of society, which is embodied in the sum total of the values of all commodities produced by that society, counts here as one homogeneous mass of human labour-power, composed though it be of innumerable individual units. Each of these units is the same as any other, so far as it has the character of the average labour-power of society, and takes effect as such; that is, so far as it requires for producing a commodity, no more time than is needed on an average, no more than is socially necessary. The labour-time socially necessary is that required to produce an article under the normal conditions of production, and with the average degree of skill and intensity prevalent at the time. The introduction of power-looms into England probably reduced by one-half the labour required to weave a given quantity of yarn into cloth. The hand-loom weavers, as a matter of fact, continued to require the same time as before; but for all that, the product of one hour of their labour represented after the change only half an hour's social labour, and consequently fell to one-half its former value.

We see then that that which determines the magnitude of the value of any article is the amount of labour socially necessary, or the labour-time socially necessary for its production.⁸ Each individual commodity, in this connexion, is to be considered as an average sample of its class.⁹ Commodities, therefore, in which equal quantities of labour are embodied, or which can be produced in the same time, have the same value. The value of one commodity is to the value of any other, as the labour-time necessary for the production of the one is to that necessary for the production of the other.

8. "The value of them (the necessities of life), when they are exchanged the one for another, is regulated by the quantity of labour necessarily required and commonly taken in producing them." ("Some Thoughts on the Interest of Money in General, and Particularly in the Publick Funds, &c." Lond., p. 36.) This remarkable anonymous work, written in the last century, bears

no date. It is clear, however, from internal evidence, that it appeared in the reign of George II. about 1739 or 1740. [Marx]

9. "Toutes les productions d'un même genre ne forment proprement qu'une masse, dont le prix se détermine en général et sans égard aux circonstances particulières." (Le Trosne, l. c., p. 893.) [Marx]

"As values, all commodities are only definite masses of congealed labour-time."

The value of a commodity would therefore remain constant, if the labour-time required for its production also remained constant. But the latter changes with every variation in the productiveness of labour. This productiveness is determined by various circumstances, amongst others, by the average amount of skill of the workmen, the state of science, and the degree of its practical application, the social organisation of production, the extent and capabilities of the means of production, and by physical conditions. For example, the same amount of labour in favourable seasons is embodied in 8 bushels of corn, and in unfavourable, only in four. The same labour extracts from rich mines more metal than from poor mines. Diamonds are of very rare occurrence on the earth's surface, and hence their discovery costs, on an average, a great deal of labour-time. Consequently much labour is represented in a small compass. Jacob doubts whether gold has ever been paid for at its full value. This applies still more to diamonds. According to Eschwege, the total produce of the Brazilian diamond mines for the eighty years, ending in 1823, had not realised the price of one-and-a-half years' average produce of the sugar and coffee plantations of the same country, although the diamonds cost much more labour, and therefore represented more value. With richer mines, the same quantity of labour would embody itself in more diamonds, and their value would fall. If we could succeed at a small expenditure of labour, in converting carbon into diamonds, their value might fall below that of bricks. In general, the greater the productiveness of labour, the less is the labour-time required for the production of an article, the less is the amount of labour crystallised in that article, and the less is its value; and *vice versa*, the less the productiveness of labour, the greater is the labour-time required for the production of an article, and the greater is its value. The value of a commodity, therefore, varies directly as the quantity, and inversely as the productiveness, of the labour incorporated in it.

A thing can be a use-value, without having value. This is the case whenever its utility to man is not due to labour. Such are air, virgin soil, natural meadows, &c. A thing can be useful, and the product of human labour, without being a commodity. Whoever directly satisfies his wants with the produce of his own labour, creates, indeed, use-values, but no commodities. In order to produce the latter, he must not only produce use-values, but use-values for others, social use-values. (And not only for others, without more. The mediæval peasant produced quit-rent-corn for his feudal lord and tithe-corn for his parson. But neither the quit-rent-corn nor the tithe-corn became commodities by reason of the fact that they had

been produced for others. To become a commodity a product must be transferred to another, whom it will serve as a use-value, by means of an exchange.)¹ Lastly nothing can have value, without being an object of utility. If the thing is useless, so is the labour contained in it; the labour does not count as labour, and therefore creates no value.

Section 2. The Two-fold Character of the Labour Embodied in Commodities

At first sight a commodity presented itself to us as a complex of two things—use-value and exchange-value. Later on, we saw also that labour, too, possesses the same two-fold nature; for, so far as it finds expression in value, it does not possess the same characteristics that belong to it as a creator of use-values. I was the first to point out and to examine critically this two-fold nature of the labour contained in commodities. As this point is the pivot on which a clear comprehension of Political Economy turns, we must go more into detail.

Let us take two commodities such as a coat and 10 yards of linen, and let the former be double the value of the latter, so that, if 10 yards of linen = W, the coat = 2W.

The coat is a use-value that satisfies a particular want. Its existence is the result of a special sort of productive activity, the nature of which is determined by its aim, mode of operation, subject, means, and result. The labour, whose utility is thus represented by the value in use of its product, or which manifests itself by making its product a use-value, we call useful labour. In this connexion we consider only its useful effect.

As the coat and the linen are two qualitatively different use-values, so also are the two forms of labour that produce them, tailoring and weaving. Were these two objects not qualitatively different, not produced respectively by labour of different quality, they could not stand to each other in the relation of commodities. Coats are not exchanged for coats, one use-value is not exchanged for another of the same kind.

To all the different varieties of values in use there correspond as many different kinds of useful labour, classified according to the order, genus, species, and variety to which they belong in the social division of labour. This division of labour is a necessary condition for the production of commodities, but it does not follow, conversely, that the production of commodities is a necessary condition for the division of labour. In the primitive Indian community there

1. I am inserting the parenthesis because its omission has often given rise to the misunderstanding that every product that is consumed by some one

other than its producer is considered in Marx a commodity. [Engels, 4th German edition]

is social division of labour, without production of commodities. Or, to take an example nearer home, in every factory the labour is divided according to a system, but this division is not brought about by the operatives mutually exchanging their individual products. Only such products can become commodities with regard to each other, as result from different kinds of labour, each kind being carried on independently and for the account of private individuals.

To resume, then: In the use-value of each commodity there is contained useful labour, i.e., productive activity of a definite kind and exercised with a definite aim. Use-values cannot confront each other as commodities, unless the useful labour embodied in them is qualitatively different in each of them. In a community, the produce of which in general takes the form of commodities, i.e., in a community of commodity producers, this qualitative difference between the useful forms of labour that are carried on independently by individual producers, each on their own account, develops into a complex system, a social division of labour.

Anyhow, whether the coat be worn by the tailor or by his customer, in either case it operates as a use-value. Nor is the relation between the coat and the labour that produced it altered by the circumstance that tailoring may have become a special trade, an independent branch of the social division of labour. Wherever the want of clothing forced them to it, the human race made clothes for thousands of years, without a single man becoming a tailor. But coats and linen, like every other element of material wealth that is not the spontaneous produce of Nature, must invariably owe their existence to a special productive activity, exercised with a definite aim, an activity that appropriates particular nature-given materials to particular human wants. So far therefore as labour is a creator of use-value, is useful labour, it is a necessary condition, independent of all forms of society, for the existence of the human race; it is an eternal nature-imposed necessity, without which there can be no material exchanges between man and Nature, and therefore no life.

The use-values, coat, linen, &c., i.e., the bodies of commodities, are combinations of two elements—matter and labour. If we take away the useful labour expended upon them, a material substratum is always left, which is furnished by Nature without the help of man. The latter can work only as Nature does, that is by changing the form of matter. Nay more, in this work of changing the form he is constantly helped by natural forces. We see, then, that labour is not the only source of material wealth, of use-values produced by labour. As William Petty puts it, labour is its father and the earth its mother.

Let us now pass from the commodity considered as a use-value to the value of commodities.

By our assumption, the coat is worth twice as much as the linen.