

ECONOMICS 5080 QUESTIONS AND ANSWERS

ALL STUDY QUESTIONS

ECONOMICS DEPARTMENT, UNIVERSITY OF UTAH FALL SEMESTER 2011

Question 1 *How are Wealth and Happiness Related?*

4 *Can one be happy without wealth?*

[131] Badawn: I was looking through the past assignments that have been made available to us as a class I was looking at one from “Edy” back in [1997ut:3]. The argument that is stated happiness is not a form of wealth. I am curious to hear the class’s opinion on this: Do you think happiness comes from wealth, or can you be happy without wealth?

Hans: You are asking a different question than the question Edy was answering. Edy’s question was “can one say that happiness is the only true wealth?” This is a different question than the question whether one can be happy without wealth.

Message [131] referenced by [266], [282], [313], and [486]. Next Message by Badawn is [214].

[146] Slamo: Can happiness be considered the only true wealth?

People think of wealth as money value or possessions you own in life but does money always bring happiness? happiness brings me a feeling that money can not give me. money, as my father says, provides opportunities to make you happy but happiness is something you yourself create. I do believe people get too caught up in their possessions in this life and forget about the joy and happiness that core values like service and family can only provide.

I am interested in the class’s viewpoints and opinions. Feel free to respond to this question.

Message [146] referenced by [158] and [210]. Next Message by Slamo is [174].

[158] Cheeto: Happiness. I think that I must agree with Slamo [146] with regards towards happiness and societies view on possessions. In personal belief, I find that people try to hide behind their possessions and go through a series of extreme mental gymnastics in order to mark them off as accomplishments somehow. not to confuse the purchasing of a good (i.e. a car) compared to creating a good (i.e. a car). When you build or create a car, for example, you really do give yourself meaning, whereas just buying one makes you feel awesome for about a month before you begin to feel buyers remorse. When people try to use possessions as true sources of happiness, I think it brings into light these new topics of fetishism that we are beginning to discuss. Basically when people truly think that these, often mundane, objects can really bring happiness into life and give somebody meaning when all they could be is just manipulated cotton, metal, or plastic. The happiest that I have ever been was, without a doubt, when I was homeless and traveling. I was free, without the burden of money and often times traveling through some of the most dangerous places on earth (I was

in Somalia for about a week). During this time, it really allowed me to grasp a lot of things that are often times hard to conceive when surrounded by money and a society which is obsessed by money. Slamo's father is onto something, and further elaboration by the class would be appreciated!

Next Message by Cheeto is [161].

[210] Kendull: Happiness and Wealth. In response to Slamo's discussion [146] of happiness and wealth.

Marx refers to happiness as "species being". "Species Being" is defined by Marx as a sort of self realization brought about by meaningful work. The challenge of achieving happiness to Marx is setting the subject free to become the object. Rather than the proletariat being the producer and only watching the bourgeoisie reap the fruits of labor, Marx would employ the labor theory of value to help producers of wealth find the self realization that laboring itself extinguishes. The labor theory of value assures that the activity that separates the product from the producer produces wealth capable of setting the producer, proletariat, or subject of wealth free (in the sense of meaningful expenditure of labor).

Marx would see more in the pursuit of wealth and happiness than just material admiration of others, but more the accumulation of human potential or self realization. Along with the achievement of self realization comes multiplication of human wants or needs and the means to satisfy them. Wealth alone would not allow for the individual to achieve happiness by Marx's point of view, but self realization must be achieved. If one person inherits a fortune of wealth they may not be happy because there was no labor expended to achieve it. However, a person that worked tirelessly to build a home for their family and still has no fortune will be happier and therefore wealthier because of the "species being" brought about by the object becoming the subject and the labor containing meaning.

With this I think that Marx could not have been more correct. Marx saw capitalism as a means to unhappy individuals as the proletariat were alienated from the fruits of their labor. To apply this to current times, money won't buy happiness. Only the realization of utilizing labor for personal value will provide happiness. Working a six figure job that you hate won't make you happy but a satisfying expenditure of labor, even volunteering, will amass more wealth in the form of personal satisfaction.

Next Message by Kendull is [212].

[266] Kiwi: I would like to contribute to the question that Badawn [131] posted. He posted the question: "Do you think happiness comes from wealth? Or can you be happy without wealth?"

My opinion to this question is that happiness is a subjective matter. Each person has a different view on what they consider happiness is. For example, person A may view happiness by his relationships he has with his family, therefore wealth would not bring person A happiness. However, person B may be happy only if he has a certain amount of money in the bank, therefore his happiness comes from wealth. I would like to pose another question: Is it necessary to have enough money to cover your personal basic necessities in order to be happy or can you live below that means and still be happy?

Message [266] referenced by [282]. Next Message by Kiwi is [428].

[282] Lukas: I would like to contribute to the question that Badawn posted in [131] and that Kiwi responded to in [266]. Badawn asked: “Do you think happiness comes from wealth? Or can you be happy without wealth?” To this, Kiwi replied “My opinion to this question is that happiness is a subjective matter”. She then asked if “it is necessary to have enough money to cover your personal basic necessities in order to be happy or can you live below that means and still be happy?”

I agree with Kiwi that happiness is a subjective matter. I also think that it is necessary to note that wealth is a subjective matter. What is a fortune for some, is chump change for others. I had a past professor who gave the example of a famous model who “would not leave her house if the job paid less than \$10,000”. To many of us “poor, starving, college students”, that sounds like a fortune for a short photo shoot or two.

On the other hand, I have met many people that feel wealthy when they first start a full time job out of school. When you have been working part time hours at minimum wage or slightly better, and then find yourself earning 40 or 50 thousand dollars a year, its probably hard not to feel wealthy, to some extent. I have worked a few jobs with varied pay, and sometimes I have felt wealthy. One thing I noticed for me, is that it is easier for me to be happy when I know that I have money to pay my obligations every month. I think it causes a lot of stress and occasionally fear to not know if I can pay my bills. My wife and I had a lot of debt when we first got married, and it was very hard to be happy, even though we were happy to be married. When we paid our debt off and had money in the bank, we were able to breath much easier, and I felt much happier. We still have money in the bank, and I am not worried about paying our bills each month, and I still find it easier to be happy now than earlier in our marriage. I think it would still be easier to be happy if we knew that our bills would be paid every month regardless of what we did during the week, work or not.

Do I think that happiness comes from wealth? No, but I do believe it makes it much easier to feel happy when you have the money to cover your basic necessities.

Next Message by Lukas is [413].

[313] Hayms: This in response to Badawn’s free response question [131] asking if happiness is correlated with wealth. As stated in the book Marx believes that “wealth” is things that enhance human life. I would have to agree that wealth greatly contributes to happiness but as Edy stated in his argument in [1997ut:3] that Marx classifies “wealth as material things and happiness is not a material thing.” So I have to agree with both parts wealth is something that can enhance human life; which in turn can lead us to being happy, but we ultimately choose if we are happy. This makes happiness an immaterial thing, which is not associated with wealth. I agree with Hans statement about wealth being a condition of happiness.

Next Message by Hayms is [467].

[324] Syd: Wealth. In recent free discussions a few individuals have debated about the concept of wealth and happiness. In my opinion wealth and happiness are closely related, but do not necessarily go hand in hand. As a young adult I have traveled to several third world countries where individuals have little of what we call “wealth”. Although the individuals in these third world countries have low levels of GDP and wealth and many live a life of poverty and despair. There is still a great amount of genuine happiness and a strong sense of identity and pride in these cultures. These individuals who have little to nothing, still have

a strong sense of self worth and pride. By witnessing this sort of attitude first hand, this has led me to the conclusion that wealth does not necessarily equal happiness. It is fair to say that the individuals in these countries long for wealth and increased income, I do not think their low levels of GDP directly have an impact on their happiness. This particular situation brings up the question of: Does wealth and happiness necessarily tie hand in hand, and does one need to be wealthy in terms of material possessions and money in order to be happy?

Next Message by Syd is [\[398\]](#).

Term Paper 5 is **5** in 2007SP, **4** in 2009fa, and **4** in 2013fa:

Term Paper 5 *Discuss Marx's methodology as explained in the Introduction to Grundrisse.*

[1111] Anil: Methodology of Marx and Its Utilization in Chapter 1 Section 3

ABSTRACT

This term paper is intended to illustrate Marx's method, used in Capital Chapter 1 Section 3; namely "The Form of Value or Exchange Value". Marx (1979) underscores two key elements that are abstraction and dialectical method. These two methods and their utilization in aforementioned chapter are presented in that term paper.

Introduction:

Regarding Marx's methodology, lots of things have been written in the literature of various branches of social sciences. Mentioning all of those theories in that short term paper is a vain effort. In the following part it is intended to determine the key elements of Marx's method from his writings, which are "Preface to First German Edition", "Afterword to the Second Addition" and "Introduction to Grundrisse". Those key elements are determined as sui generic Marxian abstraction and dialectics. In that part relationship between them will be illustrated.

In second part, aforementioned elements of Marx's method are investigated in the example of Chapter 1 Section 3. And finally in the conclusion part a brief summary is given.

1.) Two Elements of Marx's Method: Abstraction and Dialectics

Marx (1979) clarifies his method in his "Preface to First German Edition" and "Afterword to the Second Addition" as abstraction and dialectics, and illustrates the relationship between them in "Introduction to Grundrisse".

In "Preface to First German Edition", Marx, firstly, introduces "commodity form of the product of the labor" and "value form of the commodity", as economic-cells of the investigation. Those introduced concepts are slightly different; while former refers to "product of labor produced as a commodity" (Hans, 2011, p.xi), the second refers to objective feature of the products of labor produced as a commodity, for agents on the surface of the economy. In order to investigate those economic cells, Marx emphasizes the important role of abstraction as a method as;

"... , in the analysis of economic forms neither microscopes nor chemical reagents are of assistance. The power of abstraction must replace both." (Marx, 1979)

Microscopes and chemical reagents are the main observation tools in biology and chemistry. They give researcher clues and information about the underlying conditions, inner relations and properties of the research object. As in the microscope example, it is necessary to use the power of abstraction, for investigating the core relations, underlying conditions and properties of aforementioned economic-cells. But that abstraction tool in Marx's method does not simply draw borders of his stylized facts.

Alfredo Saad-Filho (2002) entitles Marx's abstractions as "real abstractions" and defines "real abstractions" as a re-construction the concrete on thought by the analysis of the whole where that concrete belongs to. Alfredo Saad-Filho illustrates the difference between mental generalizations, which treats the concrete as a sum of ontologically independent but more or less randomly dependent and external elements, as:

"Whereas mental generalizations are based upon external relations selected by the observer, real abstractions are based upon material reality, and they disclose concrete universals that include the essence of the particulars. In other words, and very simply, enquiries based upon mental generalizations can start from any feature of the concrete. In contrast, materialist dialectics selects the most important feature of the concrete, and reconstructs the other features systematically on the basis of this essence." (Alfredo Saad-Filho, 2002, p.9) (Emphasis belongs to me.)

As it is seen that author does not make a clear distinction between materialist dialectics and real abstractions and treats real abstractions as if they constitute materialist dialectics. Marx's own dialectics is more of an sequential abstraction processes. In order to construct a proper relationship between real abstractions and dialectic of Marx, the latter must be identified in detail.

In "Postface to the Second Edition" Marx gives a brief summary of Hegelian dialectics and differentiates his own dialectics as:

"Hegel, the process of thinking, which he even transforms into an independent subject, under the name of 'the Idea', is the creator of the world, and the real world is the only the external appearance of the idea. With me the reverse is true: the ideal is nothing but the material world reflected in the mind of man, and translated into forms of thought." (Ehrbar, 2011, p. xv)

Marx puts it in a different way in "Contribution to the Critique of Political Economy" as:

"It is not the consciousness of men that determines their being, but, on the contrary, it is their social being that determine their consciousness." (Ehrbar, 2011)

By this way Marx places the sensuous human activity on material conditions. Marx in "Preface to Contribution to the Critique of Political Economy" differentiates the society and its surface relations from underlying material conditions of society, namely core. And in Capital he broadly investigates those material conditions in capitalism. This is the materialistic component of his materialist dialectics.

Trotsky (1939), states that dialectics direct the scientific inquiry in the right way. Dialectics is a scientific way of thinking and investigates the subject in matter through its process of development. Trotsky illustrates the relation and differences between vulgar thinking and

dialectical thinking in analogy of “motion picture and still picture”. Motion picture is simply enumeration of still pictures according to the law of motion. For Trotsky, “motion picture” refers to dialectical way of thinking while “still picture” refers to vulgar thinking. In Marx, dialectics concept is mainly materialist and for Marx, motion in the material is the product of dialectical inner contradictions of material. And idea is the reflection of the motion of the material.

Materialist conception of dialectics and real abstractions constitute two key elements of Marx’s method. And their relationship illustrated in introduction part of “Grundrisse”. Marx criticizes first bourgeois political economists for their starting points. They took the society, the whole, as a starting point. This would be a blurred mental generalization of the whole and abstractions made from that point would help construction of concrete that is created in mind. This type of abstractions can be called metaphysical abstractions and it is too speculative. But for Marx, the reverse is true; firstly abstract determinations would be found and after that those determinations should be used to construct concrete. Those determinations must refer to important feature of the whole. So this is the reason why Marx starts with the simplest surface relation which is sui generic feature of the capitalism, commodity. Marx’s real abstractions mainly represent certain level of development of the society and this is the break-in point of real abstractions and materialist dialectics.

Propellant power of the material development is also important. Ehrbar (2002) differentiates economic base of society into two layers; core and surface and defines them as;

“In capitalism, the economic base of society consists of two layers, core and surface. The interactions of the individuals which sustain the economic and wider social structure take place against the backdrop of the surface relations, whereas the all important relations of production are submerged in the core. The core is a hidden skeleton which holds everything in place but which the practical agents do not address directly.” (Ehrbar, 2002, p. 5)

And co-ordination of the relations between core and structure are shaped through two opposite channels:

“1.) The core sends information about itself to the surface.

2.) The economic agents, who interact within the framework of the surface relations, respond to this information by actions which, as an unintended side effect, maintain and reproduce the core structure.” (Ehrbar, 2002, p.5)

Interactions among those core and surface relations through aforementioned channels provide capitalist mode of production a propellant power. Marx investigates those interactions in Capital. He first looks to the surface and searches underlying core relations. After he finds a determinate category (core), he again visits the surface and investigates forms.

3.) “The Form of Value or Exchange Value”

It is important to give a summary of first two sections on the basis of aforementioned channels. In the first section Marx starts with the element of most apparent surface relation which is commodity. He searches the roots and aims of exchange, finds them in core relations, namely in production processes of commodities and searches the substance of value. The common thing in their production processes is the abstract labor, which is indifferent

for individuals in the exchange relation and magnitude of the value is determined by socially necessary labor time. In the second section, he searches material conditions of abstract labor and illustrates reducibility of different qualitatively different labors in a common category which is the abstract labor. In the last instance, all types of labor are expenditure of human brain, muscle, sense organs etc.

In Section 3, Marx illustrates transmission process of information gathered from core and intends to deduce the most apparent form of value, which is money-form of value, from non-monetized exchange relations. Like in commodity, he starts the analysis from simplest exchange relation between two individuals, namely “The Simple, Isolated or Accidental Form of Value” and exemplifies that relation as “20 yards of linen=1 coat”. Marx breaks that equation into two parts and investigates the first and second parts of the equation separately.

At the first part of the equation linen relates its value, which is congelation of human labor, with coat and expresses its own value relatively in terms of use-value of coat, which is materially different from linen but have common thing in it. Equation now means that “20 yards of linen contains equal amount of socially necessary labor time with coat does.” By this way relative form of value, represents an independent and separate value-form, different from its natural form, use-value. Relative value’s magnitude is determined by changes in productivity of labor to produce those commodities. Relative form of value constitutes the active part of the equation, due to the fact that it is the commodity whose value expressed relatively.

Second part of the equation refers to equivalent value form which is the form of immediate exchangeability. That immediate exchangeability means that linen weaver expresses the value of the linen in terms of coat. Equivalent value form can not be measured quantitatively due to the fact that it is the form of value. If the equation is reversed, the value of the coat expresses its value relatively in terms of linen. By this way they switch their roles and coat becomes the relative value while linen becomes equivalent form. Marx mainly defines three peculiarities of equivalent value form. Firstly “use-value becomes the form of appearance of its opposite, value” (Ehrbar, 2011). From now on material body of coat is the form of value. Secondly, the concrete labor expended in production of equivalent form of value, becomes the form of appearance of its opposite, abstract human labour. Since use-value becomes the form of value, concrete labor, that is expended in the equivalent, would now turn to its opposite, abstract human labor. Thirdly, private labor becomes again its opposite form, social form. Equality of abstract labors congealed in relative and equivalent forms of value, also makes private labors socially equal.

It is important to summarize how linen weaver utilizes her knowledge from production (core). Linen weaver spent her labor in the production of linen and she has a full knowledge on her commodity, linen. But this labor is nothing if it is not exchanged with another commodity or not realized its value. Linen weaver just knows the use-value of coat, but not knows the value of the coat. With her knowledge from the production of linen, she assumes that the coat is at least the product of labor. In order to gather the use-value of the coat and realize linen’s value she must sacrifice some amount of labor.

But it is just an individual act. The linen weaver definitely needs other commodities. By this way Marx reaches to the “Total or Expanded Form of Value”. In that form linen expands its exchange domain to all other commodities and expresses its value relatively in the material bodies of other commodities. Those other commodities play particular equivalent forms, which are different forms of realization of undifferentiated abstract labor. Marx identifies three deficiencies in that type of value form. Those deficiencies hinder producers to grasp the information of the core. First is incompleteness of relative expressions due to the fact that those links are never-ending series. Second arose from the fact that differentiated expressions of value are far away representing a unity. Those differentiated expressions of value are impotent to send proper messages to the core. Third defect as Ehrbar (2001) refers is lack of uniformity. In expanded relative form of value of the commodity mainly is different in “qualities” from particular equivalent forms. And those particular equivalent forms do not provide “the one-dimensional ordering necessary for decision-making by producers and consumers.” (Ehrbar, 2011, p.171) Those three deficiencies lead “General Equivalent Form of Value”.

General equivalent form of value springs from interchanging of value relations in expanded form of value. In there all of the commodity producers manifest the value of their commodities, congealed abstract labor, relatively in material body of the linen by a social act. Marx emphasizes that development of equivalent form of value is just the expression of development of relative value, due to the fact that value is best represented by relatively. Dialectic relationship between relative-value and equivalent-value gives birth to the General form of value. And by this way all producers in the commodity producing society reduce all kinds of their actual labor to human labor in general, that is expenditure of human labor power. Socially exclusion of commodities as an equivalent form of value, leaves one commodity as a universal or general form of value, that commodity now will act as a money commodity. Finally money form of value, a socially accepted form of value, is the best for channeling the information from core to surface and reproducing the core structure with that information.

4.) Conclusion:

All aforementioned forms of value also refer to a certain level of development in history. And that shows how real abstractions of Marx are consistent with the historical development of commodity producing society, capitalism. For instance, Marx exemplifies simple form of value as:

“It therefore follows that the elementary value form is also the primitive form under which a product of labor appears historically as a commodity . . .” (Ehrbar, 2011)

And expanded form of value as:

“The Expanded form of value comes into actual existence for the first time when a particular product of labor, such as cattle, is no longer exceptionally, but habitually, exchanged for various other commodities.” (Ehrbar, 2011)

Lastly general form of value and money form of value are the forms that are prevailing in Marx’s contemporary time, as gold-money. That shows why abstractions of Marx are

called “real abstractions” and they are highly interrelated with materialist notion of dialectics whose propellant power is the interactive relation between the core and surface of the economy among the commodity producers.

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First Message by Anil is [19].

Question 6 is **5** in 2008fa and **6** in 2010fa:

Question 6 *The commodity presents itself to the economic agents as a thing with two different properties, use-value and exchange-value. Marx uses this as his starting point to discuss not only the commodity itself but the entire ensemble of capitalist social relations. Why does the title of the first section then say that the two factors of the commodity are use-value and value, instead of use-value and exchange-value?*

[5] Keynes: Use-Value and Value. In a section titled “The two factors of a commodity: use-value and value”, Marx initially does not say anything about value but instead mentions two different properties, use-value and exchange-value. The first, use-value, is due to the “utility of a thing”. Again, Marx continues by explaining “Use-values become a reality only by use or consumption.” This leads to the other factor of a commodity, its exchange-value. This is not separate from what Marx said earlier. In fact, value and exchange value are one and the same. Exchange-value, according to Marx, is “the proportion in which values in use of one sort are exchanged for those of another sort.” The footnote associated with the same statement helps to clarify some things. Le Trosne writes of Marx’s statement, and with translation from French in the Annotations by Hans, “The value consists in the exchange

proportion between one thing and another, between this amount of one product and that of another.” The exchange value is a value intrinsic to the commodity itself. Further reading clarifies even more of what Marx is writing of, “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. . .” So, there is a use-value, a factor meaning the amount of utility a commodity has. The other factor is value, or exchange-value, the amount or quantity that a good is exchanged for another. The value is given from its exchange, thus both are the same. Marx does not contradict himself, but rather shows us a more in-depth description to what he means by “value.”

RedRyder: Although this is a great explanation of Marx’s interpretation of value it does not really address the second portion of the question. Remember when writing to address the question.

Message [5] referenced by [9]. Next Message by Keynes is [28].

[9] Hans: Reading like picking flowers. Imagine a child walking through a meadow picking flowers: here is a remarkable flower which she wants to add to her bouquet, and over there is another. Although the majority of flowers in the meadow are never looked at, she ends up with a beautiful bouquet.

If you read a text, it’s a bad idea to act like this child and only pick out those sentences which somehow strike you. If you want to understand Marx’s text you must follow the argument in its entirety rather than just picking out sentences. This is not easy, and the Annotations try to help you with this.

Here are some of the sentences which Keynes [5] picked out, and I am filling in the connection which Keynes missed:

Exchange value, according to Marx, is “the proportion in which values in use of one sort are exchanged for those of another sort.”

Take a closer look: Marx does not say that the exchange-value *is* this proportion, but that that exchange *manifests itself at first* as such a proportion. Imagine meeting an attractive young woman. At first sight she looks like an angel. This does not mean she *is* an angel. In the same way, Marx says here that at first sight exchange-value looks like a quantitative proportion. He does not mean to say it *is* a quantitative proportion. Just as humans are much more interesting than angels, exchange-value is something much more complex and with more depth than a quantitative proportion.

Le Trosne writes . . . “The value consists in the exchange proportion between one thing and another, between this amount of one product and that of another.”

Marx put this footnote in there to show that he did not just make it up that exchange manifests itself as a quantitative proportion. Le Trosne is so-to-say his exhibit A: Le Trosne is someone who truly believes that exchange-value is nothing other than an exchange proportion between commodities. Marx does not agree with Le Trosne. He put Le Trosne on the witness stand in order to make the point that exchange-value looks (at least to some people) like a quantitative proportion.

The exchange value is a value intrinsic to the commodity itself.

Keynes writes this right after the Le Trosne quote, without any transition or explanation. Apparently Keynes does not get it that “being an exchange proportion” is something relative between commodities and just the opposite of being intrinsic to the commodity itself.

The value is given from its exchange, thus both (value and exchange-value) are the same.

This is no longer a quote or paraphrase from the text, but this is Keynes’s own conclusion. It is completely inaccurate as a summary of Marx’s argument. Marx *does* make a difference between exchange-value and value, and he emphatically does *not* say that commodities get their exchange-values and values from the exchange. Instead he says that they get their values from production, and the exchange-values are the surface manifestations of this value.

Keynes does not have to feel too bad. His flower-picking kind of reading is common among Marxists. Michael Heinrich uses a different metaphor (which I have seen also elsewhere): many Marxists use Marx’s text as a “quarry from which to extract quotations.” This is an interesting read, it also describes the traditions in Germany I come from:

<http://libcom.org/library/invaders-marx-on-uses-marxian-theory-difficulties-a-contemporary-reading-michael-heinric>

In this class I am trying to teach you the *right* way how to read a difficult text :)

Next Message by Hans is [16].

[274] Tussy: In [2010fa:1], Cougar explains the answer to the question very concisely. Inherent in the term “commodity” is its purpose for exchange in a marketplace, as defined by Hans. Thus the “value” of a commodity is the inherent property which provides its demand for exchange in an economic marketplace. Exchange is an intrinsic characteristic of commodity, therefore, “exchange-value” of a commodity is redundant.

Hans: You are right, this question still needs an answer. But you should have looked at my response [2010fa:3] to Cougar.

Next Message by Tussy is [287].

Question 7 *What reasons might Marx have had to change from his original formulation: “the two factors of the commodity are use-value and exchange-value” to the formulation: “the two factors of the commodity are use-value and value”?*

[384] Tussy: First of all, value and exchange value are two different things. It is easy to assume that the word “value” was used as an abbreviation for the word “exchange value.” However, value is something that is intrinsic in the commodity, namely, the labor content of the commodity while exchange value is not an inherent thing and is only the society’s response to value, the labor content.

The relationship between value and exchange value can be explained from Hans’ personal experience from his elementary school memory in Germany. His teacher asked students what the difference between men and women is and Hans in his childhood claimed that women have long hair and men don’t. The teacher informed him that the difference between men and women can be traced from the difference in genitals but not from hair style. Hair style is just a social response to the inherent thing. Exchange value, like the hair style, is

a just a society's response to the inherent factor, value. Saying that exchange value is the factor of a commodity is like saying that long hair style is the inherent physical property of a woman. The difference in genitals should be the determining factor of a person's sex and not the difference in hair style. This example explains how value is a factor of a commodity but exchange value is not.

Next Message by Tussy is [\[385\]](#).

[451] Msj: Hans refers to the value of a commodity as the "property immanent in the commodity which is responsible for its ability to be exchanged on the market." Since a commodity is essentially anything produced for sale, there needs to be some type of value associated with the commodity. Marx originally explained commodities with two factors, "value" and "exchange value". Exchange value is somewhat already built into the meaning of a commodity which is anything produced for sale. Marx later changed his formation of the two factors of commodities to "value" and "use value". Although value has been addressed, "use-value" is defined as the possible use of that product at any given time. Basing commodities on value and use value as opposed to exchange value cover the different spectrums in the definition. The factors now cover the ability to "exchange" the product as well as the usefulness of the product.

Hans: The two factors have never been "value and exchange-value."

Next Message by Msj is [\[454\]](#).

[458] Res: Marx changed the original formulation for "use-value and exchange-value" to "use-value and value" because all commodities share value (congealed abstract labor) and use-value as primary attributes. It is made clear in Marx's investigation of the commodity that use-value carries the exchange-value of the commodity (a commodity cannot have an exchange-value without a use-value). In this light, use-value is clearly the better term to use in the formulation. The removal of exchange value from the original statement is also more correct because exchange-value reveals itself as a relation between two commodities during exchange rather than a constant factor in the commodity. The greatest benefit of the use-value/value formulation is that it allows Marx to build the most logical, and direct path into his examination of the commodity.

Next Message by Res is [\[507\]](#).

[469] Hayms: Marx first labels the two factors of the commodity as "use-value and exchange value", but later changes his formulation to "use-value and value". As to why it would first be important to understand the definitions of these three terms. Marx has defined use-value as any commodity that people in the society may find useful. He defines value as that property immanent in the commodity which is responsible for its ability to be exchanged in the market. In the book it calls this an "economic category". Exchange value is the chance that the owner of the commodity has to exchange this commodity for other commodities of equal value. As stated in the annotations the change to value "leads to the conclusion that the substance of value in congealed abstract labor". Marx would change this from exchange-value to value because of the role that value plays in the commodity. As stated in annotations, "Marx takes a closer look at the exchange relations between commodities, in order to conclude that the commodities' ability to be exchanged (exchange value), is the manifestation of a deeper-lying commodity 'called value". This statement shows why Marx believes that although exchange value is important it is only part of the process of value (later

known as congealed abstract labor) and is not one of the two basic factors of the commodity. Marx concludes that use-value and value are the two main factors of the commodity.

Hans: Your in-class answer was clearer and better.

Next Message by Hayms is [577].

[473] Hitman: Marx had to change from his original formulation “two factors of the commodity are use-value and exchange-value” to “the the two factors of the commodity are use-value and value” because the relationship between value, use-value, and exchange value is as follows: if you are value, use-value is your brother, exchange value is your son. Use-value is the qualitative aspect of value. Exchange value is used as a synonym for value. Exchange value differs from price, where price is measuring the value of a commodity against money. Exchange value differs from one exchange to the next whereas value makes things exchangeable.

Hans: Value and exchange-value are not synonyms. Use-value is not the qualitative aspect of value. In your in-class answer you wrote: exchange-value depends on use-value. This is wrong too, as far as Marx is concerned. He explains these things differently than mainstream economists.

Next Message by Hitman is [474].

[496] Bandit: graded A+ Use-Value and Exchange-Value to Use-Value and Value. Marx may have had to change his original formulation from “the two factors of the commodity are use-value and exchange value” to “the two factors of the commodity and use-value and value” because the exchange-value is not actually a factor of the commodity, rather is an expression of value, which is a factor of the commodity. Exchange-value first manifests itself as a quantitative relationship in which one sort of use-values can be exchanged for another sort of use-values. The exchange-value also varies depending on the circumstances. Though it is not unusual for an immanent property for something to manifest itself as a relation between things, it is unexpected for an immanent property to manifest itself as something highly variable with time and place. This makes the exchange-value seem as though it is something that is purely accidental and relative. At this point it becomes necessary to extrapolate and investigate the deeper layers of reality in order to understand what seems like a contradiction (that exchange-value is both an immanent property within and a relation between commodities). As I said earlier, the exchange-value first manifests itself as a quantitative relationship in which one commodity is exchanged for one other commodity, however, a given commodity can be exchanged for many different commodities. Marx uses the example of wheat and how it can be exchanged not only for x amount of shoe polish, but also y amounts of silk or z amounts of gold. From this observation, Marx concludes that all of these valid exchange-values are replaceable with each other and therefore must be qualitatively equal. In other words they all must have some sort of “equal content” as Marx calls it. He also concludes that exchange values are the “mere mode of expression of some content distinguishable from it”, that exchange-value is used in the sphere of exchange to manifest a deeper social relationship in the sphere of production. To demonstrate, Marx returns to an exchange relationship between two commodities, wheat and iron. In the expression “1 quarter wheat= x lbs. iron”, what’s important to notice is that this is not a comparison of two equal things, wheat is qualitatively different from iron. Rather this expression is telling us that within the two different things, 1 quarter wheat and x lbs. iron, there exists a common something in the same quantity. Therefore these two things, iron and wheat, are also both equal to a third thing which is neither iron or wheat. This third thing is what Marx

calls “value”, the common substance inside the commodities and relationships commodities have with each other because of this substance. “Exchange-value”, therefore, is only the expression of value which takes the form of a relation between different commodities.

Hans: Excellent summary of the Annotations.

Message [496] referenced by [596]. Next Message by Bandit is [499].

[596] Deiondrius: Marx may have had to change his original formulation from “the two factors of the commodity are use-value and exchange value” to “the two factors of the commodity and use-value and value” because the exchange-value is not actually a factor of the commodity, rather is an expression of value, which is a factor of the commodity. Exchange-value first manifests itself as a quantitative relationship in which one sort of use values can be exchanged for another sort of use-values. The exchange-value also varies depending on the circumstances. Though it is not unusual for an immanent property for something to manifest itself as a relation between things, it is unexpected for an immanent property to manifest itself as something highly variable with time and place. This makes the exchange-value seem as though it is something that is purely accidental and relative. At this point it becomes necessary to extrapolate and investigate the deeper layers of reality in order to understand what seems like a contradiction (that exchange-value is both an immanent property within and a relation between commodities). As I said earlier, the exchange-value first manifests itself as a quantitative relationship in which one commodity is exchanged for one other commodity, however, a given commodity can be exchanged for many different commodities. Marx uses the example of wheat and how it can be exchanged not only for x amount of shoe polish, but also y amounts of silk or z amounts of gold. From this observation, Marx concludes that all of these valid exchange-values are replaceable with each other and therefore must be qualitatively equal. In other words they all must have some sort of “equal content” as Marx calls it. He also concludes that exchange values are the “mere mode of expression of some content distinguishable from it”, that exchange-value is used in the sphere of exchange to manifest a deeper social relationship in the sphere of production. To demonstrate, Marx returns to an exchange relationship between two commodities, wheat and iron. In the expression “1 quarter wheat= x lbs. iron”, what’s important to notice is that this is not a comparison of two equal things, wheat is qualitatively different from iron. Rather this expression is telling us that within the two different things, 1 quarter wheat and x lbs. iron, there exists a common something in the same quantity. Therefore these two things, iron and wheat, are also both equal to a third thing which is neither iron or wheat. This third thing is what Marx calls “value”, the common substance inside the commodities and relationships commodities have with each other because of this substance. “Exchange-value”, therefore, is only the expression of value which takes the form of a relation between different commodities.

http://en.wikipedia.org/wiki/Exchange_value

<http://en.wikipedia.org/wiki/Use-value>

[http://en.wikipedia.org/wiki/Value_\(economics\)](http://en.wikipedia.org/wiki/Value_(economics))

Hans: You didn’t use Wikipedia for this, you simply copied Bandit’s [496].

Next Message by Deiondrius is [597].

[778] Hans: Extra Credit. I was asked if there would be extra credit opportunities for those who need to improve their grades. Such an opportunity was already announced in

[486]: if you find an answer in the archives which did not address the question asked but a different question, try to formulate this alternative question. You can either send a free discussion contribution 888 which references this message, or you can also go to the web archives and use the fill-in forms there.

This is a difficult assignment. For instance look at [2005fa:120]. Did Claire really answer the question

Can one say that happiness is the only true wealth

(in order to make this judgment it is good to be aware of what I consider the right answer, see [Answer:13]), or did she answer the question

Is wealth necessary for happiness or can one be happy without wealth?

or perhaps the question

Does wealth guarantee happiness or are other things needed in addition to wealth to be happy?

or does neither of these questions fit the answer but she answered the general question

How are wealth and happiness related?

To decide this you may have to define better what Claire means by “wealth” before you can answer this. Is material wealth, as she uses the term, really any material thing that enhances human life, or does she mean luxury goods rather than necessities? It is not trivial to read all this off her answer, but if you come up with a plausible case defining exactly the question she answered, this would be helpful. Or look at [2008SP:1]. At first reading it didn’t make any sense to me, until I realized that it answers a completely different question, namely

Is Happiness conducive to the *production* of wealth?

In many cases in the archives, the answer is not wrong but it is an answer to a different question than the question asked. If you find such a submission and if you can formulate the question which this submission answers, then this makes the archives much easier to understand. Here you can show your abilities for critical thinking. I am willing to give participation points for this, and if you find an answer where you can make a compelling case for an alternative question this may also affect the final grade which I give you for the content of your messages.

Message [778] referenced by [753]. Next Message by Hans is [894].

Exam Question 11 is **3** in 1995WI, **6** in 1995ut, **6** in 1996sp, **4** in 1997sp, **3** in 1998WI, **3** in 1999SP, **6** in 2004fa, **7** in 2005fa, **12** in 2007SP, **10** in 2007fa, **10** in 2008fa, **10** in 2009fa, **11** in 2010fa, **8** in 2012fa, and **10** in 2013fa:

Exam Question 11 *What is a commodity? Marx does not give the definition of a commodity but an analysis. How would you define the thing he analyzes? (The answer can be given in one sentence.)*

[140] TKOberle: I feel a commodity is an item produced for exchange or sale to gain money or value for the producer. Do you fellow students feel the same or what do you have to add to this question?

Message [140] referenced by [143] and [166]. Next Message by TKOberle is [166].

[143] Ginny: I agree with your answer [140] however it does need to go into depth more. Sometimes commodities are not produced by humans at all like gold for example. Even though we do not produce it it is a commodity because we have given it exchange value. A commodity does not need to have value at all to be a commodity to the consumer. It can have use-value like Marx describes without exchange value.

Hans: You are not going into depth but into breadth: you are trying to capture everything anyone might call a commodity. Marx has a narrower definition. If it has a use-value but not an exchange-value, then Marx does not call it a commodity. Also look at my [2005fa:582].

Message [143] referenced by [420]. Next Message by Ginny is [434].

[269] Tussy: A basic good used in commerce that is interchangeable with other commodities of the same type

Message [269] referenced by [278]. Next Message by Tussy is [272].

[278] Hans: Definition of Commodity. Tussy [269] writes:

A basic good used in commerce that is interchangeable with other commodities of the same type

Three things:

(1) A commodity as Marx uses the word does not have to be basic. Even the most sophisticated and unique good, as long as it is produced for exchange, is a commodity.

(2) Why are you writing “interchangeable?” “Interchangeable” has more meanings than “exchangeable.” A muffler is interchangeable if it can be used as a replacement for the OEM muffler. Longer words are not always better. Write “exchangeable.”

(3) Marx is picky about *why* something is exchangeable. If a tribe which usually produces for themselves has something left over which they then exchange with a neighboring tribe, Marx does not call this a commodity. Why not? Because the production process is quite different if you produce something *for the exchange* than if you produce something for your own use and then later it becomes exchangeable. Therefore you must add to the definition that it is something *produced for the exchange*.

Next Message by Hans is [288].

Question 14 is **8** in 2004fa and **13** in 2013fa:

Question 14 *Can you think of basic economic facts about modern society of which the agents are not aware?*

[448] Foruvak: There are a lot of basic economic facts about modern society that the average person is not aware of.

The first thing that comes to mind, which seems to come up in every single econ class I have taken at the U (even European Economic History somehow), is the role that Wal-Mart plays in the economy (and not just our economy but in the world wide economy). Wal-Mart was a huge player in moving jobs out of America and to other Countries where labor could be

obtained for extremely inexpensive costs. Much of the booms to the Chinese, Japanese, and Korean industries are due not just to the auto industry but to other industries. Because Wal-Mart holds such a strangle hold over most consumer goods markets these consumer goods companies are forced to keep their costs down to please Wal-Mart and essentially stay in business. The common American shops at Wal-Mart for the cheap prices, not realizing the self defeating cycle that they lost their job at a factory in California to outsourcing because of the very store they are shopping at. And, sadly, places like Home Depot, Costco, and Target are not far behind.

I also think that people don't understand the role that their governments play in the economic standing. They might have a simple idea, but are they aware that it costs money to collect taxes? If \$100 is paid in taxes that doesn't mean that all \$100 is going to go to government spending. A portion is going directly to the employees who have to gather, count, and chase down the tax money. I'm not going to suggest a fix because the question doesn't ask.

People don't entirely understand the real role that illegal immigrants play in our economy. They take a lot of jobs that are "beneath" the standard American. There are tons of implications that I won't get into, but I think that most people have a "get rid of them all, no questions asked, just export all of them."

This isn't the most basic, but one that irks me. The standard American probably doesn't realize that most non-profit-organizations have a CEO that makes hundreds of thousands of dollars a year. They don't even think to check in the the NPO to see what percentage of their donated money is actually going to the charity and what percentage is going to other sources.

Next Message by Foruvak is [457].

Question 19 is **6** in 1995WI, **9** in 1997sp, and **18** in 2013fa:

Question 19 *The first sentence of Capital says that commodities are the social form of wealth in capitalist societies. What does Marx mean by "social form of wealth"? What, by contrast, would the content of wealth be?*

[358] Bloomer: Marx means that the "social form of wealth" in a capitalist society is the consumption of "immense heaps of commodities." The more we consume or collect the more wealth we inherently have. The content of wealth, though, would actually be the ability to either produce or trade commodities in your possession for specific prices. So the ability to labor and produce commodities in need was an individual's wealth rather than having those commodities in your possession.

Hans: In your last sentence you finally said something right. One's skills and labor-power is part of the content of one's wealth. This kind of wealth cannot be easily stolen from you but it makes you the target of exploitation. The use-values accessible to a person is also content of wealth. Marx speaks of the wealth of societies before speaking of the wealth of individuals.

Next Message by Bloomer is [359].

[414] Badawn: graded A What Marx is saying as a social form of wealth and how that relates to a commodity is that a commodity is only as useful as one can find use for it. This is to imply that a commodity has both value and use value and that the true value of a product only comes out when it is on the market for competition and is able to compete.

“I received my information from Edy/Hans in [1997sp:12].”

Next Message by Badawn is [548].

[440] Slamo: Commodities in a capitalistic society are a measure of wealth. Those who own the most commodities according to Marx are those who have the most and seen as the best. According to a capitalistic society you must have the latest and greatest technology or else you are banished from the social elite. This is a perfect example of a social form of wealth, you are considered poor if you do not have or use a great quantity of commodities. In a capitalistic society many people live lives out of their means and it causes great debt and poverty. Marx knew that to live a happy and fulfilling life you do not need so many commodities.

Hans: “Social form of wealth,” as Marx uses the term, are the social relations which determine who gets what. In capitalism you get things by buying them; therefore the commodity form is the social form of wealth. The content of wealth are use-values.

Marx’s attempts to understand society are quite different than what you say here. He would call your explanation “idealist,” and he says one needs a “materialist” instead of an “idealist” explanation.

Here is another way to say the same thing: Marx starts with basic social relations and not with attitudes. He says attitudes are endogenous to society, they cannot be used to explain society.

Next Message by Slamo is [443].

[449] Clmrgl: When Marx uses the phrase “social form of wealth” he is stating that society as a whole views the accumulation of commodities to be considered wealth. This has been an agreement unknowingly set in society. Society views the commodity as wealth because they are physical and tangible. The physical and tangible nature is surface level but it gives society something they can easily see and understand to place value on. However any commodity is only the physical manifestation of wealth. What is missing is why commodities are wealth. What is the actual content of wealth? The true wealth comes from the abstract labor contained in each commodity. According to Marx, only human labor can assign or give value to the commodity.

Hans: Marx would say that you are exactly confusing form and content of wealth. Yes the use-values are surface level because they are visible on the surface, but don’t denigrate them because of this: they are also the content of material wealth.

Material wealth consists of use-values.

Marx would not say that wealth consists of money. Money is a social claim check for wealth, but not the wealth itself. Money is part of the social relations which Marx calls the social form of wealth, not the content of wealth.

Marx would also not say that wealth consists of labor. In *Grundrisse* he says the opposite, that real wealth ultimately consists in free time—under the assumption that living standards are high enough that people can make use of their free time, like going fishing in the morning and philosophizing in the afternoon. Watching TV, especially the crap available on the channels in the US, would probably not count as wealth but this is a substitute for or debasement of wealth. I think Marx would agree with Adorno’s massification of culture described by Kitkat in [137], although he would not call it such because he never used the word “masses” in a denigratory fashion.

I think Marx would go along with the notion of an “agreement unknowingly set in society.” But he would look for the material base of such an idea in production. Marx does not think societies are driven by ideas. Societies are driven by production, because people need production to meet their needs, and they cannot produce everything they need for themselves, they need society for that.

Next Message by Clmrgl is [455].

[462] Gonz: In a capitalistic society, the social form of wealth is measured by the accumulation of money. The capitalist’s goal is to obtain the most money possible. In order to achieve that, one must produce at the lowest price and exchange it at the highest price possible, to acquire the greatest profit possible. On the other hand, the content of wealth is not

necessarily a material phenomenon. However, the wealth of any person can be the quality of life one enjoys. A poor person materialistically who has enough for his needs and lives a healthy, happy life may considered wealthy to himself.

Hans: At the beginning of *Capital* Marx speaks of *material* wealth. His examples are linen, bread, coat, tea. Being able to live a healthy life requires material conditions (no pollution) which are definitely part of social wealth. Marxists also say one cannot be healthy in a sick society.

Message [462] referenced by [797]. Next Message by Gonz is [463].

Exam Question 28 is **15** in 1995WI, **20** in 1995ut, **18** in 2001fa, **21** in 2004fa, **22** in 2005fa, **26** in 2008fa, **25** in 2012fa, and **26** in 2013fa:

Exam Question 28 *If Marx wanted to start his book with first principles, why did he pick the analysis of the commodity and not the analysis of the production process or the analysis of value?*

[256] Blossom: Marx began his analysis of the capitalist society with the commodity because it is the most simple, concrete form of wealth on which to build his theory. Marx argues that one should fully understand the commodity, its social relations, and the effects that it has on society, before one can understand how a capitalist society functions, because the action that is a result of the commodity creates the capitalist society.

Marx did not start his analysis of capitalism on the production process, because it is a very complex process which one could not understand without first comprehending all that goes into the commodity, and the effects that the commodity has on the social relations of production.

He also did not start his argument on value because value is a product of the social relations which commodities create. Without commodities within this social sphere, there would be no value.

Hans: Marx did not start with the production process because every society has a production process, but Marx wanted to understand a very specific society, capitalism. Otherwise this is a very good answer.

Next Message by Blossom is [257].

[293] Anil: In *Capital*, Marx strives to illustrate the capitalist mode of production and its unique characteristics which make capitalist mode of production different from former modes of production. In order to illustrate that, Marx starts with the analysis of commodities that are elementary units of capitalist society. For Marx production process is not a unique character of capitalism, all of former societies produced things one way or the other and thus the capitalism can not be identified by looking production process itself. Value is another unique principle of capitalist mode of production but it is not concrete enough to analyze. As a result Marx started with the analysis of commodities, due to the reason that commodities are the most concrete and elementary units of capitalist surface relations.

Hans: Yes that is the right answer.

Next Message by Anil is [295].

Exam Question 35 is **25** in 2002fa, **28** in 2004fa, **33** in 2007SP, **32** in 2007fa, **32** in 2008SP, **32** in 2008fa, **32** in 2012fa, and **37** in 2013fa:

Exam Question 35 *Does the use-value of a commodity depend on the person using it?*

[257] Blossom: The use value of a commodity does not depend on the person using it. This is because the use value “harnesses human activity”. The direction that humans are pointed to by the commodities they use does not change when the person using them changes. This is because the commodity drives the specific use of itself and focuses human activity the same as all other commodities. Humans do not control the way they use the commodity, the commodity focuses the way humans interact with it and use it, thereby driving the social interaction of handling the commodity.

Message [257] referenced by [259] and [2012fa:359]. Next Message by Blossom is [258].

[259] Hans: More than you ever wanted to know. This seems almost like a kindergarten question, but Blossom [257] gave a deep answer, using something I had written on pp. 10/11 of the Annotations. This same formulation has been in the Annotations for years but nobody else, as far as I remember, ever commented on it. When I read it, it struck me like lightning. I recognized it as my words and I thought: “what, did I write *that*?” I felt like a father who says something incredibly stupid and only realizes how stupid it is after his children repeat it back to him.

After collecting myself from the first shock, I looked up what I said. I had indeed formulated it in a way that Blossom was fully justified using it for her answer. Her answer strikes me as not quite correct, but it is thoughtful, original, and instructive. In the exam she would definitely have earned an A.

But since we are at it, here is my attempt to give a deep answer which is I feel is more “correct” and which shows at the same time where Blossom’s answer is off. If you have two competing explanations of the same thing, one of them is better than the other if it not only can explain everything that the other can explain, but which can also explain where and why the other explanation is wrong. This is the principle of “immanent critique.” Marx was conscientiously following this principle whenever he commented on places in the literature which tried to explain the same things Marx himself tried to explain but came to different results. Here is my own attempt at an immanent critique of Blossom’s answer.

My starting point is an observation also made early in the Annotations, it is on p. 14, that use-value is not a property of a thing but really a relationship between the physical properties of an object and human needs, attributed to the thing *as if it was a property of this thing*.

Modern mainstream economics is talking about the same relationship, but it attributes it to humans. It uses the concept of the utility of a thing, i.e., the satisfaction which humans get from using the thing. Marx, by contrast, anchors this relationship in the thing: when he uses the word “use-value of a thing” he usually means the menu of human uses made possible by the physical properties of the thing. I.e., he considers it a property of the thing, something which stays with the thing. Marx’s definition is therefore not dependent on the actual use which any particular individual gets from the thing. If it is *possible* to use the thing, the thing has use-value.

There are exceptions to this. Sometimes Marx speaks of the use-value of a commodity *for its owner*, which actually depends on the person. But most of the time he uses the word “use-value” without reference to anybody in particular, and then he treats it as a property of the thing itself.

Why does Marx treat the use-value as a property of the thing? Because he is getting ready to introduce exchange-value. Use-value is the carrier of exchange-value, exchange-value is the manifestation or expression of value, and value is immanent to the thing.

This value is also what makes the commodity almost seem like a living being. In 163:3/o Marx says that as use-value, the table is not mysterious; but as value it seems to add magical powers to its physical properties. The famous passage

Not only does it stand with its feet on the ground, but it turns itself on its head in relation to all other commodities, and evolves out of its wooden brain grotesque ideas, far spleenier than if it suddenly were to begin dancing.

speaks of the table not as a use-value but as a thing which has not only use-value but also *value*. This value is the source of its magical powers.

If you think that Marx is only being poetic here—everyone knows that tables cannot dance and that any self-activity which Marx attributes to commodities really comes from the people handling these commodities—then the passage which Blossom quoted becomes relevant. Marx is justified to say that the commodities themselves are acting, because the commodity owners are forced to do the same thing with every single commodity. They have to sell those which they produce, and buy those which they need. This buying and selling is not their choice but imposed on them by the social structure. They live in a society in which commodities act through people by forcing people to carry them to the market where the commodities have relations with each other which are beyond the control of the commodity owners.

Let me repeat this because it is often misunderstood. Marx attributes magical powers to the table not because of the desire which people have for this table, but because tables and all other commodities have relations with each other on the market which are not controlled by the individuals owning them.

The only place where Blossom is wrong is that she says commodities prescribe to their owners how to *use* them. No, the use-value is so-to-say the bait with which the commodities hook their prospective owners. Once you have put it into your mind that you want to use a certain desirable use-value, you have to go out and buy it, and for this you need a job, and for this you need an education, etc., i.e., you are forced to do a lot of things which are not under your control but where the commodity is in control. But if you are not using *anything* you cannot survive. Marx says that in a commodity society the consumers are the hostages of their own material needs. The commodities are the hostage takers.

Message [259] referenced by [299], [519], [2012fa:321], and [2012fa:384]. Next Message by Hans is [262].

[295] Anil: Use-value does not depend on the person using it. Use-value of a commodity is not a property of a commodity but more of a relationship between thing's properties and human needs or wants. It is not important where those properties and human wants come from, the important thing is that they must have use-value in order to be exchanged. In that aspect, use-value is a social phenomenon and it is independent from the individual.

Hans: Good explanation.

Next Message by Anil is [298].

[299] Freshprince: No, the use-value of a commodity does not depend on the person using it. As we know, a commodity can even be as Marx would say, “a very sophisticated and unique good, as long as it is produced for exchange”. The use-value of a commodity is not a direct segment of a commodity, rather a correlation between the needs of the consumer and the properties of the item. The most important part is to recognize where the use-value in the exchange exists, and if both sides can prosper from the exchange.

Hans: You say correctly that a use-value is “a correlation between the needs of the consumer and the properties of the item.” Doesn’t this mean it depends on the consumer? How does this fit together with your other statement that “the use-value of a commodity does not depend on the person using it”? I tried to explain all this in [259].

Syd: (Syd’s exam answer:) Yes the use-value of a commodity depends on the person using it. No two individual are the same. Each person can have a different use for the same commodity. The use-value of a commodity depends on who is using the commodity, and how it is used as well. This can vary per individual.

Hans: Marx anchors the use-value in the commodity rather than the person, therefore he makes abstraction from all the things Syd mentions.

Message [299] referenced by [2013fa:177]. Next Message by Freshprince is [404].

[302] Hunter: We know that just like the value a commodity has, a use-value of a commodity also depends on the actual demand given by a user. But we can’t get confused and say that these use-values are given by a single user, or “the user.” Use-values are not something we can produce ourselves but we must depend on our society to create them. So more than the use-value depending on just the user, it depends on all of society.

Hans: In Marx’s theory, the value of a commodity does *not* depend on demand but only on labor content. If demand is low, then fewer of these commodities are produced, but the labor content is still the same.

Next Message by Hunter is [401].

[519] Hans: Achilles Heel Answer. The most elegant answer of this question I have seen is Tvan’s exam answer which goes as follows (with my edits):

The use-value of a commodity *does not* depend on the person using it. Use-value is not a characteristic of the commodity, but rather a relation to a human want or need. Since the use-value does not care who it has this relation with, it does not depend on the person using it.

I find it so elegant because it begins with the strongest statement one can make for the *wrong* answer:

Use-value is not a characteristic of the commodity, but rather a relation to a human want or need.

The next sentence explains why the wrong answer is indeed wrong. Very effective. Borrowing from Bhaskar’s concept of Achilles-heel critique, see [2005fa:859], which is a form of immanent critique, see [259], I call this an Achilles-heel answer.

Next Message by Hans is [552].

Exam Question 55 is **25** in 1995WI, **35** in 1996sp, **33** in 1996ut, **36** in 1997sp, **34** in 1998WI, **38** in 1999SP, **41** in 2004fa, **42** in 2005fa, **48** in 2007SP, **47** in 2008fa, **49** in 2009fa, **50** in 2010fa, **54** in 2012fa, and **58** in 2013fa:

Exam Question 55 *What is the exchange-value of a commodity? (Give its definition, not an analysis where it comes from).*

[286] Keynes: The exchange-value of a commodity represents what quantity of a different commodity it will exchange for. It “presents itself as a quantitative relation” according to Marx. Through exchange-value, commodities are shown to have something that is equal in them through the exchange of the commodities. It is, as Marx says, the “phenomenal form” of the commodity.

Message [286] referenced by [288] and [420]. Next Message by Keynes is [300].

[288] Hans: Definition of Exchange-Value. Keynes [286] writes:

The exchange-value of a commodity represents what quantity of a different commodity it will exchange for.

I think you mean by this that the answer to the question “what is the exchange-value of 20 yards of linen” is “1 coat” (or whatever the market exchange rate is). Marx would say you are reducing the concept of exchange-value to one of its manifestations.

Marx distinguishes between events (such as an exchange of 20 yards of linen for 1 coat) and those forces which generate events or make events possible or necessary or, now comes a word which encompasses these three possibilities, manifest themselves in these events. Exchange-value is a force inside a commodity. It allows the commodity to be exchanged for other commodities, but this is not the only manifestation of exchange-value. Nowadays very few commodities are directly bartered against each other, they are instead sold and purchased. Marx would say that the price of a commodity (which includes the ability of money to purchase this commodity) is also a manifestation of the exchange-value of a commodity. Marx even goes as far as saying that the existence of money itself, of a commodity (at Marx’s time, under the gold standard) or some other thing (paper money) which is able to purchase all commodities, is a manifestation of the exchange-values of all commodities together.

It “presents itself as a quantitative relation” according to Marx.

What I just said explains this formulation. Marx does not say that exchange-value *is* this quantitative relation, but this quantitative relation is one of the manifestations of exchange-value.

Through exchange-value, commodities are shown to have something that is equal in them through the exchange of the commodities.

This is no longer part of the definition but this is already one of the steps in Marx’s analysis where exchange-value comes from. Because Marx goes even deeper than what we just said. He not only distinguishes between events (exchanges of commodities) and the forces which make these events possible and necessary, but he asks: where do commodities get their capability to be exchanged from? Why are commodities able to be exchanged and even have to be exchanged at least once in their life times? This is like asking “why does it get dark at night.” We are so familiar with the ability of commodities to be exchanged that we rarely stop to think why this is the case.

It is, as Marx says, the “phenomenal form” of the commodity.

Here is the quote in full, from the Moore Aveling translation:

“Exchange-value is only the mode of expression, the phenomenal form, of something contained in it, yet distinguishable from it”

I think this is a poor translation. It would be better to say

“Exchange-value is only the mode of expression, the phenomenal form, of a content distinguishable from it.”

Exchange-value is therefore not, as you say, the phenomenal form of the *commodity* but the phenomenal form of *something other than exchange-value*. This is by no means a trivial claim. Marx says here that the ability of commodities to be exchanged which we observe on the market has its source somewhere else, it is “remotely controlled” as I say in the Annotations, one might also say that exchange-value has a basement. Marx does not yet say here what this basement is (Marx does not call it “basement” but “content other than exchange-value”), because he is in the middle of a detective-like investigation to find this out. A page or so later he will announce the result of this investigation. Marx thinks that exchange-value is the phenomenal form of the human labor-power which was used up in the production of this commodity. Although this labor-power no longer exists—it was used up in the production of this commodity—society acts as if the ghost of this used-up labor-power still sits inside the commodity. This ghost, this “congealed abstract labor” is what Marx calls the *value* of the commodity, and this is what ultimately determines its exchange-value on the surface.

Next Message by Hans is [292].

Exam Question 58 is **50** in 2008fa, **57** in 2012fa, and **61** in 2013fa:

Exam Question 58 *Husband and wife exchange wedding rings during their marriage ceremony. The husband has bigger fingers and his ring contains almost twice as much gold as the wife’s. I.e., the monetary values of these rings are different. Does this marriage ceremony make the husband’s ring an exchange-value for the wife’s ring although on the market it would not be possible to exchange the wife’s ring for the husband’s ring?*

[258] Blossom: During a wedding ceremony, when a husband and wife exchange rings, of either equal or more likely unequal value, no exchange value is created.

The first reason this is true is because exchange value is social. It is not created when two individuals exchange something that is unique to them and their exchange transaction (wedding rings).

Also this ceremony has a higher meaning to the individuals partaking in the exchange. They are not exchanging purely to receive some use value from the items exchanged, but are exchanging the rings for some higher meaning, such as their willingness to remain loyal and loving to each other for the rest of their lives. This exchange is symbolic of their love, not a means of distributing a use value.

Hans: Your third paragraph is the right explanation. Your second paragraph is patently false. There are millions of marriages and they all have wedding rings. The exchange of wedding rings is not a unique individual agreement to exchange something which is not commonly exchanged.

Next Message by Blossom is [264].

Exam Question 60 is **24** in 1995WI, **32** in 1995ut, **39** in 2001fa, **40** in 2002fa, **46** in 2004fa, **47** in 2005fa, **52** in 2008fa, **54** in 2009fa, **55** in 2010fa, **58** in 2012fa, and **63** in 2013fa:

Exam Question 60 *Explain in your own words what it means to say that use-values are the “material carriers” of exchange-value.*

[264] Blossom: Use-values are the material carriers of exchange values, because a commodity without a use value also lacks an exchange value. Even those commodities, it seems, that do not get used by its owner, but is held for appreciation purposes, still has a use value, or it could not appreciate, in terms of gaining on the new higher exchange value. Such items still depend on the properties inside of them which make them useful to individuals, to be viable in the market.

A commodity can have a use value, but not an exchange value (air, without which we would not be able to breathe, or live for that matter), but a commodity that has an exchange value definitely has a use value. Therefore exchange value is a product of a certain characteristic, or certain characteristics that exist inside of a commodity which make it useful for society and/or individuals.

Hans: Marx would agree that exchange-value is the product of a certain characteristic inside the commodities, but he does not agree that this characteristic has anything to do with the usefulness of the good, neither for society nor for individuals. This characteristic only has to do with the labor in this commodity. The connection with use-value is the weakest possible: if the labor did not produce something useful Marx does not count it as labor, and if the product loses its use-value then it also loses its exchange-value. This is what Marx means when he says “use-value is the carrier of exchange-value.” But the use-value is not the source of the exchange-value, only the labor is.

Next Message by Blossom is [\[279\]](#).

[294] TKOberle: The use values of a commodity are the uses and the means of production for a certain product. The material carriers are the activities that people do with the product to produce certain outcomes. Material carriers are just one reason for exchange value. In addition to “material carriers” there are social pressures that encourage exchange value. The fact that other people talk about or credit certain commodities gives an intangible value to a commodity that encourages exchange value.

Hans: What you say has nothing to do with Marx.

Next Message by TKOberle is [\[406\]](#).

Exam Question 65 is **26** in 1995WI, **37** in 1996sp, **35** in 1996ut, **32** in 1997ut, **39** in 1999SP, **42** in 2001fa, **45** in 2003fa, **49** in 2004fa, **57** in 2007SP, **57** in 2008fa, **60** in 2010fa, **63** in 2012fa, and **70** in 2013fa:

Exam Question 65 *Which empirical evidence suggests the conclusion that exchange-value is not something immanent in the commodity?*

[260] Syd: According to Marx’s empirical evidence the exchange value is something that is not itself immanent in a commodity. An immanent property of a commodity is something that manifests itself in its relations with other things. The exchange value is introduced as a potential or power inside the commodity, by the use value of the commodity. Marx says the use value of the commodity manifests itself in the commodity being exchangeable with other commodities. According to Marx, it is a contradiction that the visible manifestation of an immanent power depends on the circumstances. Marx says if the exchange value is

immanent in a commodity, the exchange value should not manifest itself in relation between commodities. Therefore, the exchange value is always expressed in an exchange relationship between two commodities.

Message [260] referenced by [262] and [420]. Next Message by Syd is [261].

[262] Hans: Attempt to Answer the Question without Thinking it Through. I am re-sending here Syd's [260] with my comments:

According to Marx's empirical evidence the exchange value is something that is not itself immanent in a commodity.

Marx gives some empirical evidence that exchange value is immanent, and other empirical evidence that it is not immanent.

An immanent property of a commodity is something that manifests itself in its relations with other things.

This is not the definition of "immanent." An immanent property is a property which the thing itself has, it is not a property depending on the relations the thing enters. It is inside the thing. Although it is inside the thing, it often *manifests* itself in relations with other things. I.e., an outsider can tell whether or not something has an immanent property by watching how this thing relates to other things.

The exchange value is introduced as a potential or power inside the commodity, by the use value of the commodity.

Marx always keeps use-value and exchange-value separate. He stresses that they are two different properties of a thing which have little to do with each other. Marx first introduces the use-value of a commodity, and then he introduces its exchange-value as a second power which the commodity has besides its use-value.

Marx says the use value of the commodity manifests itself in the commodity being exchangeable with other commodities.

Let me say it again: Marx does not consider the exchange-value to be a manifestation of the use-value of a commodity. This is mainstream economics. Marx disagrees. Marx says there is very little connection between use-value and exchange-value. Think of them as being orthogonal to each other.

According to Marx, it is a contradiction that the visible manifestation of an immanent power depends on the circumstances. Marx says if the exchange value is immanent in a commodity, the exchange value should not manifest itself in relation between commodities.

Marx is aware that the manifestations of immanent properties often take the form of relations with other things; but he does not expect a relation that comes from an immanent property to depend on the circumstances. Rather he expects it to be the same whatever the circumstances.

Therefore, the exchange value is always expressed in an exchange relationship between two commodities.

This is your last sentence, but this is not the evidence asked for in question 65. It is perfectly compatible with exchange-value being immanent that it manifests itself relatively.

Each of your sentences is identical or similar to a sentence in the Annotations. But cutting and pasting the Annotations is no guarantee that your answer is correct. It is no substitute for actually understanding the argument.

Message [262] referenced by [2012fa:318]. Next Message by Hans is [263].

[279] Blossom: A contradiction. An immanent property found in something, in this case, the commodity, is found inside of the commodity and remains the same regardless of conditions outside of the thing. It is inherently unchangeable. The exchange value of a commodity may be thought to not be an immanent quality of the commodity, because exchange values change all the time. This is what Marx calls the contradiction on pages 22 and 23.

Hans: Very good, and simpler than my own explanation. I love it.

Message [279] referenced by [2012fa:27] and [2012fa:318]. Next Message by Blossom is [281].

[296] Malibu: Exchange value is not something that is visible in a commodity. It only becomes valuable on the bases of potential. Therefore an exchange value is only real value when the commodity is utilized to reach potential. According to Marx Exchange-value refers to the ratio at which one commodity can be exchanged with another. In certain quantities all commodities can be exchanged for other other commodities. You can have two commodities, one of little value and one of great value and find a ratio to exchange the two commodities. For example 50 cars might be equal in Exchange-value to 1 airplane.

Hans: What you say is right but it does not answer the question. When you say exchange-value is a potential, you seem to mean it is a potential slumbering in the commodity, which so-to-say has to be woken up by exchange. This is a good way to look at it, but this explanation is what Marx would call an immanent exchange-value. The question was: which empirical evidence seems to contradict or at least throw doubt on the immanence of exchange-value?

Next Message by Malibu is [310].

Question 70 is **58** in 2007fa, **59** in 2008fa, and **62** in 2010fa:

Question 70 *In 126:2, Marx says that certain superficial evidence seems to indicate that exchange-values are accidental and relative. How much truth is there to this? To what extent are exchange-values indeed accidental, and to what extent are they indeed relative? (This question requires familiarity with things Marx says later.)*

[11] Zvisser: Exchange values are in relevance accidental when put into perspective of a big picture. I intend to explain this in a very basic manner that will be easy to understand on all levels. Example one is in regards to seasonality. If I were to attempt to sell a winter coat at Lake Powell in the middle of July for \$150.00 then the success rate of selling that item would in essence be equal to 0. Even if the coat was brand new and the original purchasing price of the coat was a monetary (assigned value) of \$250.00. Now if I were to take that same coat and bring it up to Brighton Ski Resort on a high traffic day and do the same experience the success rate of selling the same item is going to be much higher approaching 100% success rate. So what is the difference in the success rate? The success of selling an item or rather finding the exchange values of this coat is not based solely in

the quality of the item but rather the desirability of the said item. The exchange rate can be determined indeed relative if you can find a base price that the item will sell regardless of the environment that it is being sold in. HOWEVER I do not think that the exchange values of all items should be based off the value that the item will receive at their lowest time, but maybe a way to look at the actual value of the item is to take an average of how much that item would receive at all times. EX. The coat could be sold in Lake Powell in July for \$35.00 but in the middle of ski/snowboard season could sell for \$450.00 assuming that the value of the coat would increase and decrease relatively the same in regards to location and time of season the average exchange value could be presumed to be $450+35=485$ $485/2=$ \$242.50. This value “could” be the actual exchange value of the coat.

Hans: You had originally written: “the value of the coat would increase and decrease in value.” You can either say “the coat would increase and decrease in value” or you can say “the value of the coat would increase and decrease,” but the mixture which you did say is incorrect. (I fixed it now, and also made other small edits to your original submission.)

Next Message by Zvisser is [\[488\]](#).

Question 73 is **36** in 1996ut, **33** in 1997ut, **62** in 2008SP, and **65** in 2010fa:

Question 73 *Formulate in your own words the two contradictory statements Marx makes about the commodity when he introduces exchange-value.*

[388] George: graded B+ At first Marx says that exchange value is an immanent property of a commodity because it is carried by its use value and it will reveal itself when you compare it with a different commodity, but Marx then argues that if the exchange value is indeed an immanent property of the commodity, you should not expect it to vary greatly depending on the different circumstances, as exchange-values actually do. Therefore Marx says that exchange-value seems purely relative.

Hans: The last part of your last sentence was originally: “you should not expect it to be shown because the commodity can vary greatly depending on the different circumstances.”

I don’t understand what you mean by “you should not expect it to be shown” and edited the sentence to make it correct, plus added another sentence to establish the connection to the first sentence and to the question.

Next Message by George is [\[389\]](#).

[396] Danish: graded A+ Marx intentionally makes contradictory statements about the exchange-value of the commodity. Marx introduces exchange-value of a commodity as something immanent and intrinsic in a commodity. But then he also says that the exchange-value is accidental and relative to the other commodities. These statements seem to be contradictory of each other, because if exchange-value is something inside of the commodity, then why Marx said that it also varies depending on the conditions, and other commodities. These contradictory inferences by Marx about the exchange-value makes it an interesting subject to be analyzed and investigated in detail.

Marx uses “dialectical materialism” to understand the society and the social relations. In the capitalist mode of production, commodity is an integral part of a societal wealth, and it plays a pivotal role in determining different social relations in a society. The law of contradictions in dialectical materialism explains the social reality in the paradigm of existing contradictions in an object or a society, thus in dialectical world, the contradiction between two things does not mean that they cancel each other, instead it defines and determine their

existence. Thus to completely understand the character of an exchange-value of a commodity, we need to comprehend this fundamental contradiction which is determining and defining the exchange-value of a commodity. The deeper insight into Marx's word would allow us to infer that the exchange-value is the manifestation or expression of value, and the value is immanent to the commodity. So Marx is arguing that the value of a commodity is intrinsic in a commodity (i.e. labor embodied in a commodity), and the expression of a commodity is relative and accidental.

So by using a dialectical method, Marx has explained an exchange value of a commodity in depth. Marx was not confused about the exchange-value when he stated two different statements about it, instead he was trying to get in to the depth of the argument by considering all possible frameworks to understand the exchange-value of a commodity. In modern academics, the contradictions are considered negative aspect of a study, but for Marx, it was a fundamental tool to understand the matter in its fullest depth.

Hans: At the end of your second paragraph you had written "relative and accidental (i.e. it is a social construct)." I deleted the remark in parentheses because it goes down the wrong path. Immanent value is also a social relation, and can therefore be considered relative as all social relations. It is called "immanent" because this social relation is anchored in the commodity, while exchange relations are always between commodities.

Next Message by Danish is [397].

Question 75 *Marx maintains through this entire discussion that exchange-value is intrinsic. Is this justified? Exchange-value is a social relation, i.e., it is by definition relative. Shouldn't Marx have abandoned his assertion that exchange-value is intrinsic?*

[10] Bikeman: Not Justified. Exchange-value is not intrinsic.

Intrinsic value is defined as: The actual value of a company or an asset based on an underlying perception of its true value including all aspects of the business, in terms of both tangible and intangible factors. This value may or may not be the same as the current market value.

Marx contradicts himself to some degree when he says that exchange value seems intrinsic because it's the expression of a substance inside the commodities, and at the same time it seems relative because it is the ratio of one commodity in terms of another. I think Marx intends to show a clear distinction between exchange-value and intrinsic value, so his assertion that they are the same may have been misunderstood. What Marx refers to as value is not its exchangeability, but is a common property that all commodities have within them. He was actually trying to make a clear distinction between value and exchange value. He wanted his reader to see beyond the exchange relations from one commodity to another and to look at the commodity itself in isolation. Since exchange-value appears to be an ever-changing ratio between two commodities, 'the exchange-value appears to be something accidental and purely relative, and consequently an intrinsic value, i.e. an exchange value that is inseparably connected with the commodity, inherent in it, seems a contradiction in terms. Let us consider the matter more closely'. What he wanted to consider is whether value is an accidental result of exchange or is the value intrinsic or inherent to the commodity itself. To demonstrate his point, Marx looks at the exchange relations. He sees that because one

commodity can be exchanged for many other things in varying proportions, its exchange-values are the other things it exchanges for. So, the value of a commodity is intrinsic, but the exchange-value is the value of another commodity.

Hans: Your definition of the intrinsic value of a business is not the same definition Marx is using.

In your last sentence you should have written: “the exchange-value of a commodity is the representation of the value of this commodity in the use-value of another commodity.” But you are getting ahead of the readings. Right now Marx tries to *decipher* the exchange-value, i.e., see what is behind it. In Section 3 of chapter One Marx will look at the exchange-value itself. There he will say that the exchange-value is the representation of the value of one commodity in the *use-value* of another.

To say it in a metaphor (because the argument itself is so abstract): right now Marx is trying to lift up the rock and look at the bugs under the rock, and in Section 3 he will look at the rock itself. (Rock = exchange-value, bugs under the rock = value.)

Next Message by Bikeman is [14].

Exam Question 76 is **28** in 1995WI, **37** in 1996ut, **34** in 1997ut, **54** in 2004fa, **62** in 2007SP, **63** in 2008fa, **66** in 2010fa, **75** in 2012fa, and **83** in 2013fa:

Exam Question 76 *Why does Marx’s inquiry sometimes reach an impasse which can only be resolved by “considering the matter more closely”?*

[298] Anil: Knowledge of the deep structures could have contradicted appearances (counter-phenomenality) which are for Marx quite informative. Contradicted appearances signal border of investigation that must be extrapolated. In order to reach the reality and knowledge of the structure, Marx resolves those contradicted appearances of reality by investigating the deeper layers of reality.

Hans: This is a deep philosophical explanation. Bhaskar would say that the underlying tendencies are transfactual, they persist even if they are sometimes swamped by opposing facts. I wonder if this is related to your counter-phenomenality.

Perhaps the simplest explanation is: there are contradictions in real life. Marx does not deny these contradictions but finds it very informative to look at them.

Another fairly simple explanation is my [1996ut:20].

Message [298] referenced by [2012fa:322.1]. Next Message by Anil is [301].

Multiple Choice Question 77 *Two of the following exchange situations are not replaceable. Which two?*

- (a) Buying a house from someone who is in such a hurry that they cannot wait the usual time it takes to sell a house but will sell at a deep discount
- (b) Buying a new electronic gadget which just came out and which is priced higher than it will be in a few months.
- (c) Buying a house in an economic downturn when there is a glut on the market.
- (d) Buying Christmas lights right after Christmas.
- (e) Buying an Antique from someone who has no idea how value this dusty thing is he pulled out of the attic.

[289] Kitkat: **Clarification about multiple choice question.** I am working through the multiple choice questions on the course website and I do not understand Question 77.

The answers are (a) and (e). I don’t understand what “replaceable” means when referring to exchange situations. Can someone explain this?

Many thanks!!

Next Message by Kitkat is [441].

[292] Hans: Multiple Choice Questions Explained. In response to Kitkat's question, if you do a multiple choice question on the web, for instance

http://marx.economics.utah.edu/das-kapital/questions/Replaceable_or_Not.html

and you click on just one answer and then click that you want to see your result, you often get an explanation of that particular answer. For Question 77 you can also look in the Annotations on p. 27.

Next Message by Hans is [311].

Question 82 is **59** in 2005fa, **71** in 2008fa, and **74** in 2010fa:

Question 82 *Comment about the following critique of Marx: When Marx asks in 127:2 what is the meaning of the exchange relation between two commodities, he commits the error of treating the economy like a literary text. The actions of the economic agents must be causally explained, but any reflection about their "meaning" is an interpretation which does not help us understand what is really going on.*

[6] Kitkat: The Rhetoric of Economics. To criticize Marx for "commit[ting] the error of treating the economy like a literary text" ignores the benefits of literary and other humanistic modes of investigation. The field of Economics itself has begun to make moves toward other ways of knowing, beyond causation, as new modes of examination of phenomena are gaining traction. For example, many feminist economists utilize participatory and other qualitative approaches (like interviews) along with quantitative measures (like regression analyses and surveys) to better "understand what is really going on." It is this view of economics, what this critic might perhaps term a "literary view", that brings me to the study of Marx. I am a doctoral student studying environmental communication as it is rhetorically deployed around issues of economic development, poverty reduction, and food security. As signs and symbols are mobilized to particular ends (i.e. persuasion), I am interested in the ways economic concepts themselves argue discursively. I follow the work of Diedre McCloskey (1998), a well-known economist, who pioneered the theorizing of the rhetoric of economics. She explicates several shared characteristics of both economists and literary critics and also explains that Economics (intentionally signified with a capital E as the science symbolizes a set of norms and a grand narrative to which societies adhere) is inherently rhetorical. To be clear, McCloskey explains, economics is both "literary culture" and "scientific culture" and that this is no contradiction (1998, p. 34).

That Marx asks of his example in 127:2, "what does this equation signify?", demonstrates his recognition of the rhetoric of social formations and economic concepts. His own explanation of exchange-value is rhetorical (or literary, in the view of the critic) in that he chooses to use metaphor as a stylistic strategy to explain his point. McCloskey (1998), finds metaphors particularly useful in economic discourse as the metaphor is "[t]he most well known of the figures of argument" (p. 12) and that "no scientist can do without metaphors" (p. 13). As explained in Hans' annotations for this section, Marx uses several metaphors and refers to several models, even using a geometrical example in 127:3.

Message [6] referenced by [7] and [263]. Next Message by Kitkat is [137].

[7] Hans: Marxism as Rhetoric. The so-called “labor theory of value” (LTV) is a central plank in “classical” economics (Adam Smith and David Ricardo), which was the mainstream at Marx’s time. The LTV says that prices of commodities are, or tend to be, proportional to labor content. Not many modern economists believe this any more. Even some modern Marxist economists have given up on the labor theory of value.

How can an economist who does not believe in the LTV nevertheless call himself or herself a Marxist? Answer: this is an economist who sees that the present capitalist system is unfair. Although they don’t believe that the labor theory of value describes how prices are set (they usually believe prices come from the interaction of demand and supply), they can accept Marx’s labor theory as a perspective that shows how unfair the economy is. In their mind the labor theory of value is an accounting system which illustrates how the economy looks from the point of view of the laborer. But such an economist would also concede that there are also other ways how to look at the economy. In other words, such an economist would consider the labor theory of value to be a rhetorical device useful to anyone who wants to prove that capitalism is bad.

If you take such a rhetorical approach to economics then it is ok to read the experiences of those involved in the economy as a text which can be interpreted in certain ways. In this sense, Kitkat’s answer [6] is a very reasonable conjecture.

The problem is, Marx himself did *not* think that the LTV was just a rhetorical device. He thought that labor content really determines the long-run prices. It is not just a manner of looking at the economy, but describes the actual functioning of the economy. If that is the case, we are back to square one, because we still haven’t explained why Marx asks in 127:2, “what does this equation say?” Who are the market participants speaking to?

Message [7] referenced by [263]. Next Message by Hans is [9].

[263] Hans: What is the Right Answer? Kitkat gave the interesting answer [6] that Marx’s theories should be considered rhetorical or metaphorical. I replied in [7] that Marx himself does not consider his argument metaphorical but he thinks he is describing real processes. If this is so, then the riddle why Marx pays attention to what the surface interactions “say” has not yet been solved. This question still needs an answer.

Next Message by Hans is [265].

Question 90 is **31** in 1995WI, **40** in 1996ut, **38** in 1997ut, **55** in 2002fa, **57** in 2003fa, **62** in 2005fa, **73** in 2007SP, **73** in 2007fa, **74** in 2008fa, and **77** in 2010fa:

Question 90 *Marx argues that commodities are exchangeable only because they contain some common substance. Bailey denies this. He compares the exchange-value of commodities with the distance between points, which is not based on a commonality between the two points but is purely relative. In Theories of Surplus-Value 3, [mecw32]329:3, Marx quotes Bailey as saying: “As we cannot speak of the distance of any object without implying some other object between which and the former this relation exists, so we cannot speak of the value of a commodity but in reference to another commodity compared with it. A thing cannot be valuable in itself without reference to another thing any more than a thing can be distant in itself without reference to another thing.” Comment.*

[8] Danish: content A form 95% Value is not relative. The exchange value of a commodity is a very integral point, and it differentiates the Marxian approach from our contemporary mainstream tendencies (neo-classical) of understanding the commodity and the exchange value of the commodity. The “labor theory of value” says that the value of a commodity is determined by the amount of the labor invested in it. Thus every commodity shares a common thing which determines its value, namely the amount of the labor that has been devoted for its production. It would be absurd to relate the value of a commodity with the utility derived from its consumption by a consumer. Thus a commodity has an intrinsic value in it and that is its exchange value.

I agree the Marx’s explanation of the exchange value of the commodity, and I denounce Bailey’s argument that the exchange value of commodity is completely relative. This is a very superficial argument by Bailey, because if we don’t trade a good, according to Bailey’s argument that good has no exchange value because it has not been traded with another good. This is an absurd idea, because it completely ignores the fact that human labor and resources have been used up in the production of that commodity. The determinant of the exchange value between two commodities is not the relative utility obtained from them, instead it is the commonality of the labor invested in it.

For example to build a table, a worker spent 4 hours to assemble the raw materials into a final product in the form of table. While in the shoe factory, a worker makes 1 shoe in 2 hours, thus in 4 hours the worker has made 2 shoes. Similarly another worker in a chair factory makes one chair in 4 hours, thus the exchange value of all these commodities has a common thing which is the amount of labor invested in it, and it determines the exchange value of these commodities. One chair will be traded for one table, because it took each worker 4 hours to manufacture each commodity, similarly 2 shoes will be exchanged for one table or a chair. Whether there is a demand or no demand for a table, chair or a shoe, the exchange values of all three commodities will exist independently of the trade between these three goods.

The metaphor that Bailey uses to compare the exchange value of a commodity in terms of distance is not a well drafted economic argument to seriously challenge Marx’s ideas of exchange value of commodity. The distance exists in terms of time and space, while the commodity has been produced by human labor. Commodities don’t simply exist in nature, instead the human beings transform nature through labor to produce commodities. But still for the sake of the discussion, if I take Bailey’s metaphor seriously then the distance between two points is relative, but there is more to it, if an individual X is located at point A, and another person Y is on point B, the distance between them can be B minus A, or A minus B, depending on your reference point so it is relative. But this does not mean that we can deny the existence of point A as an independent entity, if we don’t have the point B in a scenario: both of these points exist independently of each other, and what allowed us to compare these points in terms of distance is the commonality of their mere physical or hypothetical existence. Similarly a commodity has an intrinsic exchange value, whether it has been exchanged with another commodity or not, and it is the intrinsic value of labor which allows us to determine the exchange value of any commodity.

Hans: Your argument is very similar to Marx’s own reply to Bailey: Marx says that the commonality of the two points consists in them both being points in space.

Next Message by Danish is [25].

Question 92 *What is wrong with Marx's argument in Value, Price, and Profit that exchange-value is social and therefore has nothing to do with the natural qualities of the commodities? Why did Marx not use the same argument in Capital?*

[13] Jml: The problem with Marx's argument in *Value, Price and Profit* arises with the idea that exchange-value is determined by the social need for commodities and is not based at all on the natural qualities of those commodities. Marx is correct in stating that commodities are only valuable so long as society has a need or want for them, but I do not agree that exchange-value "is something quite independent and different from the physical-tangible existence of the commodity." Some commodities will always be far more valuable in the market than others simply because of their natural qualities, and therefore will always make exchanges within the market. For example, wheat or food. Food will always be something of high exchange-value in the market because it is something that humans inherently need to survive. This exchange-value is something that the commodity inherently possesses. While to a certain extent the exchange-value is determined by society, it is also made valuable to the market by its own inherent qualities. A commodity that possesses natural qualities that are necessary for survival will always exchange more frequently and at a higher price than other commodities in the market that are not necessary for survival. While society is still the driving force behind the exchange of these commodities, the commodity's own inherent natural qualities give it an upper hand in market exchange. Producers of these commodities will always be able to depend on the fact that consumers will buy their goods, or that they will be able to exchange their own commodities for other commodities that they want or need. Producers of goods that are agricultural or necessary for survival in some other way will always be able to rely on their commodity unlike other producers that are dependent on society believing that the commodity that they are producing is something that they are willing to purchase / exchange for. Marx presents the idea that every act of exchange replaces one use-value by another which makes use-value impermanent, meaning that use-value cannot be permanent because the needs of society are not permanent. However, as stated above, this cannot always be true. Some needs will always be permanent such as hunger, thirst, protection and thus will always have a high use-value and a high exchange-value. Marx also states that the use-values of commodities are an essential characteristic of exchange acts, because things can only be exchanged if their use values are different. Exchange-value will never be completely independent from the natural qualities of the commodities because there will always be commodities that possess natural qualities for survival that can be exchanged on the market with commodities that have equal trading power. Marx's argument is flawed because certain goods have natural qualities that give them a higher use value and a higher exchange value on the market for the simple fact that they will always be demanded by society.

Hans: The intrinsic value of a commodity comes from labor, not from some especially compelling use-value (food).

Message [13] referenced by [16]. Next Message by Jml is [215].

[16] Hans: The Exchange-Value of Food. Jml says in [13]:

Food will always be something of high exchange-value in the market because it is something that humans inherently need to survive.

This is not how markets work. During the Great Depression people in the cities were hungry and the farmers had to burn their crops because food prices were so low that they couldn't even transport the food into the cities. And in the decades after World War II almost all family farms went out of business because they could not keep up with the low prices and high productivity of industrialized agriculture. Right now we have cheap and generally unwholesome food; the obesity epidemic is one of the consequences of this.

Recently, world food prices started to rise again (in the short run because of biofuels, and in the longer run because prices of energy and petrochemicals are rising). This is not bad in the US because we are starting from a very low price level for food, and higher prices allow local small-scale farmers growing organic food to re-establish themselves. But it is catastrophic for many developing countries because people can no longer afford to eat. High food prices are one of the reasons for the "Arab Spring," the wave of revolutions in Northern Africa and the Middle East.

I am noticing from Jml's answer that question 92 is poorly formulated and easy to misinterpret. Therefore here is a reformulation of the question. Marx said in *Value, Price and Profit* and in *Capital* that exchange-value does not depend on use-value. In *Value, Price and Profit* he backs up this claim with a very simple argument: exchange-value is social and therefore cannot depend on the physical properties of a commodity. In *Capital* he uses a different and more intricate argument to come to the same conclusion. Question 92 asks: why didn't he use the same simple argument in *Capital*? The claim itself is the same, only the argument supporting this claim is different.

One possible answer which I thought of is that Marx went over to the more intricate argument in *Capital* because this argument can be used to show more than that exchange-value does not depend on use-value. The argument in *Value, Price and Profit* is a shortcut, it is a destructive argument: it shows why a certain answer cannot be right. The more intricate argument in *Capital* is a constructive argument which not only demolishes a wrong answer but also leads to the right answer to the question "what does exchange-value depend on?"

Next Message by Hans is [\[22\]](#).

Question 93 is **79** in 2010fa and **91** in 2012fa:

Question 93 *In 127:4–128:1, Marx says that the exchange relation is characterized by an abstraction from use-values. What does this mean? Explain it in such a way that your 12-year old would understand.*

[15] Kendull: My interpretation of exchange relation as an abstraction from use values is that it is synonymous with demand for the product in exchange. Marx uses quantity of corn in exchange with x quantity of iron. Use values are impermanent and therefore exchange relations fluctuate with market value. To explain to a 12-year old, I would state that if a family has plenty of barrels of corn but needs milk, they might exchange 10 barrels of corn for 2 gallons of milk. The next week, they may have still 1 gallon of milk and therefore will only exchange 3 barrels of corn for another gallon because its use-value or demand is diminished.

Hans: This question did not want to hear *your* interpretation, what comes to *your* mind when you hear the phrase “exchange proportions abstract from use-values,” but I wanted you to explain what *Marx* means by this. See my [22].

Message [15] referenced by [22]. Next Message by Kendall is [33].

[22] Hans: How do Exchange-Relations Abstract from Use-Values? According to Kendall [15], exchange proportions abstract from use-values because the same use-values can be exchanged at different proportions depending on the situation of supply and demand.

This is not what Marx means when he says exchange relations abstract from use-values.

First of all, Marx differentiates between exchange relations and exchange proportions. The term “exchange proportions” is the narrower term, it refers to the numerical proportions in which things are exchanged. The term “exchange relations” is broader: it refers to all the social relations which market participants have with each other when they exchange things. Exchange relations prescribe which things can be exchanged and which can't. For instance, in a modern economy you can hire someone to do work for you but you cannot buy slaves, you cannot exchange spouses, you cannot go into a store and buy things by trading other valuable things for them but you need money, etc. The simplified barter economy which Marx talks about is a little different: it does not have money and therefore everything can be directly exchanged for everything else.

Marx is familiar with Kendall's argument, but he would not call this “exchange relations making abstraction from use-values” but he would call this “exchange relations being relative instead of immanent.”

In the subsection 1.1.b of the readings, Marx investigated the contradiction that exchange-value is sometimes treated as something immanent in the commodities, and sometimes it is treated as something relative. Listen to the audio from [Aug 30 2011](#) if you want to know more. His solution was: exchange-value is the *expression* of something immanent, (this immanent thing is called by Marx the “value” of the commodity), but this immanent so-called value of the commodities expresses or manifests itself relatively, by the exchangeability of the commodities.

Now we are in section 1.1.c where Marx is making the argument that this immanent “value” comes from labor. The very first step in this argument is to say that this immanent “value” does *not* come from the use-value of the commodity. Why not? Because the exchange process allows us the switch from one use-value to another use-value at will. Use-values are not something which stays constant or permanent during the exchange process but it is fleeting, first the commodity owners have one use-value, and at the end of the transactions they have another. This is what Marx means when he says that the exchange relations are characterized by an abstraction from use-values.

Look also at my [\[2010fa:63\]](#) where I tried to explain the same thing a little differently.

Message [22] referenced by [15]. Next Message by Hans is [31].

[337] Blossom: When exchanging commodities in a certain proportion Marx says that this is an abstraction from use value because in the exchange, the two traders are equalizing their commodities. So the parties to the exchange are saying that the commodities they exchange

are “the same” while in fact the use values are different. If the use values were actually the same there would be no need for trade.

Next Message by Blossom is [340].

[471] Cptcrunch: Exchange relation is characterized by an abstraction from the use values. To explain and simplify is to compare to a market where one commodity is needed greatly at a certain period of time. For an example, if you needed boots for winter. You would trade or pay a great deal more of a product that you have for those pair of boots that you would need in winter, than if you were to try and buy them in summer when winter boots are unnecessary.

Hans: This would be the opposite of abstracting from use-values. It would mean that exchange proportions are determined by use-values.

Next Message by Cptcrunch is [971].

Question 94 is **63** in 2005fa, **75** in 2007SP, **76** in 2008fa, **80** in 2010fa, and **92** in 2012fa:

Question 94 *Marx says that the exchange-relations are characterized by an abstraction from use-values. But use-values do affect the exchange proportions. If a use-value is in high demand compared to supply, then it commands a higher exchange-value. If a competitor brings out a better product, the firm’s own product may not sell any more. Can this be reconciled with the claim of abstraction from use-value?*

[19] Anil: Question 94 is built on a basic fallacious argument which asserts that use-values affect the exchange proportions. Use-values are “. . . the material depositories of—exchange-value.” (Marx, 1976, p.36) (Word “depositories” used for not to corrupt the quotation, the word, “carriers”, is a better translation for me too.) Possessing a use-value is a necessary condition for exchange but it is not a sufficient condition for determining the exchange-value.

Marx’s abstraction of exchange-relations from use-values paves the way for measurement of commodities, which have different qualities and “counting them as the same”. (Ehrbar, 2011, p.37) And these exchange-relations do not refer to individual activities of ordinary traders, they refers to overall surface exchange relations. Among these exchange relations, use-values become invisible. The event illustrated in the question refers to individual transaction of a firm; it does not refer to overall exchange relations.

To sum up, according to aforementioned facts, illustrated event in question can not be reconciled with Marx’s abstraction of exchange relations from use-value.

Next Message by Anil is [23].

Question 97 is **44** in 1996ut, **67** in 2004fa, **79** in 2007SP, **81** in 2008SP, **80** in 2008fa, **85** in 2010fa, **95** in 2012fa, and **105** in 2013fa:

Question 97 *Prior to Marx, Ricardo counts as the main author of the “labor theory of value” according to which value is determined by labor. An American businessman who later in his life became an economist criticized the labor theory of value with the following words: “Mr. Ricardo’s system is one of discords . . . its whole tends to the production of hostility among classes and nations . . . His book is the true manual of the demagogue, who seeks power by means of agrarianism, war and plunder.” Why do capitalists generally not like the labor theory of value?*

[12] Marx: (graded A) Labor Theory of Value. First of all, I apologize for the confusing pseudonym “Marx” I didn’t quite understand the format of the class when I created it, so if everyone could try to remember to address me as “Student Marx”, I think that could clear up confusion in any responses and critiques to my submissions.

In general, a capitalist justifies taking a large amount of profits for themselves by stating a couple of things. First is that they are the ones with the entrepreneurial ideas. They came up with the idea for the commodity, so they should be rewarded for their entrepreneurial abilities. Second is that they are the ones providing the capital, or machines that are “also creating value”. If “their” machines are creating value as well, then they can claim that they are entitled to the profits and value that their machines are supposedly creating. Third is that they are the ones taking the risk, so they deserve the profits as compensation for that risk. The reason that capitalists generally do not like the labor theory of value is because it says that a worker’s labor is what brings all of the value to a commodity, not that its value is derived from the utility or use value of the object. If labor is what brings all of the value to a commodity then a capitalistic business owner could never justify stealing most of the profits from the sale of the commodity. And that would essentially mean that the worker is entitled to the value and profits he or she creates through their labor, NOT the employer. This simply wouldn’t bode well for the capitalist who is exploiting their workers. By basically denouncing some of the fundamental characteristics of the labor theory of value, the capitalist can socially justify exploitation of their laborers.

Hans: In [275] I say very similar things, plus I try to explain how this oddity, a mainstream social science which sees the outrage of the exploitation going during its time, was eventually replaced.

Message [12] referenced by [2013fa:540]. Next Message by Marx is [30].

Question 100 is **86** in 2010fa, **98** in 2012fa, and **108** in 2013fa:

Question 100 *Take two very different kinds of labor, such as teaching and construction work, and discuss in what respect they are equal.*

[17] Gonz: Construction Worker and Teacher. For the sake of the discussion, we will assume the construction worker labors using his physical abilities and the teacher lectures in front of a class daily for the same amount of time. Hans states in the Annotations that ‘useful labor’ does not involve a judgement about the use-value of the product. Meaning useful labor is not a function of the the use-value. Logically we know that the construction worker produces a physical commodity whereas the teacher provides a service and in that they are different. However, they both sacrifice their time they could be using for leisure, in exchange for laboring that is required. All humans are required to work, because all humans are consumers. If they didn’t have to labor, they would spend all their time doing leisure activities. One hour sacrificed by working in the life of the teacher is equal to the hour sacrificed by the construction worker, no matter the physical commodity produced. Sacrificed leisure time is the commonality between the two.

Hans: Marx says that all labor processes contain an equal element, but in his view this equal element is not the sacrifice of leisure. Question 173 will ask you to explain the difference, my [2008fa:437] is a brief and complete answer to 173. Regarding question 100, you should look at [2010fa:59].

I must add that you are glossing over an important kind of inequity in capitalist society if you say that all labors are the sacrifice of leisure. Some labor processes are interesting and fulfilling and educational and cannot be considered “sacrifice,” while others are stultifying and unpleasant. Some Marxists (Michael Albert) say that

everybody should have to do during part of their labor time some of the unpleasant chores necessary to keep society going, and the rest of their time they should have fulfilling and interesting work—instead of some people always doing unpleasant work, and other people always pleasant work.

Message [17] referenced by [2012fa:33]. Next Message by Gonz is [59].

Question 105 is **46** in 1996ut, **45** in 1997ut, **83** in 2007SP, **84** in 2008fa, **90** in 2010fa, and **114** in 2013fa:

Question 105 Define “value quasi-material” (*Wertgegenständlichkeit*). Does value quasi-material have properties similar to physical matter?

[21] Res: Value quasi-material. Value quasi-material can be defined as the non material abstract human labor that is embodied in a commodity.

Yes, value quasi-material has properties similar to physical matter. As Hans stated in [2010fa:530], value quasi-material may be not physical, but it is the result of a physical production process which displays a connection with physical matter. For example, when an individual purchases a computer from Company A that is known for its commitment to design and high quality construction, the value of the abstract human labor involved in the production of those computers can be transferred into the future exchange value of the product. The perception that the abstract labor in Company A’s computer is more valuable than similar or even equal levels of abstract labor put into a computer from Company B demonstrates a property of the value quasi-material that is usually reserved for tangible attributes. Even though the two computers could be made from the same parts and through similar construction methods, the lack of physical manifestations of the abstract human labor (flaws in the construction) provides Company A’s computer a much higher exchange value as a result of the value quasi-material.

Hans: According to Marx, all labor creates value, not just the extra diligent labor and tight quality control of a top-of-the-line manufacturer. What is more, Marx says that value *only* comes from labor.

Next Message by Res is [77].

Exam Question 110 is **38** in 1995WI, **47** in 1995ut, **49** in 1996sp, **47** in 1996ut, **46** in 1997ut, **58** in 1999SP, **60** in 2001fa, **73** in 2004fa, **72** in 2005fa, **85** in 2007SP, **85** in 2007fa, **86** in 2008fa, **93** in 2010fa, **108** in 2012fa, and **119** in 2013fa:

Exam Question 110 What is value (according to Marx)?

[14] Bikeman: Value, according to Marx, is not the worth or relevance of a commodity. It is a social quality that makes the commodity exchangeable in a market that is derived from abstract social labor. He says that we have to look at value independently of its appearance. A commodity only has value because of the abstract human labor (value forming substance) contained within which is measured in terms of hours or days. This is not to say that the value is determined by the number of hours used to produce it, meaning that a slow or unskilled worker does not produce more value because it takes him more time to produce the commodity. Marx determines that human labor power is a sort of average where all labor power is combined to equate to a socially average unit of labor power that determines value.

Hans: You are using the term “abstract social labor” twice in this answer without defining it. “Value forming substance” does not define it but it repeats what you said in the first sentence, that value is “derived from abstract social labor.” So you have told us what abstract human labor *does* but not what it is. It needs a definition.

By the way, Marx does not say that value is “derived from” abstract human labor, but he uses the phrase “value is congealed abstract human labor.” It would have been good to explain what he means by that.

Next Message by Bikeman is [86].

[18] Hov: Karl Marx defines value as congealed abstract labor contained in commodities. A commodity only has value because of the human labor in the abstract contained within which it is measured. For myself, it has been difficult to grasp value, but from what I understand labor has gained a separate existence through its measure in money. It is true for the most part that abstract labor is observable through money, however this is not what Marx is going after. Due to the ever-present power of money we refer to the value of commodities, where value is thing-like or object-like. According to Marx, despite creating this impression of value, money is not what we should refer to when we think of value. Value is the congealed abstract labor contained in commodities, only concrete labor can identify itself through money.

Hans: Value is a social force; it is what makes things exchangeable. What you call Marx’s “definition” of value would in Marx’s mind not be some (arbitrary) definition but rather a discovery: Marx says that the congealed abstract labor in the commodities makes them exchangeable. This congealed abstract labor is not visible in the commodities, it is only visible in the price tag of the commodity.

I also have to say something about your writing style. Your second sentence is malformed, what does “contained within which it is measured” mean? Your original submission had two more sentences with extra words: you had written “it is true *that* for the most part that” and “due to the ever-present *and* power of money” (the extra words which I edited out in italics). It takes less than 5 minutes to go over your text for such grammatical errors before you submit it, and I will not tolerate sloppy writing in this class. Fortunately for you this was an exam question which is always ungraded, therefore the grade for this message (with penalty for sloppy writing) is only informational and will not be counted for your final grade.

Next Message by Hov is [32].

Question 113 is **40** in 1995WI, **49** in 1995ut, **51** in 1996sp, **49** in 1996ut, **54** in 1998WI, **63** in 2000fa, **63** in 2001fa, **111** in 2012fa, and **122** in 2013fa:

Question 113 *Is the magnitude of value of a commodity determined by the quantity of abstract labor necessary to produce it, or by the quantity of other commodities against which it can be exchanged?*

[23] Anil: Two Measurement Methods of Value or Worth. The magnitude of value of a commodity is determined by the quantity of abstract labor necessary to produce it. The latter measurement method involves a comparison of commodities with the notion of “congealed abstract labor” that is “the common substance inside the commodities which manifests itself in the exchange relations, and to which these exchange relations between the commodities can be reduced” (Ehrbar, 2011, p. 50). Latter method expresses that a commodity is “worth of” other commodities with certain quantitative proportions, on the basis of qualitative equivalence, not the value of commodity.

Hans: Marx does not think that two commodities can be exchanged if their use-values are equal (I take it this is what you mean by qualitative equivalence) but because the traders consider each other’s *labors* as equal and therefore do not mind trading the products of these labors.

If you speak of two measurements of value, do you mean that both of them would be possible and one should choose whether the capitalist one or Marx’s one is better?

Next Message by Anil is [27].

[381] Reagan: Production not Transaction. First and foremost, the magnitude of value of a commodity is determined by the quantity of abstract labor necessary to produce it,

not the quantity of commodities against which it can be exchanged. In essence, value is determined in *production*, not transaction. This stands in stark contrast to the bourgeois theories of economics, which consider utility (the satisfaction derived from a product) to be the grand determiner of value, as opposed to “congealed abstract labor” as Marx claimed. In that sense, Marx placed value upon the object itself, not its ability to be an effective commodity as capitalists were want to believe.

Hans: Marx would say that the ability to be an effective commodity does indeed matter, but it determines the quantity produced, not the value.

Next Message by Reagan is [558].

[413] Lukas: The magnitude of value of a commodity is determined by the quantity of abstract labor necessary to produce it. This magnitude is equivalent to the average amount of present day abstract labor necessary to produce the commodity, or other identical commodities, among the different producers of that commodity. The quantity of other commodities against which it can be exchanged (i.e. 20 yards of linen for 1 coat) is the actualization of this value in the market place.

Next Message by Lukas is [421].

[446] Hunter: Labor is what an individual contributes through time and work to the value of a commodity. But, we also know that the amount of time it takes to produce a commodity will vary depending on the laborer. So is the commodity produced by the slower worker going to be worth more because of the additional time spent in producing the commodity? No, because the two commodities are the same, it is actually the labor power that is worth less but the two commodities produced will hold the same exchange value. Therefore, when we are speaking of two of the same commodities that are produced by two different workers the actual value of the commodities will be determined based on the exchange values the commodities hold. It is true that the magnitude of abstract labor will contribute to the value of a commodity but it is the actual exchange value that will determine its worth.

Hans: Yes, exchange-value governs market transactions. The question is whether there is something behind exchange-value.

Next Message by Hunter is [450].

[472] KKondo: The magnitude of value of a commodity is determined by labor power. According to Marx the value of a commodity is exclusively determined by the amount of labor necessary to produce this commodity. In other words, a commodity that has been mass produced has less value than the same exact commodity that had been hand made, because the amount of abstract labor put in was higher on the hand made one. Nevertheless, their exchange-value is the same.

Hans: If their use-values are exactly the same, then their value must be the same too. Marx never says this but implicitly he is making this assumption.

Next Message by KKondo is [475].

[479] MarxStudent: graded A The magnitude of value of a commodity is determined by the quantity of abstract human labor necessary to produce it. The commodity presents itself as a material expression of the concrete labor power consumed in its production. What is referred to in the annotations as “value quasi-material” (Ehrbar, 2011, p. 50) is the congealed abstract human labor which exists in the commodity and is its value. It is important to note here Marx’s non-adherence to methodological individualism, rather labor-power as value refers to the portion of aggregate labor-power available to a society in a given moment in time and can be thought of as the opportunity cost of the labor power embodied in the

commodity. Thus, the magnitude of value of a commodity can in fact fluctuate over time due to variations in the amount of necessary abstract labor embodied in it, for example due to improved efficiency in its production process.

The magnitude of value of a commodity is not the amount of another commodity for which it can be exchanged because this simply masks the true nature of what is being exchanged, which is the abstract labor-power explained above. The exchange value of a commodity is however derived from its value and exists as a mode of its expression. (Ehrbar, 2011, p. 27)

Next Message by MarxStudent is [481].

[490] Vegas: The magnitude of value of a commodity is determined by the abstract labor used to produce it. The amount of products it can be exchanged for is an extension of the amount of abstract labor inherent in all commodities. The proportions in which they're exchanged is set by amounts that can be produced at the same amount of labor.

Next Message by Vegas is [491].

[495] JuniorBacon: Both exchange value and labor produce the magnitude of value in a commodity. Labor goes into a commodity and will increase its value but then can only be determined by its exchange value. In the book you talk about total labor going into a product not just the direct labor, so you have to take in account all the machinery, land and all the other costs, like fixed and variable costs go into making a commodity. This "can" increase the value of a commodity but in the end society will determine its value towards other commodities and that is its value. Yes value is based off labor and a commodity gets its value from that labor. Odd example but the titanic, tons of money went into it, more went into building it and now its completely worthless in value because no one would exchange anything for it.

Hans: The labor content of a commodity is not the same as the labor cost which a capitalist would incur producing this commodity (even if you add indirect labor to it). The capitalist pays a wage to the workers. This wage is far less than the value produced by the labor of these workers.

On the other hand, a capitalist has many costs which cannot be reduced to indirect labor. Land costs for instance, or interest costs. The labor theory of value is not the same as a theory saying that value is determined by cost.

Next Message by JuniorBacon is [1023].

[512] Malibu: As Marx states in section 3 of chapter one under the relative form of value, 145:1:

"I. Let the value of the linen vary, that of the coat remaining constant. If, say in consequence of the exhaustion of flax-growing soil, the labour time necessary for the production of the linen be doubled, the value of the linen will also be doubled. Instead of the equation, 20 yards of linen = 1 coat, we should have 20 yards of linen = 2 coats, since 1 coat would now contain only half the labour time embodied in 20 yards of linen. If, on the other hand, in consequence, say, of improved looms, this labour time be reduced by one-half, the value of the linen would fall by one-half. Consequently, we should have 20 yards of linen = 1/2 coat. The relative value of commodity A, i.e., its value expressed in commodity B, rises and falls directly as the value of A, the value of B being supposed constant.

II. Let the value of the linen remain constant, while the value of the coat varies. If, under these circumstances, in consequence, for instance, of a poor crop of wool, the labour time necessary for the production of a coat becomes doubled, we have instead of 20 yards of linen = 1 coat, 20 yards of linen = 1/2 coat. If, on the other hand, the value of the coat sinks by one-half, then 20 yards of linen = 2 coats. Hence, if the value of commodity A remain constant, its relative value expressed in commodity B rises and falls inversely as the value of B.

If we compare the different cases in I and II, we see that the same change of magnitude in relative value may arise from totally opposite causes. Thus, the equation, 20 yards of linen = 1 coat, becomes 20 yards of linen = 2 coats, either, because the value of the linen has doubled, or because the value of the coat has fallen by one-half; and it becomes 20 yards of linen = 1/2 coat, either, because the value of the linen has fallen by one-half, or because the value of the coat has doubled.”

The magnitude of value depends on the commodities in which it can be exchanged. If 20 yards of linen = 1 coat then 20 yards later = 2 coats. its not because of the labor but because linen has gained value of the coat has lost value. This has nothing to do with the abstract labor as asked in Q113.

Hans: Marx would say here that the relative *expression* of value does not have a one-to-one relationship to absolute values, but in his mind this is consistent with the labor theory of value.

Next Message by Malibu is [513].

Question 115 is **55** in 1997sp, **49** in 1997ut, **65** in 2002fa, **67** in 2003fa, **77** in 2004fa, **76** in 2005fa, **89** in 2007SP, **89** in 2007fa, **89** in 2008fa, **92** in 2009fa, **96** in 2010fa, and **113** in 2012fa:

Question 115 *Why is labor measured here by labor-time, and not by counting how many movements were made, or by the heart rate of the laborer (as in an exercise room), or by the discomfort of the laborer?*

[24] CameronCottle: Labor-Time Pros and Cons. As the reading states, labor-time is a well defined standard of measurement that makes it possible to statistically measure and evaluate the effective use of labor or lack thereof. The problem with many of these other measurements is that they might not be an accurate reflection of productive work. An employee who is rather flamboyant and spends a lot of time talking during working hours is obviously going to make more movements but may not be as productive in their labor. An increased heart rate could be attributed to an unhealthy lifestyle or a personality that is more prone to stress. The problem with many of these other proposed ideas of measuring labor is that they are subjective. They are under the evaluation of each individual person and therefore are difficult to put a numerical value to. The big problem is that each individual might value things differently. One worker might not care about the discomfort of their labor yet another would state that is the biggest issue. It is too biased for any other measurement besides time to be used in the context of measuring labor.

This of course is not the only reason that labor is measured in labor-time as that could result in findings contrary to the truth of what is productive or not. Looking at labor-time also brings about the problem of the lazy-worker or the ineffective or untrained worker. This is only a problem if we look at labor-time from an individual standpoint. If we evaluate each worker and not production as whole, we will come to this issue because looking only at labor-time we will find that the lazy worker makes the commodity worth more. To resolve this issue we have to look at this situation from a different point of view. As is discussed in the readings we have to look at it from the perspective that each worker has the possibility to be treated equally and to produce the same amount but this does not always mean each worker does. This can be a problem with many models as people often assume that just because there is the possibility for something, it does not always mean it is obtained.

Message [24] referenced by [31]. Next Message by CameronCottle is [68].

[31] Hans: Try not to think like a capitalist. Most answers to this question in the archives, and also CameronCottle's [24] and Keynes's [28], are written from the perspective of a capitalist who has hired an employee and now tries to monitor whether the employee is using his time in the way the capitalist wants him to.

This is not the right perspective for answering this question because in chapter One of *Capital*, Marx is not yet talking about capitalists and workers. The subject right now is a different ingredient of a capitalist society, namely commodity relations on the market.

Therefore we must approach this question on a general social level, not an individual level. And the society which has to inform our answer must be the capitalist society *as Marx sees it*. It is not enough to think of the society in which we live in order to answer this question, but you must imagine you are Marx or someone who sees the structure of capitalist society in the same way as Marx. In a nutshell, Marx says in chapter One that the one-dimensionality of markets (everything is measured by money) is matched by the one-dimensionality of the production process: the most important ingredient of the production process is labor, in our society all labor counts the same, and it is shuffled between the different industries as directed by consumer demand.

This is the labor which needs measurement. All labor is qualitatively the same in the sense that you don't need different people to do most of the jobs; the same person can work as a dentist or an auto mechanic or a teacher or a skilled tradesperson. The only difference is training, but everybody can do these jobs with the proper training, and people often switch from one to the other.

This means all labor of society is one fungible mass able to be applied in many different production processes. Marx calls it abstract human labor because the concrete particularities of each labor are abstracted from. All abstract labor is the same, the only difference between abstract labors is quantitative.

How can the quantity of this labor be measured? Usually, a good way to measure labor is by the product, but since we are not measuring concrete labor but abstract labor, we cannot measure it by the product. What interests us here is not the output but: how much of the ability to work of this person has been absorbed by the given labor and therefore cannot be used for producing other things? This can be measured by time and intensity—but right now

Marx is not yet talking about intensity. He is assuming every labor has the same intensity. This is why he comes down on time as a good measure.

You may also want to read other attempts of mine to answer this question in [2008fa:135] and [2009fa:24].

Message [31] referenced by [28] and [2012fa:76]. Next Message by Hans is [35].

Question 116 is **56** in 1997sp, **50** in 1997ut, **56** in 1998WI, **62** in 1999SP, and **66** in 2001fa:

Question 116 *First Marx says that the quantity of value is determined by labor-time, and then he continues: “It might seem that if the value of a commodity is determined by the amount of labor spent in its production, the more lazy and inept the laborer, the more valuable his commodity would be.” Why does Marx write here: “it might seem that”? Does his prescription how to measure the quantity of value lead to absurd results or does it not?*

[307] Veb: Marx’s prescription for measuring the quantity of value does not lead to absurd results, such as a commodity produced by a lazy and inept worker embodying more value. In Marx’s capitalism, labor-time is measured by the amount of socially necessary labor-time. Socially necessary labor-time includes the socially normal production process and the average skill and intensity of labor required to produce a thing. This does not necessarily mean the mathematical average of time that it takes to make a product, although this is generally close to correct. So, the quantity of labor-time in a given product is the socially necessary amount of labor-time it takes to produce this thing, and it is this that is measured against other commodities to create exchange proportions. The only thing being measured is the duration of labor-time, the actual labor is considered to be one homogenous mass (abstract human labor). This method doesn’t produce absurd results, because it does not increase the value of a commodity made by an inept worker, not does it decrease the value of a commodity made by a very skilled worker. It uses the socially average conditions, which are representative of what actually happens in the economy.

Hans: I don’t like your formulation “in Marx’s capitalism.” Marx does not propose a different form of capitalism, but Marx describes here the actually existing capitalism. He proposes to get rid of capitalism altogether and transition to a social order in which the products do *not* take the form of commodities.

Next Message by Veb is [308].

[314] Marx: graded A The slow worker. Marx’s prescription of how to measure the quantity of value does not lead to absurd results. The reason Marx writes “it might seem that” is because this is probably the first thing to come to the mind of most capitalists or those in a capitalistic society, and he wants to address this issue. If we read on, in 129:3/o of Capital, Marx states that what determines the magnitude of value is the “labor-time socially necessary for its production”. Therefore, the amount of labor hours put into that article by the lazy worker does not determine the “magnitude of value”. This statement by Marx would imply that the lazy workers labor counts as less labor, and thus Marx’s prescription of how to measure the quantity of value does not lead to absurd results.

Hans: I like the formulation in your in-class answer “the slow laborer is not on par with the other laborers so his labor counts as less labor.”

Next Message by Marx is [330].

[362] Skiingforlunch: graded A+ Lazy Worker. The lazy and inept worker does use a larger amount of labor to produce goods – therefore the quantity of value of his commodity must be higher in relation to other goods – right?

Marx's analysis of the economy is looking at aggregate long run view of the marketplace – rather than individual situations. The marketplace as a whole is not concerned with the abilities of one individual – but nonetheless let's see why it would seem a lazy worker benefits in the marketplace. In Marx's view the commodity is the center of the commodity and it is the commodity acting in the marketplace. Let's look further into the determinations of the commodity and see if there are any reflections that tell us if a lazy worker would benefit.

Marx is very specific – the quantity/substance of value is the determination of the labor creating value. This is the commonality between all commodities (the labor expended) and also the determination of value. Labor is the most important part of the production process since it determines the value – how does Marx explain the quality of the production process in commodity producing societies.

Marx is very clear on the type of labor that determines value however. Labor is homogeneous in the abstract, it is all the expenditure of human muscle, brain, and nerves. Workers/producers are free to migrate and change professions, so it is actually labor in the abstract that is the determination of value rather than the actual concrete labor expended in the commodity. The observations of members of the marketplace see the abstract labor congealed in the commodity – not the concrete labor. Concrete labor is not materialized on the surface of a good. The only difference between labors of two commodities is the quantity congealed in the good. The actual labor hours put into the commodity by the lazy worker is never surfaced and other goods do not signal value to the commodity based on the additional hours that the lazy worker had to actually expend in the good. The quantity is determined in the duration of labor or otherwise called labor hours.

So the substance is clear and the quantity is therefore more clearly defined as determined by abstract labor time – or the socially necessary labor time. Commodities are equalized in the marketplace based on this socially necessary labor time; since commodities are competing the lazy worker will see he/she is spending greater time in production than other producers and yet his reward per commodity is equalized per commodity at the same magnitude as other producers.

“The abstraction is easily made – not by onlookers, but by society itself – that the labor input in commodities is abstract and homogeneous regardless of sewing or tailoring”

So how does a lazy worker's commodity compare in relation to other commodities? Other commodities are giving the signals to the commodity reflecting its value. If commodities were equalized based on concrete labor and use values the outcome would be the opposite – there would indeed be a benefit being a lazy producer. Since commodities are equalized solely based on their value and the abstract labor manifested on the surface there is no benefit to the lazy worker.

Hans: About your sentence “concrete labor is not materialized on the surface of a good,” or, as you wrote in class, “concrete labor is not visible on the surface”: it is not visible in the *exchange relations* but it is at least partly visible in the material properties of the good. With abstract labor it is just the opposite.

Next Message by Skiingforlunch is [\[363\]](#).

[422] Keynes: Marx writes “it might seem that,” when talking about the determination of quantity of value by labor-time necessary, because to the initial first observation, an inept of lazy laborer would come across as producing higher value, from increased time. The more time used in creating a commodity, the higher the quantity of value. This is incorrect however. Marx’s prescription does not lead to absurd results. He prescribes that we count labor-time as “socially necessary”. Society makes the decision to keep the value of the output of a worker below the time actually used for its production. If a worker is lazy or inept, the producer replaces the worker in order to achieve the highest productivity. A standard is enforced through production means. This creates a universal amount of “socially necessary” labor-time by which the quantity of value is determined.

Next Message by Keynes is [\[423\]](#).

[425] BrotherThelonious: To begin with, to reach this point in the conversation, Marx first showed that commodities on the market are equal. Since not all commodities are equal physically—in fact, almost none are—what is left to equate these commodities as equals is the labor that produced them. Albeit that there are many different types of labor, there is a commonality within all labor. As Hans points out on page 52 of the Annotations, “the actual equality of all labor processes consists in all labor being the expenditure of human labor-power.” If this is the case, and a commodity’s value is the sum of the labor-power expended in production, then, however absurdly, the commodity produced by an incompetent worker who inefficiently fumbles with production would hold more value than the same commodity produced by a skilled worker who can produce it in no time. This paradox is, however, easily discarded when we realize that commodity exchange and value is largely a social mechanism, and the equality of labor is only the physiological property that allows the social mechanism to function. That abstract labor *can* be measured equally is not a binding constraint insisting that it *will* be measured equally. In the exchange market, should a lazy worker attempt to exchange his good for a higher price than the skilled worker is exchanging the same good, the lazy worker will find no partner with whom he can exchange. In other words, it is the the labor of the skilled worker that sets the labor value for the market, not the lazy worker.

Next Message by BrotherThelonious is [\[426\]](#).

Question 117 is **57** in 1997WI, **57** in 1997SP, **63** in 1999SP, **65** in 2001fa, **66** in 2002fa, **68** in 2003fa, **78** in 2004fa, **77** in 2005fa, **90** in 2007SP, **90** in 2007fa, **92** in 2008SP, **90** in 2008fa, **93** in 2009fa, and **97** in 2010fa:

Question 117 *Is it a character flaw to be lazy in an exploitive system?*

[25] Danish: graded A First of all the word “character” has very wide and different dimensions and connotations. The morality, good and bad character are the terms which are the reflections of very surface based analysis. Human beings are the reflection of their material conditions, the morality changes over the time with the changing means of production. Thus there is no universal thing as a good character versus bad character, or moral versus immoral, it is all relative to the contemporary means of production of the society. A labor union activist, who spends most of his time in educating workers about labor rights, and tries to provoke class consciousness among the workers will be a hero and a good character in the eyes of the working class, while for the capitalist he is a lazy worker, who just likes to talk

and talk, and they would love to get rid of him/her as soon as possible. According to their limited view of the world, he is also a bad character.

The bourgeois class always fear the threat of workers' collective class consciousness and power. Thus to counter it, they have to come up with some tactics and strategies. The term "lazy individuals" is a commonly heard term in the US. It is a pure reflection of bourgeois thinking, and this kind of thinking has been imposed on the society from the ruling class (bourgeois class) to hide the real social contradictions, i.e. exploitation, class struggle etc. The bourgeois class try to portray everthing in terms of commodities which are there to be bought and sold. So by taking courses in to micro and macro economics, it might seems a fair game, where workers and employers are just doing trade on the market place on even playing field. Thus it is portrayed as a simple trade where labor has been bought by the capitalists, and workers have sold their labor in return of wages. Thus in this constrained, and very limited frame of referrence, we never hear the phrase "exploitation", it is important to understand that amount of wage you earn does not necessarily correlate with the exploitation. According to Marx, workers are exploited not because they are paid \$9 per hour, instead of \$15 per hour and so on. But on the contrary, the exploitation of workers is directly related with the surplus they produce. In any society where the surplus producers (workers) don't appropriate the surplus is an exploitative society. In capitalism, the foundation of this exploitation is based solely on this feature that workers produce surplus and the capitalists appropriate surplus because they own the means of production. For example if a software engineer is earning a \$100k per annum, this might seems a decent salary, and he might not considered himself as being exploited. But according to Marx he has been exploited because it is pretty much evident that, he must be producing more in value for his employer than what he got paid in wages/salary, because it is the only possible explanation of sustaining a job in capitalism.

In our contemporary epoch, we see exploitation in every aspect of the society. There are few people known as capitalists, who own the "means of production" of the society, while the rest of us (workers) work on those means of production to produce surplus. As Marx said "every dominant idea is an idea of a ruling class". In our modern capitalist structure, you have to be outspoken, presentable, clever and manipulative to be a successful employee. Thus all these traits might sound very efficient to the people who are accustomed to capitalist mode of production, but for anyone from "primitive communist mode of production" might find these traits in an individual very disturbing and disgusting. Thus I am making this point to clear out the fact that laziness that we usually hear in our common language is very specific to "capitalist mode of production" and in general to all the class based societies. Thus in our contemporary society, anyone who produces more surplus (profit) for the capitalist is considered efficient and smart worker, and if a worker is producing less surplus, (remember if so called lazy worker is still hired, it means he/she is still producing surplus, but not at the desire rate for the capitalist) he/she is considered lazy.

But I myself disagree with this notion that some workers are lazy and some are efficient. It is true that one worker might have better cognitive or artistic instinct, while another worker might be more interested in doing physical labor. Thus if we have a classless society, where the means of production are collectively owned by everyone, and where the division of labor

is completely determined by the workers themselves rather than the markets, we would not see anybody slacking at work, and this notorious bourgeois revelation of “lazy workers” would fade away from the society. But on the contrary we live in a class based society, where the capital/market determines the division of labor and the kind of work workers have to do. Workers don’t own the “means of production” thus they have no direct incentive in increasing the production, all the bonuses or rewards that have been offered to energize workers are not even the 1% of what they produce, thus once workers have developed class consciousness among them, instead of producing for the capitalist, they will rather try to change the “relations of production”, and it would be very natural and rational thing from the perspective of the workers. On the contrary, for a capitalist, this would be his/her worst nightmare, and he will fire all those workers by calling them lazy and useless. So in this paradigm, it is not a character flaw to be lazy in an exploitive system, instead it would be very rational thing to do.

Next Message by Danish is [37].

Question 118 is **70** in 2003fa, **92** in 2007SP, **92** in 2008fa, **95** in 2009fa, **99** in 2010fa, and **117** in 2012fa:

Question 118 *Regarding the question how to measure the quantity of value, Marx first gives a wrong answer, which is based on an oversight, and then corrects it. Why doesn't he give the right answer right away?*

[27] Anil: Sui Generis Abstraction. That situation mainly originates from sui generis property of Marx’s abstraction. Bertell Ollman (2003) indicates the distinctive character of Marx’s abstractions as “... what is most distinctive about Marx’s abstractions, taken as a group, is that they focus on and incorporate both change and interaction (or system) in the particular forms in which these occurs in capitalist era.” (Ollman, 2003, p.64) Marx, instead of overlapping, solved lazy worker paradox in order to illustrate what abstract labor and ordinary labor-time refers to in capitalist era.

Hans: I gave you only 50% for this because it would be necessary to say a little more to really explain the difficult concepts you are bringing up.

Next Message by Anil is [76].

Question 120 is **54** in 1997WI, **53** in 1997ut, **68** in 2001fa, **81** in 2005fa, and **96** in 2008SP:

Question 120 *How can labor-time be the measure of value, of a social quantity, if it seems the private matter of the producer whether he or she spends much or little time, and others may not even know?*

[369] SpookyKJC: Labor is in fact a measure of value of a social quantity even if it’s private because it is usually not that private. People tend to brag about their labor because it makes them feel like the object that they worked on is valued more. Rarely is there someone who doesn’t say how hard and long they worked on something.

As far as little time, people do not boast about that. However, people instead let their work show. For example, if someone doesn’t study for an exam, they might not say they stayed out late instead, but their exam instead reflects them not studying. This is how labor time can be the measure of value of a social quantity.

Hans: Your example with the exam seems to say that one can tell by looking at the product how much labor went into producing it. This is exactly what Marx denies when he says in [megaII/6]32:4 “what remains is a merely phantastic objectivity” if one looks at the product as the congelation of abstract labor, or in 177:3–4 “no chemist has ever discovered exchange-value in pearl or diamond.” Also look at my [2009:24] for this.

You are missing an important point. What people say on the market is irrelevant. What matters is what they *do* in production in reaction to the prices their goods fetch on the market. Will they increase or decrease production is the price is such and such? This is the mechanism through which their tightly guarded production secrets manifest themselves on the surface.

Next Message by SpookyKJC is [370].

[393] CameronCottle: Labor time is the measure of value and not the individual producers because we are not talking about individual’s labor time. We are talking about society’s accepted amount of labor time. If you are looking at individuals then it would be a valid argument to state that a lazy worker or ineffective worker would increase the value of the item because it would take them longer.

This is not true as Marx points out. The value of a thing or commodity is derived from its abstract labor. The abstract labor is the homogeneous labor possibility for society to produce the thing or commodity. This means that any person; with proper training, education, skills, etc. . . , can produce anything. The value of a thing is therefore society’s accepted amount of labor required to produce that thing.

It is not the actual time required to make an item. For example, it could take a lazy worker ten hours to make a hotdog but the society’s accepted amount of time required to make a hotdog is one hour. The value of the hotdog would not be ten labor hours but the one labor hour which is why you would fire the lazy worker. This is why it is not the producer that decides the value but the society accepted amount of labor which is abstract labor.

Now it is not a value that is set in stone. In winter when it is difficult to grow food and gain food, the abstract labor required to do these things might increase thusly increasing the value of the item. It is again a socially accepted value derived from the labor time required to create/obtain the thing or commodity.

To summarize, the reason the individual producer doesn’t decide value is that the value comes from the homogeneous labor power of society, not the individuals.

Next Message by CameronCottle is [395].

[416] Anil: Labor-time in question is not an individualistic process, it is determined by socially and Marx called that “socially necessary labor-time”. Market forces, like competition, lead this fact. Producers exchange, their commodities on the basis of equal content in them which is congealed abstract labor and socially necessary-labor time is concrete manifestation of congealed abstract labor. Due to the aforementioned fact, exchange activity among producers are based on exchange of equal socially necessary labor time used for production of a commodity. So every producer must attain same amount of labor time in production of commodities. As a result, labor-time is a socially determined phenomena not an individually determined one.

Next Message by Anil is [631].

[417] Alex: graded A+ Labor-time is the determinant of the value of a commodity. Commodities are exchanged at market only for commodities of equal value. Therefore, the two commodities should have an equal amount of labor-time embodied in them. It may seem

odd that value, the social quantity aspect of a commodity, is determined by labor, which can be seen as a private matter of the producer, but all producers will, knowingly or unknowingly, equalize the labors of their commodities over time. As each producer strives to lower the amount of labor required to produce each commodity, they all tend towards the lowest quantity of labor necessary. As a result, most similar commodities will become embodied with nearly equal amounts of labor. As a result, the labor required to produce a commodity will determine its social quantity, its value.

Next Message by Alex is [508].

[424] Bu: Marx has stated that value is derived from labor-time. Initially, his theory might be understood as the more labor that goes into production of a commodity the more value the commodity has. So, the question arises in 129:2 which essentially asks, what keeps a lazy or slow producer from driving up the value of a commodity by means of having more labor time? Well, once we take into consideration the social aspect, we get what Marx refers to as the “average labor power” of society and naturally adjusts the value. When Marx writes about an average, he is not referring to a scientific number but rather what is “necessary on the average.”

Hans: Do you mean, with your phrase “scientific number,” that only mathematical formulas are scientific? Marxists would probably retort that the misuse of mathematics in modern social sciences is the modern version of astrology.

Next Message by Bu is [464].

[427] OBJ: Absolute values of commodities are measured in labor time while relative value can change. For example, a piece of wood can be turned into a table therefore increasing the piece of wood in relative value. Although it seems a private matter of how much time was spent turning the piece of wood into a table, thereby increasing the wood’s value, it is not. “The labor, however, which constitutes the substance of value is equal human labor, expenditure of the same human labor-power.” (Marxian economics, pg 53) The laborer can be lazy and not work as intensely as another laborer, but the lazy laborer is creating less social quantity of labor value.

Next Message by OBJ is [435].

[441] Kitkat: Marx delineates three determinations of value: substance, quantity, and form. These three determinations are the roles played by commodities in an economic exchange; value is expressed differently in each one. For substance, value is expressed through human labor. For quantity, it is expressed in socially necessary labor time. In form, value is expressed by exchange-value. Socially necessary labor time is determined by abstract human labor and determines the amount of time necessary for the value if a commodity (and value is determined by social relations). Value increases or decreases based on the exchange of commodities (exchange-value)- this is how concrete labor is represented in the commodity. Therefore, labor makes it into the commodity exchange through concrete labor- this moves labor from private production to public social relations.

Hans: You are answering 262 in order to answer 120. Good way to do it!

Message [441] referenced by [2012fa:328.1]. Next Message by Kitkat is [442].

[459] DO: graded B The labor-time is the measure of value, of a social quantity, because one does not get paid by the amount of something he/she may produce, but for the amount of hours, days, etc. that he/she spends making that given product. When Marx explains why labor-time is the measurement of value, he exemplifies the fact that no matter what quantity

of a given product one may produce, they are still giving up their free time to produce this product and are putting in labor while doing so. Therefore, the time that one puts into producing any given product is viewed as value.

Hans: You are talking about wages, not the value of the product. These are two different things.

Next Message by DO is [461].

[488] Zvisser: Labor time can be a measure of value because every product requires labor. Even though the person exchanging or buying the item does not know how much labor is invested in producing that commodity, the labor that was expended in producing the said commodity will be apparent without assigning an intrinsic labor value. Ex. a peanut butter and jelly sandwich for dinner can be made and exchanged for very little (because little time was invested in producing that dinner). However a 5 course meal with all the toppings would be exchanged for a much higher value because of the additional time that was required in producing that item.

Message [488] referenced by [489]. Next Message by Zvisser is [489].

[498] Poptarts: Labor time is a measure of value of a social quantity even if others (such as consumers) are not aware of it because they are still paying/trading for it indirectly, as the producer would value his/her service/good based on his/her labor time in addition to several other factors.

Hans: You are saying value is determined by cost. This cannot be, see [2008SP:18] and also [2008SP:515].

Next Message by Poptarts is [500].

[554] Hans: How does Labor Time Make itself Felt. Most answers are a variation of: one can tell by looking at the use-value of the product, or from talking to the producers, how much labor is in the product. Marx denies that this is a feasible answer for several reasons.

(1) When people trade commodities on the market they are interested in the use-values of the commodities they take home. The use-value is the reason why they make a trade. Whether the value is the same is a secondary consideration, although fairness is important to many. To simplify matters, Marx assumes they *only* care about the use-values and rely on market forces to eliminate unfair situations.

(2) Even if you know that it took as much labor to make 20 yards of linen than a coat, you are still talking about two different kinds of labor. The labor of a tailor usually requires more skills than the labor of a weaver. How can you compare qualitatively different labors?

(3) All this labor does not exist in a vacuum, but is part of society's division of labor. It is impossible to decide, by looking at the product, if it really fills a social need. Maybe there are too many of these same products on the market already.

For these reasons the answer to this question must point to a *social* process which allows the labor time spent in private production to shine through on the market. See for instance [2007SP:586].

Next Message by Hans is [563].

[587] Freshprince: Question 120: How can labor-time be the measure of value, of a social quantity, if it seems the private matter of the producer whether he or she spends much or little time, and others may not even know ?

Labor-time is one of a way to measure what human labor contained and commodity mixed together have to produce. The social relationship between laborers, commodities,

and the consumer. We learn from the writings of Marx, that he stresses the importance of recognizing the social relationships between firms as opposed to the firms themselves. If we learn to appreciate labor-time as Marx does, we can better appreciate everything that comes with it. Marx makes it clear that we need to recognize the importance of human labor, and human power. In society today, many of us fail to even recognize how many labor hours a certain individual gives every day. It is often very difficult to recognize the circumstance of a person. We often pass judgment on someone based on the income they produce, and the commodities and worldly possessions they have to show for it. Social status is brought through expensive things like cars, houses, jewelry, clothes, and many other things. The only way one can afford to possess these things is through a successful labor that in return produces money, but we often don't know the labor-time needed in order to bring these possessions into the consumer's life. Throughout history, human power has stemmed directly from the results of other humans labor. We understand that human power cannot be accomplished otherwise.

Hans: Your first sentence confuses concrete and abstract labor. It says "Labor-time is one of a way to measure what human labor contained and commodity mixed together have to produce." Value is not a measurement of the product itself but of the labor it takes to produce the product.

Towards the end of your essay is "The only way one can afford to possess these things is through a successful labor that in return produces money." Here you are confusing value and wages. They are not the same thing, not conceptually and not quantitatively.

Next Message by Freshprince is [622].

Question 121 is **72** in 2002fa, **84** in 2004fa, **95** in 2007SP, **95** in 2008fa, **120** in 2012fa, and **131** in 2013fa:

Question 121 *Why is value determined by the labor-time needed under the socially average conditions of production, rather than by the best conditions of production attained in society?*

[28] Keynes: Average Conditions vs Best Conditions. It is my belief that value is determined by the labor-time needed under socially average conditions of production because this is a more useful and logical form of measurement. I want to be careful here to not suggest that Marx was basing it on a mathematical average, as Hans points out in the annotations, "although this is acceptable for a simplified mathematical model, it should not be taken literally." Determining value by socially average conditions is the same thought process as how economists think. Instead of the individual case-by-case dissection of buyers and sellers of every transaction, a more abstract and wider grasp of the transactions is used. Average and best certainly denote that if using the best conditions, one would be unfortunate to be a victim of the worst conditions. In regards to a real world application, Teresa in [2008fa:112] states how, "by taking the socially average conditions of production, a company can safely (and with some certainty) find the maximizing profit point." It is the logical step for the producer to use the average conditions rather than the best conditions in order to safely maintain profits.

Hans: You are answering this question as if it was a choice for either Marx or the entrepreneur to decide how value should be determined. This is not how Marx should be read. My [31] applies to you too.

Message [28] referenced by [31]. Next Message by Keynes is [285].

Exam Question 123 is **42** in 1995WI, **51** in 1995ut, **53** in 1996sp, **51** in 1996ut, **60** in 1998WI, **66** in 1999SP, **70** in 2001fa, **84** in 2005fa, **97** in 2007SP, **97** in 2008fa, **100** in 2009fa, **104** in 2010fa, and **133** in 2013fa:

Exam Question 123 *The value of a commodity does not increase if it is made by a slow or inept laborer. Explain carefully why not. Whose decision is it to keep the value of the output of a slow worker below the time actually used for its production? How is it enforced?*

[300] Keynes: Inept Laborer and Value. The value of a commodity does not increase if it is made by a slow or inept laborer because the magnitude of value, Marx writes, is determined by the “labour socially necessary”. Value is “homogenous human labour”. In a society producing goods, there is a specific amount of socially necessary time of labor that a commodity requires. This can change over time with new technology and better efficiency. There is a standard though enforced through production means. If a slow or inept worker is producing goods that are taking more time, there are other people able and willing to make the product at a faster rate. The firm fires the inept or slow worker and hires the more competent one.

The decision to keep the value of the output of a slow worker below the time actually used for its production is society’s. Being cost effective when buying a commodity pushes the producer into being the most efficient and productive it can be. The more productive a firm is, the less amount of labor time embodied in the commodity, thus the less the value. The value remains low.

Hans: That is the right answer.

Message [\[300\]](#) referenced by [\[2013fa:469\]](#). Next Message by Keynes is [\[402\]](#).

[301] Anil: In capitalist society, the market treats labor as a homogeneous mass and labor does not differ qualitatively but differs only quantitatively. Market competition (not as an economic law) enforces labor to be homogeneous, for instance a lazy worker cannot be employed in a capitalist society, so in order to be employed she must attain most of criteria which are determined socially by enforcement of market interactions.

Hans: This is so condensed that it is difficult to follow what you mean without having read the other answers which you apparently read too, such as my most comprehensive answer [\[2010fa:364\]](#).

Next Message by Anil is [\[303\]](#).

[355] Hans: Social Contracts Never Happen. Someone wrote the following answer in the exam:

The decision to keep the value of the output of a slow worker below the time actually used for production is that of the workers. It’s enforced because everyone diversifies their labor (i.e., clothes maker, baker, etc) so they can exchange their commodities for other use-value commodities. Everyone specializes in a different commodity and it is very efficient.

This is a version of the “social contract” theories which Marx always rejected and even made fun of. Social structures are rarely built by social contracts. For didactic reasons, allow me to make the social contract implied in the above argument made more explicit. I will overstate a little to make my point clear, I do not mean this as an offence or ridicule of the unnamed student:

Division of labor is very efficient and benefits everyone, therefore the workers agreed to it because they knew that it would benefit them. And since they didn't want to have meetings all the time, they said "let's specialize and then compete with our products on the market. In this way we make sure that there are no slackers and that we will get increasingly better mouse-traps."

This is not how things happened. I can think of two reasons why the above story is not right:

(a) Division of labor under capitalism has obtained a vicious form. Some people have pleasant jobs which are interesting and allow them to learn a lot and groom themselves for higher-ranking jobs, and other jobs are dead-end jobs which wear you out and you don't learn anything, they dull your brain. It is difficult to imagine that the workers would have voluntarily consented to such an unbalanced division of labor.

(b) History shows that people don't introduce markets voluntarily. At the end of the Middle Ages, peasants resisted the transition to a more market-based economy. They preferred an economy in which the producer was more in control, in which their livelihood was more secure, and in which they were not forced to work so hard.

Next Message by Hans is [\[356\]](#).

Exam Question 124 is **280** in 1996ut, **56** in 1997ut, **67** in 1999SP, **71** in 2001fa, **76** in 2003fa, **86** in 2004fa, **85** in 2005fa, **98** in 2007SP, **98** in 2008fa, and **134** in 2013fa:

Exam Question 124 *Carefully explain how the "socially necessary labor-time" for the production of an article is determined. Is it the same as the time needed in the average to produce this article?*

[281] Blossom: socially necessary labor time. Socially necessary labor time is not the same as the average time needed to produce a commodity over a number of methods, but the smallest amount of time needed to create a commodity. This is true because the laborer who can create this commodity in the shortest amount of time, introduces the lowest price. "Buyers" will not accept a price higher, so another laborer who takes more time will have no choice but to sell his labor hours at a cheaper rate.

This is why people can be so easily replaced by "machines" or technology. When technology enters the picture and creates a commodity in mass quantities at a percentage of the time that an individual takes, it causes the price to drop to a point where the individual laborer, lacking technology, cannot keep up in quantity, and having to sell at a much lower price is driven out of the market.

Hans: Your example in the first paragraph makes the assumption that the low-price producers produce so much that they meet the entire market demand even at this lower price. This is sometimes the case but not the rule. Marx's example: the introduction of power looms in England not only lowered the price of cloth but also created such a high capacity to produce cloth that the hand weavers in India suddenly lost all their market. Many of them died from starvation.

In steel works, it is not cost effective to replace the blast furnace before it is worn out, which takes ten years or more. Therefore you have several generations of productivity in existence at the same time. In such an industry, the socially necessary labor-time for steel is the average productivity, not the newest productivity.

I still give you an A, not because your answer is strictly correct, but because you give a good economic reasoning for your answer.

Next Message by Blossom is [290].

Question 133 is **58** in 1996sp, **55** in 1996ut, **105** in 2007SP, **106** in 2008fa, **109** in 2009fa, and **143** in 2013fa:

Question 133 *After claiming that the value of scarce goods is determined by labor-time, Marx brings the example where one scarce good, gold, historically never has traded at prices proportional to the labor-time embodied in it. What is Marx trying to prove with this counterexample to his own theory?*

[26] Veb: Scarcity and Proving His Own Points. Marx seems to have two main points to prove with his example. First, Marx is trying to show that while his own claims about capitalism hold most of the time, the capitalist system is dynamic, and forces that one cannot observe through surface relations of the market play a part in the system. These unknown, or at least unapparent, forces can have effects that are greater than the tendencies of the market that Marx describes.

In the case of gold, as Hans says in the Annotations, what is relevant is that the prices are below instead of above labor content. This shows that when market activities perform in a way that is unexpected or contradictory, this is a time to examine them more closely. It seems that Marx is very concerned with appearances, in that while something may seem to be acting in a certain way, there is something else behind it.

Secondly, he uses the example of gold (and diamonds) to further prove his own theory, although it may seem at first to be a counterexample. Because both diamonds and gold are indeed scarce, Marx's theory argues that the greater amount of labor expended to extract these two materials would be reflected in a high price for both products. Because, at the time of his writing, gold was worth less than it was supposed it should be, and diamonds were being sold for less than what sugar and coffee were, there was a clear disconnect between labor content and market prices.

In this rare (or exceptional) situation, Marx concludes that scarcity cannot have been the reason for these prices – which only furthers his own argument that scarcity and competition, while they play some part in surface interactions, do not act as causal agents. His argument shows that there is another cause of this discrepancy and that it is exerting a greater force than the effects from the increased quantity of labor involved in the production processes of these products.

Next Message by Veb is [44].

Question 142 is **112** in 2008fa, **118** in 2009fa, **122** in 2010fa, **141** in 2012fa, and **152** in 2013fa:

Question 142 *If the product is useless, can the labor producing it still be considered useful labor?*

[33] Kendull: I think that Marx would argue that even if a product is useless it still contains value in the expenditure of human labour power. On page 135 Marx states that “in viewing the coat and the linen as values we abstract from their different use-values, so, in

the case of the labour represented by those values, do we disregard the difference between its useful forms, tailoring and weaving.” And on 136 “the labour contained in these values does not count by virtue of its productive relation to cloth and yarn, but only as being an expenditure of human labour-power.”

It seems that Marx is arguing that the “expenditure of human labour-power” is no less valuable if the product is useless. Even if the product is useless, it still contains useful labor as long as the end product is what it was intended to be. This would imply that a coat is still worth the same in the summer as it is in the winter so long as it contains the same amount of useful labor.

Message [33] referenced by [38], [40], and [2012fa:98]. Next Message by Kendull is [34].

[38] Kiwi: The use-value of a product changes with time—however the labor that goes into the product is constant. Therefore, a useless product can have useful labor. To emphasize my point, I am going to refer to an example that Kendull gives in [33]. Kendull argues that, “a coat is still worth the same in the summer as it is in the winter so long as it contains the same amount of useful labor.” The first part of the sentence contradicts my main point that the use-value of a product changes with time because I would argue that having a coat in the summer can be considered useless as there is no point in wearing the coat. However, the use-value of the coat increases in the winter, as the coat becomes a necessity to keep you warm. On the other hand, I agree with Kendull that, “it contains the same amount of useful labor.” The same amount of labor goes into making the coat. The same process to make the coat is followed, the materials used are the same and the time spent making the coat is the same whether the coat is made in the summer, where it is useless, or in the winter, where it has a high use-value. Therefore the labor of making the coat is still considered useful labor.

Hans: The same amount of labor goes into making one coat in summer as in winter, but society will produce much fewer coats in summer to meet the decreased summer demand.

Message [38] referenced by [40] and [2012fa:98]. Next Message by Kiwi is [211].

[40] Hans: Man to coat: you are useless! Whether something is a use-value or not depends not only on that thing but also on humans. Strictly speaking, use-value is a relation between things and humans, which is treated as if it was a property of the thing alone. The use-value of a coat is to protect humans from cold temperatures or from wind. Coats have this use-value in summer and in winter. Of course, the need for coats by humans is greater in the winter than in summer, but even in the summer you sometimes need a coat, for instance when there is a storm or when you go high up in the mountains or when you ride a motorbike.

Presumably Kendull is smart enough to know this, how come he says then in [33] that a coat is useless in summer? According to Marx’s definition, this is clearly wrong. Coats have their ability to protect from cold and wind all year long, in summer as in winter. But Kendull is looking at it in the way it is taught in modern economics classes. Modern economics has the concept of *utility*. In an important respect, utility is just the opposite of use-value. It anchors the relationship between humans and things not in the things, as Marx’s concept of use-value does, but in the humans, i.e., it measures human satisfaction from using the thing. And if it is really hot outside, thoughts of a coat will not evoke pleasant feelings. This is how Kendull [33] comes to the conclusion that coats are useless in summer, and Kiwi [38] eagerly picks up this misunderstanding of Marx.

Question 142 is therefore not talking about coats in the summer. What is it talking about? Here are some products which I would consider non-use-values, in the sense that humanity would have been better off if they had never been produced:

nuclear weapons and nuclear power stations

all-terrain recreational vehicles (because they scar the desert surface and lead to sandstorms).

oil from tar sands or oil shale

roundup-resistant genetically engineered crops

crack cocaine or methadone drugs

bottom trawler fish nets

Each of you can probably find situations where each of these is useful or at least seems useful. And all of these are produced in capitalism because no matter how horrible the use-value, the labor producing it still counts as useful labor, therefore these horrible things are carriers of value, and someone can make profits from them.

In a rational socialist society, by contrast, certain things would not be produced, even if society would be able to produce them. The age of letting thousand flowers bloom and producing everything that someone's sick mind can dream up is over. Our production apparatus has become so powerful that we must apply it in disciplined ways. Certain things simply should not be produced. Above all in my mind this applies to everything that has to do with nuclear fission technology. I know it is an alien concept to most of you that certain things should not be produced and certain scientific disciplines should not be pursued. This is why I am saying this here, so that you can chew on it and get used to this fact.

Message [40] referenced by [43], [44], and [2012fa:110]. Next Message by Hans is [41].

Exam Question 146 is **51** in 1995WI, **61** in 1995ut, **63** in 1996ut, **71** in 1997sp, **66** in 1997ut, **92** in 2003fa, **103** in 2004fa, **118** in 2007fa, **118** in 2008fa, **126** in 2010fa, **145** in 2012fa, and **156** in 2013fa:

Exam Question 146 (a) *Why is it necessary for the exchange of commodities that they contain qualitatively different kinds of useful labor?*

(b) *Can commodity production exist without division of labor?*

(c) *Can division of labor exist without commodity production?*

(d) *How does commodity production influence the division of labor?*

[290] Blossom: a. In the act of exchanging, you are equalizing the quantitative proportions of the good that is being exchanged even if those proportions are numerically different. Since quantities are equalized in exchange, the difference is in the quality of the commodity being exchanged. If two commodities are qualitatively the same, there is no point in exchanging them. One wouldn't exchange a soda for another soda of the same type.

b. Commodity production cannot exist without the division of labor.

c. Division of labor can exist without commodity production, because products do not have to be commodities if they are made by the user for their individual use, and not made for the purpose of trade.

d. Division of labor is noted to be a precondition of the production of commodities, but in an economy that produces commodities, the division of labor has become entrenched in the social relations present. It's almost as if laborers could not comprehend a situation that did not include labor division.

Hans: If products are made by the producer for their individual use, then there is no division of labor. It is possible to have specialization and division of labor without commodity production. Socialist countries have division of labor but products are not produced for sale, i.e., it is not commodity production.

The entrenchment of division of labor in your point (d) is not only a psychological entrenchment. Commodity production contains incentives to make the division of labor both broader and deeper. These are economic effects, not social-psychological effects.

Message [290] referenced by [2013fa:516]. Next Message by Blossom is [291].

Exam Question 152 is **54** in 1995WI, **63** in 1995ut, **67** in 1996sp, **71** in 1997WI, **80** in 1999SP, **85** in 2000fa, **106** in 2004fa, **107** in 2005fa, **132** in 2010fa, **151** in 2012fa, and **162** in 2013fa:

Exam Question 152 *Is labor the only source of the use-values of its products, or do other factors contribute to the use-values as well? Is labor the only source of the values of its products, or do other factors contribute to the values as well? ("Value" is here the property which makes things exchangeable.)*

[29] BTFCANDG: Labor, the only source of value? I struggle with the thought that Labor is the only source of value in some products, especially when natural elements are involved. I see that "value is a social property," as stated by Goldtone [2010fa:294]. However, what if two different craftsmen spent the exact same amount of time to dig up ore, cut the wood to create the fire, melt the ore, and create a finished product. One a metal horseshoe nail, and the other a golden ring. Both required the same weight of material. Both required the same amount of effort. But one is far more valuable than the other in any industrial society I can think of, simply because the value of the product that came straight from nature. So, in answer to the question, perhaps other factors do contribute to the value.

Hans: If your assumption were correct that gold requires the same time for mining than iron, then gold would *not* be far more valuable than iron. The answer to your question "why does an ounce of gold have a much higher value than an ounce of iron?" is therefore not "because the use-value of gold is by nature higher than that of iron" (Marx would say these use-values are qualitatively different and cannot be compared quantitatively) but "because more labor is necessary to mine the gold than the iron."

Next Message by BTFCANDG is [391].

Exam Question 159 is **57** in 1995WI, **66** in 1995ut, **70** in 1996sp, **75** in 1997WI, **84** in 1999SP, **89** in 2001fa, **99** in 2003fa, **139** in 2010fa, **158** in 2012fa, and **169** in 2013fa:

Exam Question 159 *What is abstract human labor? I want you to say what it is, not what its significance is in commodity-producing society! These are two different questions.*

[32] Hov: Abstract human labor (according to Marx). According to Karl Marx, the value of a commodity represents human labor in the abstract. Commodity is defined as "an external object, a thing which through its qualities satisfies human needs of whatever kind

“ (Marx, Capital, 125) and is then exchanged for something else. When Marx speaks of commodities he is concerned with the physical properties of commodities that are associated with the use-value of an object; however use-value does not automatically lead to a commodity. Marx states, “He who satisfies his own need with the product of his own labor admittedly creates use-values, but not commodities. In order to produce the latter, he must not only produce use-values, but use-values for others, social use-values” (Marx, Capital, 131). This leaves no doubt that Marx believes that abstract human labor is not only a creator of value but also the substance or content of value.

Message [32] referenced by [35], [41], and [78]. Next Message by Hov is [36].

[35] Hans: Question 159 is an exam question. Exam questions do not count as homeworks, since most of them are too easy for homeworks. But if you have trouble answering the exam questions, do send them to the list, so that I (or someone else) can tell you if this answer is correct.

Hov writes in [32]: “the value of a commodity represents human labor in the abstract.” This is not a definition of human labor in the abstract, although it indicates that human labor in the abstract is very significant for commodity producing societies. Aren’t you curious what it is when it plays such an important role?

Instead of defining human labor in the abstract, Hov tries to define a commodity. But Marx’s sentence “an external object, a thing which through its qualities satisfies human needs of whatever kind” is not the definition of a commodity. Rather it is the definition of a use-value. And a use-value does not become a commodity if someone exchanges it. If you find a nice-looking seashell while taking a stroll on the beach and then give it to your friend in exchange for a rock which he is using as a paper weight, then this does not make the sea-shell a commodity. Commodities are things which are *produced* in order to be exchanged. (If someone sells seashells out of their boutique and regularly goes out on the beach to collect them, these seashells are commodities, and their collection is their “production.”)

Hov continues:

When Marx speaks of commodities he is concerned with the physical properties of commodities that are associated with the use-value of an object; however use-value does not automatically lead to a commodity.

If you read the first page of chapter One, you may think that Marx is concerned with the physical properties of commodities. But Marx’s discussion of the use-values of the commodities was only the very beginning of his discussion of the commodity itself. After the first page of his book, Marx is only interested in the exchange-value of commodities, not their use-value.

Message [35] referenced by [41] and [78]. Next Message by Hans is [40].

[78] Hans: Important to know the definition of abstract labor. The author of [77] seems to think concrete labor is manual labor and abstract labor is mental labor. This is not the right definition. You do need to know Marx’s definition of abstract human labor, not only for understanding the readings but also for the exam. Question 159 is called an exam question because you may be asked it in the exam. Message [32] tried to give this definition

in answer to question 159 but failed, as I pointed out in [35]. Nobody stepped in to bring a correct definition of abstract human labor. In such a case it is necessary to go to the archives in order to prepare for the exam. [2001fa:158.4] is a good answer, so is [1999SP:29], and [1999SP:109] may be helpful too.

Message [78] referenced by [77]. Next Message by Hans is [80].

Exam Question 161 is **59** in 1995WI, **68** in 1995ut, **72** in 1996sp, **71** in 1996ut, **77** in 1997WI, **79** in 1997sp, **74** in 1997ut, **80** in 1998WI, **86** in 1999SP, **98** in 2002fa, **114** in 2004fa, **115** in 2005fa, **128** in 2007SP, **132** in 2008fa, **141** in 2010fa, **160** in 2012fa, and **171** in 2013fa:

Exam Question 161 *What is the difference between labor and labor-power?*

[291] Blossom: labor vs labor power. Labor is the expenditure of human power that has a material effect, and since it produces different goods, is viewed as existing in different qualitative forms. Labor power is an abstraction of labor that says that all goods have a qualitative similarity in the sense that they all contain this labor power.

Hans: What you say about labor-power is its effect (its use to produce products creates value) but not what it is. The definition is: Human labor-power is the human ability to perform labor. After you know this definition then you can say that it is an abstraction from labor because the same individuals can perform many different kinds of labor. Use of labor-power is what all labors have in common.

Next Message by Blossom is [337].

[297] Slamo: dictionary.com defines labor as: productive activity, especially for the sake of economic gain. It then goes on to define labor as physical or mental work of persons engaged in such activity, especially those working for wages. In labor-power the laborer chooses freely to enter into a contractual relationship with an employer, who purchases that worker's labor power as a commodity and then owns the goods produced by that worker.

The difference that I see is that with labor you could be working for your personal economic gain and you can only put out what your body and mind are able. With labor-power an employer makes many people work for his economic gain and uses his work force as a component of his capital, it functions as working capital.

Hans: Labor-power is simply the human ability to work. Your sentence with the "contractual relationship with the employer" translated in Marx-lingo is: in capitalism, labor-power has become a commodity which the wage-laborers have to sell to the capitalists. Your sentence with the "working capital" explains why the laborers have to sell their labor-power: because they do not have access to the means of production. The capitalist class monopolizes the means of production.

Next Message by Slamo is [440].

Question 170 is **133** in 2007SP and **150** in 2010fa:

Question 170 *Since productivity is a quality of useful labor, one might not expect it to play a great role in capitalism. But it does. Why?*

[36] Hov: Why does productivity play a great role in capitalism? Karl Marx's vision of the relationship between productivity and concrete (useful) labor plays a great role in capitalist societies. "As productivity is an attribute of labour in its concrete useful form, it naturally ceases to have any bearing on that labour as soon as we abstract from its concrete useful form. The same labour, therefore, performed for the same length of time, always yields the same amount of value, independently of any variations in productivity" (Marx,

Capital, 136). My interpretation of Marx's passage describes productivity as an attribute of labor in its concrete and useful form. It naturally ceases to have any bearing on that labor as soon as we remove it from its concrete useful form. In capitalism tools that enable productivity are separated from concrete labor, although tools that expand our society's wealth and capacity are produced by concrete labor. From what I understand, there is not a variable in Marx's value theory to account for productivity. If labor creates value, then a greater quantity of labor will create greater value, but only in quantity. This means that there must be some other component involved besides labor, which is capital. Labor-intensive production should produce capital-intensive production, and greater capital leads to greater productivity. Productivity plays such a great role in capitalism for many reasons, but most importantly capitalism creates rewarding incentives through productivity. Productivity is a measure of how much wealth can be produced from a given amount of labor, capital, and raw materials. Increasing productivity means getting more output from less input. A capitalist economy depends on market competition and therefore on the systematic and continual improvement of productivity.

Message [36] referenced by [41]. Next Message by Hov is [45].

[41] Hans: No Need to Talk about Things you aren't Familiar With. Hov [36] graciously adds the qualification "from what I understand" before making the following sweeping comment about Marx's value theory: "There is not a variable in Marx's value theory to account for productivity." The phrase "from what I understand" concedes that Hov may be wrong, that his understanding of Marx's value theory may be limited. It behooves him to say this because I had told him just in the preceding message [35] that everything he had written about Marx in [32] was wrong. (I didn't say it in so many words, I tried to be polite about it.)

Everyone in class has many questions to choose from. This freedom comes with a responsibility: you should choose wisely to answer those questions which help you most in understanding Marx's text. For someone who has a limited knowledge of Marx's theory it is better to choose those questions which can be answered by a careful reading of the assigned text, rather than those which talk about the general character of Marx's theory.

This said, let's look what Hov reveals to us about his understanding of Marx's value theory. The first three words of [36] are informative already. These words are "Karl Marx's *vision*" (my emphasis). In other words, Hov thinks that Marx's *Capital* is a vision how a fairer society should be organized, a society which gives more credit to the laborer by valuing everything based on labor. This is completely wrong. It is such a big misunderstanding of the assigned readings, yet this comes up often enough that I have to be strict about it: in the future you will automatically get a bad grade if you make this mistake again.

Hov thinks that by rewarding labor time Marx misses productivity. Marx encourages workers to work long hours without regard to productivity. From Marx's labor utopia we have graduated to capitalism where the means of production do the work for us.

My response: the increases in productivity are indeed one of the big success stories of capitalism. To Hov, these increases in productivity seem to indicate that in capitalism labor-time itself does not count, but productivity and results do count. Doesn't this mean that Marx's efforts to understand capitalism based on the labor theory of value are misdirected

from the beginning? I just reformulated question 170. Instead of answering it, Hov inadvertently showed how relevant this question is.

Message [41] referenced by [232] and [2013fa:199]. Next Message by Hans is [43].

[372] Jami: In a Marxian society the value of a commodity is gained through labor. That would lead one to believe that the more efficiently a commodity can be produced, the less the commodity is worth. Efficient production devalues commodities.

By contrast, a capitalistic society thrives on efficient production of commodities. Capitalistic societies aim to generate a maximum quantity of commodities by using the smallest amount of labor. This results in increased production, or as Marx would say, “producing a whole heap of commodities”. If you can create these commodities more efficiently and quickly through technology, advanced machinery or productive labor you can lower the price of your commodity yet still increase your profit.

At first glance productivity may not seem to play a great role in capitalism, but it does. The increase in production exceeds the detriment of a decrease in product value due to labor.

Hans: Your first three words show that you have no idea what Marx’s *Capital* is discussing. Marx is discussing capitalist society, not some alternate “Marxian society.”

Next Message by Jami is [374].

[378] Cheeto: Productivity is a quality of useful labor and it does play a large role in capitalism, due to some identifying, inherent traits of capitalism. Capitalism, by nature, is the mass organization of useful labor in order to exploit the productive qualities of useful labor during the production process so that the surplus value from the labor can pool into the pockets of the capitalists; those who control the means of production.

Hans: Capitalists are after monetary value, not use-values. Therefore they are exploiting the abstract labor of their employees. Your confusion between use-value and value prevents you from even seeing that there is an issue in this question.

Cheeto: I now understand where I went wrong with this. Unfortunately, I discovered it after the resubmission and, also, before reading Hans’s comment. I don’t think I suffer from a confusion of use-value and value, I suffered from a confusion of what useful labor was, along with the other forms of labor. I’ve made these points clear to myself now. Thanks, Hans.

Next Message by Cheeto is [382].

[418] Karl: graded B– Productivity plays a great role in capitalism. The owner of the means of production demands that laborers hired have the highest quality of labor. This is important because the desire of the capitalist is to have the highest possible profit. The owner of the factory (capitalist) would not hire a worker who did not produce productive labor, as it would cost the capitalist owner profits. The owner would desire to only hire workers that maximized productivity, as this maximizes profits for the capitalist.

Hans: Your answer strips off every reference to the labor theory of value made in the original question. Marx says that value and therefore profits come from abstract labor. You seem to say that profits come from the *quality* of labor. Although economists generally dismiss Marx’s theory as wrong, in this class we want to discuss explicitly where and why Marx seems or is wrong.

Next Message by Karl is [419].

[438] Rajon: graded B Productivity plays a large role in capitalism because it helps determine the quantity of value that the labor involved in producing a commodity makes. This congealed abstract labor that goes into the production of different commodities is all qualitatively the same. However, more productive labor in commodity production translates to higher quantities of that same abstract labor and value. The fact that all commodities share

value that is qualitatively the same contributes to the fact that they can all be exchanged one for another. However, the difference in quantity of value that comes from productivity helps to determine the amounts of different commodities that can be exchanged.

Applying this to the real world, when a commodity can be produced more efficiently, this means that more of the product can be produced at a higher rate. Although the price of the product may decline because of increased production, the total value of the total amount of the commodity being produced is larger when productivity is higher. This is why productivity plays such a large role in capitalism; it translates into higher profits.

Hans: You say “more productive labor in commodity production translates to higher quantities of that same abstract labor and value.” How so? It translates to more use-value for the same amount of abstract labor, i.e., for the same amount of value.

About your second paragraph: Total value will be higher only if the lower prices lead to considerably higher output. This is not always the case.

Next Message by Rajon is [615].

[468] CRC: Productivity proves to be an important factor in capitalism due to the corollary relationship it shares with revenue. The goal of a capitalist is to increase surplus-value, and the most basic way of doing so is to reduce the amount of labor being put into each individual commodity being produced, thus allowing for increased output but by way of no additional labor, with the intent of maximizing the quantity of said commodities on the market. Needless to say, the decrease in abstract human labor mixed in with each individual commodity produced proves to reduce the “value” of each individual commodity produced. This exchange, decreased “value” of commodities for increased profits, is tacitly approved of and agreed upon by capitalists.

Hans: Not everything that happens in capitalism finds the approval of the capitalists, and many things happen whether or not capitalists agree with them.

Next Message by CRC is [557].

[544] Roman: Productivity plays a great role in capitalism, according to Marx. A commodity’s value is determined by the amount of labor put in it. What productivity does is it reduces the value of a commodity since now it takes less time to produce it. Famous example of a productivity boom was Ford’s model T which was created on a conveyor belt. The productivity was significantly higher than if model T was assembled as a whole. Increasing productivity leads to exploitation where a worker creates the most possible amount of products at the minimum cost for a wage much lower than the labor he/she puts into the production.

Hans: It’s more product but if Marx is right it is not more value. So how can Marx explain that capitalists are so eager to introduce technical innovations? Capitalists are not interested in more product, they are interested in more product-value.

Next Message by Roman is [545].

Exam Question 173 is **76** in 1996ut, **82** in 1997WI, **78** in 1997ut, **91** in 1999SP, **104** in 2002fa, **120** in 2004fa, **141** in 2008fa, **172** in 2012fa, and **184** in 2013fa:

Exam Question 173 *How does Marx’s labor theory of value differ from an explanation of value by what today would be called the “disutility of labor,” i.e., the “sacrifice of ease, liberty, and happiness”?*

[516] Clmrgl: Disutility of Labor and Exploitation. The disutility of labor theory presupposes that workers work because they have to. This is not done for pleasure but because in order to survive they need a wage. In this situation their labor is being taken advantage of.

In the labor theory of value the true value comes from the abstract labor contained in the commodity. In this situation workers are getting the full value out of their labor. Their labor is not being extracted and taken advantage of by someone else.

Hans: Excellent argument. The only problem here is that you identify validity of the labor theory of value with the absence of exploitation. Marx thinks that in capitalism, the labor theory of value *is* valid, i.e. prices *are* determined by labor-content, yet there is exploitation—because the workers do not receive in their wages the full value their labor produces.

Next Message by Clmrgl is [524].

Question 178 is **177** in 2012fa and **198** in 2013fa:

Question 178 *The weaver goes to market and announces that she would like to trade 20 yards of linen for a coat. Explain why this is not a real but a highly stylized situation.*

[42] George: graded A highly stylized situation. This is not a real but a highly stylized situation because in the real world such transactions would include the bartering of either commodity in exchange for cash. Such a transaction would not take place because of the complexity of determining the value for each commodity to be exchanged relative with the other. Without knowing the actual value of each commodity it would be hard to know how many yards of linen are worth 1 coat. In the real world one could exchange to anyone the linen, or the coat for that matter, for cash and that person can then turn around and trade the cash for something he or she really wanted. Instead, the weaver looking to trade the linen for the coat must find a specific person that is not only in need of linen but is also willing to give up a coat for it.

Hans: This is definitely the most egregious of the abstractions which Marx is making.

Message [42] referenced by [428] and [2012fa:138]. Next Message by George is [123].

[45] Hov: Explain why this is a highly stylized situation. This is a highly stylized situation. We are shown a developed commodity economy without money in order to illustrate the necessity of money. Many of the complaints that would present themselves in this situation in reality are abstracted in order to illustrate this point. For example, we must assume the weaver's exchange-ratio is the one that she believes to be the correct market exchange ratio. We must further assume that this ratio is, in fact, correct. In addition, we assume the weaver is not trying to bargain, but is rather offering the correct market exchange ratio of the linen right away. Finally, we must assume that there is no difference between coats, that the weaver is offering an average price for an average coat.

Message [45] referenced by [47] and [49]. Next Message by Hov is [120].

[47] Jaime: This is a highly stylized situation as opposed to a real situation because it is basing the market on several elements that would not be accurate in a real world situation in order to illustrate the point. Marx simplified the situation to the most basic form by assuming that all coats were alike and that the 20 yards of fabric was the exchange rate the weaver believed was correct. In a real world situation there would be many different qualities of coats, varying the yardage of a correct exchange. Also the weaver, or even the

coat salesman, may be willing to barter for a better price. It is important to remember that Marx is not trying for accuracy at this point, only to demonstrate the value of a commodity.

Hans: Nothing in your answer goes beyond [45], which was sent out 5 hours before your answer. In one point you are even falling behind [45]. You are saying that Marx wants to demonstrate the value of a commodity, while [45] said that Marx is trying to demonstrate the need for money. Here [45] is right and you are wrong.

Message [47] referenced by [49]. Next Message by Jaime is [152].

[49] Bloomer: The reason this is a stylized situation because the situation is in its simplest form. A real world situation would include many elements such as style of coat, size of coat, material of coat, etc. Marx assumes “there is no difference in the style or size or quality of craftsmanship which would make one coat preferable to another.” Therefore in an exchange between the weaver and coat salesman there would likely be a barter to reach a mutual exchange. Keep in mind that the weaver is under the impression that 20 yards of linen has the exchange value of 1 coat. This exchange rate may not even be accurate or mutual which would be a reason for bartering.

Hans: You are right, if the tailor does not agree with this offer he might make a counteroffer, until weaver and tailor agree on an exchange ratio. Only partial credit because of overlap with [45] and [47].

Next Message by Bloomer is [172].

[75] Badawn: graded C This question is trying to say that basically the coat is only worth the material it is made of. In the example she is only offered 19 yards of cloth because her coat is only an average coat. If her coat is worth more she would have gotten more yards of cloth much like a barter system. This example reminds me of the barter system at least. The one thing that is hard to take into effect here would be the labor it took to sew the coat together. Another point to make is this is beneficial because it takes currency out of the situation which can be considered a plus or a minus.

Hans: What you are saying here has nothing to do with Marx’s text.

Next Message by Badawn is [131].

[386] Clavis: The situation shows us that the Marx’s Equation $A=B$. In this case, 20 yards of linen is considered as relative value of a coat. In other words, a coat is equivalent for 20 yards of linen. This means that the amount of labor hours (socially necessary) to make 20 yards of linen is the same as the amount of labor hours to make a coat. Of course we can’t be sure that 20 yards of linen = a coat is right in the real world. But it shows us many things. In this highly stylized situation, we can understand Marx’s notion that relative price (in trade, or trade price) is determined by social relationship of labors.

20 yards of linen (relative value, active, not measured by use-value but by labor units used) = A coat (equivalent, passive)

Next Message by Clavis is [387].

[398] Syd: The specific situation where the weaver goes to the market and announces that she would like to trade 20 yards of linen for a coat is a highly stylized situation. This is not a real but a highly stylized situation for a few reasons. According to Marx in order to analyze this sort of situation several assumptions must be made. Marx assumes a few specific points for this analysis. First and foremost according to Marx in this specific highly stylized situation, we have to assume a developed commodity economy without money. Marx also assumes the linen weaver offering her linen at the exchange ratio which she thinks is the market exchange ratio, which leads to the second assumption that the linen weaver has guessed this market exchange ratio correctly. Marx also assumes that all the coats are the

same. This highly stylized practical situation differs from a real situation. In a real stylized situation there would be more bartering between the weaver and the coat salesman on the exchange price between the commodities. A real stylized situation would also contain a variety of options in terms of the coats. There would be differences in style of craftsmanship and different qualities of coats. Marx analyzes this situation by observing the matter in its simplest and purest forms.

Message [398] referenced by [420]. Next Message by Syd is [407].

[411] Tvan: The situation Hans gives in which a weaver goes to a market and announces that she would like to trade 20 yards of linen for a coat is not real and highly stylized because in order to visualize this situation one would have to make several abstractions. Hans writes that the biggest abstraction would be a commodity economy without money, which according to Marx is impossible. This situation could only happen in this stylized barter economy because it would be very difficult in the real market for a weaver to find someone with a coat that would be willing to trade with her. Three other assumptions that make this a highly stylized situation are three assumptions that Marx makes: 1. The linen weaver thinks that she is trading at the market exchange-ratio and 2. the linen weaver has correctly guessed the market-exchange ratio and 3. the linen weaver only tries to trade at the market exchange-ratio. These are not real and only abstractions. Take for instance the third assumption, in real situations some people would most likely try to trade at an exchange-ratio that is more beneficial for them.

Next Message by Tvan is [460].

[428] Kiwi: This is a highly stylized situation because in reality the weaver cannot go to the market and receive a coat because she is willing to trade 20 yards of linen for the coat. In a real situation, there will be a bargain or a discussion between the owner of the coat and the weaver about the values of each commodity relative with the other. For example, the tailor may argue that the coat is worth 30 yards of lines as opposed to 20 yards of linen.

To demonstrate how unlikely this situation is, George remarks in [2011fa:42], “the weaver looking to trade the linen for the coat must find a specific person that is not only in need of linen but it also willing to give up a coat for it.” In a more likely scenario, the weaver could sell 20 yards of linen to anyone who is willing to pay her a sum of money for the linen. From this sum of money, the weaver could then use the money to buy herself a coat.

Next Message by Kiwi is [430].

[444] TKOberle: This is not a real situation but a highly stylized situation because exchanging linen for a coat is more complex and there are factors that affect the exchange. If one was to trade linen for a coat there are things that could make a coat worth more or less. There are different coats with different values. One may be a nicer material, or a bigger coat (which would require more linen). A coat may be in bad condition which would decrease the value. Negotiating and bartering would take place with the exchange. The linen weaver’s offer would experience a social relation and the value would be situational for the person receiving the linen.

Hans: Marx would not agree that the value is situational for the person receiving the linen. In his theory value is not determined by the utility for the consumer but there is a market value which producers and consumers do not have control over.

How “nice” the coat is affects its value only if this niceness requires more labor. You are confusing use-value and value. This is much clearer in your in-class answer but here it shines through too.

Just as an aside, in 145:2 Marx says that the coat is made of wool.

Next Message by TKOberle is [528].

[478] Unspoken: The weaver is willing to trade 20 yards of linen for a coat but she does not specify if it has to be new or used. She does not state the quality or the time of labor put into the coat. And this is Marx's point of view where these things do not need to be asked because it is a trade for a trade without matching or taking into consideration the quality and labor time. I think the situation does not commonly happen in our economy in our nation. In our nation things are measured by time, labor and quality of the value, in this case the coat. Is highly stylized in the weaver's and Marx's point of viewing things.

Hans: You say Marx makes these stylized assumptions because he does not care about the quality of the product. This is not the reason. Marx knows that people in capitalist society care about quality. But he wants to understand the basic framework of commodity exchange before going into the details. He does not want to have to describe bargaining strategies before having cleared up some much more basic questions such as where money comes from.

Whether Marx himself cares about quality is not an issue here. Marx does not describe a society which he likes to have but he describes what he thinks is happening in capitalist society.

Next Message by Unspoken is [669].

[510] Oscar: In this question the situation is highly stylized because it is an example of an economic transaction in its simplest form. In an actual marketplace it would be highly unlikely to happen, but for the purposes of understanding economic concepts and Marx' arguments, we must use stylized situations to best illustrate the point. The actual process of exchanging linen and coat will most likely be more complicated and involved. Both weaver and tailor must agree on the equality of 20 yards of linen to 1 coat. The weaver and tailor must both believe the labor required for linen and coat are the same, otherwise neither would be willing to trade. Additionally, the weaver must also locate a tailor who prefers linen instead of coat. All of these components are difficult to find without reducing an economic transaction to its simplest form, the stylized situation of weaver and tailor meeting at the marketplace and exchanging 20 yards of linen for one coat.

Hans: Nowhere does Marx say that the traders must believe the labor time is the same in order to make the exchange. This is an elementary misunderstanding.

Next Message by Oscar is [511].

Question 189 *In the equation $A = B$, as Marx understands equations, which pole is active, A or B? Give a real-life example of an equation in which one pole is active and the other passive.*

[53] Gv: As understood by Marx, given the equation $A=B$, B is passive because it is the factor that is being set equal to A. Therefore, A becomes the active pole. In other words, A carries the burden of proof of balancing the equality. For example, in the statement "1,855.58 Dollars are worth 1 oz of gold", the 1 oz of gold is set to being passive. 1 oz of gold is just that, 1 oz of gold. Whereas, 1,855.58 Dollars is active because it is being used to compare its worth to the 1 oz of gold. Hans makes the point that perhaps a better symbol would be denoted by a line: A_j-B .

Hans: Originally you had written "1,855.58 Dollars is passive." I changed it into "active" because this seems to be a writing error.

Message [53] referenced by [110]. Next Message by Gv is [126].

[110] Hans: Marx thinks money is passive. Gv's answer [53] is correct. If Marx says $A = B$, then he thinks of A as active and B as passive. Also in the equation "40 yards of linen =

2 coats” which Marx also paraphrases as “40 yards of linen are worth 2 coats” he thinks of the linen as active and the coats as passive. The linen weaver offers to turn coats into linen. She publicly commits herself to give anyone linen who brings her a coat. This is active. The coat owner does not have to say anything. All he has to do is show up at the linen weaver’s stand and bring her a coat, and whoops, this coat becomes linen for him. This is passive.

One can look at the active—passive dichotomy also in the following way. The linen weaver has put a lot of effort into weaving linen and she also has borne the cost of the materials and equipment. All this labor and commodity cost will be in vain if she does not manage to turn her linen into things she needs. This is why she is sitting on hot coals until her linen has found a home where it is needed. This puts fire under the behind of unsold commodities, they cannot wait until someone buys them.

I just switched from a barter economy to a money economy and explained why in Marx’s view, commodities are active and money is passive. This is opposite to what things look like and what people usually think. Usually people think that money is active and the commodities are passive. People think that money moves the commodities. Marx says that money only *seems* active; what is really active are the commodities. Haven’t you noticed, when going shopping, how eager the commodities are to jump from the store shelves into your shopping cart because they want to go home with someone who needs them? They can hardly contain themselves. You don’t need money to pull them off the shelves, they are willing to jump voluntarily.

Gv’s example falls into the illusion that money is active. Gv constructs his example in such a way that money is on the left side and the commodity on the right. This contradicts our use of language: when we name a price, we always name the commodity first and the money (its price) afterwards. Also in Marx’s development in the rest of Section 3, money takes the place of the coat, i.e., money is passive like the coat, not active.

Next Message by Hans is [\[133\]](#).

[321] Bikeman: According to Marx, when looking at the equation $A=B$, he sees B as being passive because it is being set as equal to A. This makes A active.

In the example, 20 yards of linen = 1 coat, the 20 yards of linen (A) is active and 1 coat (B) is seen as being passive. Because the linen owner has invested in materials and equipment in addition to his labor and is therefore itching to exchange his linen for other products that he needs. In this example, a coat, but the linen could also be exchanged for a bushel of apples, three pairs of shoes, or a donkey. He must exchange his linen for the things he needs or all his investment and effort will be for nothing.

Next Message by Bikeman is [\[501\]](#).

[371] Keddull: In the equation $A=B$ Marx contests that A is the active pole and B is the passive pole. An example of this would be 2 beers = 1 hour of car maintenance. If I offer my friend 2 beers to keep him hydrated in exchange for 1 hour of helping me with my beater Volkswagen Vanagon then I am active because I triggered the exchange and he is passive because all he needs to do is come to my house and utilize skills he has but I do not. A, or 2 beers holds the responsibility of setting material form of labor (beers that I have spent time producing) equal to labor spent on car maintenance. If my passive friend does not come to

my house to work on my car in exchange for 2 beers then all I am left with is a lousy foreign car and 2 beers of which I already have and have had plenty of.

Hans: To me, the active factor in this situation seems to be the friendship between you and your friend. I don't think the beers alone would have done it.

Next Message by Kendull is [373].

[391] BTFCANDG: We talked in class about how the linen weaver takes her talents and weaves. When she has finished inputting her labor, which gives value, she takes her linen to market, where she then looks for something she needs. It may be shoes, food, firewood, anything that has the same value as her linen. The linen is equal to the thing someone is willing to trade for. The linen is active, looking for something. The shoes, wood or wood are all inactive or passive items waiting to be traded for.

Next Message by BTFCANDG is [392].

[456] Maniac: In math you can assume that $A=B$ is the same as $B=A$. However in this statement by Marx when he says that $A=B$ then "A" is active and "B" is passive because B is set equal to A and B doesn't have to do anything for the equalization. The burden is completely on A as we learn in the annotations. The real life example that Marx uses here is 20 yards of linen=1 coat. Here we look at it by saying that 20 yards of linen are worth 1 coat. The coat does not take action but the burden is fully and completely on the linen to define its worth as 1 coat. The coat in this statement is passive. It receives the action initiated by the linen that places the 20 yards of linen in a relationship with the 1 coat as something equal to itself.

Hans: Your last sentence was originally "It receives the action possessed by the 20 yards of linen that places itself in a relationship with the 1 coat as something equal to the 20 yards of linen." I made some edits to make it clearer, I think it still expresses what wanted to say.

Next Message by Maniac is [578].

[492] GrouchoMarxist: In the equation that is given by Marx time and time again in *Das Kapital*, $A=B$, A is seen as the active agent that is being valued against B, where B is the good whose use value is desired. As only a set value of B is useful or useable by the consumer its value and quantity are stationary and the quantity of A must be adjusted to address it. In the example given in the text of the tailor and the weaver the weaver requires only one coat to satisfy her needs and in turn offers an agreed upon quantity of linen to match its value. As the coat is being valued in terms of linen, the linen, or A, is the active pole in the equation, and B is the passive.

Next Message by GrouchoMarxist is [493].

Question 193 *Explain the three "flies" which the linen kills through the linen weaver's exchange offer.*

[51] Rajon: (graded A-) The linen serves many purposes in the linen weaver's exchange offer. This is what is meant by saying that the linen "kills three flies".

The first purpose (fly) is that the linen relates to itself as a value. It does this because it equates the other commodity (the coat) to itself as value. By saying that she will exchange a coat for the linen, the linen weaver benefits from the value of the linen. By doing this, the weaver is able to convert the linen into the coat, which is a use-value that she desires. Hans refers to this as a "value dance". The linen weaver benefits from the value in the linen by equating the coat to it. This allows her to exchange the linen for the coat (which is the

use-value that she desires), which would not be possible if the linen were not related to itself as value.

The second fly is that the linen weaver acknowledges the use-value of the linen as well and differentiates between that use-value (ways in which she could have utilized the linen, such as making an article of clothing) and the value of the linen (as an item of exchange for the coat).

The third fly is that the linen is an expression of the social relation that exists between the linen and the coat. All commodity producers offer their commodities for exchange on the market, because of a social structure that really is more of a social relation between the commodities themselves, rather than the owners. The commodities express this social relation because they are what is actually exchanged.

Hans: This is very good but it needs one correction. You write: "The linen weaver benefits from the value in the linen by equating the coat to it." Using the language as Marx understands it, equating coat to linen means turning coats into linen. The linen weaver is able to do this (if she wants): if someone brings her a coat she can turn this coat into linen for the coat owner by accepting this coat in exchange of linen and given the coat-owner linen for it. She can turn every other commodity into linen in the same way. This is what she is able to do, but this is not what she *wants* to do. What she wants to do is turn linen into coat, i.e., take the linen of which she has so much and turn it into coats (or other use-values she needs). So she *wants* to turn linen into coats but she cannot do this, only the tailor can do this; the only thing she *can* do it turn coats into linen. So what does she do? She offers publicly that she will turn coats into linen in the hope that some tailor takes her up on this and, in response to her offer, turns her linen into a coat. This is what I call her value dance, and this *detour* is the only way how she can take advantage of the value in her linen, (Marx does not use this phrase but he calls it "relate to her linen as value.")

Message [51] referenced by [73], [80], and [2012fa:140]. Next Message by Rajon is [101].

[76] Anil: First fly is illustrated by Marx's words as: "By equating the other commodity to itself as value, the linen relates to itself as value." (Ehrbar, 2011, p. 102) Marx mentions that problem in a different way in the fourth edition of *Capital* as: "It is not possible to express the value of linen in linen. 20 yards of linen = 20 yards of linen is no expression of value." (Marx, 1979, p.48) The unique way that realizes value of the linen is expression of value of the linen by relatively. The linen weaver's exchange offer builds up the expression of linen's value in terms of coat.

Second fly showed by Marx as: "By relating to itself as value, it differentiates itself at the same time from itself as a use-value" (Ehrbar, 2011, p. 103) Marx again mentions the use-value of the linen in the linen weaver's hands in fourth edition as: (continues from aforementioned quotation) "On the contrary, such an equation merely says that 20 yards of linen are nothing else than 20 yards of linen, a definite quantity of the use-value linen." Without the linen weavers' exchange offer linen is just a use-value that satisfies the weavers' needs or wants with an actual property of itself. But exchange offer of the linen weaver makes the use-value of linen different from itself as a use-value, it is now the value, represented by relatively in terms of coat, while encloses the use-value in itself in order to serve to a tailor.

Third fly is commented by Hans (2011) as a subtle one. Marx does not mention it directly, but from prior arguments made by Marx, it can be easily understood that exchange relations are social relations. But little problematic part of that intuition is that how the individualistic offer of the linen weaver could be considered as a social relation. In order to eliminate that problem, the individualistic offer of the linen weaver must be extended to all agents

on the basis of a social structure which is characterized “as a social relation between the commodities themselves” (Ehrbar, 2011, p. 103)

1.) Marx, Karl. *Capital: A Critique of Political Economy Vol 1*. 1976

2.) Ehrbar, Hans. Annotations to Karl Marx’s ‘Capital’ Class Edition. 2011

Message [76] referenced by [80]. Next Message by Anil is [132].

[80] **Hans: Think of the commodity as acting, not the person.** Anil’s answer [76] is excellent. Rajon begins his answer [51] with:

The linen serves many purposes in the linen weaver’s exchange offer.

Rajon should have written:

The linen weaver’s exchange offer serves many purposes for the linen.

How so? The linen is a commodity, and the weaver’s exchange offer allows the linen to *act* like a commodity. If you don’t like the imagery of the linen tricking its owner to do something which the linen needs, look at it this way: The linen weaver makes her offer because she needs a coat, and as an unintended byproduct of this offer, she does her part in contributing to the exchange relations which allow her linen and the coat offered by the tailor to act as commodities. Here you see an example how our daily practical activity not only (usually) give the results we intend but also, as a by-product, reproduce the web of social relations in which we find ourselves.

Remember that Marx is thinking here about a commodity economy without money. If there is money, then one can recognize commodities by their price tags. Marx shows in Section 3 the development from the linen weaver’s barter-offer to the price tag.

Next Message by Hans is [90].

Question 197 *Can traces of the concrete labor producing the product be seen in a product? Can traces of the abstract labor used up while producing the product be seen in the product?*

[77] **Res: Concrete and Abstract Labor in a Product.** Traces of concrete labor expended when producing a product can be seen in many cases in the craftsmanship and the physical materials used in the creation of the product. For example, a violin shows numerous traces of concrete labor in the crafted wood and detail of the physical construction of the product. In this same product, traces of abstract labor can also be recognized in the sound quality of the finished product. The subjective testing of the product requires abstract labor (enabled by training and experience) to be expended to determine whether quality standards will be met by the wood used in construction. The observable sound quality and overall value of the product (violin) is forever linked to the abstract labor which was used to modify, and perfect the product even though this is not necessarily able to be observed as objectified concrete labor in the final product. In this case, abstract labor, although it is not displayed in clear concrete labor, can be observed in a product.

Hans: I responded to this in [78] but Res emailed me off-list afterwards—and from his email it seems he does not understand why his answer here is wrong. To find out whether there may be some misunderstandings of the definitions I asked him to send an answer to Exam Question 161 to the mailing list. This was over a week ago and so far he has not yet responded. If I ask you something, either to furnish additional explanations or here to answer a

specific question, I do not mean this as rhetorical questions but I expect an answer from you. If you do not respond, this will affect your grade.

Message [77] referenced by [78]. Next Message by Res is [144].

Question 202 is **211** in 2012fa:

Question 202 *The linen weaver needs the use-value of the coat. But by offering linen for coats, she turns coats into the incarnation of value. Explain how this paradoxical result comes about, that the linen weaver has to treat the coat as value in order to get access to its use-value.*

[73] Rob: The paradox exists because the linen's value itself is expressed through the use-value of the coat. The coat acts a physical representation of the human labor inputs used to create the yards of linen. Without recognizing the coat as a value form for the linen, there would be no way an exchange of the two items could occur.

Hans: Your original submission said that the linen's value is expressed through the *value* of the coat, and I changed this into *use-value* of the coat. With this correction, everything you say is correct, and the crosswise relationship that the *value* of the linen is represented by the *use-value* of the coat is indeed remarkable and Marx comments on it. But the paradoxical result which I tried to refer to in this question is different. The paradox is: why does the linen weaver, who is interested in the *use-value* of the coat and not the *value* of the coat, promote through her actions the coat into an incarnation of *value*? I tried to explain this again in my comments to [51], which are basically my answer to question 202, perhaps this makes it clearer why I call it a paradox.

First Message by Rob is [55].

Question 225 is **216** in 2007fa, **223** in 2008SP, **221** in 2008fa, **234** in 2009fa, **261** in 2010fa, **235** in 2012fa, and **248** in 2013fa:

Question 225 *How does the Expanded form of value make it plain, as Marx says in 155:3/o, that it is not the exchange of commodities which regulates the magnitude of their values, but rather the reverse, it is the magnitude of the value of commodities which regulates the proportion in which they are exchanged?*

[85] Kendull: The Expanded form of value is the manifestation of a commodity's use value or utility and, "value". The manifestation of these two virtues in a commodity is in the form of "exchange-value" and can only be present when the magnitude of value in a commodity is in a value-relation or exchange-relation with a different commodity. In short, the Expanded form of value expresses the value of a commodity (as a product of labor) in comparison to the value of many other commodities rather than just one. For example, *Capital* uses 20 yards of linen to equal 1 coat, 10 lbs. of coffee, etc., and each of these combinations of value-relations can be reversed. Also, "the value of the linen will remain unaltered in magnitude, whether represented in coats, coffee, or iron." Marx seems to imply here that the Expanded form of value gives a commodity an exchange-value that remains consistent throughout infinitely many exchange ratios with other commodities. By doing this, the Expanded form of value indeed gives the magnitude of value of commodities the ability to regulate the proportion in which they are exchanged. Again, because the value of a commodity will remain unaltered in magnitude.

This seems to be true to Marx's school of thought because it dictates exchange relations with value of labor in a product setting the price, or in *Capital* the exchange value with other commodities.

Hans: About your first sentence: Marx would not say that the Expanded form of value is the manifestation of a commodity's use value. In his view, it is only the manifestation of the commodity's *value*. Of course, every commodity must have a use-value in order to have a value, in this way the use-value plays a role in the background. But as Marx sees it, this use-value is not *manifested* in the exchange-relations. (Rather, Marx says the exchange-relations *abstract* from use-values.)

Message [85] referenced by [90]. Next Message by Kendull is [210].

[90] Hans: How does Marx verify whether his theory is correct? In the first pages of *Capital* Marx comes to the conclusion that the value of the commodities is, as I say in the Annotations, *remotely controlled*. It is not determined on the market but in an altogether different sphere than the market, namely, in production. Marx gets to this important insight about capitalist economies on the basis of subtle arguments involving the contradictory character of exchange-value, which in practical life is sometimes viewed as something immanent in commodities, and sometimes as something purely relative. Like a detective, Marx looked at the visible surface evidence and made conclusions about what is happening underneath.

In order to see what I mean by “remotely controlled” look at [2009fa:519]. The market mechanisms described there are exactly *not* remotely controlled. [2009fa:519] is therefore a wrong representation of Marx's theory, rather it describes the approach of modern economics to value. Look at the links given in that message about what I call the “elephant in the room” who is silently always present when two traders bargain on the market and who pushes those market exchange rates towards the ratios of the labor contents of the commodities. [2008SP:144] makes the same point and has additional links. Message [2008fa:286] is another attempt to explain how Marx's theory differs from neoclassical economics.

But I am digressing. I just want to make sure that you are with me, that you understand how basic Marx's insight about the capitalist economy is, and how much it differs from what almost the entire economics discipline says today. I called it an “insight” but in 127:1, i.e., on the third page of chapter One, this cannot be considered a certainty but still has the status of a hypothesis. It is a lead suggested by the evidence which should be pursued but which needs further confirmation before we know that it is a correct structural feature of capitalist economies.

Marx is looking for and, as he thinks, delivering such confirmations again and again, whenever he successfully explains the phenomena of capitalist society based on these assumptions made early in the book. He even sees section 3 of chapter One as such confirmation. How so? Generally, Section 3 begins with the assumption that the hypothesis is true, i.e., that value is determined in production, and shows how such value would have to represent itself on the surface. And it comes to results which fit together with what we are witnessing in capitalist society. Specifically regarding the Expanded form of value, the argument is the same argument which I tried to convey in the Annotations with my own experience in Munich with the blinking cars: if so many commodities are exchangeable for the wheat, then it makes more sense to explain this by something *in* the wheat than by hundreds of special relations which the wheat has with all the other commodities.

Kendull [85] is groping around with quotes and almost gets it but not quite.

Message [90] referenced by [2012fa:200]. Next Message by Hans is [110].

[101] Rajon: graded B+ In answering this question, it is important to make sure that everyone understands Marx's definition of “value”. It is different from the view of mainstream

economics, where value is given by consumers. In mainstream economics, consumers wishing to exchange commodities are seen as evaluating two different commodities and determining how much of one commodity they are willing to exchange for another one. This is why things are seen as changing in value over time; as supply and demand changes, the value of an object increases or decreases along with it.

However, Marx believes in the labor theory of value, where things have an intrinsic value based on the amount of abstract labor congealed within a commodity. As a commodity is produced through human labor, the amount of labor is what makes up the value of an object. It does not change, depending on the time or any other set of circumstances. Because every commodity has this value that is predetermined by the amount of congealed abstract labor, the exchange of commodities cannot possibly regulate the magnitude of the value of the commodities. It is fixed.

Because each commodity has this fixed value, each commodity is able to regulate the proportion in which it is exchanged. Depending on magnitude of the value of a given commodity, different quantities of a commodity are exchanged. If a commodity has a higher intrinsic value, determined by the abstract congealed labor that went into producing it, then it is able to receive greater amounts of another commodity in return for an exchange. This is how the magnitude of the value of a commodity regulates the proportion in which it is exchanged rather than the reverse.

This system sets up order in the exchange of commodities and makes sure that “accidental” exchanges of commodities of unequal values do not occur.

Hans: Marx does not design a system which sets up order in the exchange of commodities, but Marx tries to explain the system as it exists under capitalism. Question 225 is therefore more difficult than you think: how is section 3 a confirmation of Marx’s hypothesis that exchange-proportions are remotely controlled, determined by labor content, not in some utopian society but in our own capitalism?

Next Message by Rajon is [167].

[105] Jami: Price vs Value Exchange Rates. Marx believes that commodities have value because of the expenditure of human labor. To illustrate this point, let’s look at the linen and coat example we discussed in class last Tuesday evening. The linen weaver specializes in producing linen for the purpose of selling the commodity on the market. The value of the linen is only realized when the commodity is exchanged for some other use-value. I.e., 20 yards of linen (use) is exchanged for a coat (use-value). However, the linen weaver doesn’t get to dictate the exchange value. Let’s say that in the summer months the exchange value is 20 yards of linen for 1 coat. However, in the winter months, the exchange value has increased to 40 yards of linen for 1 coat. The price of a coat is different based on the changing seasons, but Marx would argue that the value is constant due to the fact that the labor required to make the coats has remained constant.

Hans: Marx would also take issue with your assertion that prices are lower in Summer. Marx would say that the price is not different in Summer, but that fewer coats are produced in Summer. Adjustment to varying demand does not go through price but through quantity. Prices are lowest at the end of the Season when the retailers clear out their remaining stock, i.e., when retailers adjust their quantities—despite the fact that a coat in April is much more useful than a coat in July.

BTW, Marx also does not share your distinction between use and use-value. Even if it is not a final product, Marx would still say it has use-value. Linen has a use-value because it can be used to make clothing.

Message [105] referenced by [114]. Next Message by Jami is [219].

[112] Keffe: Expanded Form of Value. The act of exchanging a commodity, if evaluated from the capitalist point of view, will generally stimulate a higher magnitude of value. That is to say if the demand of a commodity is higher than the supply, a higher value can be placed on said commodity until supply and demand are in equilibrium. This is contrary to what Marx is discussing in 155:3/o. It seems that he is restating that there is labor value in all commodities that is intrinsic, and it is that labor value that faces all other commodities in the market. All commodities have a congealed magnitude of value when they enter the market with no further need for increase in values. Rather commodities that face each other will be directly proportional to the value of labor that is contained within them.

Hans: In your last sentence you are mis-stating the labor theory of value. The value of commodities is not determined by the *value* of labor in the commodities (as you say), but by the *amount* of labor in the commodities. This is an important difference. The value of labor are the wages and salaries paid. According to Marx, those wages are far *lower* than the value actually produced by this labor.

In other words, for a capitalist, the cost of producing a product is below its value because the capitalist does not pay full value for the labor. This has implications for your first sentence: if the capitalist can sell his goods for profit this does not mean that “the exchange stimulated a higher magnitude of value” as you say. Even if the exchange-value is exactly equal to the value, i.e., even if there is no excess supply or demand depressing or raising the exchange-value, this exchange-value is higher than the cost to the capitalist because of the discrepancy between wages and the value produced by the wage-labor. According your explanation, profits are made in circulation; according to Marx’s explanations, profits are made in production.

Message [112] referenced by [232] and [311]. Next Message by Keffe is [197].

[114] Roman: According to Marx, value is represented by the expenditure of human labor. Marx says that the exchange proportions are determined independent of the forms, that the relative form of value is an expression of the magnitude of the value of the linen, and that the equivalent form of value is not an expression of the magnitude of the value of the coat at all. The value of the linen is only realized when the commodity is exchanged for some other use-value. As per the annotations, “we assume the value of the linen falls. The linen weaver is using a more efficient method and can produce more linen per hour. Then she should also be willing to offer more linen in exchange for the coat. This is why it is right to say that the exchange proportion is an expression of the magnitude of the value of the linen“. Also if we assume that “for some reason the production of coats requires more labor, although the use-value remains the same. Since the use-value remains the same, the calculation of the linen weaver, who weighs this use-value against the time needed to produce linen, also remains unchanged. This is why it is right to say that the exchange proportion is *not* an expression of the magnitude of the value of the coat.

Taking in consideration that in winter the exchange rate for one coat increases (assume it doubles), the value of linen remains the same but the coats are now more valuable and it will now take 20 yds of linen to obtain one coat instead of 10 yds. So the exchange proportions are changing relatively to the temperatures even though the amount of labor invested in production remained unchanged.

Hans: Originally you had said: “the equivalent form of value is not an expression of the value of the coat at all.” I changed it into “. . . is not an expression of *the magnitude of* the value of the coat . . .” because Marx says that the equivalent form *is* an expression of value but it is *not* an expression of the magnitude of value. This is a difficult concept and you copied that passage in the Annotations where I tried to make sense of it.

Your second paragraph is exactly the same example as Jami’s [105], and the remarks I made for Jami apply to you too. Since you are repeating something that was already said, the weight of your submission is less than 100%. Next Message by Roman is [544].

[119] Tussy: The magnitude of values comes from the amount of labor put into producing the commodity. In [2007SP:586], Hans mentions that market determines the values of the commodities by measuring the labor input so if the price (demand) is greater than the labor or value embodied in producing the commodity, more labor is allocated to increase supplies until the balance between price and the value of the commodity is reached. If the market prices are lower than the labor input, there will be less supply which in turn will mean less labor. Lower supply will balance the price and the value as exchange proportions are adjusted. In this value and supply relationship, we can see that the magnitude of value determined by labor input regulates the exchange proportions. Hans clarifies this again in [2007fa:102] saying, “These discrepancies engender their own adjustment: if the exchange-value of linen is less and the exchange-value of tea is more than what would correspond to the value relations, then less linen and more tea will be produced.”

Hans: You are explaining well what it means to say that exchange-values are determined by value, i.e., by labor input. But you did not address the question how this causality is revealed by the Expanded form of value.

Message [119] referenced by [272]. Next Message by Tussy is [154].

[272] Tussy: Expanded form of value. Hans replied to my [119] that I did not address the question of how this causality is revealed by the Expanded form of value. So I just wanted to know if this answer should be added to my previous answer. And I would like to know if this can be counted as extra credit if my exam question 11 was not sufficient as an extra credit.

In the elementary form of value, 20 yds of linen = 1 coat, it might be pure accident that two commodities are exchangeable in definite quantities. But in the expanded form of value, this accidental appearance disappears because the value of the linen remains unaltered in magnitude even when expressed in numberless different commodities. The accidental relation between two individual commodity-owners disappears. Therefore, it is not the exchange of commodities which regulates the magnitude of their value but vice versa. The example of a situation where an accidental exchange of a commodity does not regulate value but value regulates the exchange proportion is shown by Marcellus in [2007fa:103].

Hans: You are correctly reproducing Marx’s argument but the example which you cite only is at the level of your [119]. It only illustrates what it means that value is not determined by exchange, but it does not illustrate how the Expanded form of value shows this. Perhaps one can make the following amendment. Assume a firm mass-produces replica of the Mona Lisa and Venus of Milo. If they privately approach some rich dumb person, they may convince him that this is the original and get an exorbitant price. But if they mass-market them (expanded form of value), then it is clear to everyone that these are not the originals and the firm will only get a price reflecting their production cost. I know, this is a forced example, if someone comes up with a better one I am all ears.

Next Message by Tussy is [274].

[432] Jaime: The expanded form of value puts the power on the side of the commodity because it is the commodity that sets the bar for the exchange value. This can be explained using $A=B$, where A is the commodity and B is the exchange item. A is the active pole in this example. It is A that sets the exchange value; it is A that ultimately holds the power. This is because when in a market society one exchanges things for necessities. The owner of B will need commodity A regardless, thus putting the value of B up to the owner of A. This can also be explained with the example of the linen weaver who trades for a coat. It is the weaver, A, that is able to bargain with the coat owner, B, for a price that the weaver feels fair.

Hans: You are using Marx's theory as building blocks for your creative thinking. I think you would benefit much more from this class if you tried to decipher from Marx's text how he himself answers these questions.

Next Message by Jaime is [\[515\]](#).

Question 226 *Three times, Marx advertises it as the one of the main results of his form analysis that exchange relations are governed by value rather than value being determined by exchange. The main advertisement is in his discussion of the Simple form of value in 152:2/o, but he returns to it in his discussion of the Expanded form of value in 155:3/o, and there are hints of this also in his discussion of the General form of value in 158:4. Does he use a different argument, or does his first argument evolve, or are there other reasons that he returns to the same theme repeatedly?*

[98] GrouchoMarxist: In the example of the linen weaver and the coat maker given in 30:2/o, Marx makes it quite clear that the linen weaver's desire for exchange comes from her value of the products to be exchanged rather than the exchange value itself. This is a result of the weaver's valuation of the labor value of the items to be exchanged. Although twenty yards of linen and one coat take roughly the same quantity of labor to produce, the weaver values the fruits of her own labor as less than the fruits of the coat maker's labor. This is an expression of the valuation of labor that results in a diversified market place.

Much as the market has no need for excess linen weavers, the linen weaver has no need for excess linen. Each additional yard of linen in excess of what the linen weaver can personally consume loses the standard personal use value that we would assign it, and instead becomes useful only as a unit of exchange. Similarly the coat maker will experience the same loss of personal use value in the production of excess coats.

In the simple form of valuation both parties would meet in the marketplace to exchange their wares in a value of one another's goods (namely X quantity of linen is exchanged for Y quantity of coats). Assuming a generally balanced market in which there was neither an excess of coat makers or linen weavers, the quantity of linen exchanged for coats would be close if not identical when valued in terms of labor hours. (If either a coat or a yard of linen took significantly less time to produce but was valued favorably compared to the other good, producers would switch from the product that took more work to the product that took less work rebalancing the exchange.)

Because the linen weaver has a necessary and imminent use value for the coat she will acquire it with the linen she has little use for. Because the coat maker has a necessary and imminent use for linen he will acquire it from the linen weaver with his excess coats. As both parties have use for each other's goods, and little use for their own surplus they will engage in an exchange relationship. In this simple model the exchange is just a means to an end in which consumers acquire the goods that they have a use for.

When a third commodity is added, either another good as seen in the Expanded form of value, or a monetary device as seen in the General form of value, the exchange relationship is complicated, but is not changed. If linen must first be exchanged for milk and milk must then be exchanged for coats the equation remains exactly the same in the Expanded form of valuation. Just because the linen weaver has no use for milk, we cannot state that use value is no longer the primary motivator for her acquisition of it. In this more complicated

relationship it is instead the dairy farmer who has use for linen and the coat maker who has a use for milk, whereas the linen weaver still values the coat. Because labor will be distributed to best address need, the addition of a third good, fourth good, etc. will not alter the needs of those who seek to acquire them, and the use value of the consumer will continue to dictate exchange relationships.

Hans: This is not an answer to question 226, but it is nevertheless a well argued piece, see my responses in [148] and [150].

Message [98] referenced by [148] and [150]. Next Message by GrouchoMarxist is [361].

Question 229 is **170** in 2002fa, **173** in 2003fa, **198** in 2004fa, **195** in 2005fa, **215** in 2007SP, **218** in 2007fa, **223** in 2008fa, **236** in 2009fa, and **239** in 2012fa:

Question 229 *Which characteristics of value are expressed better in the Expanded form of value than in the Simple form, and what are the defects of the Expanded form?*

[79] Karl: graded B Expanded Form. The expanded form is an intermediary between monetary and non-monetary terms of economic assessment. The expanded form however has some defects which include: The relative expressions of value are not complete since the series representing it is interminable. The link of each equation is liable to be lengthened by each new kind of commodity that comes into existence. The expanded form is also complicated with many independent expressions of value. In addition, the relative worth of each and every commodity or item is stated in this stretched form giving us a relative value form different in each case. The special form of labor represented in every equivalent does not fully represent the human labor generally.

Hans: You are enumerating several defects of the Expanded form of value. Question 229 also wanted to name those aspects where the Expanded form is not deficient but on the contrary better than the Simple form.

Message [79] referenced by [109]. Next Message by Karl is [122].

[88] Skiingforlunch: graded A Improvements/Defects of Expanded Form. The characteristics in the expanded form of value those are better expressed than in the simple form are denoted by Marx as “improvements”.

Improvement (1) – Introduction of multiple social relationships

The major improvement of the expanded form of value in relation to the simple form of value is the expanded form introduces “macro” picture of the commodities market that still strongly supports Marx’s labor theory of value behind commodity exchanges. In our key example, the value of linen now has relative and equivalent value among all other commodities through multiple rich derivations that confirms the commodities are characteristically social. With the expanded form, multiple commodities are now signaling to multiple commodities as to each other’s inherent value.

Improvement (2) – Creates a real simulation of producer activity in the marketplace

Although surface relations accurately reflect that labor in the abstract is a commonality on the production of all goods, but now the labor processes are open to comparison. This guides producers to read market signals and to reallocate labor. Surface relations begin guiding producers opening Marx’s opportunity to discuss the division of wealth between those who control labor and the working class.

Improvement (3) – Use Value is irrelevant

Marx adds to this that Use Values for commodities not longer have anything to do with the series of expressions. Now the exchange value is being express in the market. The social signal presented by other commodities regarding linen all express the same about linen rather in terms of their willingness to exchange themselves for linen rather than the actual application for linen.

The defects of the expanded form are clearly listed by Marx.

The expanded form is not unique—Value is considered fixed, but the expanded form is infinite in the world of commodities as it is impossible to pair up all relationships (relative) and also there is also not single form of appearance of labor (equivalent)

The expanded form is complex—The “motley mosaic”—the labor creating value of one particular goods signals so many messages that messages diverge since the expressions are so lengthy and complex

The expanded form is not uniform—the expanded form for one good is infinitely different than any other commodity, although all commodities share common congealed labor, Marx notes that expanded form for one commodity is going to be very qualitatively different than another commodity. Each expanded form of a commodity commodities is not necessarily proportional to each a different commodity’s expanded form and vary in content since the expression is multidimensional.

Next Message by Skiingforlunch is [\[89\]](#).

[109] CameronCottle: Expanded Form also has Strengths. I do agree with Karl’s general explanation of expanded form and its weaknesses in [\[79\]](#) but I also would like to expand on why it is better than simple form. Simple form functions under the assumption that there will always be an available medium of exchange where each individual will only be looking to obtain the use-value of whatever commodity they desire. As we know in the real world or even when comparing the simple form to expanded form, it is hard to find a market that is only looking for the good you have and is willing to exchange only for that good. Expanded value has an advantage of simple form because it explains commodities in relation to each other (I.e. One shoe = two Coats = Six Chickens). This allows trade to happen without finding a person who is only looking for the use-value of a good. So one reason value is expressed better in expanded form is that it gives commodities more than just their use-value. By using the expanded form of value, a shoe gains more than just its value as shoe but also gains whatever exchange value it has when being used to obtain other commodities.

Of course there are major faults with expanded form which Marx points out immediately. Some of these are that it is not uniform nor can it be. Also due to things like change in technology which makes the equal labor production more efficient in certain commodities would cause this to constantly fluctuate. Of course there are other things too like a famine that would raise the value of wheat causing the exchange cost to rise. There are just too many variables to be taken into consideration that make expanded form very complicated despite its simplicity.

Next Message by CameronCottle is [\[253\]](#).

Question 231 is **217** in 2007SP, **225** in 2008fa, **238** in 2009fa, and **254** in 2013fa:

Question 231 *Imagine a world in which humans only need one use-value to survive (e.g., some humans survive on carrots alone, others on boots alone, others again on shampoo alone, etc.), but production is such that each production process yields many different use-values (i.e., the production process which produces milk also produces shoe polish, record players, sausages, cooking oil, roller blades, coats, sunglasses, and tooth brushes, and many other things, as byproducts.) Argue that in such a fictitious world, the expression of value would go directly from the accidental form of value to the general form of value, bypassing the expanded form of value.*

[108] CameronCottle: Perfect World of Exchange. In a fictitious world where each person only functions on one good it pretty much makes the expanded form useless, this is why it would bypass the expanded form and just go to general form. The simple explanation behind this is because each person only functions off one good and not multiple goods. They have no need or use for anything else and so knowing that one apple is worth two oranges and two oranges are worth four pears is useless to them if all they need to survive is oranges.

To understand why this is true we have to look at how Marx explained the different levels of value. In Simple form of value Marx suggests that a commodity is more than just its use-value or its value in use. Marx suggests that a commodity might have an exchange value or that besides just having that value for which a commodity was designed it might be worth another commodity. This is first explained by the Simple form of value. Marx uses coats and linen to express this correlation and I will do something similar. The Expanded form of value builds off the Simple form of value but adds more variables to the equation. It is no longer just Apples to Oranges, but instead apples to oranges, to bananas, to sugar, to automobiles.

In a normal world we all need more than one good to function and we also have different preferences and desires. These preferences change the exchange and use value of the commodities unless of course there is an agreed upon standard of exchange. (I.E. 1 cow is always worth 10 chickens and 1 chicken is always worth 4 ducks) In this fictitious world we have a unique situation that would bypass the Expanded form of value due to the fact that each person only needs one commodity but also produces many use-values in their desire to achieve this one commodity..

Let's just say I am an eater of apples and so my only interest in the world is apples. To stay alive I need to consume X amount of apples a day but I am only able to produce Y amount each day and $Y < X$. As a byproduct of this though I produce X amount of wood and leaves of which I have no use. As Marx states human labor power is all equal so I am not the only one in this situation and so to ensure my survival I will take the byproducts of my labor and try to exchange them to gain my X amount of apples. In the Simple form of value I would be able to simply trade one piece of wood for one apple and then be done but in this world it may be that the person A who produces apples as a byproduct of their good doesn't desire wood or leaves but instead desires paper of which they cannot produce enough of by themselves. I know though that person B who produces paper as a byproduct desires wood so I can make a deal with these other two people to exchange our commodities at a certain rate. The exchange would essentially look like this:

I have X amount of wood that I will exchange for X amount of paper from person B and then I will take this paper and try to exchange it for X amount of apples with person A.

This is a very simple example and it can be far more complicated because there is more than just us three in the world and I would not be the only producer of wood and leaves. I also have that other byproduct that might go through many forms of exchange before I finally get my return in apples. This is general form because to me X amount of wood, leaves, paper, camera's, etc.. = X amount of apples. I only need to know of the value of other commodities in relation to how many apples they can gain me. The purpose of me going to the market is always to gain the value of apples. All other commodities in the world are only worth however many apples they can purchase me and that is why it skips over the Expanded form. We also have to make a few more assumptions in this case as Marx states and one of those is that production is equal. I cannot produce anymore than any other person so not one person has advantage as far as production goes.

Next Message by CameronCottle is [\[109\]](#).

Question 234 is **144** in 1999SP, **160** in 2001fa, **173** in 2002fa, **176** in 2003fa, **203** in 2004fa, **200** in 2005fa, **220** in 2007SP, **223** in 2007fa, **228** in 2008fa, **241** in 2009fa, **268** in 2010fa, **244** in 2012fa, and **257** in 2013fa:

Question 234 *Describe the joint work of all commodities which is necessary to appropriately express the value of one commodity.*

[97] Barn: Starting from a simple barter system a weaver feels the approach of winter and finds herself in need of a winter coat. She has commerce with a tailor for the exchange of linen. Through the simple form of value model only 2 commodities are compared and at different proportions—20 yards of linen = 1 coat. This form seems to have the greatest degree of use value expressed in the exchange potential. Next, producers of other commodities see a value expressed in the linen. They follow suit with the development of an expanded form of value system where the values of their commodities are being expressed as comparatives. Linen is now being seen as a commodity of worth. Naturally the comparatives now become 20 yards of linen become 1 coat, 10 lb. of tea, 1 qtr. of wheat or etc. Finally a general form of value system emerges where the linen becomes more of a universal standard of commodity exchange. Linen is still the active agent but the other commodities become less passive. The value of the one commodity of exchange potential, the barter standard, in our case linen now stands firm. A commodity or former commodity now becomes an instrument of exchange to all others. In order for this to happen the whole world of commodities must put forth a joint work or effort to make and maintain linen the commodity standard of exchange where “all other commodities express their values in the equivalent.” Surprisingly Marx expresses that the state should supervise this joint work of all commodities to maintain a standard.

Hans: Your transition from the Simple to the Expanded form of value is wrong. You write “next, producers of other commodities see a value expressed in the linen.” Of course, some do, but others need other things. Why should everyone focus on linen? This cannot occur spontaneously, this is exactly the subject of the question.

The correct transition from the Simple to the Expanded form is that linen expresses its value no longer only in coats but in many other things. Think of the linen weaver needing many different useful articles. This is indeed a spontaneous transition, it occurs “by itself” as Marx says.

But the important part is the transition from the Expanded to the General form of value. It is a reversal of the Expanded form, i.e., now all these other commodities express their value in one commodity, in cattle or salt or linen

or gold. Social co-ordination is needed that everyone picks the same commodity. This is why Marx calls this the joint work of all commodities.

Next Message by Barn is [145].

[103] Bu: If we take the exchange rate between linen and a coat at the rate which Marx has illustrated of 20:1, we can start to explore how the joint work of all commodities works its way around to the value of one commodity. If a producer of linen is interested in the exchange of a coat for use value, then the linen producer will use this coat for personal reasons. With winter around the corner the weaver will need to prepare and stay warm. But if after making the first initial exchange she decides that by making additional transactions of linen for coats that she would be able to further her acquisitions of other commodities through trading of coats and use this as a means of exchange.

Marx explains that the value in a commodity is relative to the amount of labor that one puts in to producing it. Therefore, we get the exchange rate of 20 yards of linen for 1 coat. These 20 yards of linen can be used as a standard to obtain other necessities/wants. For example, 20 yards of linen could be exchanged for 10 gallons of milk, 3 bushels of wheat or 5 lbs of meat. As long as commodities can be “directly exchangeable,” a cyclical cycle can be obtained.

Hans: The linen weaver does not want to become a coat dealer. She does not have the intimate knowledge of coats to do this, only the tailor can do this. Rather, the linen weaver will act as you describe in the second paragraph, she will try to use linen to get all the other commodities. It is her dream that her linen would be “directly exchangeable” for all other commodities, i.e., accepted by everyone else, whether or not they need linen. Every commodity producer wishes his commodity to be “directly exchangeable.” But this is not possible. Only one commodity can fill this role, just as only one catholic can be pope. The “joint work of all commodities” is the selection process which decides which commodity can be directly exchangeable.

Next Message by Bu is [198].

[116] Danish: graded A Joint work of commodities. The joint work of all commodities would be to choose a common use-value, so they can all express themselves in terms of that common value. It requires a social agreement between the people who are exchanging the commodities. As we can see in prisons, that the inmates usually exchange different commodities (i.e. candy bars, CDs, chips etc) in terms of a common use-value of cigarettes. Even if someone in prison doesn't smoke, they would still accept cigarettes in exchange of a commodity, because they know that they can always exchange cigarettes for the commodity they would desire in the future. Thus cigarette is a common use-value in a prison, and all the commodities in prison express their values in terms of a use-value of a cigarette. While in a broader picture of US, we have fiat money (US dollars) which are socially accepted by everyone in US, thus through a social agreement, everyone has agreed to express the value of their commodities in terms of US dollars in United States. Marx call this phenomenon of a common use-value as a joint work of commodities to establish a common use-value, while when commodities express their values in terms of a common use-value, it is regarded as individual work of a commodity, as Hans explains it in [2003fa:117].

Message [116] referenced by [2012fa:172] and [2012fa:190]. Next Message by Danish is [125].

[120] Hov: A description of the joint work of commodities. The general form of value can only arise through “the joint work of the whole world of commodities” (Hans, 147). As opposed to the simple and expanded form in which, “it is the private task of the individual commodity to give itself a form” (Hans, 147) a commodity gains its general

expression of value when all other commodities express their value in the same equivalent. Essentially, it is the joint work of all commodities necessary to appropriately express the value of one commodity. Further, “because the objectivity of commodities as values is the purely ‘social existence’ of these things, it can only be expressed through an all-sided social relation; consequently the form of their values must be a socially valid form” (Hans, 147-48) and this form must be supervised by the state (an example of this could be the worth of one US dollar). States must select one use-value that they all use to express their values. After this selection is made, it is up to the different commodities individually to express their values in this selected commodity. Hence, the general form of value can only appear once all commodities express their values in general equivalency.

Next Message by Hov is [141].

[336] Gv: Value is expressed as exchange value. Marx goes on to identify the unit that creates this immanent value as being the congealed abstract labor remainders. In turn, this abstract labor is not created by individual labor, rather through the aggregate form of labor used for the formation of all commodities. Marx writes, “a commodity gains a general expression of its value only when, at the same time, all other commodities express their values in the same equivalent.” That is, labor in the abstract and aggregate for all commodities come to become the labor-component with a commodity that is carried immanent and eventually comes to give a commodity its value. TKaufmann [2009fa:509] writes, “This is the appropriate expression of each commodity’s value, its expression of its value in the general equivalent so that its value can be quantitatively compared to all the other commodities”. Interestingly use-value \rightarrow value, however, the relational value in an exchange-value returns value to the inactive pole of the equation $x \rightarrow y$, then the exchange-value gives x its value.

Hans: Where value comes from and how it is expressed are two different questions. Value comes from abstract labor, you describe that correctly. But value is best expressed in a specific use-value, for instance gold, you are missing this part of it.

Next Message by Gv is [341].

[360] Hov: The general form of value can only arise through “the joint work of the whole world of commodities” (Hans, 147). As opposed to the simple and expanded form in which, “it is the private task of the individual commodity to give itself a form” (Hans, 147) a commodity gains its general expression of value when all other commodities express their value in the same equivalent. Essentially, it is the joint work of all commodities necessary to appropriately express the value of one commodity. Further, “because the objectivity of commodities as values is the purely ‘social existence’ of these things, it can only be expressed through an all-sided social relation; consequently the form of their values must be a socially valid form” (Hans, 147-48) and this form must be supervised by the state (an example of this could be the worth of one US dollar). States must select one use-value that they all use to express their values. After this selection is made, it is up to the different commodities individually to express their values in this selected commodity. Hence, the general form of value can only appear once all commodities express their values in general equivalency.

Hans: The answer is buried somewhere in your essay. You should say right at the beginning that the “joint work of all commodities” is the selection of one commodity which is to serve as general equivalent. This requires an act of cooperation. After this, competition can continue.

Next Message by Hov is [376].

[434] Ginny: The joint work which is necessary to appropriately express the value of the commodity starts with finding a general equivalent. It is easier to express a value if there is a general equivalent. Then the commodity is directly exchangeable with all other commodities. Marx says in 158:5/o "The general form of value, on the other hand, can only arise as a joint work of the whole world of commodities. A commodity gains a general expression of its value only when, at the same time, all other commodities express their values in the same equivalent; and every newly emergent commodity must follow suit. Marx goes on to say in 159:2/o that his example the linen has the character of a general equivalent because the linen is directly exchangeable with all other commodities. This is because the bodily form of the linen counts as the visible incarnation, the general social chrysalis state, of all human labor. So all commodities have human labor in common and work jointly to appropriately express the value of the commodity.

Next Message by Ginny is [\[445\]](#).

[476] SSroy: In order for all commodities to appropriately express the value of one commodity, they must "work" together so that there is a commonality used among them in order to function properly in a given society. The one commodity will provide a benchmark or means of measurement and is characterized by being basic and provides use to most if not all members of society. Linen is a classic example and one that Marx himself refers to often in Capital. It most certainly is used by all in society who need clothing and shelter and is an essential input for other products. As an essential commodity, linen possesses the ability to be exchanged with other items in terms of sheets of linen. For example, if the baker needs linen for himself, he will trade the equivalent of baked goods for the same amount of linen, both of which represent an equal amount of labor-power used in each commodities' production. A carpenter can thus in turn exchange the commodity he produces for the bakers' baked goods in a ratio that reflects the labor-power infused in both the linen and carpentry commodity, in addition to the baked goods. In this way, labor is being represented by the exchange ratios of each commodity with regard to the main commodity, or General equivalent.

Next Message by SSroy is [\[477\]](#).

[487] Barn: Marx develops the market through an anthropological perspective. At first he explains the simplest barter exchange, the simple form of value. His model is 20 yards of linen for 1 coat. He next describes the Expanded form of value which he describes as a transitional phase of development. One commodity is valued to other commodities (20 yards of linen equals 1 coat, 10 lb. of tea, 40 lb. of coffee or etc.). A multitude of values (other commodities) are now expressed in the value of linen. It (the linen) is now becoming the standard of barter in the market place.

Marx finally introduces what is called the general form of value which appears as a more stable form of the expanded form of value. The general form of value can only function through what is called a joint work of all commodities in the market place. All the other commodities need to express their values through a common (a standard barter commodity). Other commodities entering the market place must equate their value through the common (in our case linen). Their joint work maintains the general form of value. It can only work if the other commodity traders in the market place follow through in that social existence. The other commodity holders must put forth an effort to maintain and encourage the standard

(the value of the one commodity). Marx does not put much faith in this joint work effort to function on its own because he indicates the need for the state to supervise.

Hans: You say about the Expanded form: "A multitude of values (other commodities) are now expressed in the value of linen." A correct formulation would be "The value of linen is now expressed in a multitude of use-values." Your next sentence "It (the linen) is now becoming the standard of barter in the market place" is exactly wrong. With the Expanded form of value there is no well-defined standard of barter. The Expanded form is transitional because it makes the value relations social instead of accidental and private without providing a well-defined standard. For this the Expanded form has to be inverted in order to get to the General form.

Here is another inversion which you might want to pay attention to: You had originally written "he next describes a transitional phase of development which he describes as the Expanded form of value." I inverted this in the text above because I think this describes better what you mean. If I am mistaken, let me know.

Next Message by Barn is [504].

Question 236 is **126** in 1997ut, **175** in 2002fa, **178** in 2003fa, **205** in 2004fa, **202** in 2005fa, **222** in 2007SP, **225** in 2007fa, **230** in 2008fa, and **259** in 2013fa:

Question 236 *How does the General Equivalent form of value express the labor represented in value not only negatively but also positively?*

[107] Gonz: With Hans's Edits. The General Equivalent is a way to express the value of a commodity in relation to other commodities. We take into consideration that value of a commodity is based on labor-time. When we establish that a certain commodity is equal in value to another we have got the General Equivalent form of value, thus commodity A, B, C = commodity X. When the value of every commodity is able to be traded for a specific other commodity X (such as gold), this specific commodity expresses positively the value of said

commodities. The market then expresses the demand for such goods through the exchange rates with X and commodities can be produced according to supply and demand. This automatically debases the exchange-value of ordinary commodities because if the linen weaver is able to get gold for her linen she is no longer willing to make a direct exchange of linen for coats. That is

where the General Equivalent negatively expresses the labor value of the commodity.

(As Submitted:) Original submission

The General Equivalent is a way to express the value of a commodity in relation to other commodities. We take into consideration that value of a commodity is based on labor-time. When we establish that a certain commodity is equal in value to another we have got the General Equivalent form of value, thus commodity A = commodity X, Y, Z, etc. When the value of a certain commodity is

able to be traded for a certain other commodity it expresses positively the value of said commodities. The market then expresses the demand for such goods through

the exchange rates and commodities can be produced according to supply and demand.

This automatically debases the 'value' of a commodity because it's value is no longer

determined by the labor-time involved (we understand the 'bodily form' of the commodity is the physical product of the labor performed), but the exchange-value now placed on the market. That is where the General Equivalent negatively expresses the labor value of the commodity.

Hans: I had to heavily edit your submission in order to get something that makes sense. Your original and my edits are shown side by side. I think I went beyond what you intended to say but I hope my massaging of your text is still informative for you. A correct answer to the question is [2007fa:91].

Next Message by Gonz is [364].

[124] Deiondrious: The equation of value, the coat ranks qualitatively as the equal of the linen, as something of the same kind, because it is value. In this position it is a thing in which we see nothing but value, or whose palpable bodily form represents value. A coat as such no more tells us it is value, than does the first piece of linen we take hold of. This shows that when placed in value-relation to the linen, the coat signifies more than when out of that relation, just as many a man strutting about in a gorgeous uniform counts.

In the production of the coat, human labor power, in the shape of tailoring, must have been actually expended. Human labor is therefore accumulated in it. In this aspect the coat is a depository of value, but though worn to a thread, it does not let this fact show through. And as equivalent of the linen in the value equation, it exists under this aspect alone, counts therefore as embodied value, as a body that is value. A, for instance, cannot be “your majesty” to B, unless at the same time majesty in B’s eyes assumes the bodily form of A, and, what is more, with every new father of the people, changes its features, hair, and many other things besides.

In the value equation, in which the coat is the equivalent of the linen, the coat officiates as the form of value. The value of the commodity linen is expressed by the bodily form of the commodity coat, the value of one by the use value of the other. As a use value, the linen is something palpably different from the coat; as value, it is the same as the coat, and now has the appearance of a coat. Thus the linen acquires a value form different from its physical form. The fact that value, is made manifest by its equality with the coat, just as the sheep’s nature of a Christian is shown in his resemblance to the Lamb of God.

Hans: Good paraphrase of a relevant passage of Marx. Marx shows here that already in the Simple form of value, the coat becomes the incarnation of value for the linen. This will then be enhanced in the General form of value, where the general equivalent becomes the incarnation of the value of every commodity, and in this way a positive expression of their value.

Hans: I checked this again in view of your subsequent submissions: this is not, as I originally thought, your paraphrase of Marx’s text, but it is three paragraphs from a translation which is different than the one assigned in this class, the so-called Kerr edition, pp. 59:2 - 60:2, mostly word for word, but with a few sentences shortened or left out.

Next Message by Deiondrious is [165].

[320] Bikeman: A negative expression of the General Equivalent form of value is when an item is produced for the sole purpose of exchange for other things. If the linen weaver had always intended to exchange his linen for beer and tobacco and not keep any linen for himself, this is a negative expression of the value of the linen because the value of the linen is expressed in something else.

A positive expression of the General Equivalent form of value is when an item is produced only for the exchange for gold coins. These gold coins can then be exchanged for beer, tobacco or anything else. Some of the gold coins can even be stashed away for future use. This is a positive expression of the value of the linen.

Next Message by Bikeman is [321].

Exam Question 238 is **118** in 1995WI, **127** in 1996sp, **138** in 1997sp, **130** in 1997ut, **147** in 1999SP, **156** in 2000fa, **163** in 2001fa, **177** in 2002fa, **180** in 2003fa, **207** in 2004fa, **203** in 2005fa, **223** in 2007SP, **227** in 2007fa, **248** in 2012fa, and **261** in 2013fa:

Exam Question 238 *The difference between the Money form (under the gold standard) and the General equivalent form is small; nevertheless it has important implications. Elaborate.*

[280] Poptarts: The difference between money form and general equivalent form is that in the money form all goods have a value to a specific money (like gold) that is set or accepted by everyone, where in the general equivalent form goods have a certain value related to other goods, and it may not translate so easily across various goods as the money form would; this would make it rather difficult to trade for something if the other person had no need of your good/service.

Hans: A *General equivalent* is already the situation where all commodities in the market are measured in one special commodity (cigarettes in prison) but this special good is not the same everywhere and may change over time. Your argument still holds.

Next Message by Poptarts is [498].

Question 244 *Compare the discussion of section in these Annotations here with the discussion of section in vol. 1, pp. 34 ff.*

[86] Bikeman: Form of value. Marx didn't necessarily intend to derive the form of value from the concept of value, but through analysis of the commodity, he found that the form of value was incidental to the concept of value. He wanted to show that through this derivation, money-based market relations were required to spark the players in the market to interact and produce value in the economy.

Hans: These are creative guesses, but they have nothing to do with Marx. Marx was very critical of capitalism, he would never say that profits are required to spark the production of value. On the contrary, he wanted the abolition of the profit system.

Next Message by Bikeman is [206].

Exam Question 245 is **166** in 2001fa, **184** in 2003fa, **211** in 2004fa, **207** in 2005fa, **227** in 2007SP, **239** in 2008SP, **250** in 2009fa, **277** in 2010fa, **255** in 2012fa, and **268** in 2013fa:

Exam Question 245 *What is the difference between commodity fetishism and the fetish-like character of commodities?*

[268] Skiingforlunch: (graded A-) Fetishism vs Fetish-like. So what is the difference between fetish-like character and the fetishism of a commodity? Let's first look at the root word for this analysis and see if the definition alone can shed any light. Fetish is any object endowed with supernatural properties. The fetishism of a commodity is therefore the belief in this supernatural property. The fetish-like character of a commodity is therefore the actual supernatural character of the commodity – so what is this supernatural property – this is the fact that commodities are social.

This being said, the fetish-like character of the commodity is the objective fact that commodities have social relations with each other. This relationship is indirect between commodities. The fetishism therefore of a commodity is the false conscious belief that humans perceive commodities having this social relationship because of their physical properties.

Humans become engrossed with the social properties of things and this drives the market-place activity.

Hans: Everything is right except your last sentence with the engrossed. This is a modern spin on the word which Marx did not have.

Next Message by Skiingforlunch is [357].

Question 247 is **121** in 1995WI, **98** in 1995ut, **131** in 1996sp, **133** in 1996ut, **181** in 2002fa, **185** in 2003fa, **212** in 2004fa, **208** in 2005fa, **228** in 2007SP, **233** in 2007fa, **238** in 2008fa, **251** in 2009fa, **278** in 2010fa, and **272** in 2013fa:

Question 247 *Which evidence prompts Marx to say, at the beginning of the Commodity Fetishism section, that the commodity is “intricate” or “mysterious”?*

[122] Karl: graded B Mysterious Commodity? Marx says that a commodity is mysterious since it appears to have certain magical powers. A commodity does not have powers intrinsic in it usually. However it may possess these powers depending on the situation and how people view it. If different people start associating certain powers with a commodity, it is inevitably viewed this way. The commodity therefore is mysterious in the way it is viewed in the market. This is also seen from the traditional setting of beliefs whereby people felt certain commodities could cause harm and others could not. They however could not argue in a scientific way why there was such a development. The power of a commodity is therefore in the way the market sees it; in this case the society views it. Wood may be viewed as just that i.e. from its physical appearance. If converted into a table however, the perspective changes and it can now be attributed to both the human and monetary effort in it. It is given greater powers.

Hans: Marx does not think social relations come from individuals thinking of things in certain ways. Marx says this is the error of “idealism.” Marx himself thinks that peoples’s thoughts are dependent on their social relations, they do not create them. So Marx would ask: *why* are people associating things with certain powers?

You are also misunderstanding Marx’s example with the table. The table as use-values is not mysterious, but the table as commodity, i.e., as a product produced for sale, is.

Message [122] referenced by [149] and [420]. Next Message by Karl is [408].

[126] Gv: Marx writes that the commodity is ‘intricate’ and ‘mysterious’, while at the same time noting that, “a commodity appears at first sight an extremely obvious, trivial thing”. This is because the commodity exhibits characteristics that come to be outside of the commodities’ physical existence. Further, these characteristics are neither obvious nor conspicuous (hence they are mysterious) AND are exposed to exist in complex and opaque relationships (hence intricate). Marx gives this very illustrative example, “The form of wood, for instance, is altered if a table is made of it. Nevertheless the table continues to be of wood. . . but as soon as it emerges as a commodity, it changes into a thing which transcends [that which is obvious to the physical senses]”. It is these metaphysical characteristics that evidence why Marx calls a commodity ‘intricate’ and ‘mysterious’. Regarding the later attribute, it is important to note that Marx attributes the characteristic as emanating within the commodity itself and is an attribute that is hard to perceive at first sight. Regarding the intricacy characteristic, Hans notes that it is exhibited in the following relationships of the equivalent form:

Use-Value → Value; Concrete Labor → Abstract Labor; Private Labor → Social Labor.

In other words, the commodity is intricate because it not only has use-value, but also exhibits value in myriad interpretations—from exchangeability to money (the “god of commodities”)—which have social characteristics.

Marx concludes, “The commodity reflects the social characteristics of men’s own labour as objective characteristics of the products of labour themselves, as the socio-natural properties of these things. Hence [the commodity] reflects the social relation between objects, a relation which exists apart from and outside the producers”.

Message [126] referenced by [207]. Next Message by Gv is [336].

[138] OBJ: Evidence for the “mysterious” commodity. Marx makes an assertion that commodities are “mysterious”, and that commodities have a “fetish-like character”. He goes on to say that commodities are “intricate” not trivial or simple. The intricate nature of the commodity adds to the assertion that commodities are “mysterious”. Marx expresses that the value of the commodity is not easily visible to the commodity owner, not due to the owner’s ignorance, but instead because the commodity does not have a value that is expressed in a straightforward manner which also adds the the “mysteriousness” of the commodity. Marx gives evidence that the form of a commodity gives the commodity a mysterious character. For example, a marble block can be turned into a statue, but the statue is still a block of marble. Therefore, the social interaction between products of labor creates the commodity’s mysticism.

Hans: You are listing Marx’s assertions but you are not giving the evidence used by Marx backing up these assertions.

Message [138] referenced by [149]. Next Message by OBJ is [229].

[149] Syd: The mystery in a commodity. In the text Marx says that a commodity is “intricate” or “mysterious”. There is some evidence which prompts Marx to refer to a commodity in this specific manner. Marx gives a characterization of what consists in a mysterious commodity, as well as the origin upon which the mysterious commodity comes from. Marx refers to commodities as mysterious due to the social relations present in commodities. The owners of these commodities are not aware of the social relations present in these commodities, the social relations in the commodities do not manifest them selves easily to the owners. The mystery present in a commodity is located according to Marx at the commodity form of the product.

A commodity usually does not have inherent mysterious powers. These mysterious powers present in a commodity are created by how people view a certain commodity. The mysteriousness of the commodity manifest itself in the way people and society view the commodity. The mystery in the commodity is also found in the way the market views the commodity as well.

Hans: You give two different and even conflicting answers, one after the other. I inserted a paragraph break where the better answer ends which overlaps with [138], and the worse answer begins, which overlaps with [122]. This is the fourth answer to the same question, and you are not saying anything new. I cannot give credit for this.

Next Message by Syd is [203].

[153] KKondo: In the text Marx claims that a commodity is “intricate” and “mysterious” showing evidence prompting that its different forms have a “fetish-like character”. Even though the word “commodity” seems to be very straight forward, its “fetish-like character” is not just a misconception about the world, but a real characteristic of social relations. In other words, commodities have properties that aren’t present in a physical form. Commodity

owners more often do not take the social relation in consideration since they are not easily visible to them. Therefore, according to Marx the mysteriousness of a commodity comes from its properties that are capable of satisfying human wants and are products of human labor, and not the physical form of it.

Hans: Which evidence does Marx show that “prompts” (?) that the commodity’s different forms have a fetish-like characters? It seems that you are just mincing words. And your last sentence says exactly the opposite of what Marx says: the fetish-like character does exactly not come from the commodity’s use-value.

Next Message by KKondo is [242].

[154] Tussy: A commodity is a mysterious thing because the social character of men’s labor appears as an objective character of the product of that labor, because social relations exist not between the producers but between the products of their labor. This is the reason why the products of labor become commodities, social things whose qualities are at the same time perceptible and imperceptible by the senses.

In the form of a commodity, equality of all source of human labor is expressed objectively by their products all being equal values. (Equality of all labors=equality of all product values.) The measure of the expenditure of labor power by the duration of that expenditure takes the form of a quantity of value of the products of labor. (Quantity of labor=quantity of value of products of labor.) And finally the mutual relations of the producers within which the social character of their labor is manifested, take the form of a social relation between the products of labor. There the existence of things and the value relations with the products of labor which stamps them as commodities have absolutely no connection with their use-values, physical properties, and with material relations arising there from.

Hans: The problem is not that they have no connection with use-value, but the problem is the incongruity between the social interactions in a commodity society, and the social necessities which these interactions have to enforce. I think my [175] might be helpful for you.

Next Message by Tussy is [269].

[156] Reagan: The Mysterious Fundamental. Question 247 further explores the nature of the commodity, seeking to understand what evidence prompts Marx to label it as “intricate” or mysterious.” Throughout this first chapter of “Capital,” the concept of the fetish-like character of commodity has proved a consistent theme. Building on this premise, Marx indicates that the commodity is especially “intricate” because it has many determinations. In particular, it is not merely defined by use-value but by value of and within itself, as embodied by the exchange of various commodities and even the power of currency. Furthermore, the commodity is said to be “intricate” because it engages in what Marx labels “metaphysical hairsplitting.” In a basic sense, this describes the fact that commodities have multiple, undeveloped determinations, which are ungraspable from a ideological standpoint. Finally, and most ironically, Marx indicates that commodities “abound in theological niceties,” due to the tendency for money to be considered a sort of god of commodities.

In terms of understanding the implications of this analysis—that the commodity is indeed mysterious—vigorous debate must be instated to determine the social political view. In Hans’s words in [2000fa:100.1], “the theses that value assessments cannot be proved, that nothing can be inherently good or bad or sick or mysterious, is too ingrained in all of you—and guess who benefits from it?” From that mentality, we can rightfully conclude that the mysterious commodity is fundamental in identifying the ills that are plaguing society, both within individuals and in the world as a whole.

Hans: You are getting the general spirit of Marx's argument, but Marx himself has argued all this much more specifically and less philosophically. You are replacing Marx's hard logical inferences by your own soft philosophizing.

Next Message by Reagan is [224].

[164] Cheeto: The Mysterious Commodity. Marx describes the commodity as "intricate" and "mysterious" because of what the commodity represents. According to Marx, commodities are mysterious because the social relationships trapped inside of the commodities are extremely difficult to detect. The commodity is extremely complicated in that it can take multiple forms. From use-value, value, and quality and quantity of labor. However, these listed things are not necessarily the mysterious part. The complexity of the commodity goes further and deeper so that these things are nothing more than surface expressions. As discussed earlier, I think Marx intends to say that the "mystery" lies in the exchange and relationships of the commodities; not necessarily just a single, lowly commodity. This is what creates the social relationships, ultimately, according to Marx.

The bringing together of two commodities is the the mystery. This mystery lies both between the commodities up for exchange and those who wish to exchange them. People put labor into commodities, as Marx has described. But often times, this labor is not so that the laborer can use the commodity which his labor produced. It is so that he/she can bring this commodity to market for exchange, to get a commodity which has a use-value that he or she needs. This, in turn, could be summed up that all of these individuals creating commodities that they do not necessarily need are working for each other, but don't know it. The commodities are simply manifestations of the producers' labor, instead of the laborer just throwing him or herself to market to exchange their raw labor for a commodity of use. This is the social relation that, I think, Marx is describing, which, furthermore, prompts him to discuss the "mysteriousness" and "intricacy" of commodities before going into fetishism.

Hans: So you are saying the division of labor is mysterious? I think Marx would reply that many societies have division of labor without necessarily being mysterious.

Message [164] referenced by [421]. Next Message by Cheeto is [378].

[169] Malibu: At first glance Marx thinks that commodities are very simple to understand. He himself states that they are "obvious and trivial". On the other hand Marx feels that commodities are mysterious because the owners of the commodities are blind to the social interest involved with each commodity. As Hans stated in the Annotation "The form of value is not "the social relation that creates feelings by having the commodity" but it is those surface interactions which give producers the information so that they can distinguish which is the cheapest production method etc. Marx also states that commodities are intricate because of their different determinations such as value and Use-Value. Marx states that the commodity is the root and where the mystery starts to manifest itself.

Next Message by Malibu is [246].

[170] Bandit: graded A Fetish-like Character. In order to explain how a commodity is "mysterious" Marx uses the example of the way in which we perceive light. We perceive light in a way that it appears to us in an objective form as something outside our eye while in reality the light actually does pass from the external object to the eye. Marx claims that the way man understands the commodity is similar to this in that in the commodity the social character of men's labor appears to them as an objective character of the product of that labor. The commodity, however is even more mysterious than the way in which we perceive

light because while that is an example of a physical relation between physical things, the relation between products of labor which establishes them as commodities has nothing to do with their physical body or material relations. The social relation between men distorts itself in the eyes of men to assume the appearance of a relation between things. Marx also says the commodity is “intricate” because it has many determinations. In addition to a use-value it also has value which takes on many different forms, such as how two commodities can be exchanged for one another or how money—like a god of commodities—can be used to buy everything.

Next Message by Bandit is [\[496\]](#).

[207] Hans: Schoolyard Metaphor for Opaque Social Relations. Gv [\[126\]](#) picks up on the analogy between the mysterious character of the commodity and the three peculiarities of the equivalent form, which I mention in the Annotations. I brought this into the Annotations on purpose, because Marx’s earlier manuscripts had treated the fetish-like character of the commodity as the “fourth peculiarity.”

Therefore I was always curious about how they are related, and here is a metaphor which reflects my current thinking about this. Say you are an elementary school teacher and you have a student who always tells you complete and transparent untruths with the utmost confidence. If you ask him “what is the color of the carpet” he answers “the carpet is orange” although the carpet is blue, and if you ask him “is the principal a man or a woman?” he says “he is a man” although the principal is a woman and he knows her very well.

Then you have another student who, whenever you ask her the most obvious things, always says “I don’t know” and it seems she really can’t tell. Say you are outside on the playground and you ask her whether the sun is shining, she cannot tell you an answer although it is unmistakable that the sun *is* shining.

The three peculiarities of the equivalent form are like the first student, and the mystery of the commodity is like the second student. When Marx talks about the mysterious character of the commodity he means the fact that we, like this second student, live in a society in which we don’t know whether the sun shines.

To give an example which is less metaphorical, according to Marx’s theory we live in a social structure which tirelessly, every day, transfers wealth from the producers of this wealth to a small elite minority who own all the means of production. But if you ask a person living in this society about this, they may not even be aware their society is marred by such an exploitative relationship, they have not the slightest idea of the mechanics of this transfer of wealth, and they are also in the dark whether and to what extent they themselves are on the giving or receiving end of this relationship. Their ignorance about this is as blatant as the student’s inability to see whether the sun shines—something which should be the most obvious thing, because the activities on the playground would be much different if it was raining.

Marx has not yet talked about exploitation, but the inability to see the social structure is not limited to exploitation. The opaqueness of the economic structure is bound up with commodity production. For instance, if Marx’s theory is correct (and I assume here it is), then money represents labor. One of the most basic economic data which every school boy

should know is, how many minutes of unskilled labor are represented by 1 dollar (it is about 2 minutes, see my [2007SP:1090]). But nobody is aware of this figure, and most people don't even know that money represents labor. They learn in economics classes that money represents utility, and their own experience does not seem to tell them that this is a lie. Despite the fact that most of them work all day, it is their labor which this money represents, and they are participants in the society which transfers most of the fruits of the labor of the working people to the capitalists, does this—yet they have no idea that and how their society is doing this. This is the mystery of the commodity. This mystery is the reason why we have to study a difficult book in order to see that there is exploitation in our daily lives and how it functions, instead of this exploitation being obvious to everybody.

Message [207] referenced by [240] and [2012fa:248]. Next Message by Hans is [240].

[380] Reagan: Both Intricate and Mysterious. Marx describes the commodity as being “intricate” or “mysterious” for a myriad of reasons. “Intricate” because commodities have multiple determinations, in that they are defined not merely by use-value but by value of and within itself, as embodied by their exchange and the power of currency. Furthermore, the commodity is said to be “intricate” because it engages in what Marx labels “metaphysical hairsplitting.” In a basic sense, this describes the fact that commodities have multiple, undeveloped determinations, which are ungraspable from an ideological standpoint. Finally, Marx indicates that commodities “abound in theological niceties,” due to the tendency for money to be considered a sort of god of commodities.

Marx also considered commodities to be “mysterious” because although individuals live in a world in which commodities define the basis of the capitalist system, they are (like a child that doesn't know the sun is shining) completely oblivious of their gravity of impact. This was an observation that Marx did indeed find mysterious, concluding a long detective-like investigation of their function and then ultimately deducing that there was little the modern world knew about them.

Hans: Individuals are not oblivious to the fact that “commodities define the basis of the capitalist system” but to the fact that this dealing of commodities is a thin veil over the systematic exploitation of workers by the capitalist class which is going on in capitalism.

Next Message by Reagan is [381].

[385] Tussy: Commodity is mysterious because the social relations embodied in the commodities are not controlled by the producers but by the mysterious behavior of the commodity. These mysterious social relations greatly affect the exchange value of a commodity. Exchange value can change because of the mysterious behavior of a commodity or the fetishism of the commodity. The word “fetishism” itself implies that commodities have supernatural powers. This means that commodity is mysterious not because of our lack of knowledge about the commodity but because of its own mysterious behavior which is outside the control of the producer. Commodities such as money and capital are good examples to illustrate that commodities are mysterious. For an example, capital can increase and decrease itself and investment funds can have huge profits or losses but these things happen not because of our lack of knowledge of the commodities but because of the commodity's mysterious behavior which producers have no control over. The reason Marx does not talk about money or capital is because it is easier to study mysteries by tracing them from the preliminary phase of their growth. Commodity is intricate because it has different determinants of value such as value, use-value, quantity, and quality of labor.

Next Message by Tussy is [621].

[421] Lukas: The commodity is mysterious because of the social relations that are represented inside of it. These social relations are usually unknown to the commodity's producer, and are confusing or mysterious when viewed from outside the exchange process. As Cheeto says in [164], the mystery is that individuals create "commodities that they do not necessarily need" and as a result end up "working for each other, but don't know it." The market exchange of these commodities is where these human social relations take place, through the commodities. A more modern day approach might view money as the commodity that the laborer has produced for spent his or her day producing. The laborer then takes this money to the market in order to exchange it for another commodity that they really wanted in the first place. Instead of spending their time trying to produce the desired commodity, they labor elsewhere and then trade the fruit of their labor with other members of society. We frequently work to produce things that we don't want (money), in order to exchange it for things that we do want (various commodities). This seems to me to be the mystery of the commodity.

Next Message by Lukas is [518].

[452] Res: Marx states at the beginning of the Commodity Fetishism section that the commodity is "intricate" or "mysterious" due to his earlier establishment of the complex underlying nature of the commodity. The value of the commodity comes from the congealed abstract labor that is contained in it. The source of value of the commodity makes it intricate because it cannot be seen in plain sight on the surface of the commodity and requires abstraction to search within the quasi-material nature of the commodity to reveal congealed abstract labor. The mysterious nature of the commodity is the way in which it is exchanged for other commodities. The beginning of the commodity fetishism section starts the examination into the social relations that facilitate commodity exchange. The need for abstraction to reveal the inner-workings of the commodity and the ways in which social relations are expressed between commodities is the evidence used by Marx to state that commodity is intricate or mysterious.

Next Message by Res is [458].

[454] Msj: Although commodities can be defined as value, use-value, price and exchange value, real world exchanges play a factor in the mysterious commodity. Commodities can act on their own two feet and behave according to its own activity. A perfect example is the exchange of iron for food or water. Water would be much more valuable to me and my family during a drought than iron. It would have the same use value, but I would hold it with much more value. Depending upon life's circumstances and personal interests commodities have another layer that is introduced; circumstances. Therefore in this example the commodity is independent yet mysterious rather than being simple and as straight forward as one might hope.

Hans: Your theory has nothing to do with Marx's commodity fetishism.

Next Message by Msj is [529].

[475] KKondo: Marx claims that commodities are complicated and mysterious because of their different properties, such as value, use-value and exchange-value.

Just the fact that it is so hard to understand the explanation that Marx gives and the deepness that he goes into try to explain why it is so complicated and mysterious, already

give me an idea of its mysteriousness. I know now how important was to understand its mysteriousness in order to keep up with the readings and better understand Marx.

Next Message by KKondo is [688].

[499] Bandit: graded A+ Commodity as “Mysterious” and “Intricate”. Marx uses the example of the way in which the eye perceives light to explain how a commodity is “mysterious”. Though the light actually does pass from an external object through our eyes, we perceive it as some objective form outside our eyes. This is similar to the way man understands the commodity in that through the commodity, man perceives the social character of their labor as an objective character of the product of their labor. Marx goes on to elaborate that the commodity is in fact more mysterious than the eye and light, while the latter is a physical relation between physical things, the relation between products of labor which establishes them as commodities has nothing to do with their physical body or material relations. The social relation between men is distorted to appear to them as a relation between things. Marx says the commodity is “intricate” because it has many determinations. It not only has a use value and value, but value can be expressed in many different forms. For example value may take the form of a direct exchange between two types of commodities, one type directly exchanged for another, or, like with case of money, there can be something which can be exchanged for any type of commodity.

Next Message by Bandit is [566].

[513] Malibu: Commodities are simple yet complex. there are many things that make a commodity mysterious that are not seen at first glance, you have to dig deep into a commodity to really understand how intricate it is. There are variables such as value, use-value, quality, and labor in each commodity. People produce a certain commodity to ultimately get what they need. However commodities become more intricate and mysterious when they are on the open market being exchanged for other commodities. There are hidden motives such as fetishism that also play a factor. In short there are so many intricate parts to a commodity and the motivation to labour a commodity that it ultimately becomes mysterious.

Hans: Fetishism, as Marx understands it, is not a hidden motive.

Next Message by Malibu is [593].

Question 251 is **262** in 2012fa and **275** in 2013fa:

Question 251 *Science is supposed to clear things up, not make them more complicated. Is there something wrong with Marx’s science if it turns a simple commodity into an intricate thing abounding in metaphysical hairsplitting and theological niceties?*

[135] BrotherThelonious: Science of commodities. While Marx’s science turns what appears a simple commodity into a complex thing “abounding in metaphysical hairsplitting and theological niceties,” I think it’s erroneous to assume that the intent of science is to make things simpler. Rather, as this question posits initially, science is supposed to clear things up, but clarity and simplicity are not necessarily one and the same. Under Marx’s science, a commodity is just a commodity in the same way that, say, breathing is just breathing. What could be simpler than the inhalation and exhalation of air through our noses? Science, by clarifying breathing, has complicated it immensely. We now understand the physiological processes involved in drawing breath; bringing air into the lungs, extracting oxygen and expelling carbon dioxide, transporting oxygen through the blood and delivering it to

the muscles and the brain, which subconsciously regulates the whole process. Furthermore, breathing carries social and emotional properties that act as signals to alert others to various mental states such as fear or arousal, and affect behavior in others accordingly. Likewise, commodities go beyond their use-value as items that satisfy our needs. Commodities take on these properties as the products of human thought, manipulation and labor, pulled from resources containing endless possibilities but driven into their final state by the will and work of their creator in order to become something useful to him. As Marx points out, once something emerges as a commodity, it “changes into a thing which transcends sensuousness,” becoming more than the sum of its inputs. Commodities also derive value as a product of the value of the labor input of producing them, and again in the social format of exchange between producers. In this sense, Marx’s science of commodities is not complicating a simple notion but clarifying it in much the same way studies in physiology and chemistry clarify the breathing process.

Hans: Excellent, but you are misunderstanding Marx’s table metaphor.

Message [135] referenced by [159], [2012fa:201], and [2012fa:225]. Next Message by BrotherThelonious is [136].

[163] Res: Science provides a method to study and better understand natural functions and objects (which in this case is the commodity) by delving deeper to find the root origins and components which constitute the function or object. Discoveries and developments in science rarely end at a short and sweet explanation. Marx’s exploration into the commodity is at no fault even if it includes complicated “metaphysical hairsplitting” over the abstract and “theological niceties” because its goal is greater understanding of the commodity.

The generally plain language that Marx uses throughout his exploration of the commodity shows his intention to make his complex explanation of the commodity as clear and understandable as possible. The complexity inherent in the investigation into commodities should not be seen as Marx making a simple concept into an overly complex concept, but a revealing insight into the complexity of the seemingly simple concept of the commodity.

Hans: Commodities are not natural things, and science is not limited to the study of natural things. One can also scientifically study societies.

Message [163] referenced by [172]. Next Message by Res is [452].

[172] Bloomer: Marx’s science is spot on. Using science to describe the roots of a concept does not necessarily mean it will be simple to understand. Specifically, Marx talks about a simple commodity and reveals that the “simple” commodity truly is not simple at all. Marx describes this simple commodity by saying its “an intricate thing abounding in metaphysical hairsplitting and theological niceties.” Despite the complexity, Marx tries to simplify the idea with words that are plain and easy to understand. It is in no way Marx’s fault that his use of science actually made this idea more complicated to understand.

Hans: I cannot give you credit for this because this is nothing but a paraphrase of [163]. You better not try this again, otherwise I will have to resort to harsher measures.

Next Message by Bloomer is [358].

Question 253 is **125** in 1995WI, **102** in 1995ut, **132** in 1996sp, **139** in 1997WI, **143** in 1997sp, **135** in 1997ut, and **185** in 2002fa:

Question 253 *Why is it surprising that Marx states, in the last section of chapter One of Capital, that the commodity is “mysterious”?*

[240] Hans: This is Long but Worth Reading. This not only develops the right answer of question 247 but it also summarizes and puts in perspective much of chapter One for you. This is a good preparation for the Midterm.

The beginning of section 4 is baffling in three respects:

(1) Right after Marx has finished a detailed analysis of the commodity, when we expect him to say “now we finally know what the commodity is about,” he says instead: “the commodity is something mysterious.”

(2) He says: “at first glance the commodity seems something simple, but its analysis shows that it is mysterious.” What kind of scientific process is it which fails to clear up its object of research but rather makes it more complicated?

(3) The third baffling thing is that instead of *explaining* the mystery of the commodity, Marx enters an elimination argument going through all the components which make up the commodity in order to find that component which makes the commodity mysterious. After finding this component he enters a second investigation in order to find what he calls the “secret” of the mystery of the commodity.

It almost seems as if Marx wants to be even more mysterious than the commodity.

I think these three baffling things can be satisfactorily explained once we have understood what exactly Marx means with his formulation that the commodity is “mysterious.” The Annotations as of right now have this almost right but not quite, and I think I have finally figured out what the “right” answer is—or at least I have come up with a better answer which may still be improved in the future. The present answer in the Annotations has some correct elements in it but it is still off. This is one of the places where I got stuck. For years I did not make progress with this part of the Annotations exactly because what I had written was not totally wrong but it was also not totally right. One warning sign is the number of answers to question 247 this Semester. When people answer the same question so often this means there are still some things unexplained, it needs an answer, this is why this question strikes them as worth answering. They try to make sense of it by formulating it in their own words.

Ok, what *does* Marx mean by the mysterious character of the commodity? Please bear with me, it will take me a while to explain this.

Marx went through an intricate and rigorous process to explore the structure of capitalist society. He begins with some surface observations how individuals in capitalist society handle commodities. He finds that commodities present themselves on the surface as something which has use-value and exchange-value, and then he establishes hypotheses or conjectures based on very subtle aspects of the surface relations.

He concludes like a detective from the surface evidence that something happened, not literally something happened in the past but something is happening in the present, but underneath, in deeper layers of society which create the visible surface phenomena. Through detective-like inferences he comes to the hypothesis that exchange-value is remotely controlled, it comes from the expenditure of human labor-power in the production process, and that the surface duality between use-value and exchange-value is mirrored in the production process by the duality of the labor process between concrete and abstract labor.

But at this point Marx cannot furnish a conclusive proof that this is in fact a correct explanation. Rather, this result has the status of a hypothesis that still needs confirmation. And Marx, a conscientious researcher, goes on to deliver this confirmation.

The first part of this confirmation is in Section 2, where he looks at the labor process itself and says: yes indeed the labor process has a double character, it is on the one hand concrete skillful labor and on the other the expenditure of human labor-power. The abstract human labor which creates value has this expenditure of human labor-power as its material basis.

To go back to the crime scene metaphor, now the detective knows that the person who he suspects might be the criminal lives in town and owns a gun, i.e., he has the tools which would have enabled to commit this crime. This makes him the prime suspect, but from this we still do not know whether he has actually committed the crime.

The proof that the criminal not only exists but also has committed the crime is given in section 3. Marx begins this section with the assumption that labor has a double character and the commodities have their value from abstract human labor, and he explores how this fact has to present itself on the surface so that people can act on it and make it a durable social relation which is reproduced by people's activity.

Going through a big dialectical negation of negation which is structured like a symphony, Marx comes to the conclusion that the development of the form of value out of what section 1 postulated to be the content of value coincides exactly with what we see on the surface. This finally gives him confidence enough to say that his hypothesis from section 1 is the mechanism active in a capitalist society, i.e., that the double character of the labor process discussed in section 2 is the mechanism which remotely controls the surface activity on the market.

So Marx the detective can now proclaim that he has solved the case, and immediately after this, Marx the person living in capitalism protests: why did I have to play detective and go through this tedious process to find out the structure of the society which I live in and reproduce through my actions every day? I had to go through an intricate and rigorous detective routine in order to find out that exchange phenomena on the surface of the economy are the reflections of the double character of labor in the production process. If this is the effect of our actions, why is this not obvious to everyone living in a capitalist society?

Why did Marx have to proceed like a detective to find this out, rather than just asking the first best person in society and they would say, yes of course, this is happening, \$45 is one hour, and with my \$20 wage my employer gets a 125% rate of exploitation out of me. I live in this society and I have enough insight into its structure that I can tell you that. But people will not give this answer. Some of the most basic social connections are not clear to those living in this society. That is what Marx calls the mystery of the commodity.

Prices are important, and if there is a link between prices and labor, this is not just a detail but a basic feature of our society. Since anything in society happens only through our own activity, one should expect that we have at least a rough idea what is going on—yet we are in the dark over the most basic aspects of it. On the contrary, the link between labor and value has become highly discredited after Marx. The economics profession engaged in a

century-long campaign trying to disprove Marx. Keynes's General Theory was an attempt to forestall the resurgence of Marx's ideas during the Great Depression.

This is what Marx means when he says: the commodity is mysterious. The evidence on which Marx bases his claim that the commodity is mysterious is therefore the 100 pages he had to write in order to carry out his detective-like inference about something which is right under his nose and which one should expect to be clearly visible to everyone in capitalist society.

Marx uses the fitting metaphor of the commodity being a hieroglyphic. If we are reproducing social relations through our actions which we are opaque to us, this is as if we were speaking a language which we ourselves did not understand. Language is a good metaphor: we are not creating the language but we are speaking it and understand it. Hegel and many others have pointed out that language has more wisdom built into it than the average speaker will recognize, yet we roughly understand. In commodity relations relations, by contrast, there are very basic aspects of our society which we do not understand at all. We are like the girl playing in the playground in [207], who is unable to tell whether it is raining or the sun is shining.

This also resolves the third baffling fact, that Marx tries to find the location of the mystery: he tries to identify those features of our social structure which make society so opaque, i.e., which make it so difficult or almost impossible for individuals living in our social structure to see certain important aspects of their own social structure.

I will go into more detail about Marx's search for the location of the secret of the commodity in a minute.

After this, when he tries to uncover the "secret" of the fetish-like character of society, Marx tries to understand *why* society has this feature, how humans came to construct social relations which are not transparent to them. How do you speak a language which you don't understand, how do you know what to say?

Constructing and maintaining a social structure is a huge collaborative achievement, and if you construct something which has features not understood by anyone constructing these features, this makes this achievement even more amazing. It is certainly worth asking how this is happening.

The second baffle I enumerated above is already a hint at the answer: how can people have social relations which they are not aware of? They can because they do not have these social relations directly with each other, but their social relations are channeled through commodities—therefore commodities are not just simple things (use-values) but the conduits of social relations, which makes them "intricate" as Marx says.

I still understand Marx's explanation of the "secret" of the fetish-like character much less well than his search for the *location* of the mystery, therefore I will not try to summarize it here. But here is, a little out of order, my best understanding of Marx's search for the *location* of the mystery.

The question where the mystery is located is the search for those features of society which prevent individuals from seeing the truth of their social structure. Marx does not

call it “society” but he calls it the commodity, because right now he is only looking at that slice of social relations which people engage in when they deal with commodities. Well, commodities are use-values and values. They can be use-values either for consumption or for production, and value has the three determinations substance of value (the expenditure of human labor-power), magnitude of value (socially necessary labor-time), and form of value (the exchange-relations on the market). Tediously systematic Marx takes a closer look at each of these five components of the commodity.

Regarding use-values for consumption he does not even make an argument, it considers it obvious that this cannot be the place where social relations in commodity societies become opaque.

Production is deliberately set in motion by individuals and under their full control. It is not an incantation of magic but it follows scientific principles and is well understood. This cannot be the place where social relations become opaque either.

Regarding what Marx calls the *contents* of the value determinations, namely the things which I put in parentheses, Marx says:

(1) It is a “physiological truth,” something which is true in every society, that the labor-process consumes human labor-power. Marx says later in this section that earlier societies did not focus on this general aspect shared by all labor processes but on specific concrete labor processes and classified the social relations according to the products the individuals were producing. These earlier societies were not mysterious, and the focus on abstract labor does not make commodity society mysterious either. (This is a little more than what Marx himself says but I think he would agree with this formulation.)

(2) Regarding labor-time, not every society places as much emphasis on efficiency of production methods as capitalism. In past societies often the stability of the social order was more important than saving time in production. But the time used by the production process is always at least a background factor in social relations, because if society allocates labor in such a way that it does not leave enough time for people to produce the things they need for survival then the society itself is doomed as well.

(3) Regarding exchange relations Marx says that the production process is in every society a social process. People cannot produce individually. And in order to pull off this social collaboration there must always be some form of interaction between the individuals.

None of this can be the place where commodity relations become opaque, on the contrary, each of them represents a constraint which every society has to deal with in one way or another, or one can also call it a necessity which every society has to satisfy.

Now one might think Marx’s elimination argument has come up empty-handed: Marx looks at every possibility and does not find the mystery he is looking for. If anything he has found the opposite of what he was looking for. But at the very end he comes up with a place where he has not looked which is indeed the location of the mystery, namely, the *incongruity* between the three basic social constraints, represented by the three determinations of value, and the social form in which individual activity in commodity society addresses these constraints.

I already explained in [175] in what respects they are *incongruities*.

The enumeration of these three incongruities does not leave Marx satisfied. Does this mean *three* different things are happening in society? Or can one find one thing which all these three things have in common? He finds this one thing, namely, that social relations between persons take a form as if they were social relations between objects. Commodities are simple objects, and some of the most basic coordination tasks of an incredibly complex production process are channeled through these objects.

So what we see as relations between commodities are really relations between our social labor processes. Marx brings the analogy of the eye (and this may be interesting to Bandit [207]:) in the act of seeing, the brain interprets the stimulation of the optic nerve as the shape of things outside us. In commodity society, what is really a relation between the labor processes is projected to us in the form of relations between the *products* of labor on the market. This metaphor has its limitations since despite of the transformation of nervous impulses into images of things outside us, the eye is very successful in orienting humans moving around in their habitat. Marx does not want to imply that the commodity relations are as good navigation aids within our society as the images in which our brain interprets the impulses from the retina are for our moving about in physical environment. He only wants to say that the translation of social relations between humans into commodity relations is as inadvertent and unnoticeable to us as the translation of nervous impulses in the retina into the shape of things outside us.

We are not aware that the information which our brain receives and interprets as shapes outside us is not these shapes themselves, but some nervous impulses in the retina. We only perceive our brain's interpretation of it rather than the crude empirics of it. In the same way, commodity relations are society's interpretation of our labor relations, and the transposition between labor relations and commodity relations is beyond our consciousness. We are not aware that such a transposition has even been made. Marx uses this metaphor to clarify the impossibility to get around this false consciousness. But he does not want to imply that commodity relations are good guides for practical activity. Therefore Marx stresses that the metaphor of the eye has its limitations, and then he brings the metaphor of religion.

The religion metaphor already goes beyond the fetish-like character of the commodity to the fetish-like character of capital, because our objectified social relations not only are opaque to us but, this is the next logical step if we live in a social order which leaves us in the dark, we are also not in control of our own social relations.

I should also say Marx gives not only two but three metaphors, the third metaphor being the phantasmagoria (optical illusion). This phantasmagoria metaphor is perhaps most revealing because it best describes the circularity the confusion of cause and effect. This is a theme in Marx's discourse which he hints at several times, but which he does not discuss explicitly. More about this in my Annotations.

Message [240] referenced by [308]. Next Message by Hans is [248].

[308] Veb: It is surprising that Marx states that the commodity is "mysterious" because he had just spent the previous one hundred pages (or so) describing the commodity. However, this is why he calls it mysterious – that it (and its behavior and functioning) is not obvious

to those who live within this economic system. The fact that the commodity acts in ways in which the people who interact within the very system do not see what is actually occurring makes the commodity mysterious. As Hans says in [240], “the evidence on which Marx bases his claim that the commodity is mysterious is therefore the 100 pages he had to write in order to carry out his detective-like inference about something which is right under his nose and which one should expect to be clearly visible to everyone in capitalist society”

A second factor that makes it surprising is that Marx’s analysis in describing has further complicated the commodity. Instead of being a thing with a use-value and exchange-value, Marx has developed the factors within the commodity and the role it plays in the economy to the extent that the details of its role cannot be seen by the human society it exists in.

A final reason that it is surprising is that Marx, instead of stating the factor that makes the commodity mysterious, he enters into a process of elimination – stating where the mystery is not located. Although this may seem surprising, Marx understands that under capitalism, there are subterranean activities occurring, that manifest themselves in surface relations, and one must dig deeper and review everything to find these out.

Next Message by Veb is [354].

[312] Marx: graded A Surprise! The commodity is mysterious. It is surprising that Marx states that a commodity is mysterious because prior to this Marx had spent a great deal of time and effort in the analysis of a commodity. He even states that a commodity at first glance seems “simple”. It would seem that after such a lengthy analysis of a seemingly “obvious and trivial” thing, as Marx states in 163:3/o, that there would be no mystery left in the commodity. So when he says that it is “mysterious”, it is bound to catch us off our guard. Then, even after Marx states that a commodity is “mysterious”, he doesn’t just tell us what it is. He starts another complete analysis to find what in the commodity is mysterious.

Next Message by Marx is [314].

[423] Keynes: It is surprising that Marx states that the commodity is “mysterious” because he has waited until the end of the chapter to make such a claim. He has just finished a detailed analysis of the commodity, thoroughly exploring it. One would expect him to conclude an easy to see realization about the commodity, an end to all the digging and exploring. He had spent the previous sections mentioning different equations, relative and equivalent form, use-value and exchange-value. In a way, perhaps it is more powerful to wait until the end of the chapter. By doing so, he really shows us how mysterious the commodity is. We don’t even realize through the analysis of the commodity, that the social relations between commodities are really relations between our social labor processes. We fail to see the power that commodities have over us, that they are the active participants in the market, not us, the commodity owners.

Next Message by Keynes is [738].

[426] BrotherThelonious: Marx closely examines the commodity because he finds it curious that such a “basic” part of society is little understood by the people that perpetuate its use. Doing so, he uncovers properties of the commodity that aren’t derived from its physical makeup. Lying beneath the surface of the commodity are the equivalent forms: “use-value becomes the form in which value manifests itself; concrete labor the form in which abstract labor, and private labor the form in which social labor manifests itself.” (Annotations, p. 160)

The value of commodities is not assigned by the users/producers/exchangers, but by the social interaction of the commodities themselves. That so much of the commodity's properties lie beyond or underneath the surface of the object in the form of social relationships is what makes the commodity so mysterious to Marx, not any ignorance of the commodities.

Next Message by BrotherThelonious is [520].

[457] Foruvak: The reason why it is surprising that Marx calls the commodity mysterious is that he just spent a fair amount of time and effort to analyze, with scientific processes, the commodity. You would think that he would say something to the effect of "we now understand the commodity." It is also surprising that he doesn't immediately say what about the commodity is mysterious.

Next Message by Foruvak is [568].

Question 260 is **123** in 1995WI, **134** in 1996sp, **137** in 1997ut, **164** in 2000fa, **186** in 2002fa, **194** in 2003fa, **221** in 2004fa, **242** in 2007fa, **249** in 2008SP, **247** in 2008fa, **272** in 2012fa, and **285** in 2013fa:

Question 260 *Whether the commodity is "mysterious" or not is a value judgment which can neither be proved nor disproved. Do you agree? What would Marx say about this?*

[167] Rajon: graded A I disagree that stating whether a commodity is "mysterious" is a value judgement which can be neither proved nor disproved. The idea that this is a value judgement comes from, like many other confusions in this class, a faulty understanding of the terminology that Marx uses. Marx does not mean to say that a commodity is "hidden", "unfathomable", or "weird", although all of these terms could be considered synonyms for "mysterious" in colloquial spoken english (In fact, I found all of these words as synonyms for "mysterious" on <http://www.thesaurus.com>. In fact, Marx uses the word "intricate" to mean the same thing as "mysterious". These two words typically do not mean the same thing. So, the question is, what does Marx mean when he calls a commodity "mysterious"?

The answer is found in the annotations, which says: "[a] commodity is mysterious because the simple social relations which our analysis discovered in the commodity are not expressed in the commodity in a straightforward manner but lead to contradictory and contorted surface expressions". These social relations come from the innate value that is found intrinsically in them and is not derived from anything that can be seen on the outside, such as a use-value. The fact that this value comes from within the commodity and determines its exchangeability, rather than having outside forces such as consumers determine how it will be exchanged makes it mysterious.

I believe that Marx would agree with me that calling a commodity "mysterious" is not a value judgement that cannot be proved. By his definition of "mysterious", it is clear that it can be proved. He spends much of his writing in Capital explaining about this intrinsic value that makes commodities mysterious in an attempt to prove it. However, a reader must understand his definition of the word in order to understand that what he is saying is true and it becomes obvious when viewed in light of the entire economic system that he sets up within the book.

Message [167] referenced by [2013fa:144]. Next Message by Rajon is [205].

Question 261 is **261** in 2009fa, **273** in 2012fa, and **286** in 2013fa:

Question 261 *Isn't it reductionism to say that the table is wood, as Marx says in 163:3/o? And what about tables made from other materials?*

[159] Marx: graded A+ Is the production process magic? Yes it is reductionism to say that the table is “a piece of wood”. This would be simplifying a complex commodity which has different shapes, sizes and even materials. A table could be wood, metal, stone or many other materials. However, Marx is not a reductionist. If anything he expands the world for us to make it more understandable. This is why in 163:3/o Marx says a commodity is something “quite intricate, abounding in metaphysical hairsplitting, and theological niceties” (See [135] BrotherThelonious’ response to question 251). However, this isn’t what we should focus on when reading this passage. What Marx is trying to tell us in this passage is that the production process is not something mysterious. A carpenter does not perform some sort of magic to create the table from the wood. He shapes the wood, sands it, forms it together and its use value becomes that of a table. This is why Marx concludes that statement with “Nevertheless the table is still a piece of wood, an ordinary thing which can be seen and touched.” Yes tables can be made from other things but this particular table is just wood. Not some mysterious new material created in the production process. It is not magic.

Message [159] referenced by [2013fa:135]. Next Message by Marx is [218].

Question 263 is **175** in 2001fa, **190** in 2002fa, **196** in 2003fa, **223** in 2004fa, **218** in 2005fa, **238** in 2007SP, **243** in 2007fa, **248** in 2008fa, **290** in 2010fa, **275** in 2012fa, and **288** in 2013fa:

Question 263 *What is an “essential” property of something? What can be said in support of Marx’s claim that labor is “essentially” expenditure of human brain, nerves, muscles, sense organs, etc.?*

[123] George: graded B– An essential property of something means that it is required in order to have the desired effect. If it lacks essential attributes the desired result will not be obtained. Marx’s claim is correct since the lack of expenditure of either brains, nerves, muscles, or sense organs, human labor cannot be performed.

Hans: Things can have essential properties without having desired effects.

Next Message by George is [130].

[152] Jaime: An essential property of a thing is a fundamental element that if eliminated would alter the “thing” into something new or different. To support Marx claim that labor is “essentially” of human brain, nerves, muscles, and sense organs I would say that even the most basic and natural products of labor require some sort of effort on the human part in order to be produced. Nothing can be produced without any input.

Hans: You are right that nothing can be produced without *any* input, but this does not explain why one of these inputs must be human effort.

Next Message by Jaime is [332].

Question 264 is **197** in 2003fa, **224** in 2004fa, **219** in 2005fa, **239** in 2007SP, **251** in 2008SP, **249** in 2008fa, **263** in 2009fa, **291** in 2010fa, and **290** in 2013fa:

Question 264 *Do you know production processes in which humans participate without having to spend any effort?*

[142] Ginny: Every production process that humans participate in that I can think of requires human effort, whether voluntary or involuntary. How can humans produce something without any effort? Even with the technology we have today humans have not produced anything out of thin air. Perhaps one might think that an assembly line where robots make products does not involve human effort. Who put in the effort to make the robotic machines? Who puts in the effort to run and fix the robotic machines? The reason that I believe everything requires human effort is because every production process requires energy and everything that exists is made of energy. Therefore to produce something one must always use energy.

I think this question should expand on how many production processes require no effort presently because of human technology in the past. It may seem like there requires no effort because the robots are making all of the effort, but humans put all of their effort into the research and science to create such technologies as the robotic assembly machines.

Hans: Your example with energy is wrong. Energy is a conservation quantity, i.e., ordinary processes expel as much energy as they absorb. What you mean is that they degrade energy, they convert it from high grade electric or chemical energy into low grade heat energy. The correct scientific term is exergy or entropy.

I said "ordinary" processes because nuclear reactions indeed turn mass into energy, and I think particle accelerators turn a tiny amount of their energy input into mass, a few newly generated elementary particles.

Message [142] referenced by [166]. Next Message by Ginny is [143].

[166] TKOberle: I feel there are production processes in which goods or commodities are produced that don't need humans. With the technology advances and machinery; cars, phones etc. are produced by machines that are managed by computers and programs. I feel that humans are needed to initially set up and start the production process eventually the commodities are made without humans. If you really get down to the whole process of all commodities, humans are to some point spending effort on production processes. You could say oil, diamonds are produced without humans but humans need to spend effort on extracting the goods from the earth.

Hans: You are using the word "commodities" as synonymous to the word "goods" which contradicts the definition of commodities which you yourself give in [140].

Partial credit because of overlap with Ginny's [142].

Message [166] referenced by [168] and [173]. Next Message by TKOberle is [235].

[168] Skiingforlunch: This is a response to TKOberle [166].

Although many modern-day producers use automated machinery, there is still labor behind the operation of such machinery and development in the machinery that is represented in the exchange value of commodities. To my extent the best example I am able to think of is management... This may be the only labor that requires no effort—only delegation. Please don't tell my boss.

Next Message by Skiingforlunch is [208].

[173] Lukas: In response to this question, I can honestly say no. Even in the case of completely automated processes, such as automotive assembly lines as TKOberle said in [166], there is still an expenditure that comes in the form of mental effort. Further, after the assembly line is in place and being monitored by computers, won't there still of necessity be effort expended by humans in observing these computers to ensure that they perform their functions properly? To take it a step further, these assembly machines are the result of human effort. They did not just come into existence on their own. They are the result of long

strenuous hours of mechanical engineering and then many more hours to physically produce these machines.

There is undoubtedly a large variance in the amount of effort that is expended between the many processes we participate in, but there is still effort of some sort that is put forth. If there wasn't, then how would production take place? As Hans says in his "Annotations" pp. 165:3 "Nature has to be directed by humans to have the effect that humans desire." If humans do not expend some effort in the production process, nature will prefer to keep things the way they are. It is up to exert their will with mental and physical effort before a change will take place that will lead to a production of some sort.

Hans: What is wrong with natural processes which do not need human intervention? After all, we are part of nature too. There are many natural processes which produce something, even something extremely useful for humans, without any human effort. For instance photosynthesis by plants and plankton produces oxygen for us. The technical term for this is "ecosystem services."

Next Message by Lukas is [239].

Question 266 is **177** in 2001fa, **192** in 2002fa, and **251** in 2008fa:

Question 266 *What does Marx mean with the "palpable difference between quality and quantity of labor," and why is this adduced as evidence that the contents of the value determination are not mysterious?*

[165] Deiondrious: Quantity of labor, according to Marx, is the measurement of time spent from taking a commodity and producing a use-value or desired materialistic need or want. This measurement of quantity is determined by the value of a certain product material. However, separated from quantity, quality can only be achieved with human labor. The human labor is an expressed value. In which the value according to Marx is the property of things created with human labor. It is then attributed to all the commodities, and arises only in an exchange process advantage socially. In the context of Marx the quality of human labor and quantity of labor material cannot be transcendent from a social form. Which means, that the quantity of a value cannot be considered mysterious.

Hans: The production process does not take commodities and produce use-values. In a capitalist society, the materials used in production and the product are both use-values and commodities. Otherwise I don't understand your answer. Do you have language difficulties? Please reformulate and make it clearer. Resubmit with ug and I may possibly adjust your grade for this message here.

Next Message by Deiondrious is [482].

[370] SpookyKJC: When Marx says the "palpable difference between quality and quantity of labor," he means that quantity doesn't always reflect quality. Someone can make 20 coats but if the linen is cheap, those coats won't last through winter. Just because there are a great number of something doesn't mean a lot of labor was put into it.

Also, as far as labor, what is the difference monetarily with someone who works hard and someone with the same job who slacks? They both get paid the same, so why would you want to do a good job if someone else is doing worse but getting paid the same amount? Marx speaks of incentives and how internal and external incentives drive people to do quality work, not just quantity. This is why value determination isn't mysterious.

Hans: Marx does not speak of external and internal incentives.

Marx cannot have meant what you think he means because he uses the word "quality" differently than you, see [2009fa:15] about this.

This is a difficult question which should only be chosen if you know Marx well.

Next Message by SpookyKJC is [485].

[412] Anil: Marx asserts “palpable difference between quality and quantity of labor” due to mention the difference between socially necessary labor time and actual labor time expended in the production. Socially necessary labor-time is the abstraction from difference between useful labors in capitalist society (and it is a fact in capitalist society labor became homogeneous), but actual labor time refers to a general phenomena for all societies, and it includes “palpable difference between quality and quantity of labor”. In order to identify the actual labor time, Marx uses aforementioned phrase. And actual labor-time is not unique in commodity producing society but also in all societies. By this way “palpable difference” is adduced as evidence that the contents of the value determination is not mysterious. But when these contents are evaluated not in their own, but in their context, the mysterious character of those contents appear as discrepancy between form and content.

Next Message by Anil is [416].

[443] Slamo: In the example of a skilled worker versus an unskilled worker it is stated that the skilled worker can make 3 tables in the time it takes an unskilled worker to make 1 table. The same amount of time is spent (quantity) but they have a different output. This is saying that the amount of abstract labor was not the same. In Marx’s statement that “quantity is even palpably distinguishable from the quality of labor” he is saying that quantity and quality should be measured different.

Next Message by Slamo is [537].

[461] DO: graded B The difference between quality and quantity of labor is very obvious. If something is made with a great quality of labor, it will be visible in the product which is being produced. For example, if a house is made with good quality labor, things such as measurements, sturdiness, and detail will be of greater quality than if the house was built with a lower quality of labor. Quantity of labor is the amount of a given product which is being produced in a given amount of time. For example, I will once again use houses. In a six month period, a construction company with a higher quantity labor may be able to build two houses. During this same six month period, a construction company with a lower quantity of labor may only be able to produce one house. To sum it all up, quality of labor deals with the details and how well something is made while quantity of labor is how fast or the amount of a product is produced in a given amount of time.

Next Message by DO is [531].

[480] Siman: The labor time it costs to produce the means of subsistence must necessarily concern mankind, although not to the same degree at different stages of development. When someone looks at the produces, they do not see the individual laborer but they do see their own product. In a company, having many workers does not mean that the production will be great; there will be a problem when it comes to caliber.

Hans: How does this relate to the question? It is also quite different than your in-class answer.

Next Message by Siman is [741].

[548] Badawn: graded B+ The difference between quality and quantity of labor can be construed as many things. The first obvious example is the worker or laborer. If you have a very skilled worker running a machine and they produce 3 items in one hour versus a non skilled worker or someone who is being trained and they only produce 2 items in one hour, you can see the difference in quantity over quality. Quality is more effective! This is the

simple example of how the value of labor and labor time are affected and should be measured differently.

“I received my information from Denver/Hans in [2002fa:91].”

Next Message by Badawn is [575].

[553] Hans: Quantity got divorced from quality. Some of you answered that one cannot substitute quantity for quality; two coats that won't last through winter are not the same as one well-made coat. Others answered that quality can be substituted for quantity, a skilled laborer creates the same value in 1 hour which a less skilled labor creates in 3 hours.

Quite a few of you thought they knew what Marx meant, but for someone like I, who has studied Marx a lot and who looks at the question in context, it is clear that Marx is not talking about any of this. This is a question for which I don't know the answer, and by bringing it up in this class again and again I hope that it will finally tick.

Here is my latest thinking about this. The discussion with skilled and unskilled labor in the homework list has been somewhat one-sided. Don't forget that the difference between skilled and unskilled labor is not the speed of the output, but skilled workers do things unskilled workers cannot do.

In other words, different kinds of labor are qualitatively different. Marx stresses this. It is an important step in his argument that value is not measured by concrete labor but by abstract labor.

Marx also says that the measurement of the quantity of something depends on its quality. This is especially true for labor. Different kinds of labor must be measured very differently.

But if we measure abstract labor, then all labor is measured in the same way, by time. Maybe that's what Marx means by the difference between quality and quantity: the quantity which is relevant for value does not depend on the quality. You don't have to look at the worker or the output, all you have to do is look at your stopwatch. The worker is in one room, the time clock in a different room. Is this what Marx means by palpable difference between quality and quantity? Time is a very simple way of measuring labor. But it does make sense to measure labor by time, because there are only 24 hours in the day. It is not only important to measure labor by its output but also to measure how much of the limited time available in the day it absorbs.

Next Message by Hans is [554].

Question 269 is **152** in 1998WI, **170** in 2000fa, **201** in 2003fa, **256** in 2008SP, **296** in 2010fa, and **295** in 2013fa:

Question 269 *Since use-value is not mysterious, the commodity's mysterious character must come from value. This is not a multiple choice question; explain your answers in detail.*

a. Is a commodity mysterious because it takes labor, i.e., the expenditure of human brain, nerves, muscles, etc., to produce it?

b. Is a commodity mysterious because the question how much time it takes to produce it is relevant for society at large?

c. Is a commodity mysterious because the labors performed in a commodity-producing society are part of an overall social labor process?

d. Is there another aspect of the value of the commodity which was overlooked here that might be mysterious?

[132] Anil: The first three questions, “a” to “c”, represent contents of three determinations of value (three determinations of value are its substance, its quantity and its form) which are human labor in abstract, socially necessary labor-time and a social relation on the surface of the economy. Marx firstly seeks mysterious character of the commodity among these contents of value determinations, in their own right. For Marx, human labor in abstract is not mysterious due to the reason that it is “essentially the expenditure of brain, nerves, muscles, sense organs, etc.,” The result for abstract labor is valid for necessary labor time, too. Because, socially necessary labor time for subsistence production is subjected in most of the societies apart from their various development levels. Lastly, mysterious character of commodity does not come from social relation on the surface of the economy, since labor has a social form ever since “men work for each other in any way”. Content of value determinations does not illustrate the mysterious character of the commodity, but they are all overlooked. In order to illustrate the mysterious roles of content of value determinations, Marx shifts his viewpoint from “content of the value determinations taken by themselves” (Ehrbar, 2011, p.167) to “the context in which they are awarded social significance”. (Ehrbar, 2011, p.167) In commodity producing societies content of the value determinations are “regulated by the surface interactions of the commodities as values”. (Ehrbar, 2011, p.168) So, mysterious character of the commodity manifests itself in discrepancies between form and content of value determinations in commodity producing society.

Message [\[132\]](#) referenced by [\[538\]](#). Next Message by Anil is [\[293\]](#).

[157] Skiingforlunch: graded A Is there an aspect of the value of the commodity that is overlooked? Looking for the mysterious aspect of a commodity in terms of the several aspects that determine value requires a close analysis of each determination of value and what may be overlooked. Marx has already discovered that the mystery of a commodity does not lie in its use value, it seem logical to say that the mystery must lie within the three determinations of value.

a. The substance of value portion of a commodity (i.e. the expenditure of human brain nerves, muscles, etc.) does not seem to be the cause of a commodity’s mysterious character. The substance potion of a commodity is a natural force of human organisms, therefore something organic in all commodities. The expenditure of human labor is a shared trait of all commodities and it is considered typically homogenous since it is human nature that engages in productive activities. Marx deems it a physiological truth that all production is the expenditure of human labor power which is therefore possible for society to treat human labor as a homogenous mass (although that is not always the case). Since the substance of commodities is therefore a homogenous mass, the mystery does not come from this determination.

a1. It is a fact of a commodity producing society that “all labor counts as a homogenous portion of the society’s pool of labor power” – Section 1.4 Page 170 Capital; Ehrbar, H

b. The quantity of value in a commodity is determined by the duration of expenditure (of human labor) within a commodity. This expenditure is not determined by the actual labor input, but rather the socially necessary labor time. This determines the magnitude of value a commodity holds. Marx points out that the mystery does not lie here either, since all societies must consider the abstract labor time congealed in a commodity.

b1. It is a fact of a commodity producing society that “(quantity (of value) is the socially necessary labor-time needed to produce the products” – Section 1.4 Page 170 Capital; Ehrbar, H

c. The form of value of a commodity is the surface value of a commodity as determined by signals of other commodities. Since production of commodities in society is designed for trade, the social value of a commodity is reflected in exchange signals with various other commodities. Since production of all commodities is a social process, producers are coordinating activities. This determination as well as the other two is a shared practice in all producers in society and perfectly rational – there is no mystery here so it seems

d. These aspects of value of a commodity do not appear to be hiding a mystery and the analytical findings of Marx do not seem to have overlooked anything thus far. The mystery of the commodity is not in the form of value or substance or quantity, but rather the commodity form of the product. The commodity form of the product is the mysterious character of a commodity in the marketplace as regulated by the surface interactions of the commodities as values.

Contrary to Keynes, there are no animal spirits in the market place, only producers and consumers. In the marketplace, individuals are practical and their only contact is through products. The commodity itself is the beginning and the center of the economy.

Contrary to Keynes and orthodox economists – the mystery in this case is in the commodity not the market agents. Marx’s claim that producers are practical is true in a modern day analysis; producers to this day continue to allocate labor based on results in performance in the market. Consumers make exchanges where they believe they find the most value therefore driving sales and market performance. Although it is the consumers and producers carrying out market activities, it is the commodities that keep the agents in contact.

The commodity in Marx’s case has a fetish-like character which deceives the market agents (since the labor congealed in the commodity is abstract and therefore seemingly physical) – this is very different from animal spirits—in this case, it is the commodities that mistake the social core of the product with the commodity surface. The fetishism attached to the commodity is driving the seemingly irrational market behavior by drawing on the deceived market agents. Marx still does not view this false consciousness as the mystery of the commodity yet; Marx still determines the mystery is a property of the commodity itself.

The mystery seems to be left unknown. Marx is beginning to analyze more of the producer’s decisions in the market which is starting to open the window for his arguments regarding the struggle of the working class and the wealth of those who control production in capitalist societies. The strange marketplace behavior is the root for these arguments and

the commodities in the center of it all are clearly holding an inherent mysterious (social) property.

Next Message by Skiingforlunch is [160].

[389] George: graded A- The use value of a commodity is simple because the time required to produce a commodity can be easily calculated. So a commodity immediately obtains its use value once it is made. The value of the commodity on the other hand cannot be determined until it is exchanged for a different commodity. The value of a commodity comes from the exchange value which can only be determined by the relationship between the quantities of two different commodities. The mysteriousness comes in to play when you consider the social relations between the commodities. The market, not the producers, control the value because of the different ways society allocates labor and the least amount of labor required to produce a commodity is taken under consideration because of the time it takes one person it could take another person longer or shorter to produce the same thing, thus changing its value.

Hans: Value does not come from exchange-value. Value comes from labor, but individual labors can be reduced to general abstract labor only by exchange. See French edition, .

Next Message by George is [546].

[419] Karl: graded B a) A commodity is not mysterious because it takes the expenditure of human brain, nerves, muscles, etc. This is the abstract human labor of the commodity.

b) A commodity is not mysterious because of the time it takes to produce it is relevant for society at large.

c) A commodity is not mysterious because of labors performed in a commodity-producing society that are part of an overall social labor process.

d) An important aspect of how the commodity has a mysterious character is how difficult it was for Marx to formulate the value of the commodity. The value of the commodity ought not to be difficult to comprehend. Because of the difficulty of valuing the commodity it is mysterious.

Hans: not only difficult for Marx but difficult in general. For points a) to c) I would have liked to hear some reasoning why these statements are true.

Next Message by Karl is [541].

[538] Skiingforlunch: Anil Answering a Different Question than Asked. Responding to the extra credit opportunity in [486], Anil in [132] responds not to question 269 but rather the question:

What is rational about the determinations of value that makes it clear the mysterious character of a commodity does not reside here?

Ultimately Anil's response gives a clear definite answer to the question asked, but by inferring several determinations it makes it even more rational that the mysterious character of a commodity does not fit in the determinations of value. After a quick review of each determinations Anil makes a clear concise conclusion that gives us the ultimate answer we were looking for.

Hans: You correctly formulate a more precise version of the question answered by Anil—but I would not say this is a *different* question than asked. Anil's answer to the more precise question is also an answer to the question asked. Anil proceeds here like Marx himself, who also answers this question indirectly. I say that in the Annotations:

In order to prove that the mysterious character does not spring from the content of the value determinations, Marx argues that these three kinds of stuff themselves are not mysterious, and/or that they are not peculiar to commodity-producing societies but can also be found in societies which are not mysterious.

Next Message by Skiingforlunch is [561].

Question 271 *In commodity production, the equality of all human labor as the expenditure of human labor-power is represented by the one-dimensional equality of all products as values, society's accounting of social labor time is represented by exchange-relations between things, and the interactions between producers and consumers are represented by social relations between things. What do these three perverse representations have in common?*

[147] Veb: Mysterious Commodity Co-opt. What these three perverse representations have in common is the manifestation of social relations in material things.

In the first representation: the equality of all human labor as the expenditure of human labor-power is represented by the one-dimensional equality of all products as values; in other words abstract labor is represented by the equality of commodities as values. As we have learned, value is always relative, and the values of commodities are derived from their relations with other commodities. This means that a human activity has been reduced to, or represented by, a social relation of a material thing, the commodity.

In the second representation: society's accounting of social labor time is represented by exchange-relations between things; we can see the same transformation occurring – the human activity of social labor time has been reduced to a relation between things.

In the final representation: the interactions between producers and consumers are represented by social relations between things; we again see the same change – from the actual social interaction between humans to the representation of such interactions in the social relations between things.

In these three examples, all of the original human activities have been co-opted by the social relations of material items. These reflect the mysterious character of the commodity form of the product, in that these transformations (from social human activity to characteristics in a commodity) occur. Marx will later touch on the circularity and the problems with social relations appearing as material properties, and outcomes appearing as prerequisites.

Message [147] referenced by [175]. Next Message by Veb is [200].

[175] Hans: What Incongruities? Veb's answer [147] is excellent, he stresses correctly that social relations that would involve direct interactions between people in a rational society are, in a commodity society, turned into the automatic and one-dimensional value relations between things.

I have a small quibble with Veb's discussion of the first representation. Veb writes:

“the equality of all human labor as the expenditure of human labor-power is represented by the one-dimensional equality of all products as values.”

Marx himself might have written this, except that he never uses the word “one-dimensional.” But this formulation does not make it easy to see that this is an incongruity. If the labors are equal, why is it incongruous to represent the equality of labor by an equality of products?

Since most of you are economists, maybe the distinction made in international trade theory between tradable and non-tradable goods can serve here as a good illustration. Labor is the ultimate non-tradable, and the material commodities Marx is talking about are usually tradable. Linking a non-tradable to a tradable can give problems. It requires all local labor to be comparable with the highest productivity which you can find internationally, even if the local conditions are not as favorable as the conditions elsewhere. It is a good thing that there is farming in the Mat-Su Valley in Alaska, so that Alaska does not have to import all its food over long distances, but milk from Alaskan cows can never be as cheap as milk flown in from Seattle. Also a developing country may have lower labor productivity than a highly developed country, this should not prevent it from producing. Trade protections for infant industries are the result of this defect of markets; they hold back the unfettered working of the market when it becomes too egregiously unproductive.

But this argument can be made on a more general level. Humans share many traits, we are more equal to each other than we often think. But if we are *capable* of doing the same thing, of imitating each other (just look at the flood of identical last-minute answers that came in last night), this does not mean we should be *forced* to do exactly the same thing. I find it much more preferable to be able to live by the motto “vive la difference.” The market-enforced equality of our products often functions as a straightjacket, as a procrustean bed.

Since I am at it already, I will try to bring home to you more vividly also why the other two representations are incongruities. The second representation is: the measure of labor by time is represented by the magnitude of value of the products of labor. This ties production and exchange together in a potentially vicious way. For instance, in a market economy, investment can only be done when demand for final goods is high, which leads to the famous “accelerator” effect. Often it would make more sense to invest in times when final demand is low—Krugman made exactly this point in his blog referenced in [43]. And today, for the energy switch away from fossil fuels, it would be eminently reasonable to use a little more of social labor for the production of energy until the bottleneck is closed arising from the necessity to phase out fossil fuels before the capacity for renewable energy has been built up, without disrupting everybody’s budget by steeply increased energy prices. But a market economy does not have this choice.

It is easier to see that lots is wrong with replacing direct interactions between humans by market relations between things. Humans are capable of creative problem solving, of compromises, etc., commodities aren’t. Humans are also capable of corruption, but in my view the positive potential outweighs the negative. Commodity relations can never be as rich as human relations.

Message [175] referenced by [154], [240], and [376]. Next Message by Hans is [207].

[376] Hov: The equality of all human labor as the expenditure of human labor-power is represented by the one-dimensional equality of all products as values is basically saying abstract labor is represented by the equality of commodities as values. Value is always relative and the values of commodities are derived from their relations with other commodities so

human activity has been reduced to a social relation of the material object, a commodity. Society's accounting of social labor time is represented by exchange-relations between things. In this situation we see a similar transformation as the first representation, the human activity of social labor time is a relation between two things. The interactions between producers and consumers are represented by social relations between things. Similar to the first and second representations, we see a change from the social interaction between humans to the what these social interactions represent in the social relations between things. These three perverse representations all share common ground in that they reflect the character of a commodity form of the product, and all transform from social human activity to characteristics in a commodity.

Hans: One detail: Marx does not say value is relative. Value is immanent in the commodities, but exchange-value, the form in which value makes itself felt, is relative.

You have identified the commonality in the three items, but I'd like you to make it clearer to the reader why they are perversions or incongruities, as I tried in [175]. On the contrary, in your in-class answer you say that the market measurement of labor time leads to efficiencies. Marx clearly thinks this way of organizing the labor process is not a good thing, but for someone living in this society and used to all these "perversions," explanation is needed why Marx is so critical of them.

Next Message by Hov is [383].

[387] Clavis: They all misunderstand about 'value'. It is judged by simply social relation of producers of labor (which means value is always relative). But 'they' think that for the society of commodity producers whose general relation of production in the fact treat their products as commodities, hence as value. and in this objectified form bring their private labors into homogenous human labor. In these examples, all of the human activities have been co-opted by social relations of materials. This reflects fetishism (mysterious character of the commodity form of the product). They think value is in products itself. But value of products is merely relative (measured by labor units spent).

Hans: We are not talking about misunderstandings but about actual social relations which are perverse.

Next Message by Clavis is [390].

Question 277 is **134** in 1995WI, **111** in 1995ut, **144** in 1996sp, **146** in 1996ut, **159** in 1998WI, **166** in 1999SP, **187** in 2001fa, **201** in 2002fa, **208** in 2003fa, **236** in 2004fa, **231** in 2005fa, **251** in 2007SP, **256** in 2007fa, **261** in 2008fa, **275** in 2009fa, **303** in 2010fa, and **304** in 2013fa:

Question 277 *How does Marx's use of the term "fetishism" compare with its modern dictionary definition?*

[171] Freshprince: By understanding the modern definition of the word "fetishism", we learn that it is an interest or devotion to a single object. The definition would pertain to also describe having supernatural powers, drawing power from the one possessing the fetish. The recipient object having man-made powers over the other. From our studies, we learn that Marx's belief of fetishism is on a similar idea, but rather applied to social and economical theory in capitalism. Marx brilliantly defines and draws conclusion of the value-form of commodities. Marx explains in theory the idea of "fetishism" being a love for money in economic domination and the fetish of interest-bearing capital. Marx describes commodities to have a mysterious character, where he draws the imaginary picture of the production process where the commodities evolve from pure and natural materials, giving

themselves growth and their own plan. The thesis of Marx is that material and institutional processes in a capitalist society are misleading to the proletariat. This concept flows from his commodity fetishism theory.

Hans: Your second sentence “The definition would pertain to also describe having supernatural powers, drawing power from the one possessing the fetish” is malformed. I gave you a grade penalty for that. If you email me privately and give a grammatically correct version of this sentence I may remove part of this penalty again.

The “love of money sentence” and the sentence after it with commodities evolving from pure and natural materials have nothing to do with Marx, they are purely your own false preconceptions and misunderstanding of the text.

There was nothing in the readings or class discussion yet about interest-bearing capital or the proletariat. If you bring those things into the discussion, you must explain where you have them from. The interest-bearing capital sentence seems to come from Wikipedia. You should have quoted Wikipedia instead of saying “from our studies, we learn.” In this class, your task is to read Marx’s original text carefully, instead of browsing the internet and then pretending you have read Marx.

Message [171] referenced by [420] and [1203]. Next Message by Freshprince is [245].

[174] Slamo: The online dictionary of Websters defines fetishism as an excessive devotion to one object, or blind adoration. It also describes fetishism as a man-made object that can have power over others. Fetishism in short is a person giving a kind of inherent value to an object or thing. Marx’s idea of fetishism is more focused on a social connection. He believes it is something which stays with products of labor when they are produced as commodities. It’s almost like he believes commodities have a mysterious character to them. Marx sees fetishism through deep analysis of market values in capitalism.

Hans: You summarize various things which Marx says about commodity fetishism, but you never give Marx’s definition, which would have been the appropriate thing after giving the Webster definition.

Your formulation “it’s almost like he believes commodities have a mysterious character to them” suggests that Marx seems puzzled by the commodity. When Marx speaks of the “mystery” of the commodity this is his flowery expression for a very specific objective trait of commodity society which can be researched and whose reasons can be analyzed. Don’t be confused by the word “mystery.” Marx looks at it carefully and researches it, but it is not a matter of believing or not, and he is not puzzled by it.

Next Message by Slamo is [237].

Question 278 is **135** in 1995WI, **112** in 1995ut, **145** in 1996sp, **152** in 1997WI, **159** in 1997sp, **152** in 1997ut, **202** in 2002fa, **209** in 2003fa, **237** in 2004fa, **232** in 2005fa, **257** in 2007fa, **264** in 2008SP, **291** in 2012fa, and **305** in 2013fa:

Question 278 *Modern advertising specialists know that consumers often buy a certain product not because they need this particular article, but because they are trying to compensate for other unmet needs. These compensatory demands are important for the economy because they are insatiable. Advertising addresses them whenever it suggests that social recognition, happiness, etc. are connected with the possession of a certain object.*

Is this what Marx meant by the “fetish-like character of the commodity,” or does it contradict it, or would Marx’s theory give rise to amendments of this theory?

[137] Kitkat: The Frankfurt School’s Criticism of Marx. Because I am taking a course on Critical Theory along with our Marxian Economics course, I choose to answer this question from the perspective of The Frankfurt School’s Theodor Adorno. While the Frankfurt School arose in the early Twentieth Century, several of its theorists, including Adorno, continued to write well into the 1970s—making these theorists relevant in more contemporary modern times.

Adorno criticized Marx for his theories' inability to explain the rise of totalitarian states in Germany, Russia, and the US—that is, Marx said that capitalism should be overcome, but it instead evolved into state-run monopoly capitalism. For Adorno, the massification that occurred under these regimes is also evident in the movement of culture away from educated (what they called “critical”) reason toward reification—in which cultural apparatuses simply circulate artifacts intended to distract individuals from any kind of critical thought (especially as those thoughts might lead to questioning the state). Adorno called this the Culture Industry, in which consumers feel they have choices among commodities, but actually fail to realize that the commodities among which a choice can be made are pre-determined. In this case, massification, (read: uncritical reasoning) leads to the privileging of exchange value over use value—i.e. commodities are produced solely because they can be exchanged, not because they have any real use and regardless of the expenditure of labor (commodity fetishism in the extreme).

With this brief summation of Adorno's theory of the Culture Industry in mind, he would likely respond to Question 278 by saying that Marx's original theory of commodity fetishism wasn't formulated to account for advertising's compensatory function and that this is indeed a failure of Marx's original theory. For Adorno, advertising is an apparatus of the Culture Industry in that choices among products are predetermined and claims about a product's use-value, if they are even present (and they are not often present), are limited and leave no room for critical evaluation of the product's true merit. That is, consumers are “tricked” by the Culture Industry (advertising, in this case) into thinking a product will make them pretty, happy, etc.—when critical evaluation of that product should reveal that that isn't a viable use-function.

Therefore, no, Marx did not have this in mind when he originally theorized the “fetish-like character of the commodity.” Marx's original notion of this theory does not account for the compensatory function of modern advertising.

Hans: Very good and interesting—but you did not notice that by commodity fetishism, Marx does *not* mean the fascination with or distraction by use-values. Capitalism of his time was not at the point where ordinary working people had too much stuff.

Message [137] referenced by [449]. Next Message by Kitkat is [139].

Question 291 is **316** in 2013fa:

Question 291 *What is wrong with producing something that is useful but to others, and that can be sold?*

[203] Syd: The problem with producing something that is useful but to others, and that can be sold is that the producer orients himself merely by the surface reactions. The producer does not take into account the core connections which he is a part of, the producer has his attention on the surface of the issue instead of the core. There is a two side double character of labor which represents itself to the direct producer. The producer's useful labor presents itself in the form that the product of labor has to be useful to others, the social character of equality of the various kinds of labor present themselves in a common value-character possessed by these materially different things, the products of labor. The product has to contain as much as possible of whatever makes it exchangeable. The producer pays attention to the market which is at the surface instead of focusing on the labor at the core.

Hans: You originally had “the producer’s private labor,” I corrected it to read “the producer’s useful labor.” The double character of labor is not private labor and social labor, but useful labor and abstract labor.

Here is another change I made in 2013, in response to a remark in [2013fa:155]: Your second-to-last sentence was originally “The product has to contain as much as possible of whatever makes it exchangeable as value. which are not surface appearances.” This is a paraphrase of the following sentence from the Annotations: “That the product has to be useful for others, and that it has to contain as much as possible of whatever makes them exchangeable (value), are not false surface appearances.” Your paraphrase shows that you did not really understand the sentence you paraphrased. In the interest of making your text in the archives as correct as possible, I edited this sentence, omitting those parts which do not make sense, because others will undoubtedly read your answer.

Message [203] referenced by [265] and [2013fa:155]. Next Message by Syd is [260].

[215] Jml: The problem with producing something useful for others that can be sold is that the producer becomes concerned with how high the price of what they are receiving for the particular commodity that they are selling on the market. The producer has put a lot of labor into the production of the commodity and thus wants to make sure that when it is sold on the market the price is equal with the labor that went into producing the good; they do not want to suffer a loss due to surface reactions. While the producer often benefits from social relations they can also backfire. Social relations often determine the price that a commodity receives on the market, if society deems the commodity useful it sells for a high price, however, if society views the commodity as not useful then it may sell for a lower price than what the producer put into producing it and thus the producer suffers a loss. The problem with selling a commodity rather than exchanging it is that it is more difficult to ensure an equal price. For example, when the linen maker exchanged linen for the coat, the linen weaver was able to ensure that the exchange was equal. However, if the linen weaver attempted to simply sell the linen, it would be more difficult to determine what price is equal to the labor that was put into linen weaving. In order to sell a good on the market it must be useful to others so that a producer can exchange or sell it for an equal value.

Message [215] referenced by [242] and [265]. Next Message by Jml is [217].

[242] KKondo: The problem with producing something useful only by others that can be sold is that sometimes private producers feel that the product of their labor has more value than what the market shows. And this inequality can only be equalized by exchange, where products of the most diverse labor are brought into a mutual presence. The mind of a private producer functions in a way that allows the producer to think that his/her product of labor has an exchangeable value, in which social relations are the real value determinants. The real problem of producing a good that is only useful to others is that more than often the value of the products of labor isn’t the same according to the social relations. While the brain of the producers says different, stating that the product of his labor has a different value that comes from its socially useful character.

Hans: The main ideas overlap with [215] and are wrong because [215] is wrong. The things you added yourself are wrong too.

Message [242] referenced by [265]. Next Message by KKondo is [377].

[265] Hans: **How do you Add to an already Comprehensive Answer?** You don’t, unless you really know what you are talking about. My advice is to simply pick a different question.

In [2010fa:19] I introduced the concept of a Grothendieck answer, i.e., an answer which is so comprehensive that it stops the conversation by making it very difficult to say more about this question. It seems Syd’s [203] is such a Grothendieck answer, because the attempts of

[205] and [242] to elaborate and add to it were failures. Syd basically repeated everything I said in the Annotations about this issue. Although I am not quite satisfied with my treatment in the Annotations—that is one of the reasons why I asked question 291—the additions to Syd’s answer given in [215] and [242] tell me only about the misunderstandings of the respective authors and do not give any thoughts which would add to the narrative by Syd and/or the Annotations.

For instance, [215] says:

The producer has put a lot of labor into the production of the commodity and thus wants to make sure that when it is sold on the market the price is equal with the labor that went into producing the good.

and [242] echoes:

sometimes private producers feel that the product of their labor has more value than what the market shows.

Marx’s linen weaver knows to distinguish between the things that are under her control and those that aren’t. She is satisfied if she can bring home from the market the best collection of *use-values* which will enhance her family’s living experience, and she does not even try to guess whether the coat which she is getting for her linen has equal value with the linen. In an interview she said “I am not an expert in tailoring, and why should I worry about the exchange rate if I can’t do anything about it anyway? It is the market rate over which I don’t have control. I am busy enough to decide on the best possible use-values for my family. When my husband complains that I gave too much linen for the coat, I always tell him: maybe we should be producing coats instead of linen.”

Curiously, [242] explicitly *rules out* the adjustment process which the linen weaver alluded to in her last sentence:

This inequality can only be equalized by exchange, where products of the most diverse labor are brought into a mutual presence

This is almost a Marx quote, where Marx describes how the market leads to an equalization of the production methods. It does not apply here. If there is a discrepancy between market prices and labor values, this discrepancy can and will be eliminated by the adjustment of production schedules, i.e., in production and *not* in the market.

Back to [215]:

Social relations often determine the price that a commodity receives on the market.

Not often but always. Prices *are* social relations. If someone tries to set a price which is not in sync with the market, the market will quickly correct them.

If society deems the commodity useful it sells for a high price, however, if society views the commodity as not useful then it may sell for a lower price

than what the producer put into producing it and thus the producer suffers a loss.

This is a version of the utility theory of prices rejected by Marx. Marx would say: if the commodity is useful then more of the commodity will be produced. This adjustment will go on until every producer gets equal reward per labor hour produced (or, in a modern capitalist market, until profit rates are equalized between industries).

The problem with selling a commodity rather than exchanging it is that it is more difficult to ensure an equal price.

What do you want to do? Yell at the linen weaver that she must give you more linen for your coat? Good luck with that! You are not the only tailor offering coats on the market.

Message [265] referenced by [241]. Next Message by Hans is [267].

[340] Blossom: In producing purely for exchange, the producer has a myopic vision which focuses on the exchange value, with little attention actually paid to the use value. So even if a commodity has a socially negative use value, there may still be an exchange value. An example would be cigarettes. They generate a large amount of revenue (exchange value), but are addictive and are the culprit of many illnesses and deaths.

Message [340] referenced by [392]. Next Message by Blossom is [532].

[373] Kendull: This question is rather misleading to me. The question states, "What is wrong with producing something that is useful but to others, and that can be sold?" First, nothing is wrong with producing something that is useful to others and I am assuming the "but" in the question implies that it is not useful to you as the producer. A producer of linen produces linen for the purpose of exchanging it for something he or she can utilize. Second, I feel that the phrase "and that can be sold?" is rather redundant because in all actuality anything that has an exchange value also has a monetary value (although they may not be equal) but because we are focusing on Marx's period nearly two centuries ago aren't we ignoring monetary value and focusing on exchanges of products under the Labor Theory of Value?

To proceed, in Capital 166/2 Marx states that "it is only being exchanged that the products of labour acquire a socially uniform objectivity as values". Furthermore in 166/3 Marx states, "by equating their different products to each other in exchange as values, they equate their different kinds of labour as human value." The exchange of two different products allows the labors to be set equal and one producer to receive a product from another producer that fully reimburses him or her for the labor necessary in production. This is the purpose of exchange, to receive something of equal or greater value in exchange for the useful human labor expended in the product you produced.

In regards to the question, nothing is wrong with producing something useful to others or producing something that can be sold. However, by selling the product rather than exchanging it you may be losing the chance to equate your product to another as exchange value and therefore equating human labor. Because Marx feels so strongly about the laborer/proletariat being reimbursed for their labor in a product, and also for using labor as a form of value, he sees selling a product for monetary value as the depreciation of value and therefore the

laborer. Selling a product makes it impossible to equate labor by ignoring exchange value and gives power to the manifestation of capitalism and its inequalities in production.

Hans: This needs a detailed response, therefore bear with me.

The phrase “and that can be sold” is not redundant, because the usefulness to others does not automatically give it exchange-value.

That the linen weaver does it does not mean nothing is wrong with it. Marx is not using the linen weaver with her exchange transactions as an example for how he wants society to be run.

We are no longer on the gold standard, the forms of the international monetary system have evolved, but Marx would consider the dollar to be money, and most of the things Marx says about money also apply to the dollar. I.e., Marx would say that dollars represent abstract human labor.

The exploitation of the proletariat does not come from unequal exchange.

Next Message by Kendull is [573].

[392] BTFCANDG: The idea of producing a product that creates a desire for it because of what it is, is wrong according to Marx. The “thing” may not have an equal value because of the amount of labor that went into it, compared to the exchange item that is to be traded for it, be it money or some other product produced.

Hans: The question which you are answering, question 965, is only tangentially related to the question asked (which was asked in a very specific context of Marx’s argument). In the context in which question 392 was asked, Marx was concerned that production was done privately, for strangers, without any possibility to consult and coordinate with the prospective consumers or other producers.

In such a situation it is possible to produce things which are harmful to the consumer, as Blossom says in [340]. But not everything the consumers do not ask for is harmful or frivolous. Sometimes the producer has a better idea what a given product entails than the consumer. Marx has spoken out in favor of expanding demands. I don’t think he would disapprove of the invention of new use-values.

Next Message by BTFCANDG is [582].

[470] Cptcrunch: The problem with producing something that is useful, but to others and can be sold, is that the production process and labor content within a certain commodity can be withheld by means that the producer or laborer who created the certain commodity isn’t achieving the wage by which that commodity was sold under in the market.

Hans: Wages for the worker in capitalism never are the full equivalent of the value produced by the worker. But in chapter One, Marx is not yet talking about capitalism. He is critical of the commodity form, and his critique applies whether or not there is capitalism.

Next Message by Cptcrunch is [471].

[493] GrouchoMarxist: When a good is produced with no intent of personal use it is being produced as a surplus, it has no true use-value for the producer and is instead intended only for exchange. The commodity is therefore inherently subject to being incorrectly valued by the producer, in the producer’s favor. The power in this exchange relationship is now subject to the dictation of the producer and is more often than not used against those who need to consume their goods. This system led to many of the abuses of wealth and incorrect valuations that Marx saw in the capitalist economy. These abuses are often witnessed in field like medicine, where medications are produced exclusively for sale to others, and the producers themselves are not subject to the demands that they place on the consumer.

Next Message by GrouchoMarxist is [1032].

Question 296 is **157** in 1996sp, **163** in 1997WI, **170** in 1997sp, **172** in 1998WI, **179** in 1999SP, **190** in 2000fa, **200** in 2001fa, **214** in 2002fa, **222** in 2003fa, **252** in 2004fa, **267** in 2007SP, **272** in 2007fa, **278** in 2008SP, **290** in 2009fa, **318** in 2010fa, **309** in 2012fa, and **323** in 2013fa:

Question 296 *Explain Marx's metaphor that "value does not have it written on its forehead what it is." Later in the commodity fetishism section, Marx uses the same metaphor "written on the forehead" again in a slightly different context. Compare what he says that second time with what he says here.*

[209] SSroy: The phrase "written on the forehead" is generally understood to mean that something is apparent to the casual observer. For example, if one were to say "he's angry, it's written on his forehead", it would be to describe an easily recognizable characteristic of that person, namely, that he is indeed upset. It also brings to mind the phrase "he wears his emotions on his sleeve", which would probably be a more common way of saying essentially the same thing.

Marx uses this biblically common term to describe how value does not possess any meaning which is easily recognizable by a casual observer. The ambiguity of the term leaves a gap in meaning which requires further explanation. In the Annotations [185:2], Hans elaborates on the concept of society's general misunderstanding or ignorance of fundamental economic understandings by explaining how "the individual in society need(s) science in order to understand their society". Further elaboration by Hans uncovers that Marx is explaining how difficult it is to fundamentally understand a basic tenet of economics because society fails to recognize its own efforts of characterizing products as channeling social relations.

Hans: You are not answering the entire question but this is a good first stab at an answer. Your clarification of the forehead phrase is helpful and paves the way for others to continue the thought process.

Message [209] referenced by [229]. Next Message by SSroy is [476].

[217] Jml: The metaphor that Marx uses is "value does not have it written on its forehead what it is." This speaks to the idea that value is not expressed on the surface of the finished commodity because *abstract labor* is not present in the final physical commodity. Abstract labor is what determines the value of a commodity, however it does not manifest itself in the actual physical form of the commodity. Because producers are ignorant themselves of what goes into the direct production of value they often do not know the extent of their own economic relations. It is the commodities that interact on the market as opposed to people interacting which contributes to the mystique surrounding the commodity. Producers often do not realize that they are engaging in equalizing behaviors. In the first section Marx is arguing that abstract labor doesn't exist in the final product and therefore value cannot be known by the producers. In the second section Marx's argument is similar, but he is suggesting that because producers often do not understand the different contributions to labor that create the final product and thus don't fully understand the social interactions that are taking place on the market.

Hans: This is excellent, I only have a quibble about your writing style. Your very last sentence is malformed, and the original version of your third sentence was malformed too (fixed in the archive). You tend to begin a sentence one way and then finish it another way. You should carefully read your answer before submitting it.

Message [217] referenced by [229]. First Message by Jml is [13].

[225] Msj: Written on its forehead. In section 1.4.c about Commodity Fetishism Marx says for the first time 'value does not have it written on its forehead what it is'. He is using a metaphor that commodities' labor properties are not homogeneous. Human labor is made up of different types of labor bringing about different products to each other in exchange as values; this makes up human labor. With this basis, every product of labor needs to be

broken down for men to understand their own social product. This way product of labor will be understood.

The second time he uses the ‘written on the forehead’ metaphor he says ‘these forms, which have it written on their foreheads that they belong to a social formation in which the production process has the mastery over men, and man does not yet master the production process.’ The forms that he is referring to are value and magnitude. Marx is asking why is labor in terms of value and the measurement of labor in the terms of magnitude of the value of the product. These things, value and magnitude have the unmistakable mark of being part of the production process where man not only has no control over what they are producing or will produce in the future, but also little to no control over life in general and the relationships they have to vendors, producers, etc.; they are in essence slaves to this process of production.

Hans: Yours is the first answer which actually looks at both places. The previous answers looked only at the first place. But their interpretation of what Marx says when he uses this metaphor for the first time is much better than yours.

Message [225] referenced by [229] and [238]. Next Message by Msj is [236].

[229] OBJ: “forms which have it written on their foreheads” Marx uses the metaphor that “value, therefore, does not have it written on its forehead what it is.” As Marx discussed previously value is determined by the quality of human labor applied, but laborers do not even know what the true social value or social relation is of their product. What the laborer sees as their own products’ attributes are actually their own social relation with other laborers. Therefore, laborers are not aware that they are equalizing labor activities. Later on Marx uses the same metaphor “forms which have it written on their foreheads” in a slightly different context. The second usage implies that bourgeois economist have not asked why labor is expressed in value. Furthermore, in bourgeois economies men feel that they are controlled by the production process rather than they control the production process. The two uses of this metaphor are similar. The difference being the scale with which is implied. The latter being more toward the entire economy and the earlier focusing on the individual in the production process and the value of labor created by the individual. Also the latter use of the metaphor questions bourgeois economist ability the fully analyze the form value takes.

Hans: Value is *not* determined by the quality of the human labor applied. This is a serious misunderstanding of Marx. The answers [209] and [217] are much better than yours.

Marx does also not say that in capitalism people “feel” that they are controlled by the production process. Rather he says they are indeed controlled by their own social relations but they act as if this was not the case and everything is ok.

Only 75% weight because of considerable overlap with [225].

Message [229] referenced by [238]. Next Message by OBJ is [427].

[238] DO: In section 1.4c. Marx uses a metaphor which states that “value, therefore, does not have it written on its forehead what it is.” What Marx means by this is that although value is determined by the amount/quality of labor which is put into a product, the person who is doing the labor really doesn’t know what his/her labor is actually worth. Or in other words, what the social value of their labor is.

In section 1.4.e. Marx then uses the same “written on their foreheads” metaphor but in a little bit of a different way. Marx uses it in a way to imply that the product which the

producers are producing are pretty much controlled by the society and how it reacts to their product, and that the workers essentially have no control in what will happen to the product that they are producing once it hits the market. Marx exemplifies this by stating that, “The production process has the mastery over men, and man does not yet master the production process”.

Hans: Every single thing you are saying was already said in [225] or [229]. I didn’t find anything in your answer that goes beyond these previous answers. Therefore I cannot give you credit for this.

Next Message by DO is [459].

[287] Tussy: In [2009fa:238], Jojo mentions that Marx’s metaphor from 166:2/o describes that it is hard to tell that value comes from labor. Marx argues that producers are really only concerned about the value in the exchange of their commodities. They are unaware of the social relations of the production process. “They proceed in the reverse order: by equating, in the exchange, the different products to each other as values, they equate their own different labors as human labor. They do this without knowing it” [166:2/o]. Because of this state of “unawareness,” producers strive to compete singularly against each other. Marx argues that because of this “atomistic” behavior, the commodity takes on its fetish-like character.

Marx uses another metaphor of products being “social hieroglyphics.” The challenge lies in the fact that social scientists may decipher these symbols, however they fail to realize that the symbols are a result of their own actions. Because of this failure, they persist in their “fetishism” even after they discover that value does come from labor. “Marx had argued that the secret, the root cause, of the fetish-like character of the commodity lies in the fact that the producers do not experience their labors as equal. The most basic principle governing market relations is therefore not part of the common consciousness” [Hans 184:1]. Later Marx uses the “forehead metaphor” to describe society’s inability or unwillingness to ask the questions and discover why and/or how value is derived from labor. The failure to ask and answer these questions perpetuates capitalist society’s lack of control over the production process and the fetishism of the commodity persists.

Hans: This is good and correct, but I’d still like you to be more specific about the second use of the metaphor.

Next Message by Tussy is [384].

[450] Hunter: Marx has stated that there are three determinations of value. These determining factors are: Substance, Quantity, and Form. Marx has also noticed that the value of a commodity can also be swayed by the producer and hype following the commodity. When Marx states; “Value does not have it written on its forehead what it is,” he is referring to the fact that when a commodity is produced there is not an exact definition to what that commodity’s actual value should be, but based on its labor content, physiological truth (physical content), and guided nature a price will be reached.

When Marx refers back to the metaphor he is suggesting that so many fetishistic people believe that it’s actual value was solely gained through nature and could be nothing else. When in all reality more often than not, value is top dollar any buyer will pay for the product because “nature” has decided it’s value and not the actual human producer looking at profit.

Hans: “Physiological truth” is not the same as “physical content,” and Marx would never say that value is determined by physics.

Next Message by Hunter is [506].

[467] Hayms: Marx's metaphor that "value does not have it written on its forehead what it is" is talking about the quality of value. The "*what it is*" is the quality of labor / abstract human labor. As I said in my answer that labor does not have a set price, and adding along with that statement that the value is not always obvious in the labor. Marx talks about how through the production process they are equalizing their labor with out even realizing this. This unawareness leads to the discussion of the fetish like character of the commodity that value is subjective after production and people do not even realize how this happens. This confusion leads to workers becoming secluded from capitalism and eventually the society. The second metaphor, "value is written on the forehead" as Hans said in his notes to [2004fa:146], it has more to do with the production process and their lack of control over their own life circumstance and the relations they have with others. I agree with this statement as they lose control over their ability to create the commodity and they become slaves to the production process. This is the theory Marx describes as, "bourgeois political economics" which subjugates society to the production process. This idea is meant to show how quality is not as important as quantity in the capitalists society.

Next Message by Hayms is [469].

[474] Hitman: Marx uses the metaphor that "value does not have it written on its forehead what it is" and later uses "written on the forehead" again but in a different context. Marx is trying to say that use value the relative value of a commodity is different from the value of every other commodity. Value does not have written on its forehead what it is. By "What it is" Marx is referring to the quality of value.

Hans: You are confusing use-value and value.

First Message by Hitman is [328].

[481] MarxStudent: graded A- Marx explains that value is not obvious in a commodity economy because for human beings the market exchange of commodities gives the appearance of the value of the commodity as being the relative quantity of another commodity or commodities for which it can be exchanged. This masks the fact that the "value" of a commodity is the amount of congealed abstract labor that went into it, and conceals the social relation that accepts labor in the abstract as qualitatively equal and the social relation that underlies a division of concrete labors.

Next Message by MarxStudent is [647].

[491] Vegas: By commodities not having what they are written on their forehead, Marx means to say that they don't tell the market what exact labor went into them. As commodities are exchanged the labor involved is equalized and therefore the commodities are, but no one knows what labor really went into each commodity since the laborers don't work together. Since this means of deriving value becomes cloudy it leaves a certain amount of mystery to the value of commodities and gives them their fetish like qualities.

Hans: Look at my comments to [2003fa:184].

Next Message by Vegas is [521].

[494] JuniorBacon: "Value does not have it written on its forehead" means that values are a little ambiguous, they come from labor. People judge their cars on labor, mine's better because it's a Lexus vs your Nissan, they are both cars but get their value from

(As Submitted:) Q296 for exam Values does not have it written on its forehead means that values are a little ambiguous, they come from labor. People judge there cars on labor, mines better cause its a Lexus

the quality and amount of labor that went into them. Later when Marx is talking about commodity fetishism he is almost talking about the same thing in the sense that people focus on exchange values or today the dollar amount of things instead of what kind of labor is going into them. Here these values people focus on are written on their foreheads, like a price tag. I see how much it is but I don't know what went into it.

vs your Nissan, they are both cars but get there value from the quality and amount of labor that went into them. Later when hes talking about commodity fetishism he is almost talking about the same thing in the sense that people people focus on exchange

values or today the dollar amount of things instead of what kind of labor is going into them, here these values people focus on are written on there foreheads, like a price tag, I see how much it is but I don't know what went into it.

Hans: I am displaying this in the archives side by side so that you see what kinds of edits are necessary for your writing to become acceptable written English.

Next Message by JuniorBacon is [495].

[597] Deiondrious: “Value, therefore, does not have it written on its forehead what it is.” This is the first reference that Marx uses the forehead metaphor with. The first and most obvious analysis of this statement is that value is not obvious. It does not jump out and show itself but rather, remains hidden and mysterious behind what Marx calls, “myopic manipulation of socially empowered objects.” . . . people in society are not happy with “the process they are engaged in.” They feel as if something is missing and Marx points out that they are looking for answers in the wrong places. He claims that individuals look at their dissatisfactions as a “chain of riddles” when in actuality they are, as I just stated, due to those ‘socially empowered objects’. Value, in turn, becomes the first of these riddles that Marx explains. Individuals should use scientific tools to solve these problems and think beyond the obvious. He refers to those problems as “hieroglyphics.” The second reference is Marx complains in this sentence that people do not look at the form but only at the substance and magnitude of value. I.e., they are interested to see what aspects of the production process are regulated by the value relation, but they do not want to know how this regulation is carried out. This lack of curiosity is especially remarkable since one can see already from the beginning (this is where Marx uses the forehead metaphor) that this regulation (through market interactions) is one in which the individuals in society do not master the production process which their market activity regulates.

Googlebooks

Hans: This is a copy of [2007fa:129].

Next Message by Deiondrious is [613].

Exam Question 298 is **173** in 1998WI, **180** in 1999SP, **202** in 2001fa, **216** in 2002fa, **224** in 2003fa, **254** in 2004fa, **249** in 2005fa, **269** in 2007SP, **292** in 2009fa, **320** in 2010fa, and **325** in 2013fa:

Exam Question 298 *If someone understands that value comes from society and not from nature, how can that person still have a fetishistic view of social relations under capitalism?*

[219] Jami: Fetishistic Views and Capitalism. Human behavior and/or social norms are extremely hard to change. Society, and human beings on an individual level, have the ability to enact the change yet rather than be the catalyst that begins the transformation, we subscribe to the thought that change is nearly impossible. This is the very reason you can understand that value comes from labor yet you still have a fetishistic view of capitalism.

For example, I don't like the snow. That doesn't mean that I can change the fact that SLC will be buried in snow for 6 months out of the year. I just have to deal with it. The situation is unchangeable and all you can do is move forward knowing that you don't control it, you just operate within the context of it.

Next Message by Jami is [372].

[356] Hans: Example of Modern Day Fetishism. Someone wrote the following in the exam:

Even if it is clear that a commodity has no true intrinsic and superior natural value and that any apparent social power is merely applied to the good by the culture in which it is valued, an individual is still subject to this interpretation. As no individual has power over society, they, by extension, have no power over society's views and interpretations. Even though there is no natural inherent superiority. The false superiority imposed by society is just as salient and unyielding.

Unfortunately, the author still identifies fetishism with the attractiveness of consumer goods. I keep saying that Marx did not have this in mind at all, but the consensus of the class seems to be that this is fetishism, and I see how limited my influence is even though I am the teacher.

To me, consumerism is only a peripheral concern. If someone has fun with a nice modern consumer gadget I can understand this. This is not the human weakness that will bring down our planet. I would call this "peripheral fetishism" which pales in significance before the "core fetishism."

What is modern "core fetishism"? I would say two things:

(1) The modern view shared by many that markets are not only inevitable but also optimal, that humans cannot do better than markets, and that any attempt to do so will lead to "unintended consequences" which makes the outcome worse than the free market outcome. This is a more important manifestation of fetishism than the modern consumption culture.

(2) Also the explanation that we cannot overcome capitalism because capitalist greed is part of human nature is another form of modern day core fetishism.

I would call these the core aspects of modern fetishism. They are much more in line with what Marx was railing against than consumer fetishism. They are also much more lethal and dangerous than consumer fetishism. I will explain by looking at the answer I just quoted:

As no individual has power over society, they, by extension, have no power over society's views and interpretations.

My answer here is: you have no power over society's views but you don't have to make them your own. Of course, society will try to punish dissenters, but sometimes it is worth taking some punishment and perhaps your behavior is even part of a budding counterculture.

This is my answer regarding peripheral fetishism. Regarding core fetishism I would say: you are right, individuals cannot change society, but you can if you organize, or those in power can, or those with great wealth can. Again, society will try to punish them if they do, but it is far from impossible to do something even regarding the core aspects of society. And new ways of doing things are much in demand because of the climate catastrophe and the end of growth. I think we are entering a time where there are openings for new ways of doing things. Not seeing these opportunities is another part of modern fetishism.

Next Message by Hans is [420].

Question 299 is **217** in 2002fa, **225** in 2003fa, **255** in 2004fa, **250** in 2005fa, **270** in 2007SP, **275** in 2007fa, **281** in 2008SP, **321** in 2010fa, **312** in 2012fa, and **326** in 2013fa:

Question 299 *Marx criticizes in 166:2/o that even after the discovery of labor as the the substance of value, this was generally considered an "immutable fact." What else should people have thought and done?*

[213] Skiingforlunch: graded A The Immutable Fact—Classical Critique. First, Marx's message here is, that either on a conscious or subconscious level, humans recognize the value within commodities as human labor. If this is such an obvious, certain, and unchangeable fact, why is there still this fetish like characteristic active in the marketplace... why hasn't anything been done?

In Marx's opinion it is not the people who fall in love with the commodities, but rather it is the commodities' social powers as they compete in the marketplace which causes this fetish like characteristic. The social powers of commodities are manifested in production. In the marketplace, commodity traders are equalizing their labors to make exchanges and they do this to avoid failure (selling unprofitable commodities). The traders are acting in false consciousness in equating labors—the equating labor is based on the surface of the product rather than the core (the labors are equated in the market rather than in production). In doing this "producers act in an inversion of cause and effect". Producers introduce their commodity to the market and define its value based on concrete labor hours in production. The market (other commodities) determine the perceived use of the product and also its exchange value based on the surface interactions. Following this social interaction the producer changes his strategy (since this has been a reflection of his social relation in society). Since labor values are not always equated in exchange, there must be some social reasoning to this marketplace behaviour.

Marx is positioning himself for his support of a socialist economy and is building his criticisms of classical economists—this explains what should people have thought and done.

Since this (fetish like characteristics) are a factor of capitalist markets, why didn't classical economists push for corrections in equating labor. If commodity traders are acting in false consciousness in exchanges trying to protect themselves and seeing their own actions backlash—why hasn't anything been done to equate this labor within these “free markets”?

Classical economists were a popular part of the mainstream at this time and mainstream economics shifted its theory as a result in defense of capitalism. Today it is regarded in mainstream economics that this marketplace dilemma is within the human psychological behavior in marketplace interactions.

Hans: If I understand you right, you think capitalism is based on a violation of the law of value, of commodities *not* being exchanged at their labor values. Marx will show in chapter Six how capitalist can buy and sell everything at their labor values and still make a profit. Clmrgl [221] gives a better prescription than you: instead of saying that prices are wrong she says wages are wrong. Workers do not get paid an equivalent of the value their labor creates. They should demand that they get a full equivalent, or at least that they have a say over that part of the value which they create but do not receive in their wages (but which will be used for investment, education, old age pensions, etc). Investment is by far the most important economic decision. This decision should not be made by private capitalists behind closed doors but by a democratic process.

Next Message by Skiingforlunch is [268].

[221] Clmrgl: High value of labor. Once the agreement was set in society that labor is the substance of value people should have put forth more energy and effort into getting the full value out of the labor. Instead most people tend more to the side of accepting what is handed to them vs. fighting for what is right or what we truly desire. An example of this is that people are willing to take slightly higher pay for less vacation time when instead they would prefer more vacation time.

It becomes a complex issue however to try to get society as a whole to change its direction of thinking to create a movement towards true change. The capitalist system seems like a good working machine so why try to fix what does not seem very broken.

Hans: To my mind, the insufficient response to the environmental catastrophe, which is already beginning but will get much worse, shows that the capitalist system is terribly broken. If this cannot be fixed it will be a serious setback or maybe even lethal for the entire human race.

Message [221] referenced by [213]. Next Message by Clmrgl is [449].

[243] Vegas: Immutable Facts. Marx's criticism is of the classical economists of the time. Said economists worked to discover the root of value and found it was the product of labor, which had become a sort of social hieroglyphic. Upon discovering that there was a certain kind of fetishism within economics they merely shrugged their shoulders and chalked it up to being the way it was, or an “immutable fact” as Marx refers to it. Instead of removing fetishism from economics they put it above the product of labor, which led them to keep retranslating these hieroglyphics instead of correcting the problem in capitalism. Eventually after Marx economists would completely dismiss product of labor and base value in human psychology which is where we somewhat get our theories of utility. Basically economists used a phenomena as an answer instead of supporting the real roots of value.

Hans: You are on the right track. See my [275] how I would formulate these thoughts.

Next Message by Vegas is [244].

[275] Hans: Is there an Alternative? Marx lived during a remarkable time in the history of social sciences. The mainstream economists of his time knew that value comes from labor, therefore they observed with full consciousness capitalists stealing unpaid labor from

their workers just like you can observe cats catching mice. But nothing was done about this. Everybody acted as if it was not possible to change this.

This situation could not last. During the so-called Neoclassical “revolution” the economics profession abandoned the labor theory of value. As I see it, they regressed in their knowledge of what is happening in capitalism and repudiated their earlier insights. They came up with an alternative theory which sticks strictly to the surface. The impossibility of change is built into this theory because they are saying now that capitalism is the outgrowth of human psychology. This is the modern form of commodity fetishism.

Disclaimer: this is how Marxists view it. Many modern economists would not agree with this assessment.

Message [275] referenced by [12], [243], and [2013fa:175]. Next Message by Hans is [278].

[363] Skiingforlunch: graded A+ The Immutable Fact. If it is such an obvious unchangeable fact that humans recognize subconsciously or consciously that the value of a commodity is determined by human labor – why hasn’t anything been done to equalize wages to value?

The fact that labor determines value is obvious – it is similar to gravity. Gravity is a law of physics and whether we are consciously aware of this fact we are always subject to gravity. Just as in the marketplace we make the subconscious recognition that we are exchanging our labors for goods. The value of our goods is determined by human labor just as gravity is determined by the mass of an object.

Let’s first look at how the market operates – Marx’s opinion is that commodities have social power as opposed to humans falling in love with the commodities (the market is not determined by human preferences). These social powers are manifested in production (whether it is changing strategy or creating divisions in labor). Producers bring their commodities to the marketplace and barter and exchange goods in a way that equalizes their labors in the abstract. The producer then returns to production and changes their strategies. Their labors are however equated in the marketplace, rather than in production. The surface of their commodity is the social manifestation of the value – rather than the core of the commodity. Producers are interacting indirectly in this way. Going into the market the producer only knows the concrete labor he/she has expended in to his commodity and then he is acting through his commodity at his/her best efforts to equate his labor with another. It is the commodity making the connections in the marketplace and the labors aren’t equating in their usefulness. In this overview it would seem that the producer is able to exchange proportionately to his labor input.

The problem arises because, the worker who has created the value through his expenditure of human muscle, brain, and nerves does not receive his full reward in free markets – why is that?

In capitalist societies, the worker is paid less than his output of value. The capitalists controlling the labor are in a way stealing the worker’s reward for a profit. The capitalists enter production with a strategy from their knowledge of the marketplace and allocate labor accordingly where they believe they can make the best profits. The profit withheld by the capitalist belongs to the workers. Observers and even the people in capitalist society observe

this ongoing stealing from the workers and do nothing. Mainstream economists did not correct this exploitation and push for reform. The capitalists control the ongoing production and divide the labor to maximize their reward – not the workers. “It is an inverse of cause and effect.” Everybody in capitalist society observes this every day and yet nothing has been done to equate labor wages with value.

“We must first understand capitalism in order to overcome it”

Marx is being critical here of classical economists and also of capitalism. In Marx’s socialized economy this unfair practice is controlled and resolved. Workers receive the wage for the labor they have expended and nothing is taken from them.

The producer is trying to avoid failures in the marketplace and by doing this he has worked in the “inverse of cause and effect”

It is in this argument that Marx positions himself for his critique of capitalism and classical economists and builds his support for a socialist society.

Why didn’t classical economists push for political reform to equate labors in the marketplace? The workers’ own actions in “free markets” backlash causing major changes to be made in production ultimately “remote controlling” market exchange values – but the worker does not get to make decisions, the capitalist determines the strategy.

The mainstream has since shifted where the market determinations are equilibriums of preferences and production. This change is away from the Marxian logic that social preferences do not determine market actions in the long run/aggregate. Mainstream economics have changed the “unchangeable fact” that everyone is recognizing in society.

Next Message by Skiingforlunch is [538].

Question 301 *Do you know other examples in Capital where Marx describes a transition from quantity to quality?*

[212] Kendall: It appears that Marx also considered a transition from quantity to quality when he wrote about the Expanded Relative Form of Value. Marx stated previously that it is not the exchange of commodities which regulates the magnitude of their values but the magnitude of the value of commodities which regulates the proportion in which they are exchanged. My interpretation of this is that it is not the amount of a commodity in the transaction that dictates at what proportion it is exchanged, but rather the value of the commodity that dictates the ratio of exchangeability.

Furthermore, the content of quality of value is abstract human labor. The shift from quantity to quality rests in respect to the quality of value dictating exchange ratios. Again, the quality of value is the quality of abstract human labor expended in the production of a commodity. Marx tries to imply that when a firm tries to take advantage of exchange proportions and sustain maximum efficiency they may unintentionally sacrifice quality for quantity. This is a result of impalpable production processes to increase production while decreasing labor or quality of value. Or as the Annotations state, “producers try to escape the quantitative link between labor and value.” The producers are forced to sacrifice quality in the production process with intention to take quantitative advantage.

Hans: In your first paragraph, did you really mean “amount of a commodity in the *transaction*,” or did you mean “amount of a commodity on the market”? If you mean the second, then your interpretation of the Marx quote is correct: Marx means here that exchange proportions are not determined by the relations of demand and supply, but in the long run, both supply and exchange proportions are determined by labor content. It would be a stretch to call the market relations quantitative and the value relations qualitative. Marx would probably use a different pair of concepts: he would say that the market relations are “accidental,” they depend on who decided to produce how much of what, and that the regularity dictated by labor content asserts itself through these “accidental” events—a modern philosopher would call these events “contingent,” and a modern economist would call them “random fluctuations.”

In your second paragraph you are talking about the opposite transition, not from quantity to quality but from quality to quantity. Here you need to be aware that the word “quality” has two meanings. If one says “the quality of a thing” one can mean the properties or characteristics of the thing in general, or one can mean how well this thing is done. Marx uses it in the first meaning, not the second, while you are using it in the second meaning.

The concern that modern technical change leads to shoddy throw-away products comes up often in this class. Marx himself does not say much about this as far as I am aware, but it is certainly something which calls for a Marxist analysis. Marxists would most likely say that this is a sign of overproduction, but I also think it is a substitution of natural resources for labor, due to overemphasis of the market on labor efficiency while the market does not know very well how to economize natural resources.

Next Message by Kendull is [371].

Question 302 is **160** in 1996sp, **173** in 1997sp, **165** in 1997ut, **194** in 2000fa, **205** in 2001fa, **219** in 2002fa, **227** in 2003fa, **257** in 2004fa, **252** in 2005fa, **272** in 2007SP, **277** in 2007fa, **283** in 2008SP, **281** in 2008fa, **323** in 2010fa, and **315** in 2012fa:

Question 302 *Commodity producers do not exchange their products because they consider the labor in these products to be equal and therefore believe the fruits of the labor should be distributed on an equal basis. Marx claims that, on the contrary, the market interactions induce them to unknowingly equalize their labors. Describe the process by which they equalize their labors, and the goals which they pursue in this process.*

[205] Rajon: graded A+ Commodity producers do not exchange their products because they consider the labor in these products to be equal. The producers are in fact trying to find a way to exchange their commodity for another commodity which has required *more* labor to produce. In this way, they seek to maximize their profit and “win” an exchange by exchanging something of less value for something of more value. This is their goal: finding an exchange that is of the most benefit to themselves. However, this very process in effect leads to an equalization of labors.

As it says on page 189 of the Annotations, producers “channel their labors into those branches of production which the market rewards best in relation to their effort”. This means that they seek to perform the least amount of labor for the maximum benefit. Also on the same page of the Annotations, it says that “in every given branch of this division, they systemically explore the range of what can be done differently in order to gain an advantage over those with whom they compete”. This means that they are watching the actions of other commodity producers and always try to find a way to reduce their own labor costs, compared to the labor costs of their rivals.

However, the Annotations also note that there are some unintended consequences that follow from these strategies. The first unintended consequence is that because producers try to calculate the best comparative use of their labor, they actually end up organizing a social division of labor accidentally. This is because each one will individually seek to fill an unmet

need and so everyone finds a different way in which they have an advantage. The second unintended consequence comes from the active pursuit of the best production processes, which leads all producers to end up with very similar labor processes, since everyone learns from each other and has the same goal.

An example of this is out-sourcing. Once one company decides to outsource its labor to another country such as India, where labor costs are much lower, other companies are at an economic disadvantage if they do not follow a similar strategy, so pretty soon almost all companies have out-sourced their labor to developing countries.

In this way, although it is not the goal of the commodity producers, the market interactions resulting from each individual producer's actions eventually equalize their labors as they all self-divide the labor and pursue the same strategies to develop the best production processes. Message [205] referenced by [265], [273], [395], [2012fa:255], [2012fa:278], and [2012fa:611]. Next Message by Rajon is [249].

[241] Blossom: When participants in a commodity-driven market engage in trade, they focus on the quantity of their trade in proportion to what they receive for it. Each party of this commodity trade manipulates the proportion in which they trade in order to attempt to create a gain for themselves.

Participants to trade do not typically consider the labor hours that they put into producing their tradable commodities that they bring to the market because the labor that exists in those commodities is not visible on their surfaces. This labor that is so deeply buried within the nature of the commodity's behavior is not obvious to traders, and the fact that this labor is not obvious leads traders to disregard its effects on trade, and how it is affected by trade. Even though this "congealed abstract labor" is not considered in the activity of trade, it is the action of this trade that ultimately determines the value of this labor, which is equalized with all labors by the trader's consent to receive one good at the expense of parting with another good (trade). Therefore each party, through manipulating trade proportions, feel that they are gaining from this trade activity (because they solely consider the quantity of their trade), but they are receiving benefits equal to what they release, because by trading, they are really saying "your commodity is equal in value to mine", therefore unknowingly they are also saying that "your labor is equal to mine".

Hans: The question asks: how do the commodity producers equalize their labors? This means not just treating their labors equally but actually making their labors to some extent equal to each other. This seems to be your basic misunderstanding, because you say in your first paragraph: "each party of this commodity trade manipulates the proportion in which they trade in order to attempt to create a gain for themselves." This is obviously an activity on the market. I am not sure what you are thinking about, perhaps yelling at the linen weaver as I said jokingly in [265], but it does not really matter, an action which equates labor must take place in production, not in the market.

In your second paragraph you say: "it is the action of trade that ultimately determines the value of this labor." There are two things wrong with this. On the one hand, Marx has not been discussing the value *of* labor, but the value *created by* labor. We will see later in the book that there is a big difference.

But even if we correct this and say "it is the action of trade that ultimately determines the value created by labor," this is still the opposite of what Marx would say. Marx would say that it is the value created by labor in the production process that ultimately determines the proportions at which the commodities are traded on the market.

Message [241] referenced by [273]. Next Message by Blossom is [256].

[273] Hans: From Treating Products as Equal to Making Labors Equal. The background for this question are the Marx quotes in 166:2/o "by equating, in the exchange, the

different products to each other as values, they equate their own different labors as human labor,” and in 167:1/o that “the value character of the products of labor affirms itself only through their play as magnitudes of value,” and the quote from the First edition 46:2/o “in order to relate their products as commodities, men are forced to equate their different labors to abstract human labor.”

I am stressing in the Annotations that “equating labors” is no longer only treating the products of labors as equal on the market, but the equal treatment of the products leads to actual changes in the labor processes themselves which make the labors in some respects more equal to each other than before. In order to make sure that you are not missing this important transition, question 302 asks you to repeat the argument made in the Annotations back to me.

Answer [205] did this just fine, but the author of answer [241] apparently did not read the earlier answer, started fresh with all the wrong assumptions, and therefore set back the discussion. For the exam you should just ignore [241]. Maybe [205] is too long for something to write in the exam, therefore one should try to condense it and leave out anything that is irrelevant, but don’t let yourselves be confused by [241].

Next Message by Hans is [275].

[359] Bloomer: Marx explains that they equalize their labor in two ways:

Individuals have to take into account the market demand and that “integrates labor into social divisions of labor.” People want a the best reward the market can offer.

Individuals look for the best and easiest production process which in turn causes others to learn and work in a similar manner to achieve similar outputs. This is simply just means of competition.

“In order to relate their products as commodities, men are forced to equate their different labors to abstract human labor.” (Hans Ehrbar)

Hans: In class you wrote: “When offering to exchange 20 linen for 1 coat for example, in Marx’s view you have equalized your labor.” Yes, the exchange is testimony that the traders *consider* their labors as equal, despite the inequalities in these labors. But considering the labors as equal leads to them actually having to make their labors equal, through the process which you describe here in your resubmission.

Next Message by Bloomer is [652].

[379] Alex: graded A Producers unknowingly equalize the labors of their commodities. This is caused by the market, as each producer seeks to exchange his commodity for another commodity with more labor embodied in it. The producer adjusts his labor methods so as to produce the same commodity with less labor. As every producer in the market is striving to this same goal, they are all tending towards the lowest common denominator as far as embodied labor goes. This, as a result, leads to more equalized labors throughout the commodity market. The producers observe each other, and when one producer makes a breakthrough, that best practice is eventually going to filter through to the rest of the producers, again, leading to equalized labors.

Next Message by Alex is [399].

[395] CameronCottle: The reasons producers do not exchange products is because they want to maximize profit. They consider the labor to be equal so they want to gain and not lose, which means they want more than the value of their thing. This stops them from

directly interacting in the exchange but when they go to the market they engage in a social setting that causes them to indirectly interact with each other.

They unknowingly equalize their labor because they observe their competition and then act on any activity their competitors use to gain an advantage. Despite not actually directly exchanging their products, their labor is equalized through the market. Once one producer gains an upper hand in the market through an action or an increase in production they all move to do the same action. This; unknowingly, balances or equalizes the labor. All producers naturally desire to minimize the costs of production to maximize profits. In the market the producers watch each other and observe when one is able to do this and then they quickly follow suit. This results in an equalization of the market.

An example of this was given by Rajon [205] with his outsourcing example. This is a perfect example as it is one obvious to us all. Outsourcing is a very common thing in our globalized world and so when one company goes to another country to produce their thing at a lower cost, they maximize profit. Other producers seeing this will quickly follow their lead and send their productions overseas causing the labor to be equalized.

This example demonstrates that the indirect interactions of the producers all are a part of how they equalize their labor. In the market their interactions are what control their choices so indirectly they are interaction even if they choose not to exchange their products.

Next Message by CameronCottle is [503].

[435] OBJ: Commodity producers, according to Marx, unknowingly equalize their labors. “In order to relate their products as commodities, men are forced to equate their different labors to abstract human labor” (Marxian Economics, pg 189) Laborers put extra effort into the production of labor which rewards them best for their effort. In doing so they end up doing what other laborers are doing since laborers will learn from each other. The laborer is trying to achieve a greater use-value from their production, just as another laborer is attempting to do the same thing. The laborer can and often does achieve this goal of obtaining greater use value, but in the long run the laborer will end up equalizing their labors with the labor of others.

Hans: They innovate not for the sake of use-value but for the sake of exchange-value. They try to get more exchange-value per labor input but the end result is that they equalize their labors and they all get the same exchange-value per labor input. Your error of trying to explain everything in terms of use-values is even more apparent in your in-class exam.

Next Message by OBJ is [436].

[442] Kitkat: Marx discusses the example of the linen weaver exchanging 20 lbs linen for 1 coat. Implicit in this exchange is the understanding that the labor represented by the 20 lbs linen is equal to the 1 coat- thereby making the two products exchangeable with one another. This is one of the five observations Marx makes about commodities and leads him to use the commodity as his analytical starting point for Chapter 1.

If the linen weaver could not exchange her linen for 1 coat, she would likely shift her labor to another activity until she could exchange her product of new labor with another product of equal labor. This is because producers want to get the best deal, through exchange, for the labor needed to produce their goods. Producers seek to make the production process as efficient as possible. Producers are trying to produce efficiently and are also observing how other producers are producing so they can keep up with the competition. The process of

shifting one's labor to another activity that yields a more profitable exchange is what ends up equalizing the labor of producers.

Next Message by Kitkat is [\[502\]](#).

[455] Clmrgl: When the producers go to market they all go with the intention to get the most value out of their commodity they have for exchange. In order to get the most value the hope (perhaps unintentionally) is to take advantage of the other producer who is exchanging in the deal. In other words they are trying to get more value out of their own commodities than what is present in the other commodity they are exchanging it for.

Because each producer is going to the market with this same goal in mind the exchange process will eventually be equalized. This can happen through several avenues. For example a producer may learn that there are more efficient means of production or they may find more efficient workers who are able to bring down the labor time. Either one of these will lead to higher production value and being able to compete at a higher level in the market. If a producer wants to be able to compete they will have to switch to the more efficient means. Because the productions means are what generate the socially necessary labor time and this is where the value is determined producers will have to adopt methods similar to each other in order to stay competitive. This will cause an unintentional equalization of labors and of value.

Next Message by Clmrgl is [\[516\]](#).

[463] Gonz: It is true that market interactions induce producers to unknowingly equalize their labors, for their finished product embodies the 'value' of their labors. The producer is a utility maximizer and has two goals: to produce their product, through specialization and the division of labor, for as little as possible; and to exchange their product on the market for the highest price possible, thus maximizing their profits. On the market however, the value of their finished commodity is only worth its exchange-value. Thus, two very distinct products or services may be subliminally equated due to the social phenomenon of the market place where the exchange-value prices separate commodities equal to each other.

Hans: You are describing the market relations which equalize the labors often on terms which the producers do not like. How do the producers react to this? Marx says these reactions have the effect of making the labor processes actually more similar to each other. How?

Next Message by Gonz is [\[526\]](#).

[464] Bu: Many of us today can relate to this question. Every day we make monetary purchases that cause us to analyze whether we are getting the best deal. What we learn in Marx's text is that each producer tries to exchange commodities and get the best value. This means that the producer will make exchanges in hopes of getting something that requires more input of labor-time than his commodity which he is exchanging. The producer will also try and maximize his production process so that he may reduce the amount of labor that goes into production in hopes of further benefiting from exchanges. However, by doing these very things they are creating a cyclical effect in which each producer attempts to do the same and ultimately they will equalize their labors.

Next Message by Bu is [\[505\]](#).

[489] Zvisser: When two items are being exchanged, labor will be equalized because, if person A needed more time to produce one hammer than it took person B to produce 50 nails, then person A would exchange with person B a hammer for person B's produced nails. However if the roles were reversed and person B can produce the 50 nails faster than the one

hammer then person B would see a value for exchanging the nails for person A's hammer. Although person A and person B both realize a benefit from exchanging these two items, eventually through the exchange process labor time will equalize out.

Hans: You are answering question 307, which is different than 301. The social process you describe here would have been a good answer to question 120, instead of your individualistic [488].

Next Message by Zvisser is [583].

[500] Poptarts: Commodity producers equalize their labors unknowingly through the market when these producers become traders/consumers. They of course want a service or product of at least equal value (in their eyes) to that of which they are trading, this equalization takes place because both parties want the "fair" value of their product and in the process of obtaining such, they equalize and end up distributing equally the fruits of their labor.

Hans: Marx says that this equalization takes place in production, not the market.

And your phrase "equal value (in their eyes)" confuses value and use-value.

Next Message by Poptarts is [522].

Question 303 is **150** in 1995WI, **127** in 1995ut, **161** in 1996sp, **163** in 1996ut, **174** in 1997sp, **220** in 2002fa, **228** in 2003fa, **258** in 2004fa, **273** in 2007SP, **278** in 2007fa, **284** in 2008SP, **282** in 2008fa, **317** in 2012fa, and **331** in 2013fa:

Question 303 *Someone says: The law of value cannot hold. We are free people, we do what we want. We are not forced to price our commodities by their labor content. Explain to this person, along the lines of the argument Marx uses here, that this myopic attempt to assert one's freedom leads to unfreedom.*

[214] Badawn: graded A The answer to this question can be given with the old saying, "becoming a slave to the machine." This works because you as an employee for a corporation want to work hard. Get a promotion, fine tune that product to sell it and manufacture it as cheaply as possible. This is one way price of commodities are determined, you may think you can choose to work at a company or choose to work on your own. But whatever you choose you are competing with someone. The work you do is part of a bigger picture. Making and producing things for a profit. This is why the law of value holds.

Next Message by Badawn is [414].

[232] Keffe: What is true Freedom anyway? The concept of setting prices of commodities as matter of free choice does not take into account the consideration that markets are the driving force behind the capitalist exchange value system. If a producer ignores the structure of the market place by arbitrarily setting a price that suits his greed then s/he soon find a surplus of products without any demand. The hypothesis that the freedom of setting prices leads to people being free, in the capitalist system is more of a marketing gimmick to confuse the contributors of the system into believing that we are not interconnected by markets. Ironically it is the interconnectiveness that takes away many of our freedoms by markets influencing our behavior in the development of our commodities. True freedom would be to strip away the chains of utility driven markets and use labor value so that one may toil with the joys of creating their commodities and not worrying if market prices will allow your product to be competitive.

Hans: You think that Marx is developing labor-values as an alternative to utility driven markets. You haven't realized that Marx is trying to explain actually existing capitalism, you think he is proposing a better principle, namely markets based on labor values. As I said in [41], this is such a basic misunderstanding of the assigned

readings that I must put my foot down and give a grade penalty for it. This has come up often enough in the discussion and I also give this warning in the Annotations that you should not have missed it.

Going back to your [112] I realize now that you thought, when Marx says “it is not the exchange of commodities which regulates the magnitude of their values, but rather it is the magnitude of the value of commodities which regulates the proportion in which they are exchanged,” that Marx was comparing the reality of capitalism with his better alternative. This is not the case. Marx was coming to the conclusion that the prices observed in capitalism come from labor values.

First Message by Keffe is [112].

[244] Vegas: Freedom and Unfreedom. The social forces that govern economics cannot be controlled by man just like the laws of nature cannot be controlled by man. Labor content is where commodities derive their value but producers that try and gain an advantage by pricing their commodities differently in the end become a slave to social currents. If the sellers do not anchor themselves in the value created by labor they will be swept away by the social currents which will make them continually change their modes of production and pricing in an attempt to get ahead. By not sticking with the roots of value one becomes a slave to their own never ending quest to dictate value.

Hans: You originally had “if they do not anchor themselves in the *value of labor*”; I corrected this to read: *value created by labor*.

Message [244] referenced by [311]. Next Message by Vegas is [490].

[382] Cheeto: Assuming that I have understood this question correctly, I must further assume that this individual arguing against Marx has also grown up in a capitalist society. Hence, his or her feelings of not being “forced” to work. Quickly, this argument fails. Within a society where private property is used to control labor and the production process, along with prices, which are determined, wrongly, by use-value, one loses their freedom very quickly, unless you’re a owner of the production process. In order to survive, within a society such as this, one must sell his or her labor. However, an individual in this here mentioned society does not even have the freedom to determine how they wish to sell their labor since the means of production are controlled by the property owner, not by the laborer. Thus, neither do they they get to choose how they work in order to survive, they cannot even determine the specifics of their “chosen” path of work once they begin to sell their labor.

Hans: Marx does not say prices *should be* determined by labor, he says that even in our exploitative capitalism prices *are* fundamentally determined by labor. Laborers *create* all the value, but they only *get* a fraction of the value they create.

Next Message by Cheeto is [590].

[397] Danish: graded A Law of value explains that the exchange-values of the commodities are determined by the socially necessary labor time required to produce those commodities. Thus Marx relate the value (price) of a commodity with the amount of labor embodied in the commodity. It is pretty common argument used by the Bourgeoisie class to relate freedom with the market exchange and market determined prices. Market exchange of commodities does not give us freedom, instead it sub-ordinates humans beings to follow the rules of a market exchange. Law of value has to hold in the market exchange, otherwise market system would crash, and thus if we really want a freedom from the dictation of the commodities and the law of value, then we need to get rid of the commodity production, and the market exchange system.

If we start setting our own prices without considering a labor content in an object, then workers are subject to higher exploitation. For example, a worker spends 8 hours a day to

produce a commodity, suppose by law of value, he was paid \$10 an hour, and it took worker 8 hours to produce it, and commodity was sold for \$100 by the capitalist. While all of the sudden if capitalist claims more freedom now, and he can price his commodity whatever he wants, so he price that commodity to be \$50, and he is going to pay \$30 to the worker for the eight hours work. In market system, to stay in business other capitalist would have to sell their commodity for \$50 to stay in business, and if we let these capitalists set the prices they want, we would eventually end up to a point where worker might get 0\$ for his labor. So in a pursuit of a freedom, worker would have to settle for starvation and hunger, and eventually it will lead workers back to slavery mode, where they are going to get only subsistence amount of food from their new masters (capitalists) to keep themselves alive. Thus this so called freedom would lead us to unfreedom.

The law of dialectical materialism also talks about the conversion of quantity in to quality, i.e. if we keep lowering the temperature of the water, and eventually there will be a point where water will freeze in to ice, thus similarly the so called increase in market freedom would eventually lead us to unfreedom. The law of value has to hold in a society to keep the normal functioning of the society, in a market based economy we can not escape the law of value.

Next Message by Danish is [400].

[437] Rajon: graded A In current mainstream economics, we are led to believe that commodity prices are dictated by the laws of supply and demand. This belief holds that prices (and therefore values) of products are determined by outside forces. Marx believes that this idea is mistaken and that value is innate to a commodity. Believing that one can price a commodity “as one pleases” rather than by the labor content that went into producing it is mistaken and leads to unfreedom rather than freedom. Because labor contributes to a commodity’s value, producers are always seeking ways to innovate and reduce labor costs. Others follow suit when they see another producer doing this and so the value of a commodity is indeed determined by labor. Anyone who seeks to “be free” and price their commodity according to something else will either find no one interested in purchasing their commodity (if the price is too high) or they will in effect contribute to the process if they find a way to lower the price (by reducing labor costs). They are part of the system and there is nothing they can do about it.

Because different producers are always competing with each other, there is no way that they can be completely “free” and ignore the larger system.

Next Message by Rajon is [438].

Question 304 is **177** in 1998WI, **196** in 2000fa, **221** in 2002fa, **229** in 2003fa, **259** in 2004fa, **254** in 2005fa, **274** in 2007SP, **279** in 2007fa, **285** in 2008SP, **283** in 2008fa, **297** in 2009fa, **325** in 2010fa, **332** in 2013fa, and **304** in Answer:

Question 304 *Isn't there an inconsistency in Marx's text? At the beginning of paragraph 167:1/o, the fixity of commodity prices is stressed, while towards the end of the same paragraph 167:1/o, Marx emphasizes that they fluctuate continually.*

[218] Marx: graded A+ Contradiction? Let's dig deeper. There is no inconsistency with what Marx is saying in 167:1/o. Whenever we see an inconsistency or contradiction in

Marx's text or life in general, we should learn to take an approach similar to Marx and say "A contradiction? Let's dig a little deeper and see what's going on with this."

Let us start off with the phrase "As soon as these proportions have attained a certain customary fixity". The statement itself infers that the exchange proportions up until this point have not been constant by saying "as soon as these proportions have *attained*". Meaning that they have not always been *at* that fixity. Now that they have achieved this "certain customary fixity", why would we ever assume that this change is going to stop and this fixity is going to be permanent? Just as a river running down a mountain is constantly changing and moving, so are the exchange proportions of iron to gold. And just because that river stops and fixes it's position at a lake for a while, it will certainly continue flowing out the other side in time. Just like the river, those exchange proportions will stop moving momentarily, only to pick up and change again.

Just because producers have somehow controlled nature in the production process, they seem to think that they can control the exchange proportion as well. They forget that socially necessary time controls and regulates the exchange proportion of the products. The statement immediately after says, "they seem to spring from the nature of the products." As soon as this fixity is attained, the products and their social relations almost come to life saying "Yes we are equal for exchange!" However there is no guarantee that, next time these products meet, the exchange proportions will be the same—because the socially average labor for the products may change.

So the exchange proportions are changing due to the socially necessary labor. While currently the amount of socially necessary labor embodied in these products may equate 1 ton of iron to 2 ounces of gold, tomorrow a producer may find a way to mine and extract gold much more efficiently. Thus changing the amount of socially necessary labor required for gold. The ironic and almost humorous part about this is that when a capitalist producer finds a way to mine and extract gold much more efficiently, he is thinking he beat the system and conquered the "law of value". This is not true though. In trying to beat the law of value, the capitalist is enforcing it and proving it. This is because those more efficient mining methods reduce the amount of socially necessary labor and as those methods spread to other producers, the socially average labor time reduces. All of the sudden the social relations between gold and iron are saying that 1 ton of iron is no longer equal to 2 ounces of gold, but is something more along the lines of 1 ton of iron is now equal to 4 ounces of gold.

As the process of finding more efficient production methods is constantly changing, so are the exchange proportions of products.

Hans: Instead of starting out your essay with the assertion that there is no inconsistency, I think you should have said: "even if there is an inconsistency, this does not necessarily disprove Marx's theory. After all, the world is full of contradictions."

Message [218] referenced by [430] and [2013fa:191]. Next Message by Marx is [312].

[407] Syd: According to Marx producers need to know in practice when they are exchanging products, how much of one their products can be traded for other products. This is important to observe according to Marx because the producers need to be aware of the proportions in which their products can be exchanged. The commodity producers must be aware of the quantitative proportions in which their products can be exchanged for. The

producers of the commodities only concern themselves with the quantitative aspect of the question, they seem to forget that value relations are social. The commodity producers only pay attention to the quantity of value and not its quality. The exchange proportions seem to come from the nature of product, and not from the labor process. The producers try to escape quantitative link between labor and value by producing that use-value and employing that production method. The fluctuation of the commodity prices occurs when the producers make qualitative changes in the production process.

Next Message by Syd is [555].

[430] Kiwi: Superficially, it may seem that there is an inconsistency in Marx's text but I think that once we dig deeper, we see that he is not inconsistent. Each commodity has a "fixed" price as they have a common substance, which is labor. Labor, according to Marx (student) in [218] "controls and regulates the exchange proportion of the products." He further argues that due to competition, producers are constantly trying to find a more efficient method of production to keep the prices of the commodities low. Therefore as labor time changes, the exchange proportions between commodities "fluctuate continually." For example, the labor time to make a table is the same as the labor time to make 10 coats, which means a table can be exchanged for 10 coats. However, the tailor may find a more efficient way to produce coats and is able to make 15 coats with the same labor time it takes to make 10 coats. Consequently, the exchange proportion between the table and coat is now different as labor time changes.

Next Message by Kiwi is [497].

[439] TKOberle: There is no inconsistency in Marx's text. He first writes about the fixity of commodities to show that it is the invisible labor that determines the price of the commodity. The price of a commodity may be priced higher at the beginning of it entering the market because it may be the only of its kind, but eventually the price will level out and will equal its value in the invisible labor it entails. The price will have to go down from the market entrance price because there will be other "competitors" which will also produce the same commodity. With the other producers or competitors producing the same product the initial producer will not be able to keep the "high" price for the product. So basically it is the invisible labor that Hans talks about in the annotations that determines the price.

Hans: You must read the question more carefully. There is a difference between "Marx first says that prices are constant and later he says that prices are variable" and "Marx says that first prices are constant and later prices are variable."

Next Message by TKOberle is [444].

[504] Barn: In the short run (SR) some producers of goods will restructure their production lines to grab at what looks like an increase in their returns, trying to gain from producing an object of greater proportionality in exchange at the market. At times they employ technological advances helping them toward production, but every time they do their competitors in the long run (LR) follow through imitating by those that have found a way into profits. In the short run profits have been made only for some who are less flexible in changing production to suffer losses in the long run. In Marx's day as well as today patents have been applied and respected so that some have gathered in a profit. In the short run the market shows a fixity of prices or exchange proportions of commodities but in the long run the market values between commodities can and do fluctuates continually. So, there is no inconsistency in Marx's text of paragraph 167:1/0. The fixity in the first part of the paragraph refers to the

short run (SR) behavior of the market while continually fluctuating (commodity prices or exchange values) refers to the long run (LR) behavior.

Message [504] referenced by [Answer:17] and [552]. Next Message by Barn is [530].

[552] Hans: Fixity and Fluctuations. Here is my best understanding at this point how Marx came to make such apparently inconsistent pronouncements.

The “fixity” Marx refers to at the beginning is established at a time when there is not much technical change. The labor to produce the commodity stays constant for a while, therefore (assuming the labor theory of value is right) the price stays constant too.

The producers see that the price is constant and, most importantly, they associate the price not with their labor time but with the product. Why am I saying this?

If they were to associate the price with their labor time, they would tell themselves: “if I try hard to improve the productivity of my labor, then prices will fall, and in the long run I will not get more money for my commodity than before. Therefore why bother?”

But instead they associate the price with the product. They say: “Aha, each coat can be sold for 1 ounce of gold. If I produce two coats per day instead of one, I will get twice as much gold for it.” Marx says that they are trying to “outwit the law of value,” as quoted in [2008fa:367], or “escape the quantitative link between labor and value,” as described in [1996sp:183.8]. But the producers themselves do not know that they are trying to outwit the law of value. They probably don’t even believe that the law of value is valid. If you are a capitalist, you sleep better at night if you *don’t* believe in the law of value. They just do what seems logical to them: produce more coats in the same time in order to get more money per day. They are not aware that they are trying to instrumentalize social relations for their benefit, which is quite a different thing than instrumentalizing natural forces and resources.

Increasing the output per day is not always possible. Technical change comes in waves. Sometimes technology is in motion, at others it is steady. But when it is possible for them to improve their technology, they will probably do it. This is very much in contrast with the Soviet-Union type socialist economies. There, the managers of the state-owned factories often were aware of possible technical improvements, but they did not implement them because change is always cumbersome. They preferred to spend long weekends in their dachas.

So the difference is not between short run and long run, as Barn says in [504], but between times when technical innovations are possible and other times when technology is constant.

My brief comment in [2000fa:84] may also be useful if you are interested in this question.

Message [552] referenced by [Answer:17]. Next Message by Hans is [553].

[669] Unspoken: I believe not. Prices are placed to higher value to see how the consumers will react. Yes, in cases we stress over how and how much it could be and we try to balance that with the quality. It will always fluctuate because there will always be competition from someone else with the same use-value will go lower to attract the costumers and to have some gain in the value that the labor in. The value will always vary also having the fact of quality, season and need. At the end in a capitalistic nation some revenue is better than none.

Hans: What varies with season and need is not the value of the commodity but its use-value. It is very important that you keep these concepts apart.

Message [669] referenced by [2012fa:1025]. Next Message by Unspoken is [780].

Question 305 is **151** in 1995WI, **128** in 1995ut, **163** in 1996sp, **169** in 1997ut, **223** in 2002fa, **261** in 2004fa, and **276** in 2007SP:

Question 305 *Why can empiricism, the starting with and clinging to empirical facts, only come to conclusions that affirm existing social relations?*

[220] George: graded A Because empiricism can't draw from an empty barrel. Meaning there has to be evidence to conclude something is right or something is wrong. In no way can you conclude something will work or won't work without actually doing it. Just like in any science experiment, when a new practice or social relation is introduced, the scientific method needs to be performed. You may have a hypothesis that a new social relation should work and that is fine, but until you do the experiment or practice what is preached, you will not be able to come up with an educated conclusion of its success.

Hans: I agree with some of the things you say, even if I come to opposite conclusions than you in other respects. I agree that for scientific progress, as well as for progress in social relations, practice is necessary. Looking alone is not enough. That is why scientists make experiments, they ask *practical* questions of nature. And if you only *look* at your social relations, of course you think there is no alternative. You have to *create* those alternatives.

Next Message by George is [388].

[239] Lukas: Empiricism and social relations. In response to this question, I found helpful insight from some of the past responses. In Tyler's [2007SP:248] response, he accurately (according to Hans) uses the example of Hurricane Katrina and its effects on the city of New Orleans. Engineers and city planners were relying on the empirical evidence that the levees would be sufficient for future hurricanes, since they had withstood the previous encounters from Mother Nature. This led to deadly consequences as we all know. In the terms of social relations, I think that Pele [2007SP:455] made a very good point by saying "The 'facts' established are developed by the hegemony, thus any data it finds will only support itself." The ruling class has the ability to influence what data is available for the majority to form their social relations. Pele also points out that the empirical evidence comes from social relationships that already exist, so naturally the data is going to confirm those relationships exist.

In our current society, we are living in the effects of a sort of "bigger is better" mentality. We often are pressured to submit ourselves to unconscious consumption. We are led to believe that the "facts" say this is a good thing. We go out and consume, which contributes to the GDP, which leads to higher national income leading to more profits and more production. This has been reinforced to "us" for many years as being a good thing. The empirical evidence, that we are allowed to see, shows us that this current production process leads to employment, technological improvements and, in general, a better quality of life for us all. So we continue on with the process, most of the time blindly, and enjoy the fruits of our labor and spending. We have a radio that transmits a voice to us from distant locations. Then we have television that transmits voice and picture to us, again from distant locations. Then we have computers that transmit voice and picture from distant locations as well as let us interact face to face through web cams, and provide us access to countless amounts of information. This "evidence" seems to mean that our system is working because our

gadgets and standard of living are continually “improving”, so we feel no need to change our social relations. The process continues until some individual steps in and points out the exploitations of child workers or the impact of our cars on the environment.

When I was fourteen, I saw a video about how hot dogs are produced. Up to that point, I had enjoyed eating hot dogs. “My 43rd hot dog tasted good, so my 44th will as well”. After watching the video, however, I did not have the same relationship that I once had. In fact, I didn’t eat another hot dog for years. I may have experienced an entirely different reality if I had seen the video before I had taken the first bite, but since I hadn’t, I anticipated that I would always enjoy eating them. I think this is the problem with using empirical reasoning. Until we are starting from a different starting point, using the same data will always show us the same relationships.

Next Message by Lukas is [\[282\]](#).

Question 306 is [179](#) in 1998WI, [198](#) in 2000fa, [209](#) in 2001fa, [224](#) in 2002fa, [232](#) in 2003fa, [262](#) in 2004fa, [257](#) in 2005fa, [277](#) in 2007SP, [282](#) in 2007fa, [285](#) in 2008fa, [299](#) in 2009fa, [327](#) in 2010fa, and [334](#) in 2013fa:

Question 306 *Where else should one start science if not with data? How did Marx himself come to his findings?*

[201] Foruvak: If one isn’t going to start science with data one should start science with the questions that they wanted answered. This is actually a crucial initial step in the scientific method. There are, quite possibly, already going to be people who have had similar questions that have done research. It is ok for this to happen because those who follow can still add more to, or find a tangent along a similar train of thought. There will inevitably be additional questions that have not yet been answered because science is always changing. Marx explores capitalism with questions that he wants answered based on previous conclusions. He has his own set of questions that he has come up with on his own and even has questions that have come up based on previous conclusions. Because science is always changing Marx also researched possibilities that had not even occurred yet. Marx’s questions were posed in an attempt to further explore what had come before and to either support or refute what was already known.

Message [\[201\]](#) referenced by [\[2013fa:197\]](#). Next Message by Foruvak is [\[284\]](#).

[235] TKOberle: One should start science with not just facts but with the questions one has to find or explain. This is how Marx was about the idea of Capitalism in how he wouldn’t just look at the conclusions and findings of people before him. Marx would study and find how those people came to the conclusions and the process they took. Marx would also study and research a lot of people left unanswered. Marx had a lot of scientists that did a lot of preliminary studies and work for him. He would study the process and questions they would leave unanswered. He has left a way of thinking and questions for others to explore.

Next Message by TKOberle is [\[294\]](#).

Question 308 is [168](#) in 1996ut, [181](#) in 1998WI, [200](#) in 2000fa, [211](#) in 2001fa, [226](#) in 2002fa, [234](#) in 2003fa, [264](#) in 2004fa, [279](#) in 2007SP, [284](#) in 2007fa, [322](#) in 2012fa, and [336](#) in 2013fa:

Question 308 *In 169:1, Marx calls the superficial understanding of the agents in capitalist society, their forms of thought, “socially accepted” or, in a more literal translation, “socially valid” and “objective.” Shouldn’t he have called them “false” instead of “valid” and “subjective” instead of “objective”?*

[236] Msj: Superficial understanding...“socially accepted”. Marx was correct to assert that the superficial understanding of capitalist forms is socially valid and objective, as opposed to false and subjective. It is key to recognize that Marx prefaces this clause with social. Whether correct or not, the bourgeois economic system is so prevalent that it does shape the surface economy. It is impossible for Marx to ignore that bourgeois economics does create thought patterns and molds societal structures that would prop up a very limited view of the economic system. Within this societal context then, this superficial understanding is both valid and objective.

Hans: Bourgeois economics can only play such a powerful role because the capitalist relations themselves look different than what they are. Bourgeois economics formalizes the false appearances which the capitalist system projects about itself on the surface.

Message [236] referenced by [2012fa:314]. Next Message by Msj is [451].

[453] Maniac: I stand by my answer on the exam, here I will still give a complete answer that will hopefully clarify my original answer. We could have called them false rather than valid and subjective rather than objective. Here however as noted by Hans in the Annotations the bourgeois economics here sticks to the surface of the economy. Marx does not continue to go further into the economy because the bourgeois economics does not look past the surface here. While I believe had he taken a deeper look into the economy then Marx would have said “false” and “subjective” however here in the sense that Marx is looking at how the bourgeois economics looks at the surface so he allows this to not go deeper but sit on the surface therefore he is correct as quoted from *Capital*.

Hans: Here is the relevant passage from your in-class answer: “The superficial statement though not correct or objective is simply superficial. In many parts of the economy as we learn we accept false principles to help further understanding. That is what I believe Marx does here. He allows us, the reader, to believe what is not true so that later we can better and more fully understand.

Next Message by Maniac is [456].

Question 309 is **157** in 1995WI, **134** in 1995ut, **167** in 1996sp, **227** in 2002fa, **235** in 2003fa, **260** in 2005fa, **280** in 2007SP, **285** in 2007fa, **290** in 2008SP, **302** in 2009fa, and **330** in 2010fa:

Question 309 *Why does Marx call Ricardo’s exchange between primitive fisherman and primitive hunter a “Robinson Crusoe story”?*

[231] BrotherThelonious: The hunter and fisherman. Robinson Crusoe, though alone on an island (at least, alone before finding and manipulating Friday), never lost his economic mind. Ever the “good Englishman,” as Marx puts it, he took careful account of his supplies, his goals and the time, and material and labor input spent in reaching his goals in order to survive. In doing so, Crusoe assigned labor-values to what he produced and thus could determine how to expend his energies to best serve himself. Though he was only one man, this designation of labor-values allowed him to determine the expense of producing certain goods versus other goods. Though exchange-values are typically a social function, Crusoe

managed to implement exchange-values in his solitary world so as to assure himself the highest value of his labor and material inputs.

Perhaps by utilizing exchange-values in a non-social setting, Crusoe managed to simplify the complex social mechanism of exchange into its simplest form. This simple form is what is presented by Ricardo. The primitive fisherman and hunter each produce a commodity whose exchange-value is simply equal to the labour-time spent producing it. This, like Crusoe and his ledger, is simply valuing the commodity in terms of labour-time and thus stripping the commodities of any other social values and fetishes. Surely in a modern society, the meat of a bison, for instance, is more socially valuable than that of a trout; the quantity alone gives it a quantifiable advantage in use-value. However, with Ricardo's primitive carnivores, should the hunter be particularly lucky one day, finding and slaying his prey in no time, that particular exchange could take place, since labour-time is the only determinant of exchange-value.

Hans: Interesting and well formulated, but you didn't get Marx's main point. Look at [237] or my [2003fa:183] for what you missed.

Next Message by BrotherThelonious is [425].

[237] Slamo: "Ricardo's primitive fisherman and primitive hunter are from the outset owners of commodities who exchange their fish and game in proportion to the labour-time which is materialised in these exchange-values."

Marx compares Ricardo's idea to Robinson Crusoe because Ricardo believes that every man that works for a something to exchange is on his own private economic island in life. He believes that every man compares his time of labor and what he receives from that labor with others around him. The man then decides if it is worth it for him to trade what he has gained for something else that someone else has, or in other words he wants the greatest value back.

Marx sees these men as primitive and that they do not own what they fish or hunt. These men believe that society as a whole owns everything and they are just working to provide for themselves and whatever they can trade that seems worth it to them.

Hans: I changed the first word in your third paragraph from "Ricardo" to "Marx." I'm not sure if you meant to write "Marx;" but you should have written "Marx."

Message [237] referenced by [231]. Next Message by Slamo is [297].

Question 310 is **135** in 1995ut, **228** in 2002fa, **236** in 2003fa, **281** in 2007SP, and **291** in 2008SP:

Question 310 *Which "social" forms do the three determinations of value take in Robinson's one-man-society described in 169:2/o?*

[200] Veb: Crusoe's Auto-Social Relations. The three determinations of value do not take "social" forms in the Crusoe story. Marx has been relating how the fetish-like character of the commodity means that the commodity takes on the social relations that were originally created in the production process. In order to take social value forms the commodities Crusoe creates would need a socially oriented production process, which they lack in this example. In the archives, Fenix [2007SP:303] points out that there may exist a social relationship between Crusoe in the present and Crusoe in the past, as present Crusoe is producing things for future Crusoe. However, the social relations the commodities appropriate

are located in the production process, and not between producers (Crusoe present) and consumers (Crusoe future). Although there is another point to consider: by writing and reading information in his logbook, Crusoe is interacting with himself as a producer, and so the relation could be considered social. Although, because the interaction is not simultaneous, but follows a linear timeline, it may not be considered social. I would assume it would depend on an individual's idea of social interaction, but it is an interesting question of distinction.

Although they are not strictly social, below are the forms the three determinations take in the Crusoe story.

The first determination of value, its quality or substance, takes the form of abstract human labor. This does not change from the commodity-form society, because, as Marx says, though he is performing useful labors of various kinds (although this is debatable since really most of the tools he has with him on the island he did not make) he knows they are only different modes of human labor. As is determined in the capitalist society, many different types of labors (such as weaving and tailoring) are abstracted or reduced down to abstract human labor, or the expenditure of labor-time.

The second determination of value, its quantity or the magnitude of value, takes the form of labor-time. Crusoe is the only producer, and so must make decisions on how to allocate his time. Since the second form is also defined as "the social significance of labor time" (Hans, 197), it is again debatable whether any content comes from Crusoe's world. But I can try to explain it in this manner: Crusoe makes decisions about labor-time based off of what is necessary for his subsistence. If his interaction with himself is considered social, then his labor-time is also significant in the social sense.

The third determination of value, its form, takes the form of the relations between Crusoe and himself, through the logbook. Since the form of value is "the existence of interactions between the producers through which their labors are integrated into the social labor process" (Hans, 197), the only interaction between producers is the one between Crusoe and himself. This definition gives more force to the argument that this interaction through the logbook could be considered social because it says "through which their labors are integrated into the social labor process," and Crusoe is using the interaction to alter his production processes. Again, whether one considers this truly social is, I think, up to the individual.

Hans: The main subject of social sciences is not social interactions but social relations, which are usually enforced and reproduced by social interactions, but they may also be enforced and reproduced in other ways (by indoctrination, by withholding information, etc). The collection of fares on Trax is enforced by information signs and spoken announcements and only occasional interactions with the police. Social interactions do not have to be synchronic; there are also one-sided interactions between long-dead people and people living today.

Next Message by Veb is [307].

Question 318 is **164** in 1995WI, **141** in 1995ut, **174** in 1996sp, **183** in 1997WI, **182** in 1997ut, **235** in 2002fa, **244** in 2003fa, **274** in 2004fa, **269** in 2005fa, **289** in 2007SP, **299** in 2008SP, **297** in 2008fa, **311** in 2009fa, **339** in 2010fa, **332** in 2012fa, and **346** in 2013fa:

Question 318 *In what ways can Christianity and the commodity relation be considered similar?*

[202] Danish: graded A Christianity and Commodities. Christianity and the commodity relations in a capitalist mode of production have very peculiar and similar attributes. Both of them dominate in our contemporary society because they represent and defend the interests of the ruling elites (men and capitalists) of our society. So in Christianity “God” is a judge (parameter) of a person’s activities, good and wrong doings, and a person has to develop him/herself into a mirror of a god. And in commodity relations in capitalist mode of production, the amount of profit the commodity produces determines the value of a commodity, so a commodity has to develop itself in the context of profit it is going to generate, so profit act as a “God” in commodity relations, as Jesus in Christianity. The ideas of Christianity and the commodity relations are based on very surface based analysis, and Marx has pointed out a connection between these two on concrete material realities of the historical development of mankind. I would argue that every religion has almost similar attributes as Christianity, when it comes to the philosophy of life and nature, but as question specifically talks about Christianity, so I would first start in the paradigm of Christianity.

The bottom line of Christianity is the salvation of mankind, it asks its followers to purify themselves from all the sins, and devote their lives in a certain (Christian) manner which it claims to be the only right way of living. First of all what Christianity claims to be “sin” is very relative and peculiar to the time in which Christianity has evolved, “the Ten Commandments”, for example is a classical example of it. It reveals the narrow and limited framework of Christianity, and it is not consistent with the laws of evolution. Human needs and attributes tend to change over the time with the changing “means of production”, thus anything which might be very moral or good for an individual from medieval ages would not necessarily make sense or be beneficial or moral in our contemporary epoch. Thus the whole argument of Christianity of being pure and good is based on the those peculiar conditions in which it has evolved, and it undermines and ignores all the social and human evolution that has occurred over the years. Similarly in a capitalist mode of production, the commodities have to refine themselves, and they have to obtain special attributes which can fulfill the tastes and preferences of its consumers. This kind of thinking tries to undermine and neglect the relations of production between the workers and the capitalists, and it ignores those social conditions which allow that commodity to be produced. Instead all it cares about is the profit appropriated from the market exchange of that commodity, and how to maximize that rate of profit by making that commodity more appealing to its consumers.

Again as Christianity ignores the laws of nature by claiming some fantasy stories about the creation of universe and life, similarly commodity relations in capitalism ignore the social laws (theory of labor value etc) which are determining the value and the attributes of the commodity. Marx picked up on Christianity because it was the dominant religion in Western Europe during his time, and even today, but his example of Christianity would fit on almost every religion. I was born in a Muslim family, so I have personally experienced same attributes in Islam when it comes to irrationality, hallucinations and putrefied purity as they are in Christianity. We all know about the insights of creationism in Bible, Koran etc, but I would like to illustrate the surface based and gender based analysis of religion by using one example from Islam (Koran). Koran talks about the heaven and the eternal life, as being a purified muslim in this temporarily life, God will reward you with seventy female virgins in heaven. This might be very attractive incentive to some putrefied and

pervert male, but being a female this doesn't seem appealing, instead it portrays female as just a commodity to satisfy the sexual needs of male. So in this regard Islam itself is commodifying females and treating them like a commodity, and it is only arguing from the perspective of men (patriarchy) and ignoring the women of the society. Similarly in capitalism, the relations of commodity are only concerned about the profits which can be obtained from that commodity by lowering the cost of labor (lower wages etc), which is very attractive for the capitalist class, but from the stand view of the worker, this is not attractive at all. So capitalist commodity relations only try to explain from the standpoint of capitalists and ignore the role and well being of the working class.

Hans: Capitalism does not *ignore* the theory of labor value but it uses the social law that prices are determined by labor values *against the worker*. How it can do this will be explained in chapter Six.

Despite your example of the seven virgins, the Christian religions (including the LDS religion) have no reason to look down on other religions. There is a lot of wisdom and sophistication in other religions, especially Buddhism but also Muslim religion, which Christianity is lacking.

Marx himself is making the comparison between commodity relations and Christianity without even speaking of profits! He makes a similar argument than yours, but on a much more abstract level. I tried to make his argument a little more concrete in [2005fa:476]. Once people realized what Marx was saying, this generated a lively discussion in the free discussion part of that class.

Message [202] referenced by [2012fa:292]. Next Message by Danish is [348].

[431] Jaime: Christianity and the commodity are comparable in the way that they each have an enormous influence in society. In a social aspect God is the one thing that is all powerful (for followers of Christianity). It is because of God that one chooses how to live their life. From a market perspective it is the commodity that holds this power. It is because of the commodity that people are able to live the life styles they do. It is also possible that people fill a void in their life with either God or the collection of commodities. This makes Christianity and the commodity similar since they both have the power to bring people fulfillment.

Hans: Nice theory but this is not what Marx said about it.

Message [431] referenced by [572]. Next Message by Jaime is [432].

[572] Freshprince: Like a commodity, the church intends to be spread throughout all. The church needs to be proactive and to appeal to people in order to grow. That is the goal of almost all religious dominations, is to spread the word throughout the world. This value that the church strives to offer is seen on the outside as very attractive in a spiritual way and of course very beautiful. In the middle/dark ages in Europe, the one main objective of men was to achieve salvation in the next life. They would strive to follow Christ's teachings and be very "Christ like" and follow the scripture, much like economists would follow the footsteps of those before them in stabilizing the economy and finding new ways to help it grow. This can be similar to Christianity in that people strive to become more oriented with Christ, the commodities being the foundation of the state of the Economy. Humans tend to believe what they are told, and thus it is only natural for people to bind together in something good like Christianity. A commodity attraction can bring similar results as someone makes this their way of providing for their family. Religion is designed to make people happy and feel comforted, much like the commodity can create peace and harmony for the consumer.

Hans: I already said in my remarks to [431] that I want to hear what Marx said about this. He comments about religion in the section about the fetish-like character of the commodity. This early in the book he is not yet talking about capital accumulation, he is only talking about commodities. His comparison was also specifically aimed at Christianity, while what you are saying here applies to most religions.

Next Message by Freshprince is [587].

Question 323 is **187** in 1997WI, **239** in 2002fa, **302** in 2008fa, **316** in 2009fa, and **338** in 2012fa:

Question 323 *Marx writes that “classical political economy nowhere makes the explicit and consciously clear distinction between the labor represented in the value of a product and the same labor manifest in its use-value.” If it is the same labor, how can one distinguish it?*

[216] Alex: graded A– Marx writes that classical political economy does not explicitly distinguish between the representation of labor in the value of a product and in the use-value of a product. However, he then proceeds to say that they do in fact make this distinction, just implicitly instead of explicitly, and possibly without realizing it.

Marx says they do this in their writings by sometimes referring to labor in the quantitative respect, and other times in the qualitative respect. Because the value and use-value of a commodity can be different, the labor can be distinguished, or classified, differently. The labor required to mine a diamond can be given a high value, because the finished product itself has an extremely high value. However, the same finished product, the diamond, has a very low use-value, so in those terms, the value of the labor is much less. In regards to value, the labor would be thought of quantitatively, and in terms of use-value, the labor would be thought of qualitatively.

Message [216] referenced by [224], [267], and [2012fa:287]. Next Message by Alex is [379].

[224] Reagan: The Grand Distinction. In further developing the fetish-like character of the commodity in chapter 1, Marx writes also of his observation that classical political economists have failed to make the distinction between the labor represented in the value of a product, and the same labor manifest in its use-value. By doing so, in a very basic sense, they have absurdly excluded an analysis of what defines value in regards to the role of working individuals. Which raises the question...if it is the same labor, how can one distinguish the difference between representation and manifestation, as defined by value?

While “Alex” is correct in noting in [216] that Marx does indeed determine that classical economists do make this distinction (simply doing so implicitly rather than explicitly), he fails to fully develop Marx’s views on this subject. Essentially, Marx observed that the classicals tend to define labor in both a quantitative, and occasionally qualitative, sense. He perceived that said economists are quick to identify the value of a final product, but without giving much credence to the value that can be derived from its use. By doing so, the labor required to develop this product can easily be minimized due to such a short-sighted perspective. Ultimately, Marx states the conclusion as thus: while classical economist do consider final market value closely, they only absent-mindedly reference the entirety of the production process, and resulting use-value.

Message [224] referenced by [267]. Next Message by Reagan is [271].

[246] Malibu: There is a difference in the labor that produces a commodity and the value (and use-value) of that commodity. Productive labor only produces a use-value in that commodity. However, once the commodity is produced the labor value is gone. You can argue that the same labor produces two different types of value then. Hans states in his notes to [2008fa:369] “classical economists only pursuing the magnitude of value means that they

are only interested in explaining the quantitative exchange relations, forgetting to ask what the equalization of the commodities on the market does for the quality of value-determining labor". Classic economists unknowingly treat a quantitative and qualitative aspect as one form of human labor.

Message [246] referenced by [267]. Next Message by Malibu is [296].

[250] Clavis: Marx's Piano Lessons Expose him as a Fetishist. Marx says that in world of goods, as soon as products have been made, fetishism will be attached to products. This phenomenon is caused by special social characteristics of labor. And Marx explains about 'value' and 'use-value'.

All of his notions and explanations are based on his own explanation which is 'every labors and value can be exchanged each other'. For example, labors of engineer and labors of cleaner can be compared in hours of labor (of course, after calculating the difficulty of labor). And he also put the notion which is 'labor' is merely changing of 'resource' from natural state. In this basement, he critiques fetishism and explains how to calculate the value of products.

However, in his way, we cannot explain the value of 'mental' labor, like economics research or even science research. First of all, it doesn't change the natural state of anything (resource) to useful. It can be used for other labor, like science can be used for engineering. But science can't have its own value in Marx's notion, and it could be merely waste of time (in this case, we also can ask 'is everything is material?').

If everything can be compared, we also can compare the value of Marx's explanation and Classical explanation in hours of labor.

Marx pointed out 'fetishism', but nowadays we all know 'use-value' is not the only concern when people buy the products. Nowadays, people are focused on brand, favorite design and cultural elements. People buy Nike even if its use-value is almost the same as Chinese non-brand-marked sneakers. Even Marx himself, he spent his money for piano lesson of their children, and he didn't have any money for his house and food. This is also fetishism.

Message [250] referenced by [267]. Next Message by Clavis is [386].

[261] Syd: Marx writes that "classical political economy nowhere makes the explicit and consciously clear distinction between the labor represented in the value of a product and the same labor manifested in its use-value." Although the classical economists do not make a clear and explicit distinction between the two with full awareness. Because classical economists study the economy, they make the distinction between the labor values implicitly and with out knowing they are doing it. The classical economists make this simple distinction by the way they treat labor. Marx says the classical economists sometimes treat labor from its quantitative aspect, and at other times qualitatively. One can distinguish between the two forms of labor by making the distinction between observing labor from its quantitative and qualitative aspects. The quantitative difference between different kinds of labor apprehends their qualitative unity.

Hans: What do you mean by your last sentence "The quantitative difference between different kinds of labor apprehends their qualitative unity"? Can you reformulate it in such a way that your 10-year-old could understand?

Message [261] referenced by [267]. Next Message by Syd is [324].

[267] Hans: Separating the Siamese Twins. I said it in [2009fa:376] but here is an attempt to say it again in different words. In capitalism, the same labor process has two effects, it not only produces the use-value of the product but also the value of the product. One process which has two different effects can be compared to Siamese twins, and Marx asks us to separate these twins in our minds. He wants us to think of the labor process as two processes going on concurrently, one producing the use-value, and the other producing the value. One is concrete useful labor, that what we usually think of when we think of a labor process. But each labor process, besides producing a product, also has a backdoor effect: it makes the laborer tired, and every laborer can only do so much work before they have to rest and eat and sleep etc. Marx says, every labor process is the “expenditure of human labor-power.” And in a commodity-producing society this backdoor effect is the aspect which creates the value of the product. A big difference between concrete labor and abstract labor is that concrete labors are qualitatively different from each other, while all abstract labor is the same (i.e., the same human being can perform many different concrete labors).

This is all that was asked in this question, but Alex [216] tried to make sense of Marx’s text coming right after the question, and Reagan [224] tried to correct Alex. Neither got it right and I think I owe you the right answer. Therefore read on :)

This double character of labor is so important for an understanding of the capitalist economy that those who try to explain the economy without explicitly separating the labor process into these two aspects as Marx urges everyone to do, make this separation anyway so-to-say despite themselves. How do they do this? Marx writes: “they treat labor sometimes from its quantitative aspect, and at other times qualitatively.” You may wonder, what is wrong with that, how is this an implicit separation of the labor process into two different processes?

Marx’s answer: you cannot compare apples and oranges, you can only compare apples with apples and oranges with oranges. But the classical economists did something which seems like comparing apples with oranges when they quantitatively compared *qualitatively different* labor processes. Marx says that they were not really comparing qualitatively different labor processes, but they were tacitly, without being aware of it, reducing the qualitatively different labor processes to the expenditure of human labor-power in order to compare them. I.e., when they compared what may seem like apples and oranges, this was proof that somewhere in their brains, without writing it down, they did distinguish between concrete labor and abstract labor.

Malibu [246] says: “Once the commodity is produced the labor value is gone.” The value is *not* gone, but the human labor-power whose expenditure created this value is “gone” in the sense that it does not leave a mark on the product. Only the concrete labor leaves a mark on the product, the worker’s sweat doesn’t.

Malibu also says: “you can argue that the same labor produces two different types of value.” He does not realize that this exactly the wrong image. If it has two effects Marx wants you to think of it as two processes, not one.

For the purpose of the exam you can safely ignore [250]. Clavis is turning over every rock in his attempt to find things which are wrong with Marx. If you feel like Clavis, I recommend

that you hang a big poster over your desk which says “Marx was Wrong!” Hopefully this gives you enough peace of mind that you can sit down with the book and read what this wrong XxxxxxYyyyyy actually had do say.

Syd [261] possibly means the right thing, if he does this would make him the only one. But I cannot be entirely sure because he uses the word “apprehend” in a way I don’t understand. The concepts are difficult enough already; why make it worse by using such high-brow language?

Message [267] referenced by [2012fa:287]. Next Message by Hans is [270].

[374] Jami: This has been a hard concept for me to wrap my head around, since my experience has only been with classical economics. Marxian economics looks at this in a completely different way. Yes, the labor process represented to create products A and B are the same, but Marx is distinguishing between abstract labor and concrete labor. The abstract labor is responsible for the value of the product. The concrete labor is responsible for the use-value of the product. These two labors are also measured differently. Abstract labor is only measured in one way: time. Concrete labor is a lot more subjective and can be measured several ways, depending on what the labor is. For example, a baker could measure his labor in the form of total sales, taste test reviews, etc.

Hans: Excellent and concise summary!

Next Message by Jami is [375].

[465] CRC: In his critique of classical political economy, Marx refers to the manner in which the labor represented in the value of a product and the same labor manifest in its use-value are left systematically undistinguished. At times referring to the quantitative aspects of labor and at others the qualitative aspects of labor, classical political economists not only fail to distinguish between the dual nature of the labor mixed into the commodity, but fail to recognize that focusing on the quantitative aspects of labor presupposes the fact that labor must then be qualitatively equal, and thus reduced to abstract human labor. Marx, however, makes the argument that the labor represented in the “value” of a product and the labor manifest in its use-value are indeed the same labor, simply that this labor possesses a sort of duality of natures. Examined from one perspective, it is useful labor which lends itself towards the use-value of the specific commodity at hand, while from another perspective, the commodity is a product of invested abstract human labor which defines a commodity’s “value”, and its ability to be exchanged on the market. Thus is the distinction Marx makes between the labor represented in the value of a product and the same labor manifest in its use-value.

Next Message by CRC is [468].

[545] Roman: Labor represented in the value of a commodity represents the expenditure of human power while producing the commodity. Labor represented in and manifesting itself in the use value is the concrete labor that generates the use value of a final product is distinctly different.

Hans: You originally had written “abstract labor that generates the use value of a final product.” In Marx’s terminology, the abstract labor is the same as expenditure of human labor-power. Concrete labor is what creates the product. This mis-formulation depressed your grade.

I also change “manifesting the use-value” into “manifesting itself in the use-value.”

You also had written “exertion of human labor-power.” Your in-class answer had “exertion of human energy” which I prefer because it tells the same story in different words. I changed it into the more neutral expression “expenditure” so that the reader does not get the impression it is the disutility of labor.

Next Message by Roman is [790].

Question 326 is **242** in 2002fa, **251** in 2003fa, **282** in 2004fa, **276** in 2005fa, **296** in 2007SP, **301** in 2007fa, **319** in 2009fa, **347** in 2010fa, **341** in 2012fa, and **355** in 2013fa:

Question 326 *What is Marx’s difference between bourgeois economists and vulgar economists*

[211] Kiwi: Bourgeois economists are those that sincerely attempt to understand the “relations of production”. They think, they ask questions and come up with theories in order to explain and answer their questions. Vulgar economists are not real economists. They are unimaginative and according to Hans in [2003fa:207], “they make the economy ‘shallow’.” They do not try to understand or ask why things are they way they are, they do not dig deep to find an answer and so they find superficial ways of explaining the economy.

Next Message by Kiwi is [266].

[234] Barn: Bourgeois economists since W. Petty studied the real inner structures of bourgeois production. They were probably more formally educational disciples of a higher degree than the vulgar economist generally, of a nature who were involved with not only the maintenance of, but also the forming of political policies which drove the production of commodities. It is assumed (from Marx’s writing) that they were grounded in higher pursuits than the vulgar economists. Marx refers to “classical political economy” as the bourgeois economists concerned with the “bourgeois relations of production.” Vulgar economists (post-Richardian) concentrated upon the surface traits of the economy and overlooked the inner structure. They struggled awkwardly within a system seen by the bourgeois economist but not seeing these inner structures, they only “ceaselessly ruminated on the materials long since provided by scientific political economy.” They found plausible answers to the bourgeois for their daily bread, merely reassuring the bourgeois agents of production.

Next Message by Barn is [487].

[245] Freshprince: Marx believed strongly that bourgeois economists were in fact scientists with expert knowledge and the desire to explore and learn of capitalism. A quote from Marx in Annotations, p. 214 in the second edition of Kapital, “all the economists who, since the time of W. Petty, have investigated the real inner structures of bourgeois relations of production.” He often referred to bourgeois economists as “classical” economists, and indeed acknowledged them as scientists with logical ideas and thoughts. Marx didn’t always fully agree with their views of economics, but he learned much from their theories and gave praise to them often. Marx would follow some of the same difficult measures of scientific theory as bourgeois economists, but often times would have a different conclusion. Vulgar economists believed the ideas of bourgeois economists, and took pride in preaching those concepts and ideas to others. Marx believed that vulgar economists would take complex theories and simplify them down to an easier to understand form of thought, believing they were unoriginal and lacked creativity.

Next Message by Freshprince is [299].

Question 328 is **254** in 2003fa, **285** in 2004fa, **279** in 2005fa, **299** in 2007SP, **321** in 2009fa, **349** in 2010fa, **357** in 2013fa, and **299** in Answer:

Question 328 *How does Marx know what commodities would say if they could speak?*

[198] Bu: Marx doesn't know exactly what commodities would say if they could speak, but rather he is interpreting what could be said based on his theories. Marx has said throughout this entire chapter that the value of a commodity can only be quantified by the amount of labor that was put into it. When he refers to the commodities as saying, "our use-value may interest humans, but it does not belong to us as objects" as found in 176:3/o, he is referring to the fact that a human will place or decide the use-value according to what he/she believes it to be worth. This is different from value where a commodity can more easily measure its value by simply analyzing the time of production.

Message [198] referenced by [228] and [248]. Next Message by Bu is [424].

[228] Maniac: If only Commodities could talk. As Hans does, I also think that the paragraph is taken from while it is true it is also a comical remark. Not only is it comical that commodities would talk, but also in my mind if commodities could talk and barter their own use value then economists would be obsolete. All joking aside however I believe that the talking commodities in this case are spot on. Marx here speaks of both value and use value. The first is intrinsic to the object it is wrapped up in it, therefore the value does belong to the commodity. The use value however is something that we as humans put into and take from the commodity. When the commodity has been used it may have a lesser use value for that comes and goes and depends on the person, but the intrinsic value that is the commodity's own is still intact and is left to be exchanged for another commodity. In other words the use-value is between man and commodity but value is not, the value of commodities is between one commodity and another which the man does not use but with which he attempts to trade for another commodity's use value.

Hans: Your first sentence is malformed/incomplete.

Economists do not "barter use-values." For this you have to study marketing.

You should have quoted Bu [198] because your main ideas clearly come from Bu.

Next Message by Maniac is [429].

[248] Hans: Are the Commodities Spouting Nonsense or Do they See Things Correctly? Marx is making a big joke here; not only with his imagery of speaking commodities, but especially with the hilarious *nonsense* they would be spouting. I thought I had laid out the answer clearly in [2007SP:271] and earlier in [2005fa:523]. But Bu [198] brings two interesting arguments why the commodities are not spouting nonsense after all. Oops, let's look at the matter more closely.

Marx brings a Shakespeare quote to underline that the commodities are spouting nonsense. Let's start with it. Dogberry says (and here I am not using Shakespeare's original formulation but am retranslating Marx's German translation of Shakespeare into English):

To be a good-looking man is the gift of *circumstances* but reading and writing comes *from nature*.

I think Marx and Shakespeare mean here that the ability to read or write does *not* come from nature. It is simply not true that some people are born with this ability and others are not. By contrast, whether you are good-looking is not a gift of circumstances or, as

Shakespeare's original version says, a gift of fortune. Whether you are good-looking or not does come from nature in this view.

A similar inversion can be found in the speech of the commodities. The commodities say:

our use-value may interest humans, but it does not belong to us as objects.
What does belong to us *as objects*, however, is our value.

Clearly, Marx thinks this is nonsense. Value is a social relation, it does not come from objects but from people. On the other hand, use-value comes from the natural properties of things. So the commodities should have said that their *use-values* belong to them as things, and their *values* are placed on them by humans. But they say exactly the opposite.

The commodities disagree. They think Marx is slandering them. They have hired an attorney, named Bu, to defend what they are saying. Bu says (and here I am paraphrasing [198] to fit it into this story and to make my point):

The commodities are correct in saying that the use-value comes from humans because a human will place or decide the use-value according to what he/she needs.

The commodities are correct in saying that value belongs to them as objects because value comes from the labor inside the commodities.

Judge and jury are impressed and since England has strict libel laws, Marx is ordered to pay damages to the commodities. (I am making all this up, of course, but England does have strict libel laws.)

Word gets around that Bu is a good attorney, therefore Dogberry hires Bu to defend him as well. Here is what Bu says to defend Dogberry:

Dogberry is correct in saying that to be a good-looking man is the gift of *circumstances*, because *beauty is in the eye of the beholder*, i.e., it depends on the tastes of the onlooker whether someone is considered good-looking or not.

Dogberry is correct in saying that reading and writing comes *from nature* because you must naturally be endowed with intelligence in order to be able to read or write.

Marx appeals the judgment against himself with the argument that Bu committed two *category mistakes*:

Regarding use-value, Bu confuses an immanent property of a thing with the relations through which this property is expressed. An immanent property of a thing does not become relative just because it *expresses itself* in relations with other things.

Regarding value, Bu confuses a thing with the necessary conditions of existence for the thing. Even if a bubbling stream has everything to offer which trouts need, this does not mean that trouts are actually living in this stream. Even if every product is made by labor, this does not mean that society places a value on these products based on their labor content.

The same criticisms can be made about the things Bu said to defend Dogberry. You are the judges. You decide whether Marx wins his appeal or not.

Next Message by Hans is [\[255\]](#).

[341] Gv: Marx arrives at this conclusion of what commodities would say if they could speak via an in-depth analysis. The argument begins simply with a commodity—because of its importance in capital systems—but then focuses on the value that is derived from the commodity: value (exchange-value) and use-value. Further, Marx explains how commodities exhibit qualities that are immanent to the commodity—which for brevity he resolves as being manifest because of the abstract congealed labor that is within the commodities. Hence he writes that if commodities would divulge their secret, it would be that use-value comes from human ability to use, whereas value belongs to them. About commodities, Marx writes, “Reichtum ‘(Gebrauchswert)’ ist ein Attribut des Menschen, Wert ein Attribut der Waren. Ein Mensch oder ein Gemeinwesen ist reich”. The problem is that this understanding is backwards. Commodities have use-values, since it is *this* that makes them useful to humans, whereas they do not have inherent exchange-values since this is an attribute derived entirely from the realm of human intervention than from the inanimate realm of the commodity itself: a commodity will just sit there until it is traded by human intervention.

Next Message by Gv is [\[539\]](#).

[445] Ginny: 176:3/o Marx states that if commodities could speak they would say this: our use-value may interest humans, but it does not belong to us as objects. What does belong to us as objects however is our value. Our own interactions as commodities objects prove it. We relate to each other only as exchange value.

For Marx to know what commodities would say he observes how commodities interact with each other. He comes to the conclusion that the relations between commodities are governed by the value inside the commodities. Commodities would claim that their relations are entirely abstract from their use-values. Use-values are what make humans want them; their value is created by human labor.

In [\[2007SP:271\]](#) Hans explains thoroughly as to how Marx would know what commodities would say if they could speak. Hans names three steps in which Marx can determine what commodities would say if they could speak. 1) Marx concludes, based on how commodities interact with each other, that the value inside the commodities determines their relationships. 2) This interaction eludes objects, and 3) the commodities become confused and “misled by the fetish-like character of social relations in a commodity society.” The commodities are confused in their thinking that their use-value does not belong to them because their physical properties (which are their use values) are what makes us humans want them. Their value is created by humans through labor, not based on commodities’ relationships with each other.

Next Message by Ginny is [\[534\]](#).

[460] Tvan: Marx knows what a commodity would say if it could speak because of the theories that he has proposed about the commodity, which has to do with how the commodity has use-value which is the material carrier of the exchange-value and how it has a value that is independent of the two previous values. Though Marx states that the commodity would say “our use-values may interest humans, but it does not belong to us as object. What does belong to us as objects, however is our value. Our own interactions as commodity objects prove it. We relate to each other only as exchange value.” Marx thinks that the use-values may be wealth only in relation to humans, but use-value comes from the natural properties of things, so the use-values do belong to the commodity. The value in contrast does not come from the thing but from humans.

Hans: You correctly say that value is independent of use-value. But value and exchange-value are not independent of each other.

Next Message by Tvan is [\[527\]](#).

[477] SSroy: Marx would know what commodities would say if they could speak with the assumption that they would take on the same characteristics that humans have in regards to commodity fetishism. A common approach to describing commodities in terms of value is to assume that there is an inherent exchange-value present in each individual commodity that nature has provided. This is contrary to the notion that use-value is present in a commodity and only when humans interact with that commodity does it take on an element of wealth. The exchange value of a commodity is simply the social relation between another commodity. The talking commodities reflect what many economists say about the nature of commodities, only with inanimate objects speaking, it puts this notion in an absurd light.

Hans: Marx does not *assume* that they have their own brand of fetishism. He looks how they interact and asks: “If they were conscious beings, what kind of thinking would lead them to interact this way.” It is a result that the kind of thinking undergirding their interactions is fetishistic thinking which sees the world upside-down.

Next Message by SSroy is [\[598\]](#).

[511] Oscar: In the text, Marx gives emotions and desires to inanimate objects. He calls tables “rude” and “determined” and explains how these commodities “act” to the full extent of their purposes. Now, we know that tables and typewriters do not speak or act for themselves, they are objects, not cartoon-y things that can think or feel. In some areas of the text these supernatural powers (commodities thinking and speaking) are a light-hearted way to illustrate Marx’s sometimes complicated philosophy. Marx puts words into the proverbial mouths of coats and grandfather clocks to show how those commodities behave. In his writings, Marx attributes very specific characteristics to commodities, his “speaking for them” is his way of explaining how their production and exchange works in the market. He gives commodities “voices” so their interaction with human wants and needs, even with human absolutes, is easier to explain. Like question 178, it is a highly stylized situation, a simpler rendering of a very complicated theory using illustrative elements—here, talking commodities—to help us understand.

Hans: Nice prose, but you are answering a different question than asked. The answer to this question here is in [\[2007SP:271\]](#).

Next Message by Oscar is [\[818\]](#).

Question 329 is **191** in 1997WI, **245** in 2002fa, **280** in 2005fa, **308** in 2008fa, **350** in 2010fa, **344** in 2012fa, and **358** in 2013fa:

Question 329 *How is it a manifestation of fetishism to call people “rich” or “poor,” and to call things “expensive” or “inexpensive”?*

[283] Eric: As Marx has described, fetishism happens when someone is obsessive or fascinated about something and it keeps them from seeing the whole truth. When someone calls someone else “rich” it is because they are fascinated about their possession of exchange values (diamonds, pearls, etc.) which in their eyes, they see that person as “rich”. And the same concepts go to things being called “expensive” or “inexpensive”. When a diamond is called “expensive”, someone is seeing it as an object with a high exchange value; and not the actual use-value of the object.

Hans: Since this question was not answered during the regular homework periods this Semester, it will not be on the exam. Your submission is therefore not part of the exam preparations and cannot get credit or extra credit. The grade is only for your information and will not count for your GPA.

Your answer is also wrong, for the right answer look at my [2008fa:440]. Your ideas about fetishism have nothing to do with Marx. Marx never said that “fetishism happens when someone is obsessive or fascinated about something.”

Question 333 is **172** in 1995WI, **149** in 1995ut, **194** in 1997WI, **201** in 1997sp, **193** in 1997ut, **202** in 1998WI, **312** in 2008fa, **326** in 2009fa, and **354** in 2010fa:

Question 333 *Why a separate chapter about the exchange process? Has the exchange not already been discussed in chapter One?*

[377] KKondo: In chapter one Marx focuses entirely on Commodities and its ways, however he does point out that value comes from labor and not from exchange or use values. The first chapter was an eye opening to what Marx most values on capitalism, which is commodity and its value relations. Chapter two is a path opened by chapter one to get more depth to the social relations created by commodities. The social relations that are embedded into the commodities have a “will” in which individuals’ activities act upon and are explained in this chapter. The reason why this is a separate chapter is to emphasize the importance that individuals have in the exchange process, in which Marx will interpret dilemmas that commodities owners have in the process of exchanging it.

Hans: Marx does not start with the commodity because this is what he most values in capitalism. There is a long discussion about the choice of the starting point in the Annotations and in the study questions.

And he does not write chapter Two “to emphasize the importance that individuals have in the exchange process.” In capitalism, individuals can get their needs met only if they do what the commodities want them to do. Marx would not think this is a sign of the importance of the individuals.

Next Message by KKondo is [472].

Question 337 is **173** in 1995WI, **150** in 1995ut, **183** in 1996sp, **196** in 1997WI, **203** in 1997sp, **295** in 2004fa, **318** in 2008SP, **316** in 2008fa, **358** in 2010fa, and **352** in 2012fa:

Question 337 *Explain in your own words Marx’s phrase that the commodity owners’ will “resides” in the objects which are his property.*

Is this a good thing or not? Where does it have its limits in our society? Are there things for which it is desirable that people’s wills reside in them?

[390] Clavis: “People can do what they want but cannot want what they want”. Therefore, they are driven by will. Schopenhauer used universal will which can cover all animate and

inanimate objects. Marx used Shopenhauer's notion that inanimate objects have a will. He especially focused on a particular inanimate object, that is commodities. Even if there is will, it is not almighty. The will of the owners (of the commodities) will be transferred to commodity itself, and the commodity owner will become slave. There is also good to reside will to commodities because the owner can receive the necessary care, attention and non-waste of resource.

Hans: I would say the transfer of wills goes in the opposite direction; the will of the commodity becomes the will of its owner.

Next Message by Clavis is [536].

Question 340 is **152** in 1995ut, **198** in 1997WI, **205** in 1997sp, and **197** in 1997ut:

Question 340 Give examples of this "split will."

[284] Foruvak: Forced Exchanges. In the notes on page 215 it is stated that "Although both parties freely agree to the exchange, the parties do not share a common goal. In certain acts of exchange, these goals diverge so much that the transaction is best considered an act of coercion, but it is accompanied by a ritual which makes it look like a voluntary act." To preface this quote we are talking about how private property becomes the means to access others' property.

I think back to elementary school at lunch time. Trading items of food was something that happened every day. To an outside observer the "ritual" of trading food would seem like a voluntary act; a yogurt for a slice of banana bread? Deal! But to those parties involved it was every bit as much a display of social status as it was a voluntary trade. Many times I observed a more popular kid get an item of worth (in the eyes of other kids) for little or nothing, simply because the other party was coerced into making the trade. The less popular kid made a trade because he subordinated his will to the framework of social status at school. The wills of the parties are split (just as Hans discusses). The popular kid really wanted the food item but didn't want to give up much for it—becoming "an absolute despot," while the other party "turns into a piece of dust," hoping to find favor in the graces of his despotic peer. Just like Hans says, "This is a pervasive contradiction for everyone living in a capitalist society."

A capitalist society looks so much at the ritual and says, "Sure, both parties agreed and got what they wanted." But completely ignores a common goal for good and for growth. Just like CameronCottle said "People are irrational and selfish." There is no real growth in the coercion and therefore there is a need for societal change. If a society changes it will be seen in Elementary school lunchrooms.

Hans: As far as I can tell, the quote you attribute to CameronCottle is not a literal quote. He said in [253]: "The problem is that society is not rational, people are naturally selfish." Please be more conscientious with quoting others.

Next Message by Foruvak is [365].

Question 347 is **226** in 2000fa, **239** in 2001fa, **340** in 2009fa, and **368** in 2010fa:

Question 347 Are commodities selfish?

[330] Marx: graded A The Story of Table the Commodity. Imagine a commodity named "Table". From the moment Table was produced Table sprung to life. Out of Table's

“wooden brain [came] grotesque ideas, far spleenier than if [he] suddenly were to begin dancing.” (163:3/o) Table begins to relate with every commodity around him, making these connections (social relations) almost instantly. Table looks at the chair next to him, instantly comparing his value to the chair’s value. Table does this with every commodity he sees, comparing and looking to exchange at any moment. The capitalist then takes table to the market to exchange him for another use value. Table is then surrounded by commodities. “A born cynic, [he] is always ready to exchange not soul, but body, with each and every other commodity, even one that is more repulsive than Maritornes herself.” (179:1) Table knows his value though, he remembers every moment and every bit of congealed abstract labor that was put into him. All Table can think about when he sees all these other commodities is that he “needs [and wants] this contact with others in order to get the social stamp of approval for [the] labor” and value within him. (Hans [2009fa:866])

Nowhere in this story is the character “Table” selfish. Commodities are not selfish. Hans says in [2009fa:854], that “rude” or “bigoted” is a better way to describe what a commodity is. I would even add the word “insistent”. In the story, “Table” knows his value, it is intrinsic within him. He just wants everyone to know and see what his true value is. Hans draws the best analogy in [2001fa:162] when he compares the commodity to a nun. The nun is completely and constantly focused on the afterlife, but this isn’t selfish. We all want to be accepted for our full worth in this life, and to end up realizing our full worth. This does not mean that we are selfish.

Message [330] referenced by [399]. Next Message by Marx is [603].

[399] Alex: graded A– Selfish Commodities. Yes, commodities can be viewed as selfish. The commodity is solely interested in realizing its value. It has no concern for the producer and the producer’s desire to acquire a necessary use-value when exchanging his commodity. As noted in the Annotations, Marx treats the commodity and the producer as two separate agents, because their goals can be so different, and even opposing. Marx allows that commodities have a will of their own, and they only desire to exchange with other commodities with equal values. Marx says commodities are “born levellers and cynics” and reduce every other commodity to their bare essentials—their value. The commodity will exchange itself with literally any other commodity, no matter the use-value or appearance, so long as the value is there.

Hans: This is very good, but you should aim for perfection. Three points:

You had originally written “bare surface” and I corrected it to say “bare essentials.” Commodities do exactly *not* care about each other’s surface appearances—and in their mind the use-value of another commodity is just this, an inessential surface attribute.

I cannot accept the Marx quote “born levellers and cynics” as proof of anything without you explaining what you think Marx meant with this.

You are coming to a different conclusion than [330], but [330] was certainly well reasoned. You should explain where your argument differs from the argument in that earlier answer.

Next Message by Alex is [417].

[406] TKOberle: I would say that commodities are not selfish. Marx says that, “commodities cannot acquire value at the expense of other commodities”. After reading Marx’s writing and thoughts it seems as though the commodities only want to be recognized for the value they immanently hold. It seems that the only selfish possibilities are in the person that sells or exchanges the commodity. The producer of the commodity might want to maximize

the value to increase the profits they might obtain. In my understandings of the question and information that I researched, the main focus of a commodity is to be true to its own value.

Message [406] referenced by [420]. Next Message by TKOberle is [439].

[420] Hans: Please read Marx, not the secondary literature. If you write in your answer “Marx says xxx” then the reader thinks you have read “xxx” or something very similar somewhere in Marx’s writings. If this is not the case, then you have created disinformation; you have made it more difficult than otherwise for others in class to figure out what Marx actually said and meant.

Example: In [406] one can read: “Marx says that, ‘commodities cannot acquire value at the expense of other commodities’. After reading Marx’s writing and thoughts . . .” Although the writer is emphasizing that he is reading Marx, I am pretty sure Marx never said something like this. I myself said it in [2009fa:854], and I warned the reader that this was my own spin on Marx and not Marx himself.

From [143]: “According to Marx the mysteriousness of a commodity comes from its properties that are capable of satisfying human wants and are products of human labor” No, no, no. The commodity’s “properties that are capable of satisfying human wants” are the use-value, and Marx clearly says that the use-value is *not* mysterious.

[122] starts with: “Marx says that a commodity is mysterious since it appears to have certain magical powers.” Can the author please find the precise quote for me on which you base this assertion? My reading of Marx is that the commodity *appears* simple, and a *closer investigation* is necessary to show that it is mysterious.

Look at [171] and read my comments there. Wikipedia is not a reliable substitute for reading Marx. It is good for chemistry etc., but about contested items like Marx it sometimes says blatantly wrong things.

If you are trying to impress me about how much Marx you are reading, the effect is probably the opposite of what you intend. And as a side effect you are making it much harder for the other readers of this mailing list, who cannot so easily distinguish between real Marx and made-up Marx, to learn from reading the discussion.

From [260]: “Marx says the use value of the commodity manifests itself in the commodity being exchangeable with other commodities.” This misattribution is apparently a honest misunderstanding. Marx says all this about the *value* of the commodity, but he has a firewall in his thinking between value and use-value, they are in Marx’s mind completely different things.

From [286]: Exchange-value is, as Marx says, the “phenomenal form” of the commodity. Instead of “commodity” it should be “value.” I assume this is just a typo. Commodities are already concrete, they don’t need a “phenomenal form.” On the contrary, besides their bodily form (which could be called “phenomenal form”), which shows that they are use-values, they need another form which shows that they are values.

From [383]: “ ‘Society had to agree to accept a certain commodity as General equivalent’ (Marx).” This sentence was given in quotes, without attribution, in [2008SP:898]. It is most likely from the 2008SP version of the Annotations.

In [398], many things which I wrote in the Annotations in my attempts to clarify Marx, are attributed to Marx himself. Such errors are so common that I usually no longer comment on them, but this is also potentially confusing because I may be wrong.

Marx was a conscientious writer. Please be a conscientious reader too.

Next Message by Hans is [486].

Question 349 is **176** in 1995WI, **154** in 1995ut, **187** in 1996sp, **189** in 1996ut, **200** in 1997WI, **207** in 1997sp, **199** in 1997ut, **208** in 1998WI, **228** in 2000fa, **241** in 2001fa, **273** in 2003fa, **330** in 2008SP, **328** in 2008fa, **342** in 2009fa, and **365** in 2012fa:

Question 349 *In chapter Two, Marx depicts commodities as conscious beings which are eager to be exchanged, but do not care about the use-value of the commodity they are exchanged for. Why are commodities, which are inanimate things, depicted here as beings with their own will which comes into conflict with the will of their owners, and why do they not care about the use-value of the other commodity?*

[394] Gonz: Commodities ready for exchange represent a finished product and the producer knows its use-value which embodied the labor process involved in its production. That value then becomes hindsight as it enters the market for trade. Thus, it may appear that the commodity understands its value and does not care about the other commodity with which it is traded. The producer of the commodity wants to accomplish two things: use the exchange process to acquire his needs or wants, and to use the commodity's use-value to maximize his exchange. However, the use-value does not determine the exchange-value of the commodity as we have previously learned. For example, if water is in limitation in the desert, it becomes a very desired commodity and its exchange-value can be measured accordingly. However, if someone was to dig a well where water then became abundant, its exchange-value would then be less, but that would not change the use-value of water.

Hans: You are not making Marx's distinction between value and use-value.

Next Message by Gonz is [462].

350 is **350** in 2005fa, **350** in 2007SP, **935** in 2008SP, **935** in 2008fa, **935** in 2009fa, **935** in 2010fa, **350** in 2012fa, and **350** in 2013fa:

350 *Marx and the Environment*

[30] Marx: Our standard of living. Hans' concluding remarks about fossil fuels triggered some thoughts in my head tonight and I thought they would be a good starting point to get some free discussion going.

Hans made a comment about how some people believe that the boom in technology is in large part due to the energy found in fossil fuels. So the question in my mind is, if the world could have somehow obtained and sustained an idealistic Marxist society back at about the same time capitalism took off, would we be anywhere near the level of technology that we currently are? And also would our standard of living be what it is today? We definitely have a lot of junk that may be considered frivolous and quite arguably might not raise our standard of living at all, but things such as air conditioning, indoor plumbing, refrigerators, etc. go hand in hand with the technological increase, and I feel these things raise the standard of living without question.

I personally feel that we wouldn't be anywhere near where we are today with technology and our standard of living if we had been under a Marxist system. But that brings up another question. Have we sacrificed true joy and happiness in order to have this increased standard of living?

Any thoughts?

Message [30] referenced by [34], [37], and [197]. Next Message by Marx is [39].

[34] Kendull: Standard of living in a Marxist Society. While philosophical, this is an interesting question to consider. I disagree with pseudo-name "Marx" [30] in that if a Marxist society would have been obtained before a capitalist society we would be far from our current state of technology and standard of living. Marxist doctrine doesn't argue against technology, only that as technology in the production sector improves, existing forms of social organization become inefficient and therefore stifle further progress in technology and production. This inefficiency would manifest itself as a proletarian revolution because Marxism argues that capitalism oppresses the proletariat, the majority of the population that produces goods and services.

A socialist economy would not base production on the accumulation of capital, but rather would base production and economic activity on the purpose of satisfying societal needs. I feel that in an ideal Marxist society fossil fuels would have still been discovered and utilized but use, production, and cost of energy would be determined by societal needs, not wants, and prices would be determined by human labor put into energy production. Although I cannot say with certainty, this could mean that energy prices would be lower, the wealth more distributed (rather than in the hands of energy industry elites), and less energy consumed for frivolous reasons or even replaced by green energy.

Hans: One of the mistakes made in the Soviet Union-type socialist societies was that basic necessities such as bread were very cheap, with subsidized prices. This led to waste, with people buying bread to feed to their pigs, etc. A better strategy for preventing hunger would have been to price food according to its actual labor content, but make sure that everybody's income would be high enough that they could afford food.

Another big mistake was that the Soviet Union supplied the COMECON countries with extremely cheap oil and coal. This led to very wasteful and polluting production methods. Silesia, the coal mining areas of Poland, were environmental disaster areas. No, cheap energy is not the way to go, energy was already too cheap in the Capitalist world, and in order to be able to compete with Capitalist consumerism they tried to make their own energy even cheaper. Wrong strategy.

One thing which they did right, as far as I am concerned, is that they greatly limited the production of cars. People could afford cars and wanted cars, but there were long waiting lists and people had to wait for years until their turn came up. Cars are environmentally destructive and they also make cities uninhabitable. These countries usually had excellent and cheap mass transportation systems.

Next Message by Kendull is [85].

[37] Danish: What is idealistic about not having exploitation? First of all, I would disagree with the notion of saying "idealistic Marxist society" as said by pseudo name Marx in [30]. Marxism aspires for classless society on concrete scientific basis, it's not a utopian concept, as the bourgeois media and academics usually try to portray it as. Anthropological studies have revealed the fact that the primitive human societies were egalitarian societies for a long time, thus it is not idealistic or un-natural to have a classless society. Marxian economics precisely talks about the process of production, in a communist society according to Karl Marx, there will be no exploitation because the surplus produced by the workers will

be directly appropriated by them. I don't find anything idealistic or un-natural in this kind of production system.

Secondly in a marxist society (communist mode of production) there will be more advanced technology as compared to capitalist society, because in capitalism everything has been produced for the purpose of making profit, thus any social and environmental benefits that come with technology are very much secondary in capitalism. While in a planned socialist economy, the purpose of production is to fulfill the needs of the mankind rather than fill up the wallets of the Bourgeois class. I would use an example from our contemporary world, the NASA is a public funded organization, whose aim is not to generate profit but instead innovate in the field of technology, thus the results produced by NASA can't be matched by any privately funded organization. NASA although exist in a capitalist society, but it operates on the principles of a socialist economy, where state (collectively appropriately surplus) funds the program. USSR started a space race, before USSR all the capitalist economies were only interested in consumer products, it was the USSR with its planned economy produced marvelous results in the space technology. Thus I would rather say that in a planned socialist economy we would develop better and more environmental friendly technology because we human beings are going to decide what is good for us, rather than a market.

Message [37] referenced by [39]. Next Message by Danish is [56].

[39] Marx: Clarification. I first want to thank Danish for the second part of his/her response [37]. The precise reason I was asking the question is to get a legitimate response like that. I wanted to know what types of arguments were out there. However I do feel it necessary to clear up the first part of Danish's response. I was in no way stating that an idealistic Marxist society would be unnatural, nor was that the topic of my question in any way. The definition of ideal is perfect, not unnatural. Now that we have the definition correct, what was meant by "idealistic Marxist society" was the perfect Marxist society. Or in other words, the Marxist society exactly as Marx would have envisioned it.

Next Message by Marx is [127].

[46] Jaime: Free Discussion. I wanted to comment on an environmental issue for my first "free discussion" post. With the increasing concern regarding our world's environmental condition I think it is important to take into consideration the economic impact. There are several options under this topic, but I want to focus on environmental regulation. This option uses a cost-benefit analysis, which I think is easy for all of us to relate to. Basically this would monitor pollution outputs for all firms and impose a fine, in the form of a tax, when the pollution levels rise above the set level. The problem economists have found with this is the cost of regulation. Some firms are able to cut pollutants at very little expense, while others can only reduce pollutants at high, sometimes detrimental, costs to their firm. While the importance of the overall good for our environment is important, to what extent would firms be expected to comply with these set regulations? Personally I feel it is necessary for long term growth for all firms to completely comply with any set pollution regulations regardless of costs. It is too costly to avoid the problem any longer.

Message [46] referenced by [48], [50], and [55]. Next Message by Jaime is [47].

[48] Bloomer: I completely agree with [46] Jaime about the pollution regulations. With these set pollution regulations I believe that will be enough for companies to make a market

that encourages Green investments. This completely complements Hans' [43] and Veb's [44] conclusions. These "green" alternatives effect production and the value of resources because environmental degradation would no longer be an aspect in cost whether it's due to scarcity or cost to meet regulations. We need to make these regulations to encourage firms to no longer avoid cost but think in terms of productivity.

Next Message by Bloomer is [49].

[50] Hans: The surprise ending in Jamie's essay. Jaime wrote in [46]: "With the increasing concern regarding our world's environmental condition I think it is important to take into consideration the economic impact ..." and then she announced she wanted to focus on the costs of regulation. Her conclusion was that "it is necessary for long term growth" to do what?

Reading this far I fully expected her to end her little essay with a proposal like "it is necessary to make sure that environmental regulations are cost effective and do not slow down growth so that we have the resources to master the challenges ahead." Why did I think that? Three points:

(1) Jamie did not say: "with the accelerating and for many centuries irreversible deterioration of our planet's environmental condition" but she said "with the increasing *concern* about the environmental conditions." She left it undecided whether this concern was justified. I expected her to say that we should not let the environmental alarmists talk us into doing something bad for the economy.

(2) Jamie mentioned the cost of regulation without comparing it with the cost of doing nothing. Somewhere in her essay is also the line "while the importance of the overall good for our environment is important." If someone says this they usually come up with something else which is even more important than the environment.

(3) Jamie wanted to maintain growth—while many "climate hawks" like I think that our economy must stop growing because it is already too big for the finite planet on which we are living.

I am happy to say that my prediction of the ending of Jamie's essay was mistaken. Jamies wants "all firms to completely comply with any set pollution regulations regardless of costs." I fully agree with this, and I also think that the regulations must be strengthened.

Message [50] referenced by [55]. Next Message by Hans is [78].

[52] Gv: Recent downturns in economic standing affecting not only the U.S., but global markets as well seem to have brought economics to the forefront of our attention and concern. This is readily reflected in the topics covered by the popular media. Recently, I perused a title of an article that claimed that Apple, Inc had more cash listed in its balance sheet than did the United States of America. Apart from the evident significance of this article, a point that is not so conspicuous is the growth that certain companies have achieved. Examining this from the Marxian perspective of capitalist accumulation interfused with environmental economics raises interesting questions. Interpreting Marx, Hans writes, "Since every accumulation already accomplished furthers new accumulation, accumulation not only increases the overall amount of wealth functioning as capital but also leads to bigger firms in this process". *Ceteris paribus* (i.e. without accounting for market forces, etc) and from

a Marxian perspective, Apple was able to accomplish enormous growth in part because of the initial success (i.e. accumulation of capital) it achieved marketing personal computers in the 70's and 80's. However, this is tangential to the point I wish to discuss, which is how these gigantic firms use factors of production. In his treatise, I believe Marx would focus on labor and how laborers would become subservient to production. Hans writes, "Marx shows that capital also subordinates the reproduction of the working class to its needs". In much the same manner in which Marx views the labor force, environmental economics focuses on how the environment or nature is used by firms as a factor of production. Hans writes, "Capital comes to control the supply of the exploitable material on which its accumulation depends". Again, based on Marxian interpretation both laborers and natural resources are then 'exploited' by firms if these factors are dependent for the firms accumulation of capital, and also these firms have the tendency to increase exponentially. This potential for exponential growth raises question to firms' consumption of factors of production – can a firm gain such growth that it starts consuming all natural resources?

Nevertheless, very little in the real world has clean correlations. The social aspect of economics brings into the field a human factor—and, humans are hardly ever one-dimensional. Because of this human factor, I think firms (at least some of them, and only to a certain extent) also tend to regulate their usage of natural resources based on the paradigm of the value of nature they embrace. If the value of nature is tied to exchange-value, then the tendency would be to see the consumption of nature in the terms of prices or cost-benefits (profits/costs). Whereas, if nature is deemed to have implicit value, then the value can be said to derive from psychic benefits, or inherent existence. Whatever paradigm companies take, I think this helps to regulate consumption somewhat. However, in business the adage 'cash is king' is as certain as taxes and death. This will probably result in companies consuming natural resources based on an exchange-value paradigm. And, if the industrial revolution reflects our human tendency, it seems firms will have a tendency to take from nature more than they give back – if anything at all. Like some other commentators of this class, I also feel that economic pressures must be established to safeguard the environment. Adding cost (in the form of fines, regulations, etc.) would serve to deter firms from egregious exploitation—especially if they are motivated by an exchange-value view of natural resources. However, based on a social world theory, I also feel that people need to become more educated and social policies need to be established that also move to safeguard the environment.

Next Message by Gv is [53].

[55] Rob: In response to the third point in [50] Hans's post: "our economy must stop growing because it is already too big for the finite planet on which we are living," I would comment that economic development must continue due to the amount of inequality around the world. Particularly when most of the development has come at the expense of those less-developed countries. Economic development can continue in ways that are in balance with our resources and minimize negative impacts. Thoughtful regulation as Jaime [46] pointed out can help achieve this balance.

Hans's point is nevertheless valid, this is a finite planet with finite resources. Beyond just resources, life on this planet has a finite lifespan as well. To think that global mass-extinction events can't or won't happen is foolish, just look at the geological record.

Hans's argument becomes a great springboard to call out that developed nations must shoulder the burden of space exploration beyond low-earth orbit and establish permanent presences off this planet. This expansion has to be for the benefit of the entire world, not just a few chosen countries. This allows for continued economic development across a wide-array of new and existing industries and verticals.

This new "off-world" development must be done in a responsible manner that is in harmony with available resources. We have already created a legacy of mismanagement on this planet. The ability to explore and colonize other worlds outside our own does not give us a right to repeat the same mistakes we've made on this planet

Message [55] referenced by [68]. Next Message by Rob is [73].

[68] CameronCottle: Economic Disparity. Expanding on what Rob spoke about in [55] I might have a bit different view than those here even though I do agree that something needs to be done about the disparity in economic growth in the world. I think the most pressing matter at this moment is not space exploration or expanding further and just leaving Earth to die. Though I don't doubt that there is a possibility for other bodies in space to support life, there is no telling how long or how much it would cost for us to find one capable of supporting humanity. By that time we could have possibly already used all the finite resources of our currently functioning planet, leaving it a desolate piece of rock devoid of all life.

To this I believe that we should spend more on developing and preserving the one functioning planet we do have and though I hate to say it; spend little to none on finding others. I would love in my lifetime to see that we find another planet with life on it but that is a goal that can only be achieved once we have some kind of stability on our own planet.

The key to achieving this stability is to achieve stability economically and environmentally. We will have to learn to strike a very delicate balance with economic development and environmental destruction and recreation to where as a whole we are still growing but not at the expense of our planet's health. Regulation is a great idea but like probation and laws against poaching, it is not going to stop the problem. The best way to curb an issue and to not stop growth is to make it economically and monetary beneficial to do so.

Humanity will not change if it is not beneficial for them to do so or only if they have gotten to the point of where the cost of revolting is very little compared to the possible benefits. So though we do have finite resources and Earth has finite capabilities as far as supporting life, we can extend these and there are almost infinite resources that we can use to extend our lives and the lives of all life on earth.

Encouraging the development of wind and solar technologies would be a huge step to achieving such a balance with growth and environmental loss. This is not something that would cost as much as finding other planets and it would immediately cut large amounts of pollution without limiting growth and quite possibly encouraging growth.

Tax benefits and other monetary benefits encouraging the development of cleaner energy technology I think should be the main focus as we go forward. The burning of fossil fuels and the use of nuclear technology has proven to have obvious devastating consequences both economically and environmentally, so a move away from those is most important and

we have the ability to do so. We just need to encourage the move and this can be done to also discourage economic disparity by placing large solar and wind power plants in nations along the equator; which is the poorest area of the world. Unlike with factories, this will provide jobs without destroying the environment.

Since the environment will no longer be destroyed by factories that pour massive amounts of pollutants into the air and into the water, it will allow the people in those areas to become healthier as well as gain more wealth, lowering the economic disparity in the world.

This is only one solution and there are many other issues that have to be resolved in the world but I do not believe space travel should be our priority when we have so many issues already here. Besides the energy issue we need to work on our use of motorized vehicles, the amount of garbage we produce every single day and the economic disparity and environmental destruction of the poorest regions of the world. Perhaps one of the most pressing matters is over-population which as economics has shown becomes less of a problem the more modernized a nation is. So the obvious solution is to encourage economic growth in all third world countries and to make it profitable for companies, individuals and nations to encourage “clean” growth.

Message [68] referenced by [130]. Next Message by CameronCottle is [108].

[104] Jami: Free Discussion. Marx was born in 1818 – a time in which the environment was far less of a concern than it is today. I wasn’t quite sure why one of our free discussions would be so focused on the environment, but after reading more on Marx and his theories, it’s clear that he had some important ideas on the subject. Marx believed that the environment was seen as a medium for labor. Following that logic into the next two centuries, orthodox Marxists today blame capitalism for our environmental problems. They argue that capitalists have furthered technology, science and production at the cost of mastering nature. Although this is true, what this group fails to identify are the historical positives that have come from these capitalistic advances, i.e., growth in humanity, medicinal advances, greater consumer choice, etc. Society cannot further humanity without some negative consequences (pollution, deregulation, etc.), but it doesn’t necessarily mean it’s black or white. I believe society can find a balance between Marx’ theories and capitalistic theories.

Next Message by Jami is [105].

[130] George: I may be ignorant to the fact that we are trying to explore other worlds in order to inhabit them ourselves, but if indeed it is the case I fully agree with CameronCottle’s stance [68] on space exploration. I know this topic is supposed to be about the environment but I agree in that space exploration is definitely not going to solve any of our immediate problems. I am amazed at some of the money the government throws at things that can’t help us right now. If there are two immediate concerns about the world its the using up of precious finite resources and stabilizing the global economy. I’m sure with the money we spend on space exploration and other things that do little good for us we could find more ways to fix our greenhouse gas emission problems, while in turn help our economy.

Next Message by George is [220].

[160] Skiingforlunch: Oil Subsidies Overshadow True Exchange Values. The world is on the brink of a major global disaster and yet mankind has done very little to reduce its destructive output. In a quick analysis of the commodities driving the climate crisis, Marx’s

view on this ongoing self-destruction, is likely the result of the capitalist economy driving the uses of such commodities.

Our ozone is rapidly depleted further pushing the Earth to and beyond an environmental tipping point beyond repair. For over a century now the world economy has been producing way beyond the Earth's assimilative capacity. Marx's view is far different than the neoclassical perspective of the ongoing crisis, but the result of excess pollution results in both the neoclassical and the Marxian economy in the absence of the Coase Theorem.

The largest cause of the environmental crisis has been the consumption of oil and fossil fuel. Oil as a commodity requires a great amount of human labor to explore, extract, produce, and exchange which therefore in theory the magnitude at which oil is exchanged for any good is probably relatively high and in relative form; let's say approximately 1 barrels of oil is equivalent to 4 lb of sugar as it is approximately valued at in the open market.

The price 1 bbl. = 4 lb. is however false.

Marx might say the use value for oil is rather high – which is true, but the exchange value reflecting its congealed human labor has been falsely influenced greatly by the government supports and this has had a major impact on the market agents.

Marx would certainly say that the amount of consumed fossil fuels is extremely high because of the capitalist intervention lying behind the market activity. Government subsidies have manipulated oil prices so that each barrel does not reflect the abstract human labor behind it but has reduced the equivalent greatly in magnitude while producers profit greatly from the subsidy keeping prices low. This subsidy alone has caused producers to allocate labor more into oil so as to take advantage of the markets false exchanges.

Those who control oil production are now set to make great wealth – this is directly allocating the wealth from the working class to those controlling production of oil through the means of taxes and subsidies. Oil production extends greatly as to make a greater profit. When the actual relative value for oil is likely to be around 10 lbs of sugar per barrel of oil (in the absence of subsidies), market consumers will see less value in an exchange. Poor workers see a great amount of value in the exchange for oil and are forced to consume oil rather than its cleaner substitutes.

Now why is the subsidy still employed? Marx would say that since the capitalist powers allow for lobbying to influence political decisions, those who are wealthy producers shed their wealth to those in power in order to maintain their wealth and the market's status quo. The market manipulation seems to benefit those in power and the division between classes becomes more separated in the division of wealth among them. This is actually turning to reality as the middle class is deteriorating into poverty in the free capital United States. Currently social reform is pushing the political powers away from this practice, but the oil producers have such a large amount of wealth as it stands.

Next Message by Skiingforlunch is [168].

[197] Keffe: Capitalism and Technology. I would like to comment on the idea of capitalism giving rise to a higher standard of living as well as an increased speed of technology (to paraphrase [Students Marx's] free discussion [30]). I believe that the idea of giving people incentives to be productive is the underlying drive in human behavior. That being said

the concept of exploiting labor, as in capitalistic indoctrination is defiantly a tool that may be utilized. I argue it is a learned behavior that need not exist to improve society. If we placed more incentives on encouraging intellectual growth as a strong value to our society perhaps we could increase the speed of which humanity discovers new technologies. It then may be argued the increased number of educated people on earth could lead to more minds trying to find solutions to environmental issues. It is however the idea of incentives that may cloud how current societies perceive motivation. Money as a reward to buy more and more commodities is also an arbitrary human construct that need not be the only functional possibility to improving society, i.e., there is more than one way to skin a cat. Currently capitalist society seems to encourage growth with no consideration on the impact and long-term effects on health and the environment. There is also little regard for our grandchildren's children future. I fail to understand how the increase in cardiovascular disease, and cancer rates, as a percentage, is worth the stress exploitation of labor brings. Perhaps Marx's idea was not one hundred percent perfect in its inception but there are many qualities that may be able to fix the problems in capitalism.

Next Message by Keffe is [232].

[271] Reagan: "Take Back Utah". In light of our recent discussions regarding the fetish-like character of commodities, I thought it highly relevant to delve into an issue of supreme importance among commodities: land. Specifically, what value (value or use-value) is placed upon this particular commodity, and to what end does it impact society? Indeed, a significant proportion of the writings of Marx surrounded this very environmental concept, so understanding was he that its distribution formed the basis of deciding wealth among peoples.

Towards this end, I wish to reference an event that was of particular importance a little more than a month ago, that of land use within Utah. This concept was outlined in the article entitled, "Take Back Utah holds rally at state Capitol," published in the Deseret News on August 20, 2011. The event began at the Utah Fairpark, and traveled its way to the Capitol building, with attendees proclaiming opposition to the federal government's control of public lands within the state. Several key politicians addressed the crowd, speaking on why the local governments should be deemed capable of managing Utah's environmental resources. In the words of Orrin Hatch, "we are tired of them usurping our rights and taking our lands from us and preventing us from being able to use them in a reasonable decent fashion." Several Southern counties are now in process of taking lawsuits to the federal government, with the intent of achieving this very end.

My considerations of this issue, influenced by Marx, rely ultimately on the importance of considering the individual in dictating value. To whom should the benefit of this land be attributed, and maximized to the welfare of all? It is my opinion, therefore, that the land should indeed be transferred to Utah care. Utah land belongs in the hand of Utah citizens, not the federal government or any over-arching oligopoly. Fairness and common sense cannot allow it to be otherwise.

Next Message by Reagan is [380].

[603] Marx: Free discussion response to Cheeto. Cheeto [591], I do see a problem with the fact that pretty much the entire world economy is heavily dependent on cheap energy. It

seems to be a short sighted hole that the world has dug itself into. The problem is that at this point there is no quick fix. There is no easy fix. And there is no simple fix.

Please correct me if I misunderstood any of the points made in your previous statement. I agree with you that the fossil fuels we are currently using are horrible for the environment. Not only that, but there is much evidence to suggest that we are destroying wild animal habitat and even causing adverse health effects to ourselves.

That being said, I don't believe there is any real threat that the world is going to run out and suddenly be left with no energy. Thereby throwing us into some sort of dark age and anarchy (I don't think that is what you were saying). The developed countries are experiencing bigger and bigger shifts towards clean energy every year. With oil estimates lasting us about another 35-50 years and coal estimates 100 to 200 years (just the ones we know of). There is no incredible fear of running out soon. Even when oil is gone, there are processes to take that abundant resource coal, and transform it into oil.

I feel that due to the concept of environmental degradation becoming more common, and the awareness of it rising, the world is going to continue its efforts to develop cleaner energies at an increasing rate (just an opinion). I do foresee a major problem with the developing countries though. As developed countries move toward clean energy, these big energy companies will actually lose some of their demand from us and it will shift to third world countries that are on the rise, but can't afford clean energy. Developing and manufacturing countries will take up the extra supply due to its low price compared to renewable energy.

The environment will continue to dwindle at the same, if not a greater rate, due to developing countries using cheap energy striving to get a leg up in the global economy (and developed countries taking their cheap goods). All the while us people in developed countries will continue to complain (even though we are the consumers that drive their economy) that they are destroying the environment even though we stopped. We will kick around the ideas of embargoes and international regulations, but in the end nothing will happen because we want cheap stuff!

Meanwhile exploitation is getting even worse in those third world countries with manufacturing facilities "owned by natives", but financed by us.

I apologize for all the rambling and getting off track. That's just a possible scenario as I see it. Who knows what will really happen?

Message [603] referenced by [611] and [1198]. Next Message by Marx is [624].

[611] Cheeto: Free discussion response to Marx. Marx [603] points out a minor short-coming in my question in that I may have suggested that we will run out of fossil fuels. However, although I was unclear in my question, I do not think that there will be a point when we run out completely. Actually, its safer to say that we will NEVER run out of fossil fuels. They will just become too expensive to economically and viably extract from the earth.

Marx does bring up many of my concerns with this dependency, however. Essentially, once fossil fuels, namely petroleum, become too expensive to use, the world will have to reprioritize how world energy is distributed. As it stands, arguably, no amount on clean energy can deliver as much energy as energy from hydro-carbons. One of the most interesting

figures that I have heard of concerning how much energy petroleum can deliver is the figure that one barrel of oil is equivalent to 26,000 man hours of labor. This, in turn, will mean that everything from consumer goods, farming, and manufacturing will be effected somehow. Furthermore, it will be the underdeveloped countries who will hurt the most since, likely, all forms of energy will be too expensive to use in order to bring a small economy up to pace with a fully developed nations economy. Therefore, they will probably resort to much dirtier forms of energy, as Marx suggested. They will suffer the slow growth due to the shortage of cheap energy and suffer the health and environmental consequences from resorting to other cheap, dirty, less effective means of energy.

Do I argue that there will be a complete meltdown and we will be sent to a new stone age along with whatever climate catastrophe we may create in the process of depending on fossil fuels? No. on the contrary I just wanted to throw this out that there will have to be massive changes and many, I hope, will be for the best and will give us a more stable future both economically and environmentally, assuming neither of them meltdown before the energy transition occurs. Desuburbanization, loss of petro-farming, newer manufacturing, and more conscious consumption of goods will likely all be a part of the changes. I think that the changes will be good in the long term, but the transition may sting during the initial transition, however. Remember, natural gas and nuclear are temporary solutions; bridges at best.

Again, I find this subject to be very interesting and I greatly appreciate Marx's contribution. Any other Ideas? Thoughts? Suggestions? Predictions?

Message [611] referenced by [614]. Next Message by Cheeto is [732].

[639] Clavis: Environmental problem in econ. Hans told us that the environmental problem is very important and critical for all of us. Therefore we all should be taught about environmental problem and should be made aware about its effect. This is very true in terms of heterodox econ, but there are several different opinions about that. Some economists and scientists said that technological problem will solve all the environmental problem. And some other economists say that we don't have to care about the environment for our future generations like our ancestors have not cared about the environment for us. What do you think about this? Do you think this is more important than personal profit and utility?

Message [639] referenced by [649] and [651]. Next Message by Clavis is [682].

[643] Kitkat: Marx's Ecology. I have found a wonderful book relating Marx's theory of materialism to the current ecological crisis. Written by John Bellamy Foster (2000), Marx's Ecology: Materialism and Nature, is an interesting book that utilizes several of Marx's lesser-known writings to re-think the green movement. It's a pretty academic book, but might come in handy to anyone interested in green economics, materialism, and the development of ecology.

Foster contends that Marx's materialism (and there are several different "strands" of materialist theory out there) draws from Greek philosophy "showing how a materialist view of the nature of things provided the essential basis for a conception of human freedom" (p. 2). This is very similar to the way Marx's conceptualizes his argument about capitalism; the materiality of the market (surface economic relations) reflect and structures human interaction. This is the essence of Marx's dialectic.

The materialist view is significant for the history of modern thought, Foster says, because it spurred the development of social science and natural science (thus, ecology). Indeed, while many scholars have denounced Marx as anti-nature (only concerned with economic structures), Foster in fact finds that “from the start, Marx’s notion of the alienation of human labor was connected to an understanding of the alienation of human beings from nature” (p. 9). So, using the historical contention over Marx’s views of ecology as his analytical starting point, Foster organizes the book around “a systematic reconstruction of Marx’s ecological thought” (p. 10).

The book is a little dense, not as easy a read as the Terry Eagleton book I reviewed last month, but is quite interesting and comprehensive. One of the most compelling aspects of Foster’s analysis is found in chapter 5, in which he connects the “metabolism” metaphor we read in chapter 3 of *Capital*, to explain how it “enable[ed] [Marx] to develop a critique of environmental degradation that anticipated much of present-day ecological thought” (p. 142). I was particularly interested in Marx’s use of the metabolism metaphor to explain the labor process and, as I study environmental and economic justice, I find Foster’s analysis in the chapter useful in my own work.

Next Message by Kitkat is [\[700\]](#).

[649] BrotherThelonious: In response to Clavis [\[639\]](#), I think there are very few people who realistically think that the environment deserves no regard and that we can cavalierly continue our path and assume technological advancements will rectify any damages done to the environment. It’s just not realistic to expect that, say, non-renewable resources will never deplete. That’s undeniable even to those who find other issues like global warming dubious. In the scope of this class, there are other issues to consider, as well. For instance, pollution as an externality. There have been many people who have become incredibly wealthy through well drilling, coal mining and other like industries that harm the environment. But the gain of the capitalists come at a cost to everyone that has to breathe the polluted air or drink the dirty water that results in these industrial operations. And more than just a gripe, these externalities literally cost the populace with things such as increased medical bills, lost work time due to illness and the cost of cleaning the affected areas. Lastly, there is the ownership of capitalists assuming ownership of natural resources that should belong to everyone and using them for their own exclusive gain. So, yes, I think there are more than enough reasons why we ought to be concerned with environmental issues.

Next Message by BrotherThelonious is [\[696\]](#).

[671] Hans: Fri Nov 11, 11 am: Guest Speaker about Growth and Environment. Tomorrow, Friday Nov 11, 11 am, the Econ Department will host a guest speaker about a Post-Keynesian/Marxist inspired demand driven growth model which includes Greenhouse Gas Mitigation and endogenous technical progress and energy use. Therefore there will be no class tomorrow, but if you attend this event, you can get participation points.

The speaker is Armon Rezai, and the paper he title is

Greenhouse Gas and Economic Growth

by Lance Taylor, Armon Rezai, and Duncan K Foley

The presentation is at 11 am. Right now it is scheduled for the Rasmussen Library in the Econ Department, which is OSH 336 at the U of U. OSH is Orson Spencer Hall, here is the campus map link:

<http://www.map.utah.edu/index.html?find=54>

I am told they are trying to get a bigger room, but this is not yet sure, therefore come early since seating may be limited.

Here is the abstract of the paper:

This paper presents a demand-driven model of interactions between greenhouse gas (GHG) accumulation, global warming, and economic growth. The goal is to avoid the weaknesses of models usually deployed to address these issues. Mainstream economists analyze the impacts of global warming on macroeconomic growth from a supply-side perspective. The most widely discussed climate change versions such as Nordhaus (2010) further assume that decisions about investment and mitigation are taken by a “representative agent” which maximizes discounted utility from consumption over a time horizon spanning centuries. Many such models have severe technical drawbacks (Rezai, Foley, and Taylor, 2011) but more fundamentally their key assumptions are not convincing. Will labor be fully employed if global warming significantly reduces the level of output? Does the optimizing agent make any institutional sense? There is good reason to think that the answer to both questions is No, especially in a world of countries with conflicting interests.

Message [671] referenced by [693]. Next Message by Hans is [690].

[694] SSroy: Response to Armin Rezai’s lecture. According to the analysis presented at today’s lecture, the most effective way toward sustainable energy consumption on a global scale, is through developing demand-driven policies which encourages investment in non-carbon energy production/ consumption. Having missed the first ten minutes of the presentation, I may have missed some key components that I would appreciate if someone would respond and fill me in. When asked for commentary, Hans stressed the importance of investing when demand is low instead of when demand is high, which is most common. My question is: what does Hans mean when he proposes this concept? What is an example of when it works?

Message [694] referenced by [697]. Next Message by SSroy is [768].

[697] Hans: Policies to Diminish the Paradox of Thrift. In my comments this afternoon I indicated that it is a mis-feature of capitalism that investment happens when final demand is high. It would make much more sense to time investment in those periods when the demand for final consumption is low and the capacity is available. Therefore we need policies promoting investment when final demand is low. SSroy [694] asks me for an example how this can work.

I can think of three examples.

(1) The classic example is of course simple Keynesian countercyclical policies with government expenditures for infrastructure. We need lots of infrastructure for the energy switch away from fossil fuels, for instance we need electric transmission lines from the windfarms to the urban areas, smart grid, basic research for renewable energy etc. But government

expenditures can only be a certain part of the economy, i.e. government cannot do it alone. Therefore we also need policies to encourage private investment when final demand is low.

(2) In an ordinary growth situation without climate change, private investment during times of low demand is difficult because nobody knows *what* will be in demand when demand returns. But we are not in an ordinary situation. We know where investment must go, namely, it must go into the switch from fossil fuels to renewable energy. Policies designed to nudge private investment in this direction will probably do no harm. One such example was discussed here in class in [43], and I also mentioned it this afternoon because I could cite Krugman as an authority for it: in times of slack final demand, government should tighten rather than relaxing pollution and efficiency standards. This will force the companies to do the right thing and create jobs at the same time.

(3) Another policy which de-couples investment from high final demand are the feed-in tariffs for which Germany is famous. On this continent Ontario has the best feed-in tariff. A feed-in tariff seems a pretty crazy scheme, it goes as follows:

(a) Your electric utility company is *required* to hook renewable energy providers to the grid (of course they can charge for this).

(b) Your electric utility company is required by law to offer contracts to renewable energy providers according to which the utility must purchase every kWh of electricity generated by the renewable energy provider at a price per kWh which is fixed for 20 years or more. No caps (or only very high caps) on the number of contracts issued, and also no other restrictions which would allow the utilities to control the quantity of renewable energy produced.

(c) The price paid per kWh is differentiated by technology. It is based on the electricity generation cost associated with each technology. It is set at such a level that an investor into this technology will get his or her investment back with a 10% rate of return during these 20 years.

(d) The above-market costs of renewable energy under the Feed-In Tariffs are covered by rate increases for the end consumers in such a way that each end consumer shares an equal burden.

(e) Degression: price level at which the electricity is purchased declines from year to year. Someone who starts this year has his price locked in for 20 years, but someone who starts next year will get a slightly lower price locked in for 20 years.

Under this feed-in tariff, German households can put solar panels on their roofs and get around 40 cents per kilowatt hour for the electricity generated. At the same time they purchase electricity for 20 cents per kwh for their own consumption. They do not have to consume the electricity first which they generate themselves, they get credit for every kWh they produce. They have two meters: one measures the electricity their solar panels generate, and one measures the electricity their household consumes. If the household or farm invests in windmills instead of solar panels, it is the same situation but the price per kWh will be much lower, maybe 25 cents, etc.

This feed-in tariff policy has been a spectacular success. Despite the astronomical rates paid for renewable electricity, renewable electricity is such a small portion of overall electricity that the added cost per household per month due to the feed-in tariffs is less than EUR 3. Feed-in tariffs are the cheapest way to get renewable energy on the grid, because a loan financing these solar panels is a low risk loan with a low interest rate. Degression puts pressure on the manufacturers of solar panels to innovate and improve their product as quickly as possible so that they can sell their panels next year too. The feed-in tariff creates a market also for those technologies which cannot yet compete with the cheapest energy providers and allows them to learn by doing. Another advantage is that it involves the end consumer in energy issues.

Instead of buying another car or fancy vacations, many Germans invest in solar panels and collect EUR 100 per month or so, which will pay back their investment and is a nice supplement to their income. They are called prosumers, because they are producers *and* consumers of electricity. But they are also a combination of saver and investor rolled in one. There is no paradox of thrift, because their savings equals their investment. Here the investment decision is in the hands of the people, instead in the hands of the big monopolies who would throttle the development of renewable energy because they do not want to lose the market for their coal-fired power plants or because they are in a recession etc.

Feed-in tariffs put the investment decision where it should be. Read [2009fa:661] and my notes in [2010fa:223] about who I think should make the investment decisions.

Next Message by Hans is [701].

[710] Kiwi: I recently read an article about a company wanting to extract water from an aquifer underneath the Cadiz Ranch in California in order to solve the water shortage that California is facing. I provided a link to the article if anyone is interested in reading it and I would like to hear about some thoughts and opinions that anyone might have on this subject.

http://www.msnbc.msn.com/id/45181549/ns/us_news-environment/

Personally, I disagree with this plan. Yes, this would help to solve the water shortage in California but only in the short term. I do not think that this is the best plan as I have a few environmental concerns.

First, how is the aquifer going to be replenished? The aquifer is located in the desert therefore it will not be replenished constantly due to limited rainfall. The water will keep on being extracted but the aquifer will continue to dry out and you can only extract so much which makes it a short term plan.

Second, this plan will disturb the habitat and consequently endanger the wildlife associated with the desert. According to the article, some species that could be threatened are the desert tortoise, bighorn sheep and Joshua trees.

I think that in order to solve the water shortage, it has to be a collected effort for everyone to try and conserve water in their daily activities. We need to think in the long term instead of the short term because these beautiful natural resources will not last us forever.

Message [710] referenced by [711]. Next Message by Kiwi is [930].

[711] Kendull: [710] is a problematic but ever popular issue. Cities like Los Angeles, Phoenix, and don't forget Las Vegas all seem to be built on inefficient resource use. However, compared to how things COULD be, it may be grim but its not so bad. Phoenix, for example, is constantly under scrutiny for stealing water from upstream neighbors but we've got to keep in mind that city officials aren't using water with malicious intent. In fact, they've done the best they can to be as efficient as they can and still provide for the population begging for water like bacteria in a petri dish. Golf courses are often questioned because they seem to use so much water per capita. However, golf courses in Phoenix use less than 3% of water provided by the city but the water used is non-potable anyway.

When we read the news scrutinizing aquifer depletion and oil and natural gas drilling it's easy be a naive environmentalist or revolutionary, falling to the misconception that the wealthy decision makers that hold power in this democracy are just out to make a buck. However, keep in mind that before any needles are poked into often arid waste-land topsoil, years of research and legal barter have been conducted to ensure that it is the most environmentally and efficient decision. The threats of detriments to the environment are always disheartening, but we've just hit 7 billion people and we've got to get our resources somehow. Unfortunately it may seem at times that they are getting swept right out from under our feet, which they often are, but rest assured that it isn't done without proper planning and careful procedures.

Message [711] referenced by [862]. Next Message by Kendull is [714].

[852] Gv: Climate. Simple reflection on the fact that the Earth has experienced past 'ice ages' suggests that climate change is an inherent natural feature of the planet. There are times in the Earth's history when the polar caps expand, and times when the same caps contract. Recently, there have been raised concerns that the polar caps are melting away. This is attributed to global warming, that is, the idea that climate changes are speed up or exponentially affected by industry and human consumption. How much of this is really caused by the human hand and how much is just the natural cycle of existence is heavily debated. What calls this to my immediate attention is a resurface of the so called 'climate gate' emails of 2009. Basically, a number of emails were leaked that suggest that climate scientists were so desperate to 'prove' global warming was caused by human intervention and industry that they suppressed opposing views, hid data and even manipulated data to coincide with their views. On one side, climate scientists argued this was a smear campaign, on the other side critics argued that this shows that biased scientists are waging 'scientific conspiracy'. With an upcoming U.N. sponsored climate summit in the works, these leaked emails have not only been re-posted in the internet, but have been expanded as well. Quoted in an article I recently read an economist, Bob Ward, is of the opinion that, "the selective presentation of old email messages is clearly designed to mislead the public and politicians about the strength of the evidence for man-made climate change. But the fact remains that there is very strong evidence that most the indisputable warming of the Earth over the past half century is due to the burning of fossil fuels and other human activities." Personally, I have not even watched the award winning film "An Inconvenient Truth", much less read the studies or reviewed the data contained in papers discussing climate change. However, I agree with Mr. Ward. I agree because I can directly observe my own over consumption and waste. Further, I can visualize what this looks like in the aggregate. Not going too far, this coming

holiday will probably witness a large degree of over consumption. Looking at the trash bins in my neighborhood on Christmas day also gives a good idea of how much overconsumption there is—at least in the United States. I have witnessed both in Florida and in Utah how the housing market expanded to consume land. When I moved to this state the travel between Salt Lake and Provo was pretty much devoid of civilization past point of the mountain. In just a decade or so, this is not the case. It may well be that in this same distance of travel there are now at least 3 large shopping centers, not to mention other developments peppered everywhere.

Message [852] referenced by [837]. Next Message by Gv is [966].

[862] Bikeman: Responding to [711]: There are no easy answers when it comes to environmental issues. Our economy is currently based on fossil fuels as the main driver and whether or not you recognize the damage done to the environment, it should be clear to everyone that oil and gas will not last forever. It's time to start looking seriously at alternative energy sources and we all have to take part in making that change. The largest cost of fossil fuel use is not paid by the producers, it's the health costs that come from the residual effects of the resultant pollution. In the long run, any upfront costs of switching renewables will be paid back by lower healthcare costs and the benefits of cleaner air and water.

It's easy to shrug our shoulders and say, "well, we have to get our resources somehow" and trust that the oil companies and the government will do what is best for us. The truth is, big business drives legislation and they weaken the laws that are in place to protect the environment and us as individual citizens. To trust that the existing planning and procedures are doing what is in our best interest is naive. I don't think there is any malicious intent from the government or big business, it's just that the dollar rules all. Any real change will have to start with individuals, but until fossil fuels are too expensive to use any more, we will continue on with the status quo.

Next Message by Bikeman is [864].

[887] Tussy: The administration of Governor Andrew M. Cuomo is about to make a decision on whether to allow energy companies to extract natural gas using hydrofracking method or not. Energy companies have invested 3.2 million dollars in television advertising, lobbying, and campaign contributions to promote natural gas extraction which environmental groups are strongly against. National energy companies tell us that the extraction method, hydrofracking, is harmless to the environment and is good for economic growth. However, due to their limited funds in contrast to energy companies, environmentalists are struggling to inform the public of the risk of hydrofracking on the environment. The environmentalists say that hydrofracking, a process in which water mixed with sand and chemicals is injected deep into the ground to break up rock formations and release natural gas, could pollute the water supply and cause incalculable damage on the environment. This article on New York Times by Thomas Kaplan reminded me of the negative influence of capitalism on the environment. Huge corporations including the energy companies have a lot of capital to lobby the policy makers to extract natural gas. They are spending huge amounts of capital to make more money at the cost of hurting nature and ourselves.

Next Message by Tussy is [890].

[891] Sk: Humans Large Factor in Global Warming Problem. Humans may not be the only factor in the global warming situation. However, industry growth and human negligence are increasing the environmental problem. Greenhouse gases such as carbon dioxide, methane, nitrous oxide, fluoridated gases are dispersed into the environment because of human activity and some natural processes. Human activity is increasing the rate in which the greenhouse gases are being released into the environment. Human activity can not be blamed entirely for the global warming problem, however it is a large factor in the global warming problem.

Next Message by Sk is [907].

[1082] Rajon: Why are we drilling out there? During the summer of 2010, I was an intern in Washington DC when the Deepwater Horizon Gulf Oil Spill occurred. It was an issue that everyone was talking about while I was there. People were amazed that it was so hard to stop the flow of oil from continuing to spill into the Gulf. It seemed like an example of complete incompetence by both the government and the private sector. We received thousands of letters about it and hundreds of phone calls from concerned citizens suggesting ways to fix the situation and asking why nothing was being done. All of this commotion caused me to think about it a great deal. To me, the real question to be asked was not why we couldn't stop the flow, but rather why we were drilling out there in the first place. The costs of such drilling seemed to outweigh any potential benefits received from it. I think that in many issues affecting the environment, we tend to have a short-term point of view when we should rather look at the larger-scale long-term issues.

Message [1082] referenced by [1149] and [1152]. First Message by Rajon is [51].

[1149] Poptarts: BP was drilling, not we. Rajon [1082] is asking "Why 'we' are drilling out there." May I suggest that this is not exactly the question. We are not drilling out there, BP was. For the global society, these risks appear to be greater than the benefits, but for BP, the risks of horrible publicity and a major cost for cleanup (both environmentally and for their image) were indeed worth it, and similar drilling continues on still. Unfortunately these organizations do not have the interests of everyone at mind, only of themselves.

Message [1149] referenced by [1152] and [1153]. Next Message by Poptarts is [1184].

[1151] Clmrgrl: Critical Mass. <http://topics.nytimes.com/top/news/science/topics/>

Reading through this article I have found it rather interesting that even though globally we have been aware of the strong effects of humans on global warming for the past ten years we have not yet reached a point where we are really trying to do anything meaningful about it. The most shocking thing about this article is the mention that it was in 2010 that emissions rose by the highest percentage. This is interesting to me because of the amount of information we have had about this problem and how long governments have been trying to work together globally to get this under better control. It seems that there have not been enough economic incentives towards capitalists to work to help fix the problem and in fact currently due to worldwide recessions increasingly capitalists are turning more of a blind eye to the problem because it is bad for profit creation. We are at critical mass. I am not so sure that economic incentives or disincentives are going to be the solution to the problem. It is time for regulation and control. Capitalists need to be forced at this point to do what is right for the environment.

Next Message by Clmrgrl is [1153].

[1152] CRC: Citizens Install Leaders that Allow this Abuse. I must disagree with Poptarts' response [1149] to Rajon's submission [1082]. While Poptarts would like to attribute blame to British Petroleum and various other organizations for the Deepwater Horizon spill and other instances that seem to expose Capitalist greed as the true evil in our global society, his blame is misplaced. There exists no doubt in my mind that greed at the very top levels of corporate organization leads to an absurd amount of cut corners, fraudulent exercises and general ignorance of the welfare of humanity, but the blame cannot be levied here. Instead, citizens of this country blindly continue to install leaders into government that knowingly allow this abuse to continue and legislate protective laws to ensure that no challenge may be brought against those individuals that tacitly exploit American citizens on an hourly basis, and citizens blindly lend support to ideologues that champion the unregulated free market, never caring to investigate the ills that befall the majority of them on behalf of this very monster they continue to allow to thrive. If they did, and if they proved to possess an even average amount of intellect, the vast majority of Americans would cease using their right to suffrage as a method for interfering in the private lives of their fellow citizens, and begin to use their vote to ensure their economic betterment and the discontinuance of Capitalist extortion! . . . The blame cannot be placed upon the criminal who is repeatedly defended and allowed to carry on doing what he is doing. The blame must be attributed to the individuals that remain ignorant to the existence of the criminal and his nature.

First Message by CRC is [410].

[1153] Clmrgl: Refusal to move away from oil. Re: [1149]: I have also found it interesting that we keep drilling for oil out of places that are not cost effective, destructive and dangerous. Out in the ocean is one of those places. Another is drilling the oil sands. It is extremely expensive for little result considering the energy that is put into getting it out.

I think this is indicative of our society and capitalists refusals to start moving in a quicker manner away from oil and towards cleaner fuel methods. I believe that we will not make good progress on this until there is nothing left and we will be forced to. There is no cost reason for capitalists to want to make the transition. It is too bad that by the time that happens I think it will be too late.

Next Message by Clmrgl is [1158].

[1169] Msj: Recycling. I recently read an article about recycling and the value that recycling brings to the economy. It was stated that last year alone 1.2 million tons of recyclable material was thrown away instead of recycled. It is estimated that it could have been recycled for an estimated value of \$285M, but instead it cost more than \$200M to throw it away. These stats are relevant to Minnesota alone. As you think about the economic implications of this state alone and then compare it to estimations throughout the country, it is staggering. Not only did it cost the state \$200M, but because of the lost value there was a potential of \$485M that could still be circulating in the state. This is billions and billions of potential monies in the country which could help stimulate the economy. It brings more light to the phrase "going green". Not only are we creating a greener and cleaner society, but by recycling and "going green" there is more money in circulation to help stimulate the economy.

Next Message by Msj is [1171].

[1189] Barn: the environment. When I was younger and in high school I remember several debates to whether to limit or not to limit the cutting down of the Amazon rain forests. Though deforestation occurs in many other areas of the world it seemed at the time that the Amazon forest was the squeaky wheel and we were waiting to see if it was going to get the grease. It was at that time that the organization Greenpeace was mentioned as to the group or organization that cared for this and other environmental issues. I'd never really researched this organization, but I'd always thought that it was part of the United Nations.

Greenpeace got its start protesting nuclear testing from the US in Alaska during the late 1960's. It has since evolved into one of the largest environmental protection agencies on the planet. Their concerns have evolved toward such issues as nuclear testing and waste, whaling and fishing, deforestation, global warming and others. They maintain offices in over 40 countries with their headquarters in Amsterdam. They are a non-governmental organization dependent not on government funding but rather on private donations and grants. The Greenpeace name comes into effect in around 1971. Initially thought to be a product of the hippy movement of the 60's it has a more conservative image today. For those who would like more about Greenpeace, they maintain a web site at

<http://www.greenpeace.org>

They welcome donations and volunteers.

Hans: Rather than "squeaky wheel" I would call the Amazon the lungs of the earth. It produces more than 20% of the earth's oxygen. If this rainforest dries out, the results for all of us will be serious.

First Message by Barn is [97].

[1191] KKondo: Industrial Revolution, Capitalism, Pollution. It was from the industrial revolution that pollution has become an issue for humanity. Of course, there were already examples of pollution earlier, like the Roman Empire for example. But the degree of pollution increased dramatically with industrialization and urbanization, and its scale grew from local to worldwide. Not only because the industry is the primarily responsible for the release of pollutants into the environment, but because the Industrial Revolution represented the consolidation and globalization of capitalism, the dominant socio-economic system in today's world space. And capitalism, which has industry as forefront of economic activity, brings urbanization with large human concentrations in some cities. Finally, the urban conglomeration itself is an enormous source of pollution, involving many environmental problems such as garbage accumulation, the sheer volume of sewage, traffic congestion etc..

But the important thing really is that capitalism is an economic system geared to production and steady accumulation of wealth. And these riches are nothing more than goods and services produced—usually on a large scale—for the exchange in the market. Virtually everything that exists, and all that is produced, are now commodities with the development of capitalism. Companies, individuals, nature, space, oceans, forests, subsoil: everything has to be economically useful, it must be used in the production process. The important in this process is not what is good or fair, but what will bring higher profits in the short term. Therefore, forests are cut down without considering the long-term consequences, societies are prejudicially termed "primitive" because they are seen as impediments to this form of 'progress', understood as a steady accumulation of wealth, which are always concentrated in the hands of few.

Next Message by KKondo is [1193].

[1198] Bandit: I'd like to reply to Marx's [603] discussion about the increasing scarcity of fossil fuels and the effects of that on our society. I agree with Marx when he says he doesn't believe there is any real threat that the world is suddenly going to run out of the necessary fuels and we will be left with no energy. I have to disagree, however, when Marx says that there is no quick, easy, or simple fix in his opening paragraph. Personally I think the technology is already available for us to run off of renewable energy but the capitalist's modes of production are set up to run on fossil fuels and switching their modes of production to run on renewable energy will decrease the rate of production and cut into the capitalist's profit in the short run.

Furthermore, Big Oil corporations, which have an incredible influence over our economic and political system (because they control one of the most important means of production) want to maintain a dependence on fossil fuels because that is their most profitable commodity. It's not that there isn't a simple solution, it's just that the capitalists, who control the means of production, don't want to take the necessary steps towards a switch to renewable energy because fossil fuels are still cheap, Big Oil doesn't want to diminish the demand for fossil fuels, and initiating the transition would temporarily cut into profits.

I also disagree with Marx's predictions about the price of fossil fuels and the price of renewable energy. I don't think that renewable energy will ever be more expensive than fossil fuels simply because of its nature, as things such as the sun and wind would difficult to establish ownership over and the means of converting this sort of energy can be established at an individual level. My personal prediction about the price of fossil fuels is that, as fossil fuels become more and more scarce due to their limited supply and our continued consumption, the price will rise until it gets so high and fossil fuels are so scarce that the dependence on them for energy is no longer viable.

The capitalists will hold out until this happens because Big Oil will want to reap the last profits they can and other capitalists will avoid cutting into their profits by updating their means of production for as long as possible. Renewable energy will be the cheaper alternative due to the rising prices of fossil fuels and capitalists will gradually update their means of production to use renewable energy to lower their energy costs.

At this point maybe the price of fossil fuels will fall as Marx predicted, but I don't think that will be the case because, although fossil fuels are right now mainly used for energy, it also has a host of other uses which don't have as many alternatives. For example, plastic is manufactured from oil and is a crucial material in medical technology. Where there are many forms of alternative energy, there hasn't been a material developed that can readily replace plastic. Also, even though plastic is recyclable, it is not often recycled into new plastic (I tried to find information on whether this was even possible or just not done because it is not profitable, but couldn't find any information) so the manufacturing of plastic will still depend the consumption of oil, keeping the price of oil high (especially because of its scarcity due to capitalists putting off the transition to alternative energy).

Hans: Very good. You are leaving out at least two important points:

it will take a long time to scale up renewable energy to the amounts of energy we are used from fossil fuels.

If you go over to unconventional fossil fuels, there is still a huge supply, but if these supplies are used, there will be climate catastrophe.

Message [1198] referenced by [1207]. First Message by Bandit is [170].

[1207] Marx: Response to Bandit. Responding to [1198], I was in no way implying that we could not make the shift quickly if we wanted to. The point I was trying to get across (I probably didn't expound on this enough), is that a quick shift to renewable energies would be so painful that no one would want to do it. Bandit is right when he says that a shift to renewable energies would eat into capitalists profits. But it is important to think of the other effects. Capitalists are not the only ones who would suffer from a shift like that. Realistically, capitalists would probably suffer much less than the average person in the working class. Capitalists are very accustomed to passing on the costs to the consumer. Therefore, the average worker would end up paying much much more for their every day goods. This is why a shift such as this must be done slowly. I don't think that many people who cry for this quick shift to renewable energies would be ready for the shock that it would impose on the economy, and their personal lives and consumption. All I'm trying to say is that it really should not be done in a really short period of time or there will be hell to pay, mostly by everyday people, not just the capitalists.

Also, the first synthetic plastic was invented in the early 1900s. We have made much better synthetic plastics since then, and there are alternatives for the most part. They just aren't used on a regular basis because it is not yet profitable for capitalists to do so. This is a similar case to renewable energies.

First Message by Marx is [12].

Question 354 is **334** in 2008SP and **346** in 2009fa:

Question 354 *First Marx says that the commodity has no immediate use-value for its owner. Then he says that its immediate use-value is that of serving as a means of exchange. Aren't these two statements contradictory? Does or doesn't have the commodity an immediate use-value?*

[402] Keynes: Immediate Use-Value. Marx claims that the commodity has no immediate use-value for its owner, but then claims that the immediate use-value is that of serving as a means of exchange. From reading through chapter one of *Das Kapital*, we see Marx uses contradictory terms quite often. Footnote 39 in the Appendices clarify what Marx is talking about, "For twofold is the use of every object. . . The one is peculiar to the object as such, the other is not, as a sandal which may be worn and is also exchangeable." Marx talks about the commodity having no immediate use-value for its owner because it is a commodity. The fact that it is such, a good produced for the exchange of another good, makes its immediate value the means of exchange. If it were to have a use-value for its owner, it would not be exchanged and therefore not be a commodity. Marx is trying to get the reader to realize a different use-value here, when discussing the subject of exchange, as opposed to focusing on the commodity as an actor itself.

Hans: You are right. Marx was deliberately saying contradictory things here, because he wanted to show how Hegel's conclusion from Being and Nothingness to Becoming can be applied properly.

Next Message by Keynes is [403].

[837] Gv: Commodities produced for consumption have use-value. However, commodities produced in enough quantity to surpass the use-value for their producer carry instead for him or her (the producer I mean) exchange-value. For example a weaver may produce more

linen than that which is required to meet his or her use-value. The excess is not without value however, as the weaver can take this excess and trade it toward some other commodity that will have immediate use-value for him or her. Interestingly, the party who is at the receiving end of this presupposed exchange has use-value for the surplus linen which the weaver produced that has surpassed use-value for the weaver but retained value in the form of exchange value. The commodity has use-value for the producer if it necessary for consumption, excess still has use-value except in the form of exchange-value which reverts back to use-value for the producer at the completion of a trade transaction. The commodity exhibits ‘immediate use-value’ immanent, however it is the consumer that solidifies this.

Hans: Marx is telling a different story. Instead of saying the commodity is produced for the sake of its use-value but in quantities greater than the needs of the producer, Marx says that the commodity is produced for the sake of its exchange-value. This is how he can explain the waste of natural resources which you decry in [852], the many frivolous use-values produced in capitalism, and much more. Are you trying to explain the market economy without using the concept of value? I just looked at your other contributions to see if you seem to do this elsewhere too. And I found such evidence: your [540] only talks about the quantities of labor and never about value qualitatively. Marx uses the concept of value because he thinks value is real, in the sense of being a causal agent, in a capitalist economy.

Message [837] referenced by [843]. Next Message by Gv is [843].

[838] Veb: First, Marx uses contradictory language sometimes to make a point. Second, it could (and was in the online discussion and archives) be said that to the owner, the commodity does not have a use-value and for the non-owner the commodity does have a use-value. However, the language is important; Marx says the immediate use-value is “serving” as a means of exchange, not that it was a means of exchange. I interpreted this as Marx using the term “use-value” to mean the commodity’s physical body. In this way, the commodity does have an immediate use-value (for the owner) in that it exists physically as a means of exchange.

Hans: Neither the Fowkes translation nor the Moore-Aveling translation say that the use-value is “serving” as a means of exchange. Moore-Aveling says “its only direct use-value is that of being . . . a means of exchange,” and Fowkes says “its only direct use-value is as . . . a means of exchange.” Also the German says “Tauschmittel zu sein” (to be a means of exchange). Please tell me your source, by leaving a remark in the fill-in form of the html archive.

Next Message by Veb is [839].

[846] Rajon: graded A The definition of a commodity is something that is produced for exchange. Because of this, a commodity literally provides no use-value for its owner. As a commodity, it was intended for exchange and not for use by its owner. However, since a commodity serves as a means of exchange, this is useful for the owner. Its use-value stems from its exchange value. Its use-value does not exist (for the owner) otherwise. So, although these two statements are contradictory on their face, they make sense together. It depends on how you look at the commodity in relation to its owner. It has no immediate use-value to him innately, because he plans to exchange it. But, looking at it as a means of exchange, we see that its exchange value makes it have an indirect use-value for him.

Marx was aware of this contradiction and used it in order to draw attention to the “twofold use of every object . . . the one is peculiar to the object as such, and the other is not. . .” (Footnote 39 to 179:1).

Hans: Marx saw this indirect use-value as an example of a negation of a negation. The commodity is useful for its owner *because* it is not useful for its owner (but for others and therefore can be exchanged). Footnote 39 is a quote from Aristotle, i.e., Marx traces this thinkin back all the way to the cradle of our civilization.

Next Message by Rajon is [847].

[864] Bikeman: A commodity has no use-value to its owner. Commodities are produced solely for exchange and by definition have no use value for the owner. Marx does, however, draw a distinction regarding two different kinds of use-value. The immediate use value would be if the owner produces a hay for his own use. If he produces more hay than he requires to feed his animals, then the use-value of the hay becomes the exchange. This is not a contradiction because Marx shows that by the fact of the hay not being an immediate use-value for the owner, it becomes a use-value in exchange because he intends to turn it into something else he can use.

Hans: You say (I am paraphrasing): if the hay has no use-value for its producer its use-value becomes being means of exchange. Then you say this is not a contradiction. Marx would say this *is* a contradiction, a negation of a negation, use-value growing out of non-use-value. Marx (following Hegel) would also say that the concept of becoming (which you are applying correctly here) is contradictory: becoming is being and not being at the same time.

Next Message by Bikeman is [\[865\]](#).

[872] BTFCANDG: The commodity has no use value because a person cannot use that commodity. Like the linen weaver, everything in the house is made of linen. So, when the Linen weaver goes to market, the linen immediately has use value because it can be exchanged for something that the line weaver would like, or for something else that could be exchanged. The commodity does have a use value. Just because it is exchanged for something, which then gets exchanged for a different commodity, it is the same. The commodity is like the butterfly, from a caterpillar to a chrysalis to a butterfly, all the same.

Hans: The metamorphosis of a commodity is C-M-C. In chapter Two, where question 354 is located, Marx develops the contradictions which are then resolved by breaking the direct barter into sale and purchase.

Next Message by BTFCANDG is [\[873\]](#).

[1032] GrouchoMarxist: Marx's statement holds true in the commodity based marketplace. The producers of the commodity creates the good with no intention of personally consuming it. The commodity is instead produced for its potential exchange value. Instead the producer is intentionally creating a product for which they can not immediately or personally see any use value in consuming. The commodity's only value to the producer lies in its relationship to other goods. Short a personal use value and relying on those who may potentially exchange a commodity or currency for the product means that the producer of a commodity does not see it as an immediate use value, but rather of a secondary exchange value.

Hans: Your second sentence was originally "the producers of the commodity creates the good with no intention of personally consuming it due to a surplus of that product." I eliminated the portion "due to a surplus of that product." The commodity is a non-use-value for its producer not because he produced too much of it, but because the producer is part of a social division of labor. When I said the linen weaver has linen coming out of her ears, I was invoking the "too much" image jokingly just to preclude the possibility that she can take the linen home again and use it herself.

Next Message by GrouchoMarxist is [\[1039\]](#).

[1060] Bandit: graded A When Marx presents an apparent contradiction, he is generally trying to get the reader to realize something. Here, Marx says that a commodity has no use-value for its owner because a commodity is something that is produced with the intent of being exchanged for commodities that have a use-value the commodity owner needs. If the commodity had a use-value for its owner it would not be exchanged. The immediate use-value for the commodity owner is that of serving a means of exchange through which

the commodity owner can exchange his commodity with the commodities of other commodity owners who possess commodities with a use-value he desires. Marx is trying to get the reader to understand that commodities have an immediate use-value for their owners in that they have exchange-value which allows them to be exchanged for other commodities with different use-values. The fact that commodities can be exchanged suggests that there must be some value which is inherent within all commodities and the exchange-value is a manifestation of this value in which the value of the commodity is realized by its exchange-value in terms of another commodity.

Next Message by Bandit is [1092].

[1158] CImrgrl: A commodity does not have a use value for its owner outside of its means of exchange. This would make the commodity for the owner not something with use-value but rather something that has exchange value. The value for the owner is in the exchange value. The commodity still has a use-value but that value is only realized for the person who purchases the commodity from the owner. The use-value for the owner is indirect because the use-value lies in the exchange value.

Next Message by CImrgrl is [1159].

Question 360 is **331** in 2007fa, **336** in 2008SP, **350** in 2009fa, **373** in 2012fa, **387** in 2013fa, and **360** in Answer:

Question 360 *Is it true that exchange is the ultimate proof that a commodity is useful? What if the consumer who acquires the commodity in exchange takes it home and discovers that it is not useful after all?*

[403] Keynes: Ultimate Proof. I believe it really is true that exchange is the ultimate proof that a commodity is useful, but would explain it somewhat. The second question is the reason this needs to be addressed. What if the consumer who acquires the commodity in exchange takes it home and discovers that it is not useful after all? Well, he would in turn exchange it for something else, until his wants are met. From the process of exchange, person A is willing to trade with person B because he sees use-value in the commodity not in his hands. Commodities are looking for validation, and they receive it through the exchange process. Once the transaction is completed, person A finds the commodity useful, and therefore does not desire to exchange it for another commodity. The transaction is complete and the commodity is validated in the end.

Message [403] referenced by [Answer:14] and [514]. Next Message by Keynes is [422].

[514] Hans: Buyer's Remorse. If a consumer, call her A, buys a gadget and after taking it home discovers that she cannot use it, and the store has a return policy, then she can just take it back to the store and get her money back. If she does this, then the labor in the gadget has not yet passed the test of being socially necessary. A sale was started but never completed and then it was rolled back. It is as if the gadget had stayed on the store shelf all that time.

Such return policies did not exist at Marx's time. In the absence of such a return policy, answers to this question said the following options:

a. The labor producing the gadget was not socially necessary because nobody is considering this gadget useful. This is implied in the what-if part of the question.

b. The labor producing the gadget was socially necessary because the buyer herself can find another use for it or re-sell the commodity ([2008SP:874], [2008fa:451], and Keynes [403]).

c. The labor producing the gadget was socially necessary if the original buyer A exchanges it with person B for something else and gets a merchandise in return which A can use. This was a theme in Keynes's [403] as well, and [2008SP:876] seems to say that the labor is validated if A sells it to B who can use it.

My own take on this question is that in the absence of a return policy the labor producing the gadget has passed the test of being socially necessary in the moment the gadget is sold. If the consumer discovers that she does not need the gadget, that's too bad for her, but that's her private matter. From the point of view of capitalist society, the labor producing the gadget has been vindicated as socially necessary the minute the gadget was sold to her.

Here are two thought experiments to back up this answer.

1. Assume the consumer *thinks* she needs the gadget but she really doesn't. Is the labor going into the gadget socially necessary in this case? Yes it is.

2. Assume we live in the 1950s and so far the cigarette companies have successfully kept the adverse health effects of cigarettes a secret. If a person buys cigarettes who would never have touched cigarettes had she known the detrimental health effects of cigarettes, then the labor going into producing the cigarettes is still socially necessary.

"Socially necessary" labor is not labor that is ultimately necessary from the angle of the Last Judgment, but it is labor which passes the test for being a member in good standing of the social division of labor as far as our society goes. The sale of the commodity is exactly this test.

I think this is the definite answer to the question, and I added it to the Answer archive. If you see something wrong with this reasoning, or if you can supply a better reasoning, please speak up.

Message [514] referenced by [Answer:14] and [2013fa:1067]. Next Message by Hans is [519].

[782] Bloomer: Exchange is only proof of a commodity's usefulness when the consumer has use for that commodity at the time of the exchange. The exchange is only made when the consumer believes the commodity has usefulness in one way or another otherwise the commodity would not have been exchanged. When that commodity is later realized as not being useful, it is only useless to that particular consumer. The commodity still holds use value to other potential consumers and was demonstrated as having use for the seller at the time of the exchange.

Next Message by Bloomer is [783].

[794] CameronCottle: Exchange is the ultimate proof that a commodity is useful. To explain why we have to define the commodity which is something that is created for exchange. If a commodity has use-value to its owner and is not exchanged then it is not a commodity. So by definition a commodity's use is in exchange since without exchange, it is not a commodity. A commodity is exchangeable though only because of its use-value to someone other than the owner and so they try to exchange for it. This is what drives the exchange of commodities because if a thing had no use value to anyone then it would not be exchanged.

Understanding what a commodity is makes it possible to answer this question and also helps us understand why part of this question really has nothing to do with exchange or the commodity. The perceived use value, real or not, of the commodity that drove this transaction does not need to be satisfied for the commodity to have value or use. The commodity achieved its goal by being exchanged for something that had perceived use value to its owner.

The owner getting the use-value of a good is not the purpose of the commodity and is beyond the care of the commodity. If the owner doesn't get the use value they wanted then too bad, but there is always the chance the owner can again turn the thing into a commodity to exchange it again. The value and use of a commodity is realized at the completion of the exchange, when the thing cannot be returned. If the transaction has been finalized and the two parties involved are no longer in contact, then the full value of the commodity has been realized as has its use because the original owner gained what they desired by exchanging the commodity. That is the ultimate purpose to the commodity when the thing is a commodity and anything that happens prior or after this does not matter to the commodity.

Next Message by CameronCottle is [933].

[803] Lukas: I would have to say yes, purchase of a commodity is “social proof that a commodity is useful,” citing Hans from [2009fa:894]. If a commodity is not useful, it will not be produced by society in the first place. The individual purchasing the commodity perceives some form of usefulness in the commodity at the time of the transaction. If they return home and learn more about the commodity and change their perception, the usefulness of the commodity has only changed in their mind, the usefulness of the commodity is still physically the same.

Hans: You say the use-value of the commodity hasn't changed. But this cuts both ways. Is there anything wrong with the reasoning that the commodity was already useless when the consumer buys it, but the consumer did not know it yet at the moment of purchase?

Next Message by Lukas is [804].

[824] Syd: The exchange of a commodity does not necessarily mean that the commodity is useful. According to Marx, “all commodities are non-use-values for their owners, and use-values for their non-owners.” The owners of the commodities enter the exchange market with the purpose of converting the use value of others into something the commodity owners can use for themselves. According to Marx, the exchange of commodities places them in relation with each other as values. The producer of the commodity must realize that his commodity is of value, before the commodity is seen as a use-value to the consumer. The conditions for the producer to realize that his commodity is of use is based on the labor the producer put into the commodity, and the producer must also come to the realization that his commodity can be used by others and possesses some value. If the consumer who acquires the commodity takes it home and it is not useful after all, the exchange process would not even take place in the first place. This is because according to Marx 179:2, “the condition for the exchange of commodities is the exchange of commodities already.”

Hans: Your in-class answer was much better.

Next Message by Syd is [829].

[877] Reagan: This question touches upon a number of concepts which are fundamental to Marxian economics. First off, “usefulness” (ie- the use value of a product) is defined and established when a commodity is purchased. It is at that point that labor invested therein is deemed socially necessary, regardless of whether or not the commodity is deemed useful at

the “Final Judgement.” Thus, as is the case with cigarettes, some commodities are produced and purchased though they pose no ostensible benefit to the general well-being of society as a whole. So long as they have been exchanged, they have been validated. This is especially the case in instances where no return policy exists, such as the case in Marx’s time, as the consumer must keep or otherwise trade the commodity should it prove unsatisfactory.

Next Message by Reagan is [878].

[904] Anil: Yes, exchange is the ultimate proof that a commodity is useful. The situation in the question refers to an individual problem. Usefulness is more of an individualistic decision, which is a social process mediated by socially necessary labor. The sale of the commodity approves that labor going into that commodity is socially necessary. And one person’s decision does not change that.

Hans: Your in-class answer had the additional sentence: “Indeed in our time there are return policies which protect consumers from those situations.” It would be interesting to look at the history of return policies in order to see what the purpose of these return policies is. My hunch is that their original purpose was to protect consumers from fraud by the capitalists.

Next Message by Anil is [916].

[1021] Tvan: It is true that the exchange is the ultimate proof that the commodity is useful because the value of the commodities stay the same in exchange, but the use-value of the commodity increases to those receiving the commodity. That “only their exchange can prove whether that labor is useful for others, i.e., whether its product satisfies the needs of others.” If the consumer who acquires the commodity in exchange takes it home and discovers that it is not useful then this does not mean that it isn’t useful. Because that person would always be able to exchange it for something else until his wants are met.

Next Message by Tvan is [1024].

Exam Question 363 is **180** in 1995WI, **191** in 1996sp, **204** in 1997WI, **211** in 1997sp, **203** in 1997ut, **221** in 1999SP, **231** in 2000fa, **279** in 2003fa, **313** in 2004fa, **328** in 2007SP, **338** in 2008SP, **352** in 2009fa, **381** in 2010fa, **377** in 2012fa, **391** in 2013fa, and **191** in Answer:

Exam Question 363 Which “deed” is Marx referring to in the following passage: “In their dilemma our commodity-owners think like Faust: ‘In the beginning was the deed.’ They have therefore already acted before thinking.”

[365] Foruvak: “Deed” The Deed is when producers in a capitalist society choose to use the same general equivalent for trade. The general equivalent is money. When producers bring their commodities to the market they need a third commodity to which they convert their commodity. When they do this they no longer barter, but sell and buy.

Hans: Marx does not say they choose a general equivalent for *trade*. Marx says they always use commodities to *express the values of their commodities*, and the deed is the agreement that everybody uses the same commodity to express and measure values. Marx considers the function of money as *measure of value* much more important than its function as *means of circulation*.

Message [365] referenced by [383]. Next Message by Foruvak is [367].

[383] Hov: The “deed” that Marx is referring to is the selection of a specific commodity as General equivalent, this is what Hans says in [2009fa:931]. The “deed” is the same as the joint work of all commodities, “Society had to agree to accept a certain commodity as General equivalent” (Marx). This is something that took place long ago, which is Marx’s

reference to Faust, when all members of society chose to use the same General equivalent for trade.

Hans: About the Faust reference see [1996sp:317]. The original function of the General equivalent is not for trade, but it is measure of value, see my comments to [365]. You made so much use of [2008SP:898] that you should have quoted it. This hurt your grade.

Message [383] referenced by [420]. Next Message by Hov is [484].

Question 368 is **182** in 1995WI, **160** in 1995ut, **192** in 1996sp, **209** in 1997WI, **205** in 1997ut, **214** in 1998WI, **233** in 2000fa, **312** in 2005fa, **343** in 2008SP, **343** in 2008fa, and **382** in 2012fa:

Question 368 *Why is the occasional exchange of surplus products between tribes not an exchange of “commodities” but one of “products”?*

[361] GrouchoMarxist: Although slight, the difference between the product and the commodity, as defined by Marx is an important one. The product is the end result of human labor and is worthy of this expenditure of human labor due to the product’s use value to the producer, and to any other consumers willing to exchange their products for said use value. The commodity on the other hand is a product that is produced for the purpose of exchange. The production of a commodity has nothing to do with the use value of the product to its producer, but instead relies upon the exchange value of the commodity on the market.

In the modern marketplace one thing is all encompassing, and all defining, and it is that all modern production processes are focused on producing commodities. Manufacturers can produce tons upon tons of goods that they have no use for, and may not even feel particularly inclined to consume regardless of their massive surplus. As these products have no use value to anyone related to the production process, their only value lies in the exchange value dormant in the nature of the commodity and achievable only through the intermediate “general commodity equivalent”. This exchange relationship depends entirely upon the use value to people outside of production, as even one unit of the good may be useless to the person making it.

In the example of the two tribes the occasional exchange of surplus products is not an exchange of commodities due to the nature of the valuation. In the tribal production process the laborers focus entirely upon the use value of the goods that they are producing. Only when surplus is experienced in the production processes are the products exchanged with one another. In this product exchange scenario instead of focusing on the exchange value of their commodities, the producers are focusing on the lack of use value of their additional products and the desired use value of the products of another tribe. Never due the tribal producers continue to expend labor on product that they know for certain will be useless merely for the exchange value of the potential commodity.

Hans: You are still thinking too much in terms of the capitalist system. Your second sentence, that the product is worth producing “due to the product’s use value to the producer, and to any other consumers willing to exchange their products for said use value,” ignores situations in which the product was collectively produced and / or distributed by other means than exchange.

Also the surplus in the tribe is not due to the decision to continue working even after their own needs were met, but it is a sometimes unavoidable byproduct of their regular activity. One cannot hunt half a bison, and perhaps they had a bumper crop from the same labor that usually gives them average crops. Therefore the thought of exchange is not present in the production process at all.

Message [361] referenced by [920]. Next Message by GrouchoMarxist is [447].

[831] Marx: graded A+ The answer to this question is found in the simple definition of a commodity. A commodity is anything produced for exchange or sale. What makes a commodity different from just a product is the intent for which it was produced. While the commodity was produced for exchange, the products that the tribes produced were produced for themselves/subsistence. They were never intended to be exchanged. Therefore they are not commodities, but just products. This is why it is an exchange of “products”.

Next Message by Marx is [834].

[855] BrotherThelonious: According to Marx, a commodity is a thing that is produced for the purpose of exchange. In the case of the tribes, surplus products—wood to build huts, animal meat, pelts for clothing—are products that are left over once the needs of the tribes have been satisfied. These products were originally produced for the tribe’s consumption but were left over after their needs were met. Since they were not produced for the purpose of exchange, these products are not commodities. That is why an exchange of this sort is one of products and not commodities.

Next Message by BrotherThelonious is [1133].

[910] Kendull: The occasional exchange of surplus products between tribes is one of products not commodities. More specifically, the surplus products involved in an occasional exchange weren’t produced with any intent of exchange. According to Marx what differentiates products and commodities is that products were produced for exchange and commodities were not.

Next Message by Kendull is [912].

[920] Maniac: Commodities are produced for the purpose of exchange of other commodities. In this case the tribes originally did not produce these products to trade but for individual use. At the end of the season comes a choice to either use or discard the original product. At this point it is a product rather than a commodity because the use value for the producing tribe has passed. The labor that is possessed in the product is no longer the described value of this product. As Hans had mentioned in his remarks to [361] when one tribe kills a bison but will only use half of it the option is to either discard said product or trade surplus with another tribe and get something out of it or discard and waste. The labor content of both products need not be comparable, it’s just all used for the betterment of both tribes. That is the reason that it is a trade of products and not of commodities because they trade simply their surplus not a particular amount that was produced for the purpose of trade or use such as a commodity.

Next Message by Maniac is [921].

[1049] Jami: An exchange of surplus products between tribes is not an exchange of commodities. It is an exchange of products. Value is an essential part of a commodity and when a producer exchanges commodities they do so with the sole intent to exchange and to have personal gain, or to make a profit on their exchange. Product exchange does not have the same goal.

I found a good example of this on the class website: If a tribe found animal skins useful for survival and randomly found that they had excess animal skins one year they would not turn their excess animal skins into commodities, but would make them products they are willing to part with. Therefore it’s considered an exchange of products.

Hans: It is not the intent of the exchange, but the intent of production which distinguishes a product from a commodity.

Next Message by Jami is [1050].

Question 371 is **184** in 1995WI, **162** in 1995ut, **346** in 2008SP, and **385** in 2012fa:

Question 371 *What is the difference between the exchange of products and the exchange of commodities? Why does the exchange of products usually involve surplus-products, and why does it first take place between members of different communities?*

[150] Hans: Trade of Surplus is Ancient History. Here is the second installment of my answer to [98]. Marx distinguishes between exchange of products and exchange of commodities. Primitive tribes who produced for their own use sometimes had more than they could use. Instead of letting it go to waste they traded it with a neighboring tribe. Marx does not call this “exchange of commodities” because these things were not produced for exchange. In modern times, products are exchanged not because the producer cannot use them for himself or herself but they are produced in order to be exchanged. This involves different thought processes. If I am a producer of helicopter parts, which I never use myself (I have never flown in a helicopter), then I don’t think of the use-value of the helicopter parts for me when I exchange them. Of course, neoclassical economics pretends I did. Marx would say neoclassical economics comes up with this absurd explanation only because they don’t want to introduce the concept of value which would show the exploitation of workers, therefore they artificially bring in the use-values even if it is not appropriate.

Message [150] referenced by [98], [1030], and [2012fa:458]. Next Message by Hans is [151].

[1023] JuniorBacon: I think a tribe example is used here, one member of a community might have excess or surplus of a certain product, such as deer meat, while another has a surplus in something like leather, they would exchange these things as product not as commodities, one is not looking for money because what would you do with money in a tribe.

Hans: It is not the absence of money but the reason why they have this surplus.

Next Message by JuniorBacon is [1025].

[1030] Kiwi: The difference between the exchange of products and the exchange of commodities is that in the exchange of products, the goods “were not produced for exchange” as Hans pointed out in [150]. The laborer produces goods that have a use-value to them, which they intend to use or consume. The exchange of products usually involves surplus-products because it is the extra goods (the surplus) that are exchanged with other goods. Furthermore, the surpluses are often unanticipated. For example, members of a tribe grow corn and they plant just enough to feed their community. However, the soil may be extremely fertile that year and they grow two times the amount of corn that they need. After their needs have been met, the surplus of corn can then be exchanged between members of different community for other goods.

The exchange of commodities differs to the exchange of products because labor is put into the commodity to create value in order for the commodity to be exchanged for another. According to Hans in [150], the producer does not think of the use-value of the good that they are producing for themselves when the commodities are exchanged.

Next Message by Kiwi is [1115].

Question 375 is **188** in 1995WI, **199** in 1996sp, **221** in 1998WI, **350** in 2008SP, and **403** in 2013fa:

Question 375 *Why could the idea to use land as money arise only when capitalism was already developed?*

[405] Malibu: Hans states in [1998WI:224] that “Land is the most basic condition of life. Money is the most “liquid” commodity, the one which most easily changes hands. Only under capitalism, when people are uprooted and separated from the economic resources on which they depend, and when commodity relations are more important than life itself, will it occur to them to use land as money”

Before there was capitalism and a motivation to profit off one another, land was just a basic need just like food, shelter and water. If there was no capitalism and then there would be no value in trading land for money. Capitalism brought Private ownership, which in turn creates a means to make money. People trade land for money just like any other commodity. And land has become a staple in capitalism. For example: Property along the coast of California was very cheap in the early 1900’s. Much of the land that was bought for very little money is now selling for millions of dollars due to population increases and easier means of transportation.

Hans: Buying land for money is something different than using land *as money* (instead of gold).

Next Message by Malibu is [512].

Question 377 is **189** in 1995WI, **166** in 1995ut, **200** in 1996sp, **214** in 1997WI, **221** in 1997sp, **213** in 1997ut, **290** in 2003fa, **327** in 2004fa, **321** in 2005fa, **342** in 2007SP, and **352** in 2008SP:

Question 377 *Explain in your own words the meaning of Marx’s statement: “Although gold and silver are not by nature money, money is by nature gold and silver.”*

[367] Foruvak: Gold and Silver. Gold and Silver aren’t money by nature because they are just elements out of the earth like copper and zinc. The earth doesn’t create money (nothing “by nature” is money) but it creates the elements (gold and silver in this case) that society chooses to use as money. But “money is by nature gold and silver” because of their fitting characteristics and physical properties—because they are malleable and can be melted they can be divided or combined (I mean gold with other pieces of gold and silver with other pieces of silver) to create various sizes, forms, and weights.

Message [367] referenced by [404]. Next Message by Foruvak is [409].

[404] Freshprince: With the statement “gold and silver are not by nature money, money is by nature gold and silver” Marx is implying that with money being known worldwide as a commodity, it acts as a symbol of the commodity is displays its value in itself. On pages 209-210 of Annotations by Hans, we read how he explains the evolvement and development of commodity to money is something that is equal to the development of commodity production. The mass volume of money continues to increase over time as the population of the earth continues to increase. Many believe this change as being a natural development, but by understanding Marx’s idea on this, we know that money does not come from nature, but from society as a whole. Understanding the difference in a commodity and natural item, and actual currency and money value is the key idea.

On page 183 of Capital Marx, it is explained that metals like gold and silver have natural properties that act in the part of money. Money must be able to be accounted for, and be able to put an amount on them. Understanding the differences between an actual metal product, the value can differ during time periods. Over the course of many years, the value of both gold and silver can fluctuate and differ. The staggering increase and decrease of value is always unpredictable as well as the value-factor level. We as humans must rely on money to survive, and the overall amount of money is often times just a mass number, not visible and a product possible to touch and feel such as gold or silver.

Hans: You should have referred to [367] and built on it. This question has nothing to do with growth and can be answered without talking about growth.

Next Message by Freshprince is [572].

Exam Question 383 is **191** in 1995WI, **202** in 1996sp, **217** in 1997WI, **216** in 1997ut, **226** in 1998WI, **236** in 1999SP, **280** in 2002fa, **294** in 2003fa, **331** in 2004fa, **346** in 2007SP, **356** in 2008SP, **371** in 2009fa, **401** in 2010fa, **397** in 2012fa, and **411** in 2013fa:

Exam Question 383 Marx writes: *“The exchange process gives the commodity which it has designated as money not its value, but its specific form of value.” Which form of value does Marx mean here? Why does Marx call this form the specific form of value of the money commodity? (Assume we are under the gold standard.)*

[748] Anil: Marx mentions “general equivalent” form of value as a specific form of value of the money commodity. A commodity which is specified as a money commodity, has a value apart from its particular use-value as a general equivalent. The main determinant of that commodity’s value, like in the all commodities, is determined by socially necessary labor-time expended in its production. A commodity which is selected as a General Equivalent through exchange process would now constitute a particular use-value, not its own value.

Hans: This sounds as if General Equivalent was an additional kind of value. This is not accurate. Gold, the money commodity, has value like iron or wheat. What distinguishes gold from iron or wheat is not whether it has value or how much value it has, but the *form* which its value takes, i.e. how its value manifests itself in the interactions with other commodities.

Next Message by Anil is [758].

[825] Marx: graded A– By “form of value” Marx means money as the general equivalent. It is the “specific form of value of the money commodity” because it is this specific form i.e. gold minted into coin/money that is the general equivalent.

Hans: Marx calls it gold’s “specific” value form because no other commodity has this value form.

Next Message by Marx is [826].

[851] BrotherThelonious: With the gold standard, a standard labor-time goes into mining it and there is a standard weight to stamped coins. As this becomes a product intended for exchange, it is a commodity whose specific use is that of money.

Hans: You seem to be saying that under the gold standard, money is like any other commodity. Marx says there is a difference, namely in the value form.

Next Message by BrotherThelonious is [853].

[860] Roman: The specific form of value of money lies in it’s function in a measure of value. Marx is talking about the fact that there is a lack of the actual use value of gold yet there is a fetish like relationship with gold, that allows money to have a unique ability to be exchanged for something useful. It is a mysterious quality of money it by itself being useless

can be exchanged for example for shoes even though gold will not keep the shoemaker warm. We are therefore looking at the liquidity of gold and money where it can be exchanged for anything but itself on the market.

First Message by Roman is [114].

[922] Maniac: Money is not the value but it is the symbol of the equal value showing that the value of the commodity is more than the value of the money, but the exchange value is equal. This shows a specific form value because the money specifies the value of the commodity but is not in reality equal to the commodities' value.

Hans: This is the wrong explanation. Under the gold standard money has indeed value (congealed labor time). What differentiates money from the ordinary commodities is not whether or not it has value, but the form of value.

Next Message by Maniac is [923].

[938] Slamo: The form of value Marx is talking about here is the use-value of a commodity. Money value can change according to fluctuations of the gold standard, but the use-value of a commodity will always stay the same.

Hans: Marx does not consider use-value a form of value.

Next Message by Slamo is [939].

[953] Hunter: "Its specific form of value." assuming we are under the "gold standard" makes the commodity of gold our "Money." Because gold is the money commodity it allows all other commodities to express themselves in gold. Gold is the only commodity in which all other commodities can be express their value, and be exchanged for.

Next Message by Hunter is [954].

[974] Cptcrunch: The specific form of value I believe Marx is speaking of is the ability of his commodity to fetch whatever value is equal to it. In a exchange value he would trade his commodity for another commodity of equal value, instead, he would go forth sell his commodity for the value he has put into and ingrained itself into the commodity, for a money value which can obtain and purchase another commodity to fulfill his needs

Next Message by Cptcrunch is [1022].

[996] Barn: Beyond the expanded form of exchange where commodities take on a comparative in the exchange to a simple commodity, the process of the exchange of commodities becomes the general equivalent. At this point all other commodities commit to a joint of maintaining the comparative commodity as general equivalent. To take the step a bit farther a commodity (the exchange commodity) is or becomes the so called universal equivalent—the money form. This form becomes C-M-C in the market place. It is viewed as measure of value and means of circulation.

Next Message by Barn is [1136].

[1050] Jami: It doesn't give it value, only specific form of value. Money is the equivalent value. It doesn't give it value, but it can fluctuate. ie: gold values go up and down, therefore changing the specific form of value (money).

Hans: The specific form of value of the money commodity is called the General Equivalent form. So the word "equivalent" in your answer is right. The fluctuations of the quantity of value of gold do not change this form of value.

Next Message by Jami is [1051].

Question 387 is **192** in 1995WI, **227** in 1997sp, **219** in 1997ut, **297** in 2003fa, **328** in 2005fa, **359** in 2008SP, and **415** in 2013fa:

Question 387 *Was Roscher in error when he said that money is a pleasant commodity?*

[368] SpookyKJC: Before answering this question, we first have to define a pleasant commodity. I took it as if money was good or bad to have. Money certainly is nice because it buys a lot of other commodities, whereas the less money you have the less you can buy. However, does money buy everything? And is it a burden to have money? Is it possible to have too much money?

Money can buy a lot of things, but what people are looking for is happiness and contentment. These are abstract things, things that money cannot buy. You cannot go to the store and pick up a pound of happiness. Money cannot buy abstract things.

Is it a burden to have money? The more money you have, the easier it is to procure commodities. But does money come with strings attached? All of this depends on the person. Some people can just spend money like no tomorrow and not have any second thoughts. However, some people feel like the more money they have, the greater pressure is to do great things with their money. It all depends.

Is it possible to have too much money? As a poor college student—the answer is NO! Just kidding. We are always looking to buy more and more commodities in hope of being content therefore there is no such thing as having too much money. Do all of these questions answer the big question? It depends on the type of person. Yes, money is a pleasant commodity because it buys a lot of things, things we need to have to survive. However, with great money comes great responsibility. . . . again, just kidding. Really some people feel the more money they have, more pressure is put on them. This would not make money a pleasant commodity, and in that aspect Roscher is wrong.

Hans: Look at my remarks in [2003fa:746].

Next Message by SpookyKJC is [369].

Question 392 is **207** in 1996sp, **363** in 2008SP, and **406** in 2012fa:

Question 392 *Are people, by their atomistic attitude towards each other, responsible for their lack of control over their own social relations?*

Question 393 is **207** in 1996sp, **363** in 2008SP, and **406** in 2012fa:

Question 393 *Is a person's attitude towards other individuals the reason whether this person ends up as a capitalist or a worker or what other position they will inhabit in capitalist social relations?*

[401] Hunter: Capitalism the Lottery. We live in the land of opportunity, where dreams are made. . . or are they? Along with every success story there are hundreds stories of people who have failed and may never succeed. So is a person's attitude towards another individual the reason they lack control over their social relations?

We all know that there can only be so many people at the top. Even though we might all have goals and aspirations, we must remember that whatever success attained by a single human being is dependent on the failure of others. In these most vulnerable moments is when a true capitalist must secure his position. He must exploit those that can't afford not to listen and obey. The capitalist will then trap those less fortunate in a non-progressive state,

whose combined efforts will bring little wealth to anyone but the very few men and women at the top.

It is easy to blame those at the top but I must ask myself: “Would I turn down the opportunity?” I’m not saying that I would like to take advantage of all those underneath me, but who really wouldn’t like to be powerful and rich. I like what Panacea says in [1996sp:287]: “Can we blame capitalists for making lots of money? Marx seems to say no, and I agree. But are the labourers and blue collar workers of our nation responsible for their social status?” Panacea also says “no” to this and along with him I agree. As unfortunate as it is there are always going to be those at the bottom (lots) that play a very vital role in our society who don’t choose to be there. And, if any of them are lucky enough to climb the ladder it is inevitable that many more will fill in the vacant spot on the bottom.

We can all have dreams, but, it is a fact that most of those dreams and goals will never come true because of the way our society is built. Although work and persistence will play a role in success, luck will ultimately separate the winners from the losers.

Message [401] referenced by [486] and [595]. Next Message by Hunter is [446].

[897] Kitkat: This is the basis of Marx’s *Capital*. That is to say, if Marx had a research question guiding his analysis, this would be it. That idea in *Capital* is not centered around responsibility, but rather, connectivity. What are seen as disparate sets of relations (the economy and social relations) are really inextricably connected to one another. Marx’s analysis explicates this relationship to explain class struggle. People are atomistic in their attitudes toward one another because of the capitalist mode of production. Commodities have a fetish-like character, commodity owners’ wills reside in commodities, and workers are freely exploited through unfair wages and working conditions. This question arises in Chapter 2, in which Marx is explicating the fetish-like character of money. In Chapter 1, he explained how commodities have a fetish-like character and has since traced the development of money as the general equivalent. Commodities have a fetish-like character because economic agents think they are endowed with supernatural properties; money, as the general equivalent also has this same mysterious character. These economic relations alienate humans from products of their labor and, as economic relations are reflected in social relations, humans are also alienated from each other.

Thus, Marx locates these atomistic attitudes in the capitalist mode of production as these social relations reflect this particular set of economic relations. As capitalism separates the capitalist from labor (through relative surplus value), and the laborer from the means of production, these economic relations mirror social relations. Marx’s analysis answers his research question by locating the root of these attitudes in the capitalist system that at once has created and reifies them.

Next Message by Kitkat is [898].

[917] Danish: graded A No, I think people by their atomistic attitude towards each other are not responsible for their lack of control over their social relations, because of the following reasons. In any society, the social relations are dialectically determined by the relations of production, and the property relations to the means of production. In the capitalist mode of production, the relations of production are not in the hands of individuals. E.g., being a worker, I do not choose to not own the means of production, I have been simply denied to

claim property rights on the means of production due to my class background, etc. Hence to keep my subsistence level, I have to sell my labor-power in the market, so in terms of relations of production, I have been directly or indirectly forced to be a worker, rather than a capitalist.

But the dilemma or inherent contradiction of capitalism is that on the surface level workers are unable to see their labor-power acting as a commodity, and that they have been exploited. And if they become class conscious and realize that they have been exploited by the capitalist class, therefore try to revolt against this exploitation, then they face serious consequences. As the labor union leaders in Colombia, who have been killed on a daily basis by the mighty corporations like Coke and others, because those labor leaders try to organize workers on a class basis. So, as a worker, I end up with two options, either I choose to feed myself and my family by selling my labor-power, and let the capitalist class exploit me because I am powerless as an individual, or I revolt against this exploitation through labor unions, revolutionary organizations etc., and face serious dangers to myself and my family, i.e. lose my job, political imprisonment, and even death. Hence, workers are subjugated under the dominance of the capitalist mode of production and its contradictions.

Even in the industrialized countries like United States, workers have been kept under a strong check by the capitalist class, “Right to work states” like our great state of Utah, allow employers and corporations to fire any worker being involved in labor union activity and revolutionary politics. I want to clear this out here that the capitalists are not some evil, devilish, haters, who are anti-workers and inhumane, instead, the relations of production force the capitalist class to act in this manner, because otherwise they would lose their class privilege of being capitalist. Thus, we can infer that, the inherent contradictions of the capitalist mode of production are responsible for the individuals’ lack of control over their own social relations.

Next Message by Danish is [918].

[927] Foruvak: No. Marx takes the stance that people are unaware of their social relations, specifically those involved in the production process. Because the production process has been generally unchanged over so long of a period it has become ingrained. In capitalism, the worker cares about selling their labor and the capitalist cares about producing and creating more money. This is how society has raised us to think and act and it is what society demands out of us. People are not responsible.

Hans: The question is *why* they are unaware of a situation which they are in the middle of, and whether they bear responsibility for this lack of awareness.

Foruvak: Nowhere in the question does the word “why” appear. The question says “Are people...” If points were lost for not answering a question that doesn’t exist, the grade should be re-examined (and the question should be rewritten for future classes).

Hans: Actually you give a reason why people are unaware of their social relations. You write “because the production process has been generally unchanged over so long of a period it has become ingrained.” This is not the reason given by Marx but your own explanation. I do not accept this as a reason because it amounts to saying “it has always been this way.” I want you to try a little harder.

The question itself formulates a very specific hypothesis why they are not in control of their social relations, namely, because of their “atomistic behavior.” Marx says this in 187:1. The question asks “are people responsible,” i.e., it asks something Marx is not specific about: whether this explanation implies that the individuals are *responsible* for the lack of control over the social relations in which they are embedded. If you do not answer this question

but give a competing hypothesis why they are not in control, I expect you to carefully back up your competing hypothesis.

Next Message by Foruvak is [928].

[1009] Zvisser: People are responsible for their lack of control over their own social relations. Regardless on a person's "atomistic attitudes" every person has the ability to act on their own preferences and feelings. There is nothing that can cause a person to lose their ability to make decisions unless drugs or life threatening situations arise. With this in mind unless a person is given a mind alerting drug (against his/her own will) or enters into a life or death situation everyone is responsible their own social relations. I think however that money is a huge contributor in to the social relations and can make it difficult to move among different classes.

Hans: Control over the *social relations* one is embedded in and ability to make decisions are two completely different things.

Next Message by Zvisser is [1012].

[486] Hans: Extra Credit: Identify Submissions Answering a Different Question Than the Question Asked. Hunter's [401] is not an answer to question 392 but to the different question:

Is a person's attitude towards other individuals the reason whether this person ends up as a capitalist or a worker or what other position they will inhabit in capitalist social relations?

Hunter takes it for granted that the capitalist system cannot be changed. He asserts as given facts that "there can only be so many people at the top" and "whatever success attained by a single human being is dependent on the failure of others" and that capitalists, if they want to secure their position, must exploit the many losers of the system.

Hunter's conclusion (my paraphrase or you may call it "spin"): individual workers cannot be blamed for being on the bottom, they just lost the lottery, and individual capitalists cannot be blamed for being on top, they are merely opportunists.

My response would be: Hunter is right about *individual* workers, but can the US working class *as a whole* be criticised for not organizing to topple the capitalist system (I think they can), and is it ethical to be an opportunist in a world which creates so much suffering for so many, including our own children and grandchildren (I think it isn't).

But the question which Marx asked was a different one: he tried to pinpoint the deeper reasons why individuals living in capitalism, despite all their rights and freedoms, don't have the power to say "we no longer want capitalism" and to build an alternative social system. Hunter took it for granted that the system cannot be changed and contemplated individual strategies to arrange oneself with the given system.

It is often the case that the answers submitted for a certain question do not answer the question asked but a different question. Here is another example: Badawn [131] was reading [1997ut:3] which answered the question

Can one say happiness is the only true wealth?

and this inspired him not to discuss this question but the alternative question

Do you think happiness comes from wealth, or can one be happy without wealth?

I am not sure he, or any of the others contributing to the free discussion thread, ever realized that they answered a different question than Edy in 1997. I tried to call attention to the different possible questions in [2002fa:5], but reading this is like finding a needle in a haystack. I should go back through the archives and identify answers which do not answer the question asked but a different question. This is not a task which I can do alone, there are 17000 messages in the archives. I need your help. If you find a submission in the archives which answers a different question than the question asked, please send this to the free discussion list under message number 888. Make a reference to the earlier submission and formulate the question which that submission answers. I will incorporate this info in the archives, because I think this will make reading the archives much more instructive. You will get extra credit for this because reconstructing the question actually answered from the answer is a good exercise in critical thinking. This is recommended for those who need to improve their grades. For them the possibility is turning into a necessity, because I will ask: if you need to improve your grade, why did you not participate in this extra credit?

Message [486] referenced by [538], [595], [778], and [1131]. Next Message by Hans is [514].

Question 394 is **409** in 2012fa and **423** in 2013fa:

Question 394 *What is the difference between a commodity in which all other commodities measure their exchange-value, and a commodity that is a measure of value? Why does Marx speak of “becoming” here?*

[536] Clavis: The major difference is the price. Measure of value doesn't have price. Because to be the measure of value which is unified wetform for every other commodities, dont have to make relationship with itself as equivalent. this is why measure of value, money doesnt have price.

Also, former can exposure the human labor unit itself, but measure of value (money) can't.

And, measure of value has two kind of use-value, one is special use-value as commodity itself (as resource), the other is 'money form'.

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Exchange which is that commodity owners have to compare their commodity with

each other's cannot be made unless every commodity can be exchanged and compared as value with 'third' thing. So, this

third thing could be many commodities in the society, but it will be formed as money form as exchange has been developed. And in two major conditions which are every

'those commodities' have to be identical in quality, and can be compared as quantity, gold becomes the measure of value. Because every commodities are exposure of

human labor so it can be measured as same units, it can be measured by one specific commodity (in series of exchange). And that commodity is the measure of value, which has money form.

Hans: Before pushing the send button go over your text and fix any typos. It is difficult enough for me to decipher your text because of your language difficulties, I cannot at the same time recognize what is a typo. I tried to clean it up as much as I could. But: what is "wetform"?

Next Message by Clavis is [607].

Question 395 is **267** in 2001fa, **360** in 2007fa, and **424** in 2013fa:

Question 395 *Is Marx's claim in Contribution 286:3/000 still valid today that the commodity's "second existence as exchange-value itself can only be another commodity, because it is only commodities which confront one another in the exchange process"?*

[484] Hov: Marx's claim, "second existence as exchange-value itself can only be another commodity, because it is only commodities which confront one another in the exchange process" (Marx), is still current today. For example, in today's society a quarter made by the U.S. Treasury has the worth of twenty five cents out of a dollar, but it also has value as copper. There is more you can do with twenty five cents than you can with a quarters worth of copper melted down. Our society has chosen a commodity value with much less exchange value to discourage the melting down of quarters to their copper form, which still has value, but not as much as a quarter. Using this example it is clear that Marx's statement is current.

Hans: Yes, coins do have value, though less than their face value. Does this mean that the value of money is based on a commodity? Here I am with Poptarts [522]: I don't think so.

Next Message by Hov is [632].

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each other's cannot be made unless every commodities can be exchanged and compared as value with 'thr third' thing. so, this third thing could be many commodities in the society, but it will be formed as money form as exchange has been developed. and in two major conditions which are every 'those commodities' have to be identical in quality, and can be compared as quantity, gold becomes the measure of value. because every commodities are exposure of human labor so it can be measured as same units, it can be measured by one

specific commodity(in series of exchange). and that commodity is the measur of value, which has money form.

[522] Poptarts: A commodity's second existence as exchange-value itself can only be another commodity is not valid at all today. Not only is virtually every commodity today traded for a monetary value (which technically could be a commodity, though I would say it is not, which makes this point invalid), but people even pay for commodities that do not yet exist, or even more commonly pay for a commodity with only promises to pay them back with a monetary value that would represent another commodity or the value of such.

Hans: If someone owes you gold money, you can transfer this IOU to someone else and use it to buy things with. Marx calls this credit money. It existed already at the times of Marx, and Marx studied it. Therefore, strictly speaking, Marx's pronouncement was not even true when Marx wrote it (and Marx knew that it was not true).

Message [522] referenced by [484]. Next Message by Poptarts is [523].

[1029] Hayms: The claim made by Marx in page 286:3/000 about the commodity, and "the second existence of a exchange-value itself can only be another commodity, because it is only commodities which confront one another in the exchange process," is still valid today. It would be valid because whatever can be used as an medium of exchange in society must have a second form of existence. Marx would use gold as the medium because and say, that it is not only used as currency but also a raw material for jewelry. In our time we use paper money and coins as Budletharris said in [2001fa:267] that many would disagree with this and say that this counters Marx's statement, I would have to disagree. I believe that it still has another value and it fits Marx's argument perfectly. People even pay interest for money. They receive a little bit of money now and are required to make an even greater payment back. The value that money has is really part of the C-M-C. The money takes the form of any other commodity of equal value. Hans later asked what is the other value of paper money which Budletharris is talking about, and why would a seller be willing to give up his valuable commodities for some pieces of paper? That is because people value the commodities that they can buy with these pieces of paper, that they would be willing to pay interest to get more of these pieces of paper so they can purchase commodities that have a better use-value to them.

Hans: You are identifying money with means of circulation or, as you call it, medium of exchange. The function of money which Marx discusses first is that of measure of value. Question 395 is asked in the Measure of Value section of chapter Three. At this point, Marx has not yet introduced the function of means of circulation.

Your in-class answer makes the same mistake. The metamorphosis of the commodity C-M-C is not yet introduced at this point.

Next Message by Hayms is [1036].

Question 398 is **234** in 1997sp, **226** in 1997ut, **236** in 1998WI, **291** in 2002fa, **305** in 2003fa, **336** in 2005fa, **367** in 2008fa, **382** in 2009fa, **412** in 2010fa, **413** in 2012fa, and **427** in 2013fa:

Question 398 *Why this detour over gold, why not measure value directly by labor-time?*

[410] CRC: Why Gold, and not Labor-time? Marx makes a detour to discuss gold to highlight the inability of labor-time to be utilized as a direct measure of value. This inability rests with the fact that labor-time is incapable of being measured in a standardized and established way. There exists a need therefore for a standardized, easily referenced, and easily defined measure which can be consulted in the defining of value, and thus the worth of a specific commodity in question. Gold, with its defined quantitative and qualitative worth, is an apt measuring standard for value therefore, certainly more so than is labor-time, which

would be unrealistic given the expanse of qualitative and quantitative variations that can exist among commodities on the market and their respective values. More succinctly, it would prove impossible to measure values directly by labor-time given the variations that can exist there within the realm of labor, both quantitatively and qualitatively. Marx ensures that the values of commodities are capable of being measured by one agreed upon commodity, to be held as a standard for reference. In Marx's time, this commodity was gold, and thus the reason for his detour.

Hans: You write "Marx ensures." Marx is not the designer of this society, he describes it. A better formulation would be "Capitalist society, as Marx sees it, has ensured."

Next Message by CRC is [\[465\]](#).

[508] Alex: graded A Gold and Labor Value. Money, gold, is used as a measure of value of commodities as a result of the exchange of commodities of equal labor content. Marx says that two commodities do not become tradable because they are being offered for the same amount of money. The inverse is actually true. The two commodities are being offered for the same amount of money because they have equal amounts of labor embodied in them. Because it is natural for commodities to become homogenous in terms of labor value, they can then be equated with another common commodity to put a measure on their value - money. As stated by Marx, money, or gold, is the form of appearance of the embodied labor present in the commodities.

Next Message by Alex is [\[585\]](#).

[531] DO: graded C+ Marx takes this detour over gold to demonstrate that it is a much easier way to determine value than just focusing on the value of labor-time. Though labor-time is an excellent way to judge the value of something, it is much easier for the average person to relate to gold than relate to labor-time. What Marx means when he says the word "gold" is really just a word he prefers using over the word "money", so obviously it is a lot easier for people to understand the value of money than the value of labor-time. Marx explains that "since all commodities measure their exchange-values in gold, in the proportion, in which a given amount of gold and a given amount of commodity contain equal amounts of labor-time, gold becomes the measure of value." This demonstrating the fact that gold is an excellent way of measuring the value of a commodity instead of just measuring a commodity by its labor-value.

Hans: Marx tries to show that by relating to gold, people indirectly, without knowing it, relate to the labor time in the commodities.

Message [\[531\]](#) referenced by [\[533\]](#). Next Message by DO is [\[533\]](#).

Question 399 is [306](#) in 2003fa, [358](#) in 2007SP, [363](#) in 2007fa, [414](#) in 2012fa, and [428](#) in 2013fa:

Question 399 *Why is "labor money" not money?*

[408] Karl: graded C Labor Money. Money can be described as a measure of value.

Hans: Marx starts his chapter on money with measure of value, but this does not mean "measure of value" is a definition of money. Marx's definition of money is "something which serves at the same time as measure of value and means of circulation."

The phenomenal form would be assumed by that measure of value, which is immanent in commodities.

Hans: A correct formulation would be: “the monetary price of the commodity is the phenomenal form (a fancy word for ‘visible or tangible form’) for the labor in the commodity, which is their immanent measure of value.” I am not sure if that is what you mean, but here is the crux of question 399: since labor is already the immanent measure of value, why can’t it be used itself, why are the values of commodities measured by their exchange ratio with gold rather than directly by the labor time in them?

Labor money however is not money.

Hans: Right. Question 399 is asking: why can labor money not be used as money?

Money is a measure of value that serves to change the values of all commodities into prices.

Hans: Right. The question is: why is this conversion needed, why can we not use values directly?

It is therefore proper to say that labor money is not money.

Hans: If you mean by this that labor money can therefore not be used as money than I don’t see how this follows from what you said. But your whole answer is not formulated tightly enough. Your first sentence used the formulation “can be described as,” and now you say “it is proper to say.” This is too vague. You will not understand Marx with such fuzzy categories. You may be interested in [2007SP:841].

Message [408] referenced by [2012fa:577]. Next Message by Karl is [418].

[433] Maniac: **What is better, labor money or money?** While looking over the the text in Marx and the Annotations by Hans I really like the quote by Marx in reference to Gray when he says that labor money is no more money than a theater ticket is money. Labor money is the commodity in this sense and money is the measure of the value. Here Labor money can be exchanged for money which can then be exchanged for another commodity and for that matter any other commodity. Labor is not the ultimate measure of exchange value but money is. You can in this sense always or almost always buy a commodity with money but labor can not always be bartered directly for any other commodity. Money is the measure of the labor after traded where labor money is the constant amount of labor produced or expended.

Hans: You are making the same mistake as [2007SP:585].

Message [433] referenced by [485]. Next Message by Maniac is [453].

[485] SpookyKJC: Analyzing what Marx says about the stated question, labor money is like a certificate that you have paid for something. Marx compares labor money to a movie ticket. A proof that you paid, but it’s not money. Marx uses the movie ticket metaphor, and then goes on to describe labor money as, “documents his claim to a portion of the common product that has been set aside for consumption.” What this means is that money has been given to get this document (aka movie ticket) which is also the common product that has been reserved just for the sake of going to the movie.

So what would money be in this context? Money is the trading system, what you have to give to get those documents. Without money, you wouldn’t be able to get the labor money. But you can’t buy everything with labor money, as opposed to real money. This is why labor money is not money.

Hans: Your argument is very similar to Maniac’s [433] and you are making the same mistake as he.

Message [485] referenced by [534]. Next Message by SpookyKJC is [509].

[497] Kiwi: “Labor money” is not money as Hans explained in the Annotations, “the inner measure, labor-time, is the primary driving force, generating the exterior measure, money.” From this explanation we can see that money is a superficial measure of the value of the commodities, whereas, labor time is the inherent measure of value. Since labor-time

is what determines the value of the commodity, money is created to relate the “exchange the commodities with the measure of labor time” (Deut in [2003fa:271]) on the surface level.

Next Message by Kiwi is [570].

[534] Ginny: The statement previously made by SpookyKJC [485] “Labor money is like a certificate that you have paid for something” to me seems incorrect. Marx says in footnote 50 “Labor money, for instance, is no more ‘money’ than a theater ticket is.” Marx says that “The certificate of labor is merely evidence of the part taken by the individual in the common labor, and documents his claim to a portion of the common product that has been set aside for consumption”.

Labor money is an attempt to measure the labor time put into a commodity. In 188:3 Marx says “money as a measure of value is the necessary form of appearance of the immanent measure of value of the commodities, namely labor-time.” When Marx states this I think he is saying that money is the “appearance” of labor-time. Labor money is not money, it is only the necessary form of appearance of the immanent measure of value of the commodities, namely labor-time.

Hans makes it more clear in his statement “Labor time is the primary driving force, and the inner measure, money is its form of appearance.” Also labor money is not money as Hans says “At Marx’s time, paper money represented gold. Today it represents credit. Neither now nor then did it represent labor.”

Hans: I changed “exterior measure” into “inner measure.”

Next Message by Ginny is [1011].

[537] Slamo: Marx stated in 188:3 of the text “Money as a measure of value is the necessary form of appearance of the immanent measure of value of the commodities, namely labor time.” Money according to Marx is a measure of value on the surface, and on the surface is where most social or money use activities happen. Labor money cannot be money because you cannot measure value from labor on the surface, or from the “appearance”. “Labor money” in my mind is a way to measure the labor time put into a commodity.

Next Message by Slamo is [679].

[540] Gv: To say that labor money is not money requires a careful examination of the terms. Regarding money Marx writes, “Money necessarily crystallizes out of the process of exchange, in which different products of labour are in fact equated with each other”. However, this does not mean that money directly represents a certain amount of labor hours. Labor time actually is the measure of the direct (though in an abstracted form) amount of labor hours to produce a commodity. Marx explains that money, “is the necessary form of *appearance* of . . . labour-time”. It is the concept that labor must take the form of commodities that is behind the reason why money does not represent labor-time. I like the word “crystallizes” in the quote above. While money is crystallized from the concept of labor-money, it is not the same thing as labor-money. Likewise Sodium Chloride crystals (salt) are not the same as the elements Sodium nor chloride.

Message [540] referenced by [837]. Next Message by Gv is [780].

[807] KKondo: Labor money is an attempt to measure the value of labor time spent in a commodity. On the other hand, money is the measure of value where all social activity takes place. Therefore, according to Marx it is impossible to compare both because labor money cannot be money.

Hans: I don't get it. Please explain yourself better.

Next Message by KKondo is [808].

[1011] Ginny: Labor money is not money because it is just like a voucher that you have been given for the labor a worker has done. Labor money is not money because it does not fully function as a means of circulation. Money can buy any commodity that is for sale. Labor money does not always work when a consumer uses it to buy something. In the text it refers to when someone buys a movie ticket with labor money, you cannot then go and buy something else with the movie ticket.

Hans: Since you are using the movie ticket example I assume you are talking about Owen's labor money. This kind of labor money will always *work* in the sense that it allows you to withdraw merchandise from the village store. The reason why it works, however, is different. It works not because it is money, but it works because the village store was stocked with the fruits of the collaborative labor process of the entire village and the decision was made to distribute these things according to the labor vouchers.

You say: "when someone buys a movie ticket with labor money, you cannot then go and buy something else with the movie ticket." My response: even if you buy movie tickets with real money you cannot turn around and *buy* something else with the movie ticket. Of course you know that and I think the difference which you are aiming at is: in a commodity society the movie ticket is a commodity which can be traded as a commodity, maybe for scalping etc. In Owen's socialist economy movie tickets are not commodities. The village store sells them to you, but you are not allowed to sell them yourself.

Next Message by Ginny is [1014].

[1031] Unspoken: Labor money is the worker's energy, time and knowledge they put into the production and the factory. It is the production that the worker assembles and later on the factory sells, the effort that the worker puts into the production that makes it valuable. Workers produce for long periods of time during the day producing more than what they get paid for. The profit is not gained until the product created is sold. If the product is not successful in the market the "labor money" invested on the worker is "lost" meaning no profit can be gained from selling the production.

Hans: This uncertainty exists, but Marx is emphatic that this is not the reason or justification for profits.

Needless to say, your answer has nothing to do with the question.

Next Message by Unspoken is [1035].

[1086] Hans: **Labor Money with and without commodity production.** This question has two different answers according to whether you mean Gray and Proudhon's labor money or Owen's labor money.

Gray and Proudhon proposed "labor banks" which work as follows: producers take their products to the labor bank, where experts estimate the labor content of these products and give the producers labor money denominated in labor hours for these goods. With this labor money, the producers can then buy whatever they want at the labor bank. Marx says this cannot work. As long as you have private commodity production, it is not possible to trade goods simply based on their labor content, because this does not give the producers incentives to adjust supply to demand. I tried to illustrate this in [1998WI:227].

Robert Owen's New Harmony village involved planned production, not production for the market. In order to make the distribution of labor and of the products of this planned economy equitable, people were paid in labor money, i.e., certificates denominated in labor time, and they could get merchandise at the store for this. This is a system which can work in principle. Since all production is planned, the store does not become the dumping ground for unneeded products. But those labor certificates can no more be called "money" than a

theater ticket can be called “money.” Owen’s labor money is not the representation of value. Production is not allocated through the market, i.e., products do not have “value” in the sense of representing their producer’s labor and allowing the producer to get access to their share of social wealth. Just as you can get a seat in the theater when you have a theater ticket, even though this theater ticket is not money, so you can get merchandise for this labor money without the labor money turning into money by this.

Message [1086] referenced by [2012fa:577]. Next Message by Hans is [1143].

Exam Question 400 is **235** in 1997sp, **237** in 1998WI, **247** in 1999SP, **270** in 2001fa, **307** in 2003fa, **344** in 2004fa, **338** in 2005fa, **359** in 2007SP, **369** in 2008fa, **414** in 2010fa, **415** in 2012fa, and **429** in 2013fa:

Exam Question 400 *What is the price of a commodity? Say how it is defined, and say as much as you can about it without going into Marx’s theory how its magnitude is determined.*

[436] OBJ: What is the price of a commodity? The price of a commodity is how much it is worth in terms of money. The money may be gold, silver, paper money etc. . . . The money is only an imagined measure of value, but the price depends on the value of human labor put into a commodity. Due to money being exchangeable for everything its value is inherent.

Hans: If something has value because it can be exchanged for everything, then Marx would not call this value “inherent” but on the contrary “purely relative.” Gold has value independently of this, because the mining of gold costs labor. This is what Marx means with an inherent value.

The sentence with “imagined” did not say that gold only has imagined value, but that only imagined gold was necessary to give a commodity its price.

Next Message by OBJ is [619].

[787] Alex: graded B– The price of a commodity is determined by its use-value to the buyer. If a producer can produce a commodity that is in high demand in the market and has a high use-value to other people, then he will be able to charge a high price for it, regardless of his labor cost to produce.

Hans: There are two things wrong with this:

(1) you are only talking about the quantity of price, not its quality. Marx distinguishes between the two questions “how is the quantity of a commodity’s price determined?” and “what is a price?”.

(2) Your theory of the quantity of price is the theory which Marx rejects. If a good is in high demand, this may raise the price in the short run, but in the long run it raises supply, therefore in the long run the price is determined by labor content.

Message [787] referenced by [788]. Next Message by Alex is [788].

[823] Msj: The price of a commodity is that which is exchanged for it. Price is factored by labor power and labor value going into a product. How much does it cost by manufacturing time and parts. Marx would argue that price is relative to its costs not with surplus mark up that the capitalist would take advantage of.

Hans: If the linen weaver exchanges 20 yards of linen for 1 coat, according to your definition the coat is the price of the linen. Marx disagrees.

Marx does not think value is determined by cost. A central element of Marx’s theory is that the labor cost to the capitalist is *much lower* than the value added by this laborer to the product.

Most of your answer is quantitative. Marx would say you left out some important qualitative specifications.

Next Message by Msj is [827].

[930] Kiwi: The price of a commodity is the surface value of the commodity. A commodity has an intrinsic value, which is labor. However this labor is invisible in the market place therefore, the producer places an imaginary price tag of how much his labor is worth on the

commodity. This is turned into reality when a buyer is willing to pay the sum of money in exchange for the commodity. This defines the price of the commodity.

Next Message by Kiwi is [\[932\]](#).

[935] Jaime: The price of a commodity is the money value at which it can be traded for. It is the amount at which a commodity can be exchanged for the given currency, i.e. gold or silver.

Next Message by Jaime is [\[936\]](#).

[947] Hov: Hans makes the point, in [\[2004fa:436\]](#), “one can say that the exchange-value is a diffuse expression, since the value is expressed in the use-values of arbitrary other commodities. The price is a much more focused expression, because every commodity expresses its value in the same equivalent. By this one equation, the value of these commodities is not only placed in relation with gold, but with all other commodities. Its price is its ability to be exchanged for money.” From this, it can be understood that the price of a commodity is simply one kind of exchange value, and the exchange-value of a commodity is its ability to be exchanged for another commodity. Price is the ability of that commodity to be exchanged for money.

Hans: Very good.

Next Message by Hov is [\[948\]](#).

[976] Badawn: graded C The price of the commodity is determined by its real value meaning “socially necessary labor-power involved in its production” This would mean that the commodity is rarely sold at its “real value” this is one way how the capitalist makes money off of the laborer if we were able to go of the real value of the commodity then it would help to keep prices down and more competitive for the consumer.

Hans: This was a designated exam question. You were not allowed to re-write it for your resubmission.

Next Message by Badawn is [\[977\]](#).

[989] OBJ: Marx discusses the price of a commodity as the labor time used to produce a commodity. The more labor needed to create a commodity the higher the price of a commodity. Or, the less labor needed to produce a commodity the lower the price of that commodity.

Hans: What you define here as price is called “magnitude of value” in Marx. Marx distinguishes between value and price.

Next Message by OBJ is [\[990\]](#).

[1005] Bu: A capitalist must purchase labor-power, combine it with a means of creating use-value. Use-value along with labor determines the price of a commodity.

Hans: The labor theory of value holds that in the long run, only labor input, not the use-value, determines the price. I thought you yourself had said this in [\[505\]](#) and just added a comment pointing out the step you missed.

You are defining here the magnitude of value or price, exactly the thing which the question asked you not to do. The question “what” the price of a commodity is requires a qualitative answer.

Next Message by Bu is [\[1006\]](#).

[1026] JuniorBacon: I think the price of a commodity is defined to two things, the labor you put into it and what the market decides it should be. Commodities can be compared with other commodities. I always think of stocks, you buy a stock with money and you eventually get money from the stock, markets change stock prices and money prices they are compared to one another though.

Hans: This is a course about Marxian economics.

Next Message by JuniorBacon is [\[1027\]](#).

Question 404 is **236** in 1997sp, **228** in 1997ut, **238** in 1998WI, **248** in 1999SP, **259** in 2000fa, **272** in 2001fa, **296** in 2002fa, **310** in 2003fa, **348** in 2004fa, **342** in 2005fa, **363** in 2007SP, **373** in 2008SP, **373** in 2008fa, **388** in 2009fa, **419** in 2012fa, and **433** in 2013fa:

Question 404 *How is the value of money expressed?*

[409] Foruvak: To put it very simply the value of money is expressed by the commodities that it can be traded for based on the price set by the seller. \$50 can buy a hoodie. The commodities are not always the same- that \$50 could also buy a pair jeans. The price of that pair of jeans at \$50 is set by whoever is selling it even though I might think that pair of jeans is only worth \$30.

Hans: Your answer is correct with one qualification. Marx does not think that prices can be set by the seller. Prices are given by the market. The expression of the value of money is therefore not decided by individuals, but it is a social relation.

Your emphasis on the seller is nevertheless justified. Not because the seller sets the price, but because the seller is active and money is passive. The miraculous ability of money to buy everything does not come from money but from the commodities. The sellers are motivated to sell because they have put labor and expenses into their commodity, which is wasted if the commodity is not sold.

Next Message by Foruvak is [\[448\]](#).

[506] Hunter: Money is arguably the most desired commodity; this is because it is the only commodity that can be exchanged for all other commodities. Being that money is the only commodity that can be exchanged for all other commodities, this is definitely the expression of the value of money. I agree with Sheeplab who said in [\[2000fa:102\]](#), “I think that the expression of value in money can be seen in many different commodities, but the value is still expressed in one way, through the commodities it can be exchanged for.” Every dollar earned is expressed by what it can be exchanged for in the market.

Hans: Whether money is desirable or not is not the issue here. We are talking here value, not use-value. And you must also not confuse value with value *form*. Take an ordinary non-glamorous commodity, for instance toothpaste. How is its value expressed, i.e., how can the producer of toothpaste get rewarded for the work they put into it? By the fact that it can be sold. Money is the only commodity which can be used to purchase all other commodities, but it is not the only commodity that has value. Every purchase is an exchange of equal values (assuming the gold standard which is what Marx is talking about).

The ability of money to buy all other commodities does not come from the *value* of money but from the *value form* of money (money is General equivalent).

Next Message by Hunter is [\[629\]](#).

[515] Jaime: The value of money is expressed as the Expanded form of value, according to the Annotations. At this point in Marx reading a normal commodity would be expressed as the Simple form of value. This is because money does not need to be evaluated the same way as other commodities as its value is already given. Money is directly exchangeable with other commodities because it is money that sets the value of these commodities in a market place. This being said, it is money that has an overall edge because it is the only commodity that is exchangeable with all other commodities, making it desirable.

Hans: The expression of the value of an ordinary commodity in money only *looks like* the Simple form of value. There is a difference between the linen weaver expressing the value of her linen in the coat because she needs a coat, or her expressing the value of her linen in gold (which was money at Marx’s time) which is the commodity in which *everybody* else expresses the value of their commodity too.

Next Message by Jaime is [\[601\]](#).

[527] Tvan: The expression of the value of money can be seen in the commodities that it can be exchanged for in the market place. Money as a commodity is the only commodity that can be exchanged for all other commodities in the market. This commodity can play the role of universal medium of exchange for all commodities.

Hans: Your answer explains in simple terms what was already implicit in the previous answers. What you say about the role of money as medium of exchange can be considered a clarification of cause and effect which was not always given correctly in the earlier answers. I wish you had made reference to the earlier answers and explained where they were right and where they were wrong.

Message [\[527\]](#) referenced by [\[528\]](#). Next Message by Tvan is [\[574\]](#).

[528] TKOberle: Money can be expressed in the value it has to be traded for other goods or commodities. It has useful agent to conduct a direct exchange for another good. The value of the commodity is in the labor time it took to produce the commodity. The amount of money one receives for a commodity is in direct relation to labor. For example, if a person takes 100 hours to produce a bicycle and 40 hours to produce a watch, the person producing the bicycle should receive more money. The value of money can be considered a social counterpart in exchanging an amount of money for a product. People can trust that the money they receive can be used for their own good. For example they can then exchange food and shelter for the amount of “money” they have.

Hans: You are repeating [\[527\]](#) and then adding more material to it. What you are adding sounds more like brainstorming than an essay following a logical structure.

Next Message by TKOberle is [\[589\]](#).

[532] Blossom: Gold as an active participant in the exchange process. Money’s value is not the result of some sort of congealed abstract labor present in it. Money’s value is a social contract between all individuals, and through each exchange it is continually verified through parties to an exchange coming together and willfully exchanging it for actual use values. The difference between money and “the commodity” is that money’s value is determined by a broad social consensus, and its value is expressed and confirmed in every transaction. While on the other hand, in a barter economy where the weaver brings her linen to the market in order to exchange it for a coat, the value of the linen is being expressed in the coat. No such value of the coat is being expressed at all.

The barter exchange is a two-sided behavior, with only one commodities value being expressed. The monetary exchange occurs with a single outside of the exchange expressing value for both commodities.

Hans: What you write is against Marx’s theory, because Marx says that the value of money is anchored in the labor it takes to dig gold out of the ground. What you write is also against modern economics. If people agree on a general equivalent without the value of this general equivalent being somehow anchored, you will get erratic movements of the price level, probably ending up in runaway inflation or a deflationary breakdown. The modern theories of money differ in what they think this anchor is, but nobody says that no such anchor is needed.

Next Message by Blossom is [\[565\]](#).

[533] DO: graded C+ One way Marx expresses the value of money is by stating that “Money can buy everything” and that “Money does not have to work to establish its form of value. Rather, this form of value is already given.” In other words, money speaks for itself. Instead of judging something by its labor-value, money already has its value all around the world and is the ultimate way of judging something by its value. In the end, everybody is after money, and it’s the reason why people spend lots of their leisure time performing some

type of labor. Everybody wants and needs money. It can be used all around the world to exchange commodities and is the ultimate way of expressing the value of something.

Hans: Just as in [531] you seem to think that money is a better alternative to labor time for measuring value. Marx's theory by contrast says that measuring values in money is the same as measuring values in labor-time with the only difference that this measurement is taken on the surface and labor-time does not enter the surface. Money, in Marx's theory, is the surface representation of labor-time.

Next Message by DO is [535].

[946] Slamo: In the text we read on page 247 that "since all goods express their values in money, money becomes 'directly exchangeable' for them". Marx goes on to say "We only need to read the quotations of a price list backwards, to find the magnitude of the value of money expressed in all possible commodities" The value of a commodity in money is dependent on the seller and the price he decides it is worth to trade his commodity for. On the other hand, use-value of a commodity plays a huge role in how much money a person is willing to exchange for a certain commodity.

Hans: Your last two sentences contradict the most basic elements of Marx's theory.

Next Message by Slamo is [985].

[949] Hunter: question 404: The value of money is expressed through its ability to be exchanged for all other commodities. Money is a commodity, and is the only commodity in which other commodities can measure their value and be exchanged based on the value (when compared to money) determined. Thus money is expressed as being the only commodity that can be exchanged with all other commodities.

Next Message by Hunter is [951].

Question 405 is **389** in 2009fa, **421** in 2012fa, and **435** in 2013fa:

Question 405 *If linen is offered in exchange for a coat, Marx is adamant that this is not an expression of the value of the coat, only of the linen. But if linen is offered in exchange for money, then this is part of the expression of the value of money. How did this difference come about?*

[507] Res: The reason money can act as a value expression when being exchanged for another commodity is because it, as stated in the annotations, expresses its value in the price of commodities which makes it directly exchangeable for other commodities. As Marx discusses on 189:1, the form of value of the money commodity has now become the Expanded relative expression of value. The linen and coat exchange is a simple form of relative value which is why it is only linen expressing its value in the coat. Marx goes on to clarify that the long series of value expressions is already socially set in the prices of commodities. As a result, prices act to express the magnitude of the value of money in all possible commodities.

Hans: You have inverted the Marx quote. Marx says "The Expanded relative expression of value ... has now become the specific relative form of value of the money commodity."

Next Message by Res is [609].

Question 407 is **423** in 2012fa:

Question 407 *Imagine you were studying Marxism together with a friend, and the friend said to you: Doesn't the labor theory of value imply that people should write the labor content of their commodities on the price signs instead of amount of money? How would you answer your friend?*

[502] Kitkat: A Friendly Conversation. If only I had a friend to study Marxism with, I could have some really fun conversations. . . I imagine my friend asking me about Marx's labor theory of value. She says, "KitKat, I think Marx says we should list labor content on price tags instead of price; we've been doing it all wrong!" I tell her she has missed some important points about Marx's theory. First, Marx's labor theory of value was formulated to explain why we have the money form in the first place—this is why Chapter 1 progresses the way it does. Marx starts with the commodity, explains exchange and use value, value, labor, and then gets to the money form at the end of the chapter. I would also direct my friend to Hans' annotations. He explains on page 248, "[labor content] plays an important role in the surface interactions [of the market];" this statement reiterates what Marx explained in Chapter 1. A commodity's use value is derived from nature and labor. It is through value that labor makes it to the market. Labor is indeed important, as Hans' statement indicates, because it produces commodities and helps derive use-value. Hans further discusses labor's "invisible presence in the commodity" by analogizing it to a substance that gets squeezed or stretched as the price of a commodity increases or decreases. I would explain to my friend that it's significant that Hans tells us labor is present in the commodity, but invisible—it is only through exchange that labor is "introduced into social interactions" (p. 249).

It is through the relative value of money that it can be exchanged for another commodity—again, Marx's labor theory of value is formulated in Chapter 1 to explain how we get to the money form in the first place. As Hans explains, putting the price on a price tag tells consumers what the producer thinks the product is worth and "commits the owner to hand the commodity over to anyone who is willing to pay the marked price" (p. 249). If we put the labor content on price tags, I tell my friend, we would have to literally give our labor to someone else in order to procure any commodities. We are already utilizing the money form, and this is what Marx's labor theory of value is explaining—how that system works. He is not necessarily advocating for a totally new system of exchange that does not use money.

Producers are interested in making profits, so they want prices that are high enough for people to purchase their product and make them some profit, so prices

Hans: Very good, but it breaks off. Do you still have the rest of it somewhere?

Next Message by Kitkat is [\[543\]](#).

[535] DO: graded B– If I were studying Marxism together with a friend of mine, and the friend said to me: Doesn't the labor theory of value imply that people should write the labor content of their commodities on the price signs instead of amount of money? I would reply with a very simple statement. Though the labor theory implies the fact that the labor content of ones commodity may determine the value of a given commodity, money is a much easier way of exchanging commodities. Instead of looking at a price sign and seeing the labor content which was put into produce a certain commodity, one would rather have a set price in dollars which they can pay to exchange this commodity. Rather than judging what something is worth or what its value is based on the labor content written on the price sign, having the labor content summed up and translated into dollars is a much easier way of doing it. That is why one will not see labor content on price signs, but instead see dollar signs.

Hans: Are you therefore saying the system as Marx describes it does not exist because it is impractical? This is not a rhetorical question. I would like an answer, perhaps through a web submission or a submission for question 407 that is marked ungraded (they will be accepted even after the end of the homework period).

Message [535] referenced by [2012fa:799]. Next Message by DO is [753].

[828] Alex: graded B- Money, or gold, is the exchange commodity. It is used to facilitate the exchange of other commodities. The value of the labor embodied in the product is expressed in the nearly universally (in Marx's time) accepted relation to gold.

The price the producer puts on the sign is the producer's expression of the amount of labor content in that commodity. He is equating the value of that labor to a certain amount of gold, with the hope that he has priced it high enough to create surplus value for himself. Instead of writing the labor content on the sign, the monetary price is written in order to facilitate exchange. This allows the value of the labor to be realized by the producer.

Hans: This is wrong. Look at [2007SP:586].

Next Message by Alex is [1088].

Question 408 is **230** in 1997ut, **298** in 2002fa, **350** in 2004fa, **371** in 2007fa, **376** in 2008fa, **391** in 2009fa, **424** in 2012fa, and **438** in 2013fa:

Question 408 *By putting a price tag on a commodity, does the seller declare, assert, that this commodity contains as much labor as the corresponding amount of gold?*

[482] Deiondrious: Gold does not have to borrow value. It already has a value based on the labor of the product put into making it. The seller cannot decide at what price they want to sell their product. The reason why is that the market already has a set price value on the product, that cannot be changed. They can only decide whether they want to produce and try to make an offer to the market by offering this product at the price the market is willing to give to them. Or just keep the product for self and be happy. How can you decide what to do with the product is basically up to you. But the seller is not necessarily aware how much labor is in a given quantity of gold. But they are aware of what other commodities can be bought with gold, and if the producer of the commodity they are selling to, knows the direct labor input into their own commodity, and the prices they had to pay for the inputs in order to get the purchase of the product. This is totally up to what they want to do with the product, they can either keep it and be satisfied, or go through the system and try to sell their product at a good value price.

Hans: This is a literal copy of long passages of my comments to [2009fa:1091] without attribution. This is against the rules. I cannot give credit for this.

Regarding the content of your answer, you understate how much people are dependent on the system. Almost nobody can keep their product and be satisfied. We all depend on the product of the others.

Message [482] referenced by [571]. Next Message by Deiondrious is [483].

[505] Bu: The answer to this question is no. The seller is not declaring that a commodity contains as much labor as the corresponding amount of labor if he puts a price tag on a commodity. Supply and demand will dictate what a producer will sell a commodity for. The producer is not trying to match equivalence of gold and labor, but rather what a consumer will purchase the product for. It does no good for a producer to put a price tag on a commodity that is not in line with supply and demand, he will not sell it. Also, it would not be wise for the producer to place a price tag relative to labor if demand is high and supply is low, he is only short changing himself. If demand for a product is high and supply is low you will

see producers enter into the production of a given commodity. This will drive supply up and demand down and eventually lower the price tag to the point when production is no longer worth it for some and producers will leave. Producers will evaluate the market prices as to see what price should be asked when pricing their commodity.

Hans: The point at which it is no longer worth while for producers to switch industries is the point at which prices are proportional to labor input.

Message [505] referenced by [1005]. Next Message by Bu is [685].

[526] Gonz: It could be argued that somewhere in history, the value of gold was established from the labor involved in producing that commodity. Irregardless of the manner in which gold has received its value, it today has been the standard by which commodities are priced. With that being said, it would not be correct to say that the seller declares that the same amount of labor went into the production of his commodity and the gold that fits its equal price. However, the price placed on a commodity is the result of the ability of the seller to charge as much as possible to the point that a purchaser will buy his commodity, no matter how much labor-involved value he actually feels his commodity is worth. A quick example: just because a hat maker puts his heart and soul and x-amount of hours into making a certain hat does not mean he can necessarily price that hat what he thinks he feels it should be. On the contrary, he has to place the price of the hat in the range someone will buy it.

Hans: At Marx's time, gold was the standard of value. This is no longer true today. But your hatmaker is presumably from Marx's time too.

Next Message by Gonz is [606].

Question 411 is **243** in 1997sp and **379** in 2008fa:

Question 411 *Assume under bimetallism the nominal value of silver falls below its real value. Will then silver coins be used for exchange or gold coins?*

Question 412 is **243** in 1997sp and **379** in 2008fa:

Question 412 *Assume under bimetallism the value of silver falls and the value of gold remains the same. Will then silver coins be used for exchange or gold coins?*

[518] Lukas: Under bimetallism, commodities have their value expressed in two different metals, namely gold and silver. If the nominal value of silver falls beneath its real value, then Gresham's Law will come into play. Gresham's Law can be stated as "bad money drives out good". This means that when gold and silver are both functioning as legal tender, the coin with the cheaper metal will be used for payment, while the more valuable metal will be hoarded. This means that the cheaper (bad) money will drive the more valuable metal out of circulation. So in the case of silver's nominal value falling beneath its real value, silver will be worth less than before and will become the "cheaper" metal for payment. This will cause it to be used in transactions, while people will prefer to hoard gold.

Hans: Maybe I should have written in the question "if the real value of silver rises above its nominal value." You unthinkingly equated question 411 with question 412, which is the exact opposite of question 411. Your answer is correct for 412 but not for 411. If the nominal value of silver is too low, then you don't want to give away silver in market transactions where you get only nominal value for it, but you want to hoard it, because in the long run the real value counts.

Message [518] referenced by [524]. Next Message by Lukas is [668].

[524] Clmrgrl: Does silver keep its value? The silver coins will still be used. This is because even though the value of silver falls it still is considered a value and valid for exchange for goods. The difference is that it will require more silver to be exchanged for the same good than what was used before. The ratio will change.

Hans: You made the same inversion of the question as Lucas [518], but your answer to the inverted question is wrong, while Lucas's was correct. A change in ratio will not solve the problem, because under bimetallicism, gold prices and silver prices have a fixed ratio. If silver prices rise then gold prices must rise too. This may bring silver in sync but it throws gold out of sync.

Message [518] was sent to the class 8 hours before yours. You should have explained why your answer is so different than the previous answer.

Next Message by Clmrgrl is [525].

Question 413 is **280** in 2001fa, **376** in 2007fa, **381** in 2008fa, **396** in 2009fa, **431** in 2012fa, and **445** in 2013fa:

Question 413 *If the value of gold changes over time, does this impair its role as standard of prices? Does it impair its role as measure of value?*

[447] GrouchoMarxist: The variability of the value of gold does not impair its role as a measure of value. Marx states in 192:2/o: since gold maintains a comparative value with itself, i.e. since 1oz of gold is consistently worth one twelfth of 12oz of gold, gold maintains its place as a reliable unit of comparison. This leads us to the conclusion that the valuation of a medium of exchange depends on both an internal stability (namely that X quantity of gold is consistently worth n quantity of a second amount of gold.) as well as external stability (namely that the price of gold does not fluctuate wildly or unexpectedly). As the price of commodities is dependent on the value of gold as stated by Marx in 193:2, external stability is often buffered by both increases and decreases in the price of labor associated with producing a good. As a result the price of commodities will rise with an increase in the value of gold, and fall with a decrease in the value of gold, thus limiting the impact of said shifts.

The need for the external stability of the value of a medium exchange is frequently seen in the modern foreign exchange market. During the period after the Second World War in which the Bretton Woods System was in place, the United States adopted a consistently maintained and stable fixed exchange rate upon which other nations based the valuation of their own currencies. Even after the elimination of the fixed exchange rate the United States limited monetary inflation or deflation to within a few percentage points of zero to maintain a consistent and predictable unit of exchange. Although the value of the dollar did change, and has continued to do so, the changes in valuation have been consistent and predictable resulting in what may be one of the only true international currencies. This external focus on the dollar has been maintained entirely due to the fact that the dollar is for the most part a stable (albeit shifting) measure of value.

Although external stability is important, it can be successfully argued that the price of gold was never externally consistent, due to its nature as an actual commodity rather than a fiat monetary device. This leads to the conclusion that it is far more important to maintain internal stability upon which consumers and producers alike can base price valuations, regardless of changes in the value of money and the price of a given commodity. For example

in many “Third World Countries” only large denomination US bank notes can be exchanged at the set exchange rate. As a result 10 dollars is no longer one tenth of 100 dollars it is instead a fraction of that value, and is consistently variable based upon the denomination of the note to be exchanged and the location of the exchange (In actuality this often results in lower denomination notes being deemed worthless, and in being so are no longer valuable as money). By eliminating the internal stability of the currency, the currency is therefore no longer valued as a consistent or dependable unit of exchange and is often supplanted by another more reliable unit.

So long as a currency is internally stable and does not experience large, or frequent fluctuations in value (such as hyper inflation, or massive deflation) a currency can successfully maintain its place as a valuable unit of exchange in an inherently precarious marketplace.

Hans: Regarding the “buffering” you describe in the first paragraph: changes in values of gold and commodities do not come from the price of labor, but from the productivity of labor. If labor becomes more productive, 1 hour of labor creates more commodities, but also more gold. Therefore the relative value of commodities measured in gold may not change much.

Next Message by GrouchoMarxist is [492].

[523] Poptarts: If the value of gold changes over time, regardless of inflation, if it changes at all, keeping pace with inflation or on its own, this is still detrimental to its ability to be a “standard of prices.” Gold appeared to be used because of its relative steadiness, though no good ever appears to be at a completely fixed price, gold at least did not used to fluctuate very much, which at least as a standard kept other prices from falling around it and rising around it in speculative bubbles or causing massive ripples through the economy. However, the way gold is used today could cause these very problems that it was once used or thought to be able to prevent, even now you can go to any newspaper and see an ad for gold because of its “solid value”, but some of these investments are overpriced because of speculation, already beginning to feed exactly what was hoped to be prevented.

Hans: Gold is a speculative commodity (unlike copper) exactly because the world is *no longer* on the gold standard but there are still remnants (central banks still have considerable gold reserves). The “gold bugs” expect that with the demise of the dollar the world will return to the gold standard, or at least gold will have a greater monetary role than now. Under the gold standard, the price of gold is fixed (Marx does not even call it a price but a “mint price”). Nevertheless, you are right, there was speculation too. Gold speculation has more the character of currency speculation than of commodity speculation. Marx has written a lot about it and about the 1844 Bank Act.

Message [523] referenced by [525]. Next Message by Poptarts is [799].

[525] Clmrgl: Poptarts [523], I think I understand the question differently than you. Gold would keep its role as standard of prices and it does not impair its role as a measure of value at all. Hans states that this happens because as productivity rises it represents less and less labor time in the gold itself. What gold does is help to maintain the prices from the increase in productivity. It will hold the prices in a position where there is only a small variance and not a large difference. Because of this it shows that gold still also maintains its measure of value as it is a large player in the process of price determination.

Next Message by Clmrgl is [681].

[529] Msj: Value of Gold. If the value of gold changed over time does not “interfere with the function of gold as a standard of prices” (3.1.e). With this in mind Hans mentions in his annotations that as a measure of value, gold must have variable value like every other commodity. Because it has variable value, it will constantly be linked to the relative price of another commodity like sterling, for example. Although I am arguing that it does not change

the standard of prices, the quantity of gold must be fixed. This can be a difficult concept to understand, but we need to remember that gold comes with many more uses than most of us expect. Gold has been and according to my understanding of Marx and Hans' comments gold will continue to be a steady tool to measure value.

Hans: You are right to emphasize that the quantity of gold must be fixed. A common way of debasing the currency in the history of metal money was to decrease the amount of metal represented by one currency unit.

Marx would say: gold will always have a well-defined value—not because of its many uses, but because it is a basic commodity which will never go out of fashion, and it has a well-defined cost of production. The only problem with the value of gold are the large reserves of monetary gold which can enter or exit the market at an instant.

That gold always has a value is not the same thing as saying that gold will always serve as a measure of value. I doubt that we will ever be on a gold standard again.

Next Message by Msj is [664].

[530] Barn: As the value of gold changed over time it does not impair its role as standard of prices. Under a gold standard commodity prices are related by a measure of gold by weight—a unit quantity of gold. The fluctuations in the value of gold do not interfere with its role in maintaining those comparatives. It still relates to itself in the same way, the same service toward its role as a fixed measure of price is preserved. Also, as the value of gold changes over time, it does not impair its role as measure of value. The measure of value is the “social incarnation of human labor.” A gold standard allows commodities to measure themselves comparatively as values. Gold must maintain itself with a variable value, only then can it serve as a measure of value because it itself (like other commodities) is a measure of labor. With a change on the value of gold the relationship of any two commodities (to themselves) is not directly affected. Gold will continue to fulfill its function as a measure of value. If a change in the value of gold were to occur all commodities under gold go through a simultaneous change toward gold, thereby the mutual relationships (relativities of values) between all commodities remain the same. Such a change in the value of gold would leave relative prices unchanged. Marx concludes that the variability of the value of gold does not impair the function of gold as a measure of value.

Hans: What do you mean by “If a change in the value of gold were to occur all commodities under gold go through a simultaneous change toward gold”? Can you explain this better?

This is the fifth answer to the same question. Where does your answer differ from what the others said?

Next Message by Barn is [628].

Question 417 is **430** in 2010fa and **435** in 2012fa:

Question 417 *Why is it not a defect but a sign that the price form is “admirably” adapted to commodity production, as the Moore-Aveling translation says, that prices can deviate from values due to demand and supply?*

[521] Vegas: Admirable Adaptation. Price and value are not the same thing and shouldn't be. Price interacts with commodities as if it were a commodity itself, making it far more plastic than value. Depending on how much of a product is being produced (supply) or how much is needed (demand) these extraneous variables can be accommodated more readily by price than by a change in the actual value.

Next Message by Vegas is [800].

Exam Question 418 is **322** in 2003fa, **360** in 2004fa, **353** in 2005fa, **375** in 2007SP, **386** in 2008fa, **431** in 2010fa, **436** in 2012fa, and **450** in 2013fa:

Exam Question 418 *Which two aspects of the function of money as a measure of value first look like flaws but on a closer look turn out to be necessary?*

[758] Anil: Two aspects of the function of the money accentuated in the question are, the variability of the value of gold and the deviation of commodity prices from their values. The former aspect is necessary because indeed the value of an ordinary commodity is also not stable. They are all exposed to productivity changes in the production process. And gold also has a fluctuant nature which depends on productivity changes in mining. To attain the stability of prices, it is the proper way to measure other fluctuant values in terms of a fluctuant gold value. The latter aspect is necessary due to the fact that price is the exterior expression of the immanent value, so the exterior expression must be exposed by external factors in the economy. It is necessary for capitalist production because it indicates knowledge about the commodity.

Hans: This is the right answer. The term “knowledge about the commodity” needs a better explanation: if prices deviate from values, this gives information telling the producers to adjust their production schedules to demand.

Next Message by Anil is [761].

[774] SSroy: Money functions as a means of representing value in transactions. This also means that money represents the embodied labor in the commodity for which the money is purchased or sold. The two flaws (money representing value and the ability to be commodified) are necessary because money has the ability to be circulated and manipulated to fairly represent the value created by the labor. A jacket can be sold for \$100 and the material can be purchased for \$60. The jacket and the material required in its production are not equally traded because the jacket price must include the labor value, which is represented by the difference in monetary price.

Hans: You are answering a different question that the question asked. As far as Marx is concerned, the role of money “representing value in transactions,” as you say in your first sentence, does not exist in the long run. After supply has had time to adjust to demand, money only represents labor input and nothing else.

Next Message by SSroy is [775].

[802] Vegas: Necessary “flaws” The two flaws of money that later become necessities are the variability in the value of gold as money and the difference in commodity prices from their values. In Marx’s time money was gold and gold was both a metal commodity and the standard of exchange, ie money. This seems like it could be a flaw because as the standard of exchange, gold could itself have variations in its own value. This means that the prices of commodities could change without their value changing. This actually leads to a more dynamic system of trade because if means of production are progressing the value of commodities, gold being one of them, should constantly be in flux, and as a measuring stick, gold could help hold the prices of commodities remain steady. The second necessary flaw is that of prices not always representing the value of a commodity. This at first seems like a large flaw, but upon noticing that prices are a social relation it actually helps commodities interact. It’s this ability for money and prices to fluctuate with demand and supply that allow commodities to sell easier because of their ever changing social relations. Just because the value of wheat remains the same doesn’t mean that a market flooded with wheat should pay the same price for wheat as when it wasn’t as abundant. In both of these cases money enhances societies ability to exchange on a more efficient level.

Hans: The low price of wheat is not a flaw because it sends a signal to the producers that they have produced too much and should produce less, and to the consumers that lots of wheat is available and they should use more of it.

Next Message by Vegas is [856].

[815] Gonz: The two aspects of the function of money as a measure of value are that sellers price the value of their commodities to money, and money can be highly circulable. Though placing a value of a commodity equal to money, which is just a measure of value, may seem like a flaw, it in fact has a good function. For the sake of the discussion, gold, has been a means of money for a long time. Gold does not only represent a general equivalent of commodities, but has a face value that everyone generally accepts as a pricing tool. Determined by the market, a seller can know the exact exchange-value of his good according to the price issued. In the big picture, trade is made easier because based on the price, two goods can be measured up accordingly and make the process much easier.

Money is highly circulatory and an international scale, the means of barter trade would seem ineffective. But gold, for example, can be used to measure a commodities trade easier.

Next Message by Gonz is [816].

[882] Clavis: Like Marx mentioned, the rich can't pay for their workers even if they still have their lands and materials because they don't have money.

At the first time, money is needed to measure the value of commodity in whole trade chain. like 2 yarn—1 gold—1 whiskey. in this example we can know 2 yarns have same value as 1 whiskey. but we can't say that everyone willing to trade 2 yarns to 1 whiskey. because yarn doesn't have use-value for someone. but we still know there is 'exchange value', and we try to find something which can be representative of exchange value.

And in the trade chain (2 yarns—1 gold—1 whiskey), gold will be chosen as money because gold has high use-value and exchange value (because it is rare and need lots of labor to make it.), therefore only small amount of gold can be exchanged with other products and that makes smooth trade. In addition, gold have characteristics that easy to measure the quantity, easy to cut and can be preserved forever. By time pass, by social powers and circumstance people will make gold as measure of value. So it will lead the change from C-C to C-M-C. and in this case, gold can be worked as perfect money even if it doesn't have any use-value for both buyer and seller.

Hans: You are misremembering the Marx quote. Marx quotes Bellers in 764:1/o that the lands, money, and cattle owned by the rich would not be useful for the rich if they were not also able to control the labor of the poor.

This is a good essay but these are not the specific issues asked here.

Clavis: I thought my first sentence will cover the quote part.

Hans: Yes, I am talking about your first sentence. The Bellers quote is the only thing I know of which remotely resembles what you say Marx said. If you had a different Marx quote in mind, please give us your source.

Next Message by Clavis is [1096].

[886] Poptarts: Money as a measure of value has some interesting aspects, those that seem flawed upon initial inspection but are actually necessary in the current system. As a measure of value, money would seem flawed because money is so relative to the individual, they always believe money to be of more value than the society would, this is not a flaw however, but an interesting aspect that is actually beneficial to society. Because of this, a great amount of bargaining and negotiation is done for goods, services in relation to the measure of value to money. It helps bring a proper determination for the good, and thus the correct trade value for the money itself in relation to a given good or service, as money in itself has no value. Another aspect of money that first appears extremely flawed to the

untrained mind is that of placing a measure of value based on an empirical system. How can my skill as an artistic crafts be measured by a number? How can you quantify the varying skills of services and their quality? In the end however, it comes back to negotiation as the final determinant of money's measure of value and the labor value it represents.

Hans: Value does not quantify the quality of services.

Next Message by Poptarts is [1126].

[926] Tussy: The two aspects that appear to be flaws but necessary are the unpredictability of the value of gold and the departure of the prices of commodity from their values.

The unpredictability of the value of gold is essential because values of ordinary commodities too are unpredictable. The values of commodities including that of gold fluctuate depending on the level of productivity in the production process. Higher the productivity is due to new technology, lower is the value of the commodity.

The deviation of the price from the value of the commodity occurs because of the change in demand and supply of the commodity. Higher the demand, higher the price gets and vice versa. This deviation is necessary because this indicates the demand and supply of the commodity.

Hans: Not the unpredictability specifically but the fact that the value of a gold coin changes over time with changes in productivity.

Next Message by Tussy is [968].

[975] Res: The first aspect of the function of money as a measure of value that appears as a flaw is that the price of commodities can fluctuate due to other forces (supply and demand). This causes the commodities to be under or over priced which causes money to not reflect accurately as a measure of value of the commodities. However, markets will adjust to these fluctuations by demanding more or less labor time which will level out the price to a true measure of value. The second aspect that appears as a flaw is that the mining of extra gold (which was the basis for money's value in Marx's time) would cause its value to fluctuate which raised the prices of goods due to extra money in circulation. The prices are all relative to each other so this apparent flaw does not actually cause an issue for money as a measure of value. In short, all prices rise together.

Hans: You didn't get the second flaw right. All labor inputs fall together because productivity increases not only in mining but elsewhere too, therefore prices stay stable.

Next Message by Res is [978].

[1020] Hayms: The two aspects of the function of money that first look like flaws but turn out to be necessary are the commonality of money as it is plain and appears to have no value, it can be used to be C-M-C in the middle of the exchange process and to pay the labor wages. This allows it to have a value to all other commodities. The other flaw is the limited supply of money. This allows all society and capitalists to pursue their wealth and desires but prohibits crisis or problems that may arise.

Hans: The difficulty to sell things at the price the seller desires does not come from a limited supply of money.

Next Message by Hayms is [1029].

Question 420 is **249** in 1998WI, **324** in 2003fa, **362** in 2004fa, **377** in 2007SP, and **383** in 2007fa:

Question 420 *Discuss the phenomena which Marx refers to as "quantitative and qualitative incongruities between price and value"*

[520] BrotherThelonious: “The price of a commodity is the money name of the labor objectified in it,” Marx says. The price of a commodity is an expression of value which is derived from the human labor-time input in production. Or, to work the other direction, the labor-time of production lends value to a commodity which is equivalently expressed as the commodity’s price. While price is an expression of value, the reverse is not always true; value is not necessarily an equivalent expression of price. Because the value is derived from labor, the value is unchangeable, however the value of the commodity is not the only influencing factor on the price of the commodity. Markets and exchange are very social worlds and are influenced by individual decisions and external influences. As such, price can change while value will remain the same. This is what Marx means by the phenomena of quantitative incongruity.

Qualitatively, the incongruity between price and value comes from the pricing of non-commodities. As price is an expression of value which is derived from labor-time, an object (or ideal, as Marx cites ‘honor’ and ‘conscience’) which was not produced and involved no labor-time has no value, but can still be assigned a price. Marx calls the price of these non-commodities “imaginary” as they have no value, however, states that the imaginary price-form conceals a hidden value-relation. However, the price of hidden value relations in non-commodities is a qualitative incongruity.

Next Message by BrotherThelonious is [\[556\]](#).

Question 422 is **454** in 2013fa:

Question 422 *Every child knows that a commodity cannot simultaneously be both real iron and real gold. What did Marx mean to say when he wrote this sentence here?*

[501] Bikeman: Real gold or imaginary? A commodity can’t be iron and gold at the same time. I think Marx is saying that the value of a commodity is expressed as its price which is equal to a given amount of gold. Gold is directly exchangeable with the commodity, but the reverse is not necessarily true. For a commodity to function as an exchange-value, it has to turn from imaginary gold into real gold. Of course, this cannot happen. What does happen is that the established price of a commodity is equated to a certain amount of imaginary gold and for it to become a General equivalent it must be replaced by actual gold. Because, for the iron producer, iron has to serve as the General equivalent, he converts it to imaginary gold by putting a price tag on it. The amount on the price tag is exchanged for real gold (money) which is a General equivalent that can be exchanged for any other commodity.

Hans: Yes, everyone wishes that their own commodity is the General equivalent. This is like wishing that every commodity is gold. Only one commodity can be gold.

Message [\[501\]](#) referenced by [\[2013fa:581\]](#). Next Message by Bikeman is [\[657\]](#).

Question 426 is **367** in 2004fa, **394** in 2008fa, and **439** in 2010fa:

Question 426 *Describe the relationship between the function of money as measure of value and as means of circulation in Marx’s theory and in modern mainstream monetary theories.*

[503] CameronCottle: As [\[2010fa:481\]](#) IrvingHowe mentioned. Our modern understanding of money and currency is slightly different than that of Marx because during his time, they had the gold standard. During his time money or currency actually had a value, meaning that the coin you had that was \$1 dollar was backed by \$1 dollars worth of gold. This meant

that the currency actually had value to it because it was backed by the gold commodity that had abstract labor time in it. So in Marx's time, the way currency functioned as far as value goes and circulation goes is that the currency was a commodity itself. In exchange it was the exchanging of two commodities because the currency represented a value and you were exchanging that value for another value. I.E. you gave a currency to receive food, water, clothing, etc. . . and all those other commodities were valued against the gold standard. This means that ten pieces of chicken were worth .05 ounces of gold which is expressed in this coin or piece of paper.

“This implies that each commodity must be converted into money before it can act as exchange-value itself”, is part of the view on the value of currency and its exchange (Hans 267). Everything is put in terms of money or currency and does not have a value in circulation otherwise. When asking how much a chicken costs, the response is not .05 ounces of gold, but instead one coin. It is assumed to be known that one coin holds that value of .05 ounces of gold. The coin has that value of gold and that is why a measure of value. It is a measure of the value of gold or any other commodity that society decides to use to back the currency. The value of it is not derived from exchange but from the “value” of gold or the abstract labor power put into gold.

Now this is similar to the modern world but also different, because our money system is no longer backed by gold, silver, chickens, iron, cows, sheep, etc. . . It's not that because it was the gold specifically that gave money or currency its value back then. It could have been any commodity that society accepted to measure the exchange value of all other things against but instead it became gold. Now expanding on what Irving Howe wrote, which seems even more relevant with the recent downgrading of the United States' ability to pay back this debt. To an observer it would appear that this modern day system is failing. With the physical limitations of a gold standard or any type of commodity backing the value of a currency, any central bank or financial institution is limited by how much their nation has of that commodity to back their currency. With our system, there is no such limitation and these institutions can act as they wish and it has resulted in failing economies all over the world as debt has been brought to levels unfathomable.

With the modern system, everything has become more confusing. A dollar is always just a dollar but what that dollar can be exchanged for is not dependent any longer by the commodity backing it but the exchange of the dollar itself. When consumer confidence is high in the US dollar things can be purchased for cheaper, when low they are more expensive. The dollar can also be used to by other currencies to drive the value of other currencies. These separate currencies are exchanged for each other all over the world and why? It is because society has accepted that it has a liable means of trade or value and that each person or producer has accepted that this currency can use it to gain other things. There really isn't anything different between \$1 and \$100 unlike during the gold standard when there was the actual value of a commodity backing the currency. I honestly can't say, I know what my money in my account is actually worth besides what society says it's worth. Today's currency and its value seems to be driven by exchange instead of having value.

Hans: I think it is a policy standard. The Federal Reserve is keeping the value of the dollar constant. They have been keeping statistics of industrial production since the 1920, long before the NBER.

They had the trust of the whole world. This trust is not entirely voluntary. It is bolstered by military power and there is also a special link to oil due to the chummy relations between Saudi Arabia and oil.

The last decade has done lots to undermine the conditions on which this monetary system rests. We are entering interesting times.

Next Message by CameronCottle is [614].

Question 427 is **389** in 2007fa, **394** in 2008SP, **410** in 2009fa, **445** in 2012fa, and **459** in 2013fa:

Question 427 *Describe the contradictory and mutually exclusive relationships in the process of exchanging commodities.*

[541] Karl: graded B+ Exchange of Commodities. The exchange of commodities implies contradictory and mutually exclusive conditions. Separation of commodities into commodities and money develops a condition in which they can exist side by side. Exchange is a process by which commodities could be transferred to areas in which they are point values. It is a social circulation of matter. The creation of one form of labor replaces that of another. When an item finds a place where it can perform as a use value, it falls out of the circle of exchange into that of consumption.

Commodity money and labor share a mutually exclusive relationship. This is because the quantitative division of labor would be brought about in precisely the same manner as its qualitative division. The owners of the commodities, therefore, realize that the same division of labor that turns them into independent, commercial producers also frees the social course of production and associations of the producers to each other within that transaction.

Hans: Your answer not only talks about the contradictions but also the solutions to the contradictions, and the novelty created by these solutions. Let me be more specific:

Contradiction (which you did not mention but should have mentioned): Every barter transaction tries to accomplish two different goals which are in contradiction with each other: realization of the value of the commodity one gives away and selection of the most desirable use-value for the commodity one receives.

Solution: break up the barter into two transactions, sale and purchase. You did not mention this either but you mentioned the related division of the world of commodities into ordinary commodities and money.

Novelty created by this solution: it overcomes the temporal and local limitations of the exchange. I think this is what you mean by "Exchange is a process by which commodities could be transferred to areas in which they are point values."

Next Message by Karl is [691].

Question 431 is **363** in 2005fa, **385** in 2007SP, **397** in 2008fa, **412** in 2009fa, **443** in 2010fa, **449** in 2012fa, **463** in 2013fa, and **363** in Answer:

Question 431 *What does Marx mean when he says in 198:3/o: one must look at the circulation of commodities from its form side?*

[555] Syd: Circulation of Commodities. When Marx states, "One must look at the circulation of commodities from its form side" he is observing the "form change" process of commodities in a society. The "form change" process of a commodity in a society takes on three different forms of the same commodity. Products are produced by producers who consider these commodities non-use-values and only carriers of value because in society individuals usually do not consume their own products, but products of others. When these

non-use-value commodities reach the hands of individuals who have a real use of the products they become use-values. By observing the form side of the circulation of commodities, Marx is not observing the consumption or purchase of the circulation of commodities, but instead observing the interactions in the market. Marx observes the “sphere of exchange”, which is the transfer of commodities from the producers in societies to the consumers.

Hans: You say there are three different forms, but you only described two forms: use-value in the hands of somebody who does not use it but consider it carriers of exchange-value, and use-value in the hands of somebody who uses it. What is the third form?

Next Message by Syd is [562].

Question 439 is **459** in 2012fa and **473** in 2013fa:

Question 439 *Why is C–M Necessary?*

[546] George: graded A C-M is necessary because we live in a society with a division of labor. Instead of having to make everything we use ourselves which would be very inefficient, we are able to specialize in a specific labor in which we can maximize our productivity because of our broadened knowledge of that specific task. But in order to be fully functional in our society we need to exchange our commodity that we produce into something that can be universally exchanged in order to obtain everything that we need to function. In a moneyless society it would be hard to find a specific person with whom to trade that needs exactly what we have in order to exchange for what we need from them. An exchange value would also be obscure and hard to be determined. For this reason we need a means of exchange that can be universally traded to obtain the full value of the commodity we produce. In our case this means of exchange is money.

Message [546] referenced by [2012fa:828] and [2013fa:641]. Next Message by George is [547].

Exam Question 459 is **376** in 2005fa, **398** in 2007SP, **411** in 2008SP, **412** in 2008fa, **427** in 2009fa, **462** in 2010fa, **480** in 2012fa, and **494** in 2013fa:

Exam Question 459 *How does Marx define a crisis?*

[747] Skiingforlunch: graded A– The Definition of a Crisis. Capitalist economies are synonymous with a crisis. In capitalism the economy has faults and weaknesses. A crisis is common to capitalism, because capitalism is very unstable and lacks resilience. In a capitalist economy falling rates of capitalist profits create more instability. Capitalists cut employment and wages to workers when profits fall and ultimately exploit workers even further. The crisis continues to disperse in the economy by limiting the workers’ consumption and expanding the effects to all other commodity sellers/producers.

While the turmoil strikes the working class, the capitalist keeps his money petrified from the metamorphosis in circulation. It seems in a crisis that a capitalist clings to his wealth with more tenacity than before. This is the character masks all agents wear in society. Our social relations are reflected even more predominately and clearly during a crisis than in an economic boom. The working class struggle echoes throughout society and often increases the magnitude of the crisis.

Hans: Yes, capitalism is crisis-ridden, but this does not mean it lacks resilience. On the contrary, many of these crises rejuvenate the system.

Message [747] referenced by [2013fa:1206]. Next Message by Skiingforlunch is [811].

[750] Hans: Contradictions and crises. Marx's definition of a crisis is:

the forcible unification of things which belong together but which have drifted apart too much.

This is the definition which you have to memorize.

The example given by Marx in the readings is sale and purchase.

Sale and purchase belong together, they are the two halves of the exchange transaction. But in order to accommodate the contradiction of the exchange transaction, this transaction had to be split into two independent acts (namely sale and purchase). This works most of the time, but the contradiction has not disappeared, it only has changed form. It is now present in the form of the "possibility of a crisis" as Marx says. Since the two transactions are independent, there is nothing which would force someone who just has sold to turn around and buy again. Situations could arise in which commerce is deadlocked because everybody wants to sell and nobody wants to buy. This is a situation in which the two elements which belong together have drifted apart *too much*.

What is the forcible reunification of this? Marx describes it in section 3 of chapter Three, because in real life such situations involve the function of money as means of payment. Firms which cannot sell their output cannot pay their bills, therefore they go bankrupt, and their assets are sold by the bankruptcy court at prices far below their value. These prices are so low that those who have been hoarding cash are now entering the market again. This involuntary devaluation of capital is the forcible reunification of the sales and purchases which allows commerce to resume.

Marx witnessed such liquidity crises, and he thought they were indicators that the end of capitalism was near. But the capitalists learned from this. They got away from the gold standard which they considered a too inflexible straightjacket and put a monetary system in place in which the central bank could act as lender of last resort. If there is a liquidity crunch but the fundamentals are sound, the central bank can step in and give loans. Again this did not resolve the contradiction, now the contradiction takes the form of "moral hazard," i.e. reckless business practices by those "too big to fail."

More about crises in [2005fa:957].

Message [750] referenced by [757]. Next Message by Hans is [752].

[757] Hans: Tongue Twisters and Divorces. In [750] I wrote that you have to memorize the following definition of crises

A crisis is the forcible unification of things which belong together but which have drifted apart too much.

I deliberately said "memorize" because this sentence is like a tongue twister, it is easy to get it wrong.

If two things which belong together gain their separate existence, that is not a crisis, on the contrary, that may be the hopeful beginning of something new.

For instance, the splitting up of the direct barter into two transactions, first sale then purchase, is the liberation from the fetters which the double coincidence of wants imposed

on the market transactions (or the Marxian version of the double coincidence of wants, the two conflicting goals which each transactor tries to pursue with the exchange).

If those two independent transactions drift apart, that is not a crisis either, that simply comes with the territory and it may even be an advantage. Long-distance trade would not be possible if sale and purchase could not be separated from each other, i.e., if producer and consumer of the commodity would have to meet face to face on the market place. Exchange of goods which are not available at the same moment in time would not be possible either. In 208:2/o Marx says that through the splitting-up of the barter transaction into sale and purchase “circulation bursts through all the temporal, spatial, and individual barriers imposed by the direct exchange of products.”

But these advantages can be reaped only as long as the inner unity of the two transactions is respected despite the long leash. If this inner unity is violated to such an extent that it must impose itself forcibly, this is the crisis. In this definition you cannot have permanent or chronic crises, the crisis is one discrete event, one moment of truth. It is an optimistic view of crisis, because it implies that the inner unity can be re-established. (With this I am indicating that this is not the only possible definition of crisis, it is probably too narrow, but this is the definition Marx is using.)

The opposite situation is a crisis too. I.e.,

The forcible separation of things which need to be separate but which have been combined too tightly also falls under Marx’s definition of a crisis

Assume that you marry someone who does not really fit together with you. Perhaps you both find your differences very attractive. But when you live together, this difference gets in the way everywhere. Then you have three options. Either both partners work really hard to make this relationship work, or you disengage amicably, or you start fighting and this fight ends in a divorce. This divorce could be seen as forcible separation of people who need to be separate but who tried to combine their lives too tightly. I.e., this could be an example for this second kind of crisis.

Message [757] referenced by [1160] and [2012fa:1109]. Next Message by Hans is [765].

[1040] GrouchoMarxist: Marx defines a crisis as when two events which are generally viewed as being integral to one another are separated. An example of this is in the buying and selling of commodities. Every sale must also have a reciprocating purchase. The buying and selling are two opposite poles of the same transaction. It is when the two are split in a situation where A sells to B but B does not purchase from A; meaning that the one action did not necessitate the standard reaction the problem occurs.

Hans: The separation itself is not yet the crisis. Only when the separation goes to such a point that it triggers a forcible reconciliation, then this reconciliation is called the crisis.

Next Message by GrouchoMarxist is [1044].

[1160] Clmrgl: Marx defines a crisis as two things that are being forced together that should naturally belong together but have moved apart. Inversely a crisis is also the forcible separation of two things that are together but should be apart.

Hans: You had written: Inversely this also means that a crisis is also two things are together but should be apart. I fixed it. Look at [757].

Next Message by Clmrgl is [1161].

Term Paper 461 is **822** in 2008fa, **822** in 2009fa, **482** in 2012fa, and **496** in 2013fa:
Term Paper 461 *Marxist Perspectives on the 2008 Financial Meltdown and the developments since then.*

[1126] DO, Lukas, Poptarts, and Zvisser: The American dream has always had core faults with it. Everyone believes that it is possible for them, as well as everyone around them to have their red brick house and white picket fence, or of course the updated American dream of having an extravagant house and black Escalade. It is impossible that every American capitalist can realize this dream, as it is impossible for everyone to be the rich. An intriguing example of how flawed this capitalist ideal is, can be found even today in the effects of the 2008 housing and financial market failure.

Between 1995 and the summer of 2007, house prices in America rose by 70 percent even after allowing for increases associated with the overall rate of inflation. This represented some \$8 trillion in inflated new housing wealth or 40 per cent of a total housing wealth of \$20 trillion (Baker, 2007: 2; Kotz, 2009: 311). The rapid rise in house prices was due to a range of factors, including a growing demand for homes, which was further endorsed by government and private sector promotion of home ownership. The growing supply of credit that was available for mortgages, was available at very low rates of interest, which encouraged financial speculation by investors hoping to quickly profit from rising house prices. Some home buyers feared that if they did not enter the housing market immediately, that they would not be able to ever own a home due to rapidly rising prices. (Beitel, 2008: 32-34; Stanford 2008)

The first signs of trouble for the housing market bubble in 2006 began as rising interest rates reduced house prices (Foster and Magdoff, 2009: 97) and “increasing numbers of largely black, Latino and working-class white families in the US began defaulting on their mortgages” (dos Santos, 2009: 180-181). The financial system was so fragile at this point that any one of a number of factors could have triggered the crisis, including mass defaults on credit card debts or commercial loans (Foley, 2009: 13). In addition to these negative economic situations, a greater crisis in the financial services industry was forming, specifically a breakdown of CDO’s (Collateralized Debt Obligations) these derivatives were being invested in the housing market, and eventually became removed from the mortgages and consumer loans that they belonged with, increasing the risk involved with investing in them.

The crisis itself was a natural occurrence based on the capitalist society of America. In capitalism there is a desire to look for ways to become the capitalist, or to live American dream. This led the so called common working class family to try their hand at real estate investing. They would buy a house and hold on to it for a short period of time and then attempt to sell it for profit, sometimes they would perform aesthetic renovations to quickly increase the perceived value of the property. This exponentially increased housing prices right up to the popping of the bubble, where demand began to slow, not because the capitalist did not want any more houses or more properties, but because he could no longer obtain the loans for the purchase of a new home and the investors could no longer sell houses at a profit. Then the economy had to forcibly unite the price of the houses with their more fundamental value, resulting in crisis. This may have been a naive attempt by the working class to overthrow the capitalist system through their participation in M-C-M $\dot{}$. One of the

great fallacies of the American dream is that everyone in the system cannot be living the American dream at the same time seeing as there would not be a working-class available to exploit their surplus labor.

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Hans: Your second and most of your third paragraph are is copied from

<http://www.politicalaffairs.net/a-critical-analysis-of-the-u-s-causes-of-the-global-financial-crisis-of-2007-200/>

Scroll down to the subtitle "the US housing asset bubble." I cannot give credit for that.

Next Message by DO is [1131], Next Message by Lukas is [1199], Next Message by Poptarts is [1149], and First Message by Zvisser is [11].

Question 472 is **400** in 2004fa, **379** in 2005fa, **408** in 2007SP, **419** in 2008fa, **471** in 2010fa, and **493** in 2012fa:

Question 472 *Marx defines money as the commodity which at the same time functions as measure of value and means of circulation. How does he justify this definition of money? Is there a commodity today which has these two functions? Is there money today?*

[565] Blossom: What is money. According to Marx, gold becomes the measure of value because it is socially accepted as a general equivalent.

There is a social acceptance of this commodity as a substitute for the exchange value of goods.

For a commodity such as gold to be termed as money also needs to be easily transportable with little cost. In order for it to be freely circulated there has to be a social consensus to

use it as a measure of value first to make it easily exchangeable. If there was not a social consensus to its exchange value, it could not be money because it would be difficult to carry out transactions.

I cannot think of a commodity within the US that is treated as money although we do have fiat money which has both characteristics.

Hans: You forget to mention that there must also be social consensus that it will be used as means of circulation. If it is measure of value, then it is a logical candidate for being means of circulation, therefore this is a minor step, yet it is a step than must be taken.

Next Message by Blossom is [592].

Question 473 is **272** in 1997sp, **272** in 1998WI, **282** in 1999SP, **299** in 2000fa, **318** in 2001fa, **345** in 2002fa, **360** in 2003fa, **401** in 2004fa, **420** in 2008fa, **472** in 2010fa, and **494** in 2012fa:

Question 473 *When does gold function as money as distinct from its function as measure of value or means of circulation?*

[566] Bandit: graded A When gold functions as money. Gold functions as money as distinct from its function as measure of value or means of circulation when it distinguishes itself as the sole form of value, or only adequate form of exchange-value, versus all other commodities as mere use-values. Money as a measure of value and means of circulation is merely the representative of commodities. As Hans puts it in the Annotations, money is the “servant” of commodities, because it is less than the commodities as it has no use-value. From its role as servant, however, it grows to its role as “king” in which monetary wealth, which is actually only the representation of real wealth, seems more real than the wealth in the form of commodities, reducing them to “mere” use-values. As a servant to commodities, gold functions as a measure of value and means of circulation, but once gold becomes a king, that is when it has an exchange-value compared to all other use-values of commodities, then it functions as money.

Hans: When you write “money has no use-value” I hope you don’t think money is a worthless piece of paper which everyone agrees to accept in exchange for their commodities. The gold standard is assumed in this question. Money is gold, and it has the use-value of gold (non-corrosive soft metal which is an excellent conductor of electricity). But for transactions, this use-value does not count.

Message [566] referenced by [811], [998], and [2012fa:853]. Next Message by Bandit is [648].

[811] Skiingforlunch: graded A Hoarded Gold. Gold functions as money when it distinguished itself as the sole form of value. It is distinguished in its role as money when it is “no longer a vanishing interlude between two commodities” (3.3.a Money or the Circulation of Commodities). When money ceases to change hands in ongoing transactions throughout an economy, it is no longer acting as a means for circulation nor is it acting as a measure of value. This is an economic interruption in the metamorphosis of commodities in which money becomes petrified in a hoard and is no longer an active agent in revolving marketplace of commodities. “It becomes an end in itself”. This is an entirely new social function and is a practical fact that these interruptions in economy will take place.

Marx gives two criteria where money functions as money – if it is not notional and not capable of representation (as when it serves as means of circulation), and if it distinguishes

itself as the sole adequate form of wealth from the mere use-values. The second criterion comes in the form of hoarding as denoted above.

Money in its role as means of circulation and measure of value is servant to commodities. It has no use values – but when it grows to become the social representative of real wealth it begins to function as money. It becomes “the master of commerce” as it is the representative of wealth for society – it is the case in which monetary wealth becomes more important than wealth in the form of commodities. It is a new social function.

Hans: See my remark to [566].

Next Message by Skiingforlunch is [812].

[818] Oscar: Assumed: this question is to be answered under the context of the Gold Standard.

Gold functions as money instead of a measure of value when it becomes the only—or highest—form of value relative to the other commodities. Under the gold Standard, gold is the substance all other commodities are measured against. In the Annotations, Hans discusses how money is the “servant” of commodities as it is less than and has no real value.

However, when gold functions as money there is inherent value in the gold and that in that form, the money has real value (as opposed to paper notes or credit, which have no real value). At that point, gold becomes the master or “king” and its exchange value is more than that of any other commodity.

Hans: The value of gold does not increase. The money commodity does not have *more* value than the other commodities, but it has a different value *form*.

You are reading the Annotations, but it seems you are not taking the time to fully understand them. Your in-class answer is another example for this.

Next Message by Oscar is [819].

[870] George: graded C Gold functions as a measure of value or means of circulation when it represents the value of a different commodity. Gold functions as money when its use value equals the use values for other commodities it is traded with.

Next Message by George is [871].

[959] Karl: graded B– Gold functions as money when it is used directly in a transaction. If a miner were to use his gold he dug up to barter for another commodity this would work.

Hans: According to Marx, a miner trading newly mined gold is using this gold as a commodity, not as money at all. Marx says this is not a purchase on the part of the miner, but a direct barter of commodities.

Next Message by Karl is [960].

[998] Keynes: Gold functions as money as distinct from its function as measure of value or means of circulation when it serves as a transfer of wealth or repayment of debt. Less specifically, in [566], Bandit describes gold functioning as money when “it distinguishes itself as the sole form of value, or only adequate form of exchange-value, versus all other commodities as mere use-values”. When being used to purchase goods, it is functioning as a means of circulation. Prices shown in amounts of gold serve to function as a measure of value. Again, to the specific example, when debt has accumulated, transactions and exchange of commodities has happened. It is here, where gold serves purely as a function of money.

Next Message by Keynes is [999].

[1042] Freshprince: Gold functions as money in how it can be used as a good for a particular trade or transaction. It acts as a form of value, seen from the world as valuable commodity with much worth, essentially being money in itself. Hans says in [2010fa:572] “Money functions as measure of value because all other commodities designate their prices in money. For this money must have a stable value itself” We must understand the importance money has, and the relevance it has. When gold functions as a “measure of value”, one can see that gold can be used as money and value in certain situations like “hoarding” in gold coins and gold pieces as a safety investment. When gold becomes a measure of value and the medium of circulation, it then from there essentially becomes like money.

Hans: You are not at all answering the question asked. You seem to misunderstand Marx’s quote that gold has its specific form of value. This does not mean gold has a certain use-value which is appreciated, i.e., people consider it “value.” Just as the concept “value” itself, the concept “form of value” has a very specific meaning in Marx.

Next Message by Freshprince is [1043].

Question 474 is **495** in 2012fa and **510** in 2013fa:

Question 474 *Interruptions in the circulation of money are very mundane practical facts. How can they have enough influence to initiate an entirely new social function of money, namely money as a hoard?*

[561] Skiingforlunch: graded A Mundane Fact of Hoarding. Money facilitates exchanges in the marketplace, but beyond this primary role, money also fosters behaviors that go beyond necessities of simple commodity production.

As metamorphosis of commodities progresses in the marketplace, money changes hands between traders constantly. Each sale in the marketplace by a producer is supplemented by a following purchase. As this metamorphosis continues uninterrupted the circulation of money subsequently continues. It seems methodical as each exchange is followed by another. What happens then in the marketplace when a producer decides not to purchase after he has sold his goods? This surely causes an interruption to the metamorphosis of the commodities. This is termed by Marx as “hoarding” or more so the formation of a treasure. This interruption leads to entire social function of money as the metamorphosis is interrupted and this is a behavior beyond simple commodity production. This is an entirely different social function of money.

Hoards are naturally created in traditional societies as humans in production hold reserves of wealth for living expenses and emergencies. The human beings in traditional societies are organically motivated to accumulate wealth. In Marx’s view with exchanges of precious metals, hoarding removes precious metals from circulation, but precious metal producers subsequently replace the metal removed with newly minted coins. The new social function of money introduced here (in hoarding) is beyond this natural habit to hoard for necessity, but rather the increasing greed for gold resulting from this accumulation.

In hoarding gold no longer is a representation of luxury and surplus but it represents all material wealth. All commodities are convertible into gold making everything available for purchase depending on the magnitude of the hoarder’s accumulation. Gold is admired in the marketplace at Marx’s time and this is his representation of all material wealth. What then is the social function of money?

Hoarding money in capitalism is “an incarnation of a social principle” according to Marx. In the presence of commodity producers, gold is representing all material wealth as in all traditional societies. This influence is brandished within this material object (hoarded money) and this influence is reflected in the owners and their character. The reflection of money is not only material, but this element is a social reflection.

Message [561] referenced by [2012fa:860]. Next Message by Skiingforlunch is [712].

Question 475 is **402** in 2004fa, **410** in 2007SP, **413** in 2007fa, **419** in 2008SP, **421** in 2008fa, **437** in 2009fa, **473** in 2010fa, **496** in 2012fa, and **511** in 2013fa:

Question 475 *Explain the individual motivation for hoarding money. Do these hoards have a function for the economy as a whole or only for the individual?*

[557] CRC: The Habits of the Hoarder. To be certain, hoards of gold accumulated by individuals serve both a purpose for the individual him/herself and for the purpose of the health of the greater economy as a whole. In regards to personal motivation, the amassing of a hoard satisfies two desires or necessities for the individual perpetrating the amassing:

First, the individual, as a human being, maintains a fascination with money. In a previous era, the possession of gold was a trait of a wealthy individual which lived a life of luxury. Contemporarily, a monetary hoard, in addition to signifying the total material wealth of the corresponding individual, has adopted a different definition in that an amassed hoard of money that can be the private property of one individual bestows upon its owner a certain social power. These conditions lead to an interesting contradiction, one that features the miser feverishly accumulating more and more money, knowing that money is qualitatively universal (it can be transformed into any and every use-value), but desiring to make its quantity as universal as its quality, thus endlessly hoarding more and more money but never feeling satisfied with the amount amassed.

Second, the individual, as a commodity producer, requires a reserve of money, a hoard, to both satisfy his purchasing needs during the times that he is busy producing his commodities and has nothing to put on the market, as well as in the event of an emergency.

Finally, the purpose of hoards in regards to the general health of the greater economy, where metallic circulation is the standard, is quite simple. Due to the nature of the market, the quantity of money in circulation at any given moment undulates. The amount of gold and silver in an economy must surpass the amount operating as coin, and therefore, money must be able to make the transformation from Coin to Money, and from Money to Coin with ease. The hoards serve as deposits of sorts from which money can flow in and out of circulation.

Therefore, hoards amassed by “misers” satisfy both personal desires and necessities for the individuals doing the hoarding, but also for the economy as well.

Next Message by CRC is [751].

[797] Gonz: Hans states in his response to [2008fa:691], that, “the value of money is determined by the labor content of gold coins.” Wealth comes from the accumulation and saving of gold, because gold acts as a global measure of wealth.

The individual motivation to hoard money comes from the individual’s desire to accumulate this wealth. By hoarding money, individuals can preserve wealth over a space of time.

Hoarding money is also a way that an individual can make a large purchase that he otherwise would not be able to make, for instance, a down payment on a house.

The economy as a whole also benefits from the hoarding of money, for the consumption of goods puts money back into the money supply. As a counter-action, money hoarding helps neutralize the money supply so that there is not too much in circulation. This action can help stabilize prices and interest rates.

Hans: Please think a little more about what you write. For instance your thought “wealth comes from the accumulation and saving of gold” could have used some critical scrutiny.

What is your definition of wealth in this sentence? If you mean use-values, then saving gold does not create wealth, only the mining of gold or the production of other use-values does.

If you mean by a wealthy person someone who consumes luxury goods and has a materially good life, as you say in [462], then saving and the accumulation of gold decreases this person’s wealth, only the spending of the gold money increases wealth.

Since the second half of your sentence is “because gold acts as a global measure of wealth,” perhaps you mean by a wealthy person a person who has stacked a lot of money away, even if he or she has to live thriftily to do this. This is the motivation of a miser. Marx says the miser lives a contradiction because he impoverishes himself in order to make himself rich.

Also your sentence “The economy as a whole also benefits from the hoarding of money, for the consumption of goods puts money back into the money supply” needs scrutiny. You seem to argue that the economy benefits from the *dishoarding* of money. Does this mean the hoarding of money damages the economy?

In your in-class answer you say “by hoarding money the individual may consume commodities of a higher quality or quantity.” This too needs explanation. How does the hoarding of money increase consumption instead of decreasing it?

Next Message by Gonz is [798].

[799] Poptarts: The individual motivation for hoarding money comes from man’s nature to always be complete in his domain, to have more, and to control his path, with money so crucial in a Marx (or even capital world), it is a desired good.

Hans: There is no “Marx world.” Marx himself said very little about socialism, and *Capital* is his analysis of what you call the “capital world,” it is not the design for an alternative society.

In capitalism it is easy to get the impression that people by nature want to “have more.” Marx would call this commodity fetishism, because it tries to explain social relations by genetics. Marx considers this an error. The name of this error is “reductionism.”

Capitalists may think these hoards of money in some form are very useful, but the reality is that the money should be in the system, being exchanged and promoting the welfare of society. For the individual it may be somewhat beneficial in his short-term aspect, but certainly not in the long term, or for society as a whole.

Hans: Capitalists are not hoarders. They do as you say, namely, throw the value they own into circulation in order to increase it.

Next Message by Poptarts is [885].

[800] Vegas: Money Hoarding. Misers are individuals who hoard money. Misers are fascinated by money and love it more than the use values of other commodities. The hoarding stems from the miser’s greed which is fueled by their work and frugal nature. Hoards of money are indeed useful though as they can be used as a means to make payments and as international money. In Marx’s time money was gold and silver, commodities as metals as well as well as money, and the metals were stored to show wealth. At any time this wealth could be used as payments or in international exchange in case of a trade deficit.

Hans: Money used as hoard and money used for international payments are two different functions of money. A given sum of money cannot be both at the same time, it must be either one or the other. Therefore you should have

said: money hoarding can be useful for society because if there is a trade deficit perhaps because of a bad harvest, this gold can be taken out of the hoards and used to pay for imports.

Next Message by Vegas is [801].

[1004] Res: The individual motivation for hoarding is that immense usefulness of money. Money can buy all commodities and holds potential value for its holder. For instance, if one has a sufficient money hoard, he/she can pay for yet to be created commodities/use-values, unanticipated bills, and/or financial emergencies in the future which he/she may have not been able to afford without amassing a money hoard. The money hoard is seen as a future financial security net and this serves as a primary motivation for the individual.

In the economy as a whole, money hoards allow firms to account for future expenses and/or business expansion. Holding a hoard of money in reserve allows the capitalist to protect and allow an adjustment of his/her business for possible downturns in profits or demand. A money hoard also provides a large nest egg for a firm to make large investments for business expansion (purchasing new, expensive machinery, infrastructure, etc.).

It should be noted that excessive money hoarding can cause issues for an economy. If hoarding gets to a point that far too many people are selling without reciprocating by becoming a buyer in return, this will disrupt commodity exchange in the economy. The liquidity of money will decrease and the economy will suffer and stagnate. Commodity exchange is crucial to a capitalist economy and excessive hoarding can impede this necessary process.

Next Message by Res is [1010].

[1083] SSroy: The individual motivation for hoarding is to increase social status. If a person amasses money, they are considered wealthy. This serves a function for society as a depository. An individual who hoards can selectively release the excess wealth in pursuit of more wealth, which creates opportunities for growth.

Next Message by SSroy is [1084].

[1209] MarxStudent: graded A- The individual motivation for hoarding money has to do with the fact that money is qualitatively universal and thus it represents all possible use-values. At the same time it is quantitatively limited and thus is cannot be exchanged in order to realize all use-values. Thus the individual is driven in vain to hoard money in order to have power over the social relations that result in use-value i.e. labor. The hoards have a function for the economy as a whole because they operate as a buffer when the process of selling commodities C-M has not been sufficiently offset by purchases of commodities M-C. Thus when the imbalance becomes too great as in the case of a crisis money is released from the hoards in order to satisfy circulation.

Hans: You are describing the motives of the miser only. Not everybody who pulls money out of circulation is a miser.

Message [1209] referenced by [2012fa:857]. Next Message by MarxStudent is [1210].

Exam Question 476 is **422** in 2008fa, **438** in 2009fa, **474** in 2010fa, **497** in 2012fa, and **512** in 2013fa:

Exam Question 476 *Give an example of a transaction between P and Q in which P sells to Q but Q does not purchase from P.*

[767] OBJ: P sells to Q, but Q didn't purchase from P? How could this be, P does sell to Q, but Q didn't purchase from P? Marx said, "This operation, conducted on a general

scale, seems to contradict itself. The precious metals, at the sources of their production, however are directly exchanged for other commodities. Here we have sales (by the owners of commodities) without purchases (by the owners of gold or silver).” So, I read this and think Marx does not see the exchange of precious metals as any more than the hoarding or accumulation of wealth. An example where P sells to Q, but Q does not purchase from P could be then, Kennecott copper mine exchanging copper in exchange for a commodity such as gasoline.

Hans: This would indeed be a barter, but it does not happen. With the availability of money, market participants no longer barter, even if there is a double coincidence of wants.

Message [767] referenced by [768], [769], [770], and [2012fa:1142]. Next Message by OBJ is [913].

[768] SSroy: P sells to Q, but didn’t purchase from P? (A response). Keep in mind, OBJ [767], the assumption is that the gold standard is in effect. I think this will expand the number of credible examples. In reference to Marx’s concept of hoarding, a person may produce much more than the equivalent of what that person consumes, resulting in an excess of gold or money which is socially deemed as “worth”. Marx says in Capital, “Work, thrift, and greed are therefore his three cardinal virtues, and to sell much and buy little is the sum of his political economy”. From my standpoint, this is a limited outlook for someone to adopt as their personal economic goal. The classic Dickensian villain turned hero, Ebenezer Scrooge, comes to mind. Although I lack sufficient personal experience, it is thus safe to assume that increased personal fulfillment cannot be accurately expressed by a relative amount of gold or silver one possesses. For example, Donald Trump is widely known for his gold fetish, yet is equally notorious for deceptive business practices and questionable ethics. Gold obviously has not brought Mr. Trump enviable characteristics. To most of us at least.

Message [768] referenced by [770]. Next Message by SSroy is [774].

[769] Blossom: Reply to OBJ. OBJ’s example [767] is sort of funny in that it is not what I imagined Marx meant at all by the idea that P sells to Q without Q purchasing from P. OBJ’s example seems like an example where Q is actually purchasing from P, because the copper that comes from the mine is a product of the labor in the mine, even though I’m sure that’s not how the mine’s transactions actually take place.

As we move on to an individual basis, If Q actually purchased from P, that would imply that Q is the producer of gold, and since it’s not exactly a product of us splitting our cheeks, we do not actually purchase with it, even though we may use it as a means of exchange. This is because Marx viewed a transaction occurring as a product of two trader’s labors in creating their trade-able commodities. So, I think what Marx is saying is that since the gold/silver, or any form of money, that you use to purchase is not a commodity produced by you, the trader, you are not actually giving up any labor in exchange for another commodity, and are not actually making a purchase. (maybe I’m off base)

So to be on equal footing in an exchange, both traders must bring their labors to the exchange platform. I think any example would suffice that would involve money in the transaction, Since money doesn’t equate with labor power, like when I went to the union today and bought a candy bar with my hard earned seventy-five cents.

Next Message by Blossom is [1065].

[770] Hans: The answer you have been looking for. For the answer you have to keep two things in mind:

(1) Marx is talking about the gold standard as SSroy said in [768].

(2) By “precious metals” Marx means the money commodity, i.e., either gold or silver at his time, but definitely not copper.

Now let’s go to OBJ’s Kennecott example in [767] and assume that we are under the gold standard. Could Kennecott buy gasoline with the gold it gets out of the ground? In principle yes. The procedure would have been for Kennecott to take their gold to the mint which converts their gold into coins, and then they could use the gold coins to buy gasoline. The mint will do this with any gold anybody brings, and they will not even charge for this, and there is a fixed exchange rate, every gold dollar coin contains a fixed amount of gold determined by law.

Therefore we can think of it as Kennecott getting *money* out of the ground. Under the gold standard, Kennecott is able to buy gasoline directly with the new money it produced without having sold something beforehand in order to pull this money out of circulation. For this reason Marx says I should not have used the word “buy.” From Kennecott’s side this is a direct barter of the commodity they produce for the commodity they need. This barter is not split into first selling and then purchasing. There was no need for this because the commodity they produce is the money commodity. For the seller of the gasoline, on the other hand, it is a sale. This is how you get a transaction which is a sale from the side of the seller, but not a purchase from the side of the party the seller sells to.

What does all this have to do with hoarding? For Trump and the other 1%-ers to be able to hoard money, there must be a place where all this money enters circulation. This place is Kennecott (assuming the gold standard). Today other mechanisms generate this liquidity, involving the banks and the Federal Reserve. And since gold is no longer the money commodity, Trump buying gold today is not hoarding but speculation.

Message [770] referenced by [2012fa:1142]. Next Message by Hans is [771].

Question 482 is **284** in 1999SP, **320** in 2001fa, **349** in 2002fa, **364** in 2003fa, **424** in 2008SP, **426** in 2008fa, and **519** in 2013fa:

Question 482 *What is the relation between Marx’s theory of a miser and Keynes’s “paradox of thrift”?*

[558] Reagan: The Sting of the Stingy. In one of the most famous quotations from *Das Kapital*, Marx declared unequivocally that, “While the miser is merely a capitalist gone mad, the capitalist is a rational miser.” 254:1 Furthermore, Marx explained that the capitalist “shares with the miser the passion for wealth as wealth. But that which in the miser is a mere idiosyncrasy, is, in the capitalist, the effect of the social mechanism in which he is but one of the drive-wheels.” 739:1. Thus, Marx observed that the driving goal for capitalists is not to produce for consumption, but merely to accumulate wealth. When we consider that the definition of a miser is “one who lives very meagerly in order to hoard money,” we fully grasp the full implication of Marx’s statements.

Meanwhile, Keynes’s “paradox of thrift” states that if everyone makes saving the highest priority, as is the case during recessions, aggregate demand will fall, with consumption

and economic growth plummeting right along with it. In a basic sense, the paradox is that increases in savings among individuals may indeed prove harmful to an economy.

Comparatively, one might point out that it is the “misers” of Marx’s theories that compose Keynes’s “paradox of thrift.” Keynes observed the harmful effects scavenger-like, hoarding tendencies can have on the general well-being of the economy, without commenting on the psychological nuances between these individuals and their capitalist counterparts. Ultimately, Keynes paints the picture of the “miser” with the broad brush strokes of looking at the overall economy, while Marx delves into the motivations of these individuals.

Skiingforlunch: There is an even bigger difference between Keynes’s view and Marx. Marx’s view looks at the hoarding as its effect on society as a whole, not just the economy. Ultimately hoarding in Marx’s case is rooted in the commodity and reflected in the individual, but by taking a step back we see its effect largely on everyone of society. Their wealth becomes a reflection of their value to society. Capitalism is effectively distributing wealth to those who control labor and those who hoard. The society hurts because those who control wealth also control the means to obtain wealth. Their desire to accumulate wealth leads to an increased desire to exploit the labor they control. Keynes’ view does not acknowledge this major disconnection. This is why it is largely a social issue more than economical.

Next Message by Reagan is [672].

Exam Question 496 is **296** in 1999SP, **419** in 2004fa, **396** in 2005fa, **425** in 2007SP, **437** in 2008fa, **453** in 2009fa, **490** in 2010fa, **518** in 2012fa, and **534** in 2013fa:

Exam Question 496 *Bring two examples of situations where money functions as money and not merely as measure of value or means of circulation.*

[763] Clmrgrl: When I pay my rent each month the money I give is then money functioning as money and not as a measure of value or circulation. This is because it is used as a payment for something that can not be measured as a commodity and it does not immediately go into circulation.

When we buy good from China to sell here in the United States money functions as money then. This is because it is not a statement of value of the commodities here locally. Also because the money is leaving the United States economy and circulation and going into China’s economy.

Message [763] referenced by [771]. Next Message by Clmrgrl is [1130].

[771] Hans: Money as Money. Here are my comments about Clmrgrl’s [763].

(a) The money to pay rent functions not as money but as means of circulation. Here is the reason: if rent isn’t paid by the 5th of the month your landlord usually has the right to evict you. I.e., the rent payment allows you to stay in the apartment. This is means of circulation.

But the money with which you pay your credit card bill does not function as means of circulation but this money functions as money. Because nonpayment of the credit card bill does not mean that you have to return the items you bought, but it means that you have to pay later with penalty and interest. Here the circulation already happened, and money is the settlement of debts. This is money as money.

(2) If you buy Chinese imports at WalMart, this is means of circulation. But WalMart paying their Chinese suppliers is money as money, because this is a transfer of wealth between two different economies.

If you want to be more precise about it, you could say: part of the money credited to the Chinese supplier does not leave the USA but it pays for Chinese imports. But China has a trade surplus with the USA, it sells more to us than we sell to them. The surplus is financed by China buying Treasury bonds or making other investments. This is where the transfer of wealth happens: US assets are now owned by the Chinese.

Message [771] referenced by [1000]. Next Message by Hans is [778].

[813] Skiingforlunch: graded A Money as Money. In the context of hoarding money is petrified in hoards of wealth removed from circulation. This is a function of money and not as a measure of value or means of circulation. Money functions as money also in the process of M-C-M. Money refluxes in this case to more money. The commodity is never consumed and money has refluxed into more money. This is the exchange form of a capitalist. The increase in money at the final stage is an increase in wealth. In M-C money is the means of payment to acquire a commodity for its value rather than use value. In C-M the commodities value is realized as well as any surplus value the capitalist was able to obtain. The end result is more money which is ultimately pulled from circulation

Next Message by Skiingforlunch is [814].

[820] Oscar: 1. When you purchase shoes at the store, your payment is functioning as money, not as circulation. You are buying the leather of the shoe, the time and skill of the shoemaker, the transportation (shipping) and marketing costs for the shoe, the rent of the shoe store, and the wages of the salesman.

2. When you make a payment on your credit card bill, which reimburses (with interest) Visa or AmEx for financing your car repair, doctor bill, or that fancy Caribbean cruise.

Hans: (2) is right, but (1) is wrong. In (1), money only serves as means of circulation, not as money. Even under the gold standard, people usually did not use gold coins to buy shoes. They used silver or copper coins whose metal value was less than their face value.

Next Message by Oscar is [822].

[866] George: graded A 1) Money functions as money when it is used to pay off a debt.

2) Also when money is paid between countries in which one country exports more than they import from the other country.

Next Message by George is [867].

[896] Kitkat: Money is a commodity that has been elevated to the general equivalent. Two examples of where money is simply a commodity are (1) when people purchase coins or paper money for a collection (old/rare coins, for example), and (2) when people visit a foreign country and give a family member money from that country as a souvenir. In both of these cases, the money collected is kept for its use value either as a collectable or exotic souvenir.

Hans: Marx was not talking about souvenir coins in *Capital*. He was trying to understand how money turned from a servant of circulation into a king.

Next Message by Kitkat is [897].

[901] Danish: graded A World Money: In International trade market, money purely acts as money.

Hoarding: When people store up money, it does not act as means of circulation, it simply acts as pure money.

Message [901] referenced by [2012fa:1114]. Next Message by Danish is [917].

[924] Foruvak: Money functions as money when it is being paid in wages to workers because it is given to represent labor performed. It also functions as money when used as capital.

Hans: Completely wrong.

Next Message by Foruvak is [\[925\]](#).

[963] Karl: *graded A* Money functioning only as money.

a) Paying your credit card bill. The transaction to purchase has already occurred. You are paying a bill; not paying will result in penalties. You continue to have the purchase.

b) A transfer of money from Wal-Mart to China. The goods have been transferred and sold.

Message [\[963\]](#) referenced by [\[2012fa:1114\]](#). Next Message by Karl is [\[1062\]](#).

[1000] Keynes: The first example would be a credit card. Commodities have been exchanged and the transaction complete. There is no threat to lose the commodity, but instead higher fees for a late payment. The function of money as money is displayed with the repayment of debt.

The second example would be a transfer of wealth. In [\[771\]](#), Hans states that Walmart in the United States paying Chinese suppliers is not a means of circulation or a measure of value, but another example of where money functions as money.

Next Message by Keynes is [\[1003\]](#).

[1007] Zvisser: Money can function as money when related to the gold standard and finding gold then converting into coin. Also when one kind of money can be exchanged in to another currency such as dollars into yen.

Next Message by Zvisser is [\[1008\]](#).

[1034] Freshprince: Money functions as money when one is to intermediate the exchange of goods and services. The main functions of money are distinguished as a medium of exchange, a unit of account, a store of value.

Hans: You are using here the categories of mainstream economics, which does not know the function of money “as money” defined by Marx.

Message [\[1034\]](#) referenced by [\[1203\]](#). Next Message by Freshprince is [\[1037\]](#).

Exam Question 506 is **197** in 1995WI, **176** in 1995ut, **210** in 1996sp, **227** in 1997WI, **280** in 1997ut, **299** in 1999SP, **317** in 2000fa, **336** in 2001fa, **380** in 2003fa, **425** in 2004fa, **432** in 2007SP, **443** in 2008fa, **459** in 2009fa, **496** in 2010fa, **528** in 2012fa, and **544** in 2013fa:

Exam Question 506 *Give examples for “advancing” and “expending” money.*

[835] Bandit: *graded A* **Exam question 506, examples of “advancing” and “expending” money.** Marx defines “advancing” money as M-C-M where the intention behind purchasing a commodity is not to consume, but to exchange as a product for money. An example of this is when capitalists purchase labor-power and the means of production in order to produce a product and sell it for profit. Marx defines “expending” money as C-M-C in which money is used to purchase a commodity which is intended to be consumed. This occurs anytime you purchase a commodity with the intention of consuming it, such as when you go out to eat, rather than selling it.

Next Message by Bandit is [836].

[840] Veb: The form of circulation in which money is “advanced” is M-C-M, the form in which money is “expended” into the economy is C-M-C.

Hans: This is the definition, not examples.

Next Message by Veb is [841].

[845] Gv: “advancing” money is money traded in-advance for a specified commodity exchange in the future.

Hans: Marx sees a big difference between an advance downpayment on a consumer good and a capitalist advancing his capital in order to get it back with surplus-value.

“expanding” money is the money that seems to magically appear from the surplus-value the capitalist extracts from the laborer.

Hans: The question asked about “expending,” not “expanding.” Marx does not think money can expand. Instead he says *value* can expand by the purchase and use of the commodity labor-power.

Next Message by Gv is [852].

[848] Rajon: graded B+ “Advancing” and “expending” money is money that is progressing through circulation. It starts off fresh and pure, but as it continues in circulation, it starts to wear down and eventually it is expendable and needs to be melted down in order to be re-used. An example would be a quarter being worn down throughout the years so that its ridges disappear. This is a bigger deal with full value “coins”, compared to “tokens of value” or “symbols of value”, which are worth less than their full value anyway.

Hans: You are answering a different question which was not in the class edition of the Annotations.

Next Message by Rajon is [849].

[868] Bikeman: Advancing money is, for example, paying rent. If you don’t pay rent, you don’t have a place to live. At the same time, you don’t have a product that is your own. Expending money is when you purchase a product that you consume or own.

Hans: Interesting interpretation of the term “advancing.” This is not how Marx uses the word, but I could imagine that you are not the only one who uses the concept this way.

Next Message by Bikeman is [869].

[874] BTFCANDG: Advancing money: when a capitalist uses a M-C-M type of exchange, he turns money into more money. He also obtains a commodity.

Expending Money: When in using a C-M-C type of exchange a commodity creates money, which in turn is used to gain a new commodity.

Next Message by BTFCANDG is [875].

[940] TKOberle: An example of advancing money is when someone buys something they are not intending to use. It is primarily bought for an investment. One may buy a house at a low price knowing they will resell the house for a higher price, thus, increasing their money or making a profit. Expending money is buying something with the intent of using the commodity or item. They are not intending to resell or make a profit on the item. For example expending money is buying a house intending to live in it for a long time.

Next Message by TKOberle is [941].

[957] CRC: An example of advancing money would be gambling. An individual wagers x amount of dollars and, if successful, receives in return x' , a larger amount than the original x . It appears as if the money in question has a fluid value and is capable of expanding itself at will without exterior action. An example of expending money is the purchase of a good or service. To expend money is to spend or exchange money.

Next Message by CRC is [958].

[962] Cheeto: Advancing Money: Putting money down for a commodity not yet ready for consumption.

Expending Money: Putting money down towards a good that is available for immediate consumption.

Hans: What Marx calls advancing money is not the same as payment for a consumer good in advance.

Next Message by Cheeto is [964].

[1033] Malibu: Advancing money can be in the form of payment to someone for something they will produce for you. For example I would advance you money to say, design my house. This means that my house is not actually designed so therefore I am advancing money to you to have you design my house. Expending money on the other hand would be buying something that has means or means to produce something else. For example a printing company must expend money to buy a printing press if they want to be able to sell printed good.

Hans: Both examples are wrong.

Next Message by Malibu is [1038].

[1067] Blossom: Advancing money is the capitalist's behavior of generating surplus labor value, or profit, from the production process. Expending money is using it in the trade of commodities, which does not generate profit, but makes use of the money to accumulate commodities and use them to take care of basic needs.

Next Message by Blossom is [1068].

Question 515 is **198** in 1995WI, **216** in 1996sp, **216** in 1996ut, **233** in 1997WI, **297** in 1997sp, **286** in 1997ut, **323** in 2000fa, **342** in 2001fa, **385** in 2003fa, **440** in 2007fa, and **554** in 2013fa:

Question 515 *What is capital?*

[568] Foruvak: Capital is anything that has value which can expand through a social process to create more value. Capital can be machines, buildings, or money, but for this answer we will just use money (even though not all money is capital). Money becomes capital through the social process of circulation. Money needs to be used in order to become capital which is more than just M-C-M. Marx denotes it as M-C-M' which is the original sum plus an increase, or "surplus value." When someone lends money they get money back plus interest. Interest is the surplus value.

Message [568] referenced by [569] and [2013fa:678]. Next Message by Foruvak is [599].

[569] Hans: Taking the Magic out of Capital. Foruvak writes in [568]:

Capital is anything that has value which can expand through a social process to create more value.

From a Marxian perspective, is there anything wrong with this definition?

Yes, I think so. The qualifier "through a social process" is the big "Get out of Jail Free" card hidden in this definition. The creation of value requires labor, and although Marx stresses that production is a social process, it does not seem that Foruvak was thinking of

labor when he wrote “social process.” I can even give textual evidence for this. Foruvak also writes:

Capital can be machines, buildings, or money.

What is missing (again from a Marxist perspective)?

Labor-power, of course! If Marx’s theory is right, machines or buildings or money cannot create value. Labor-power can create value. Capitalists invest in buildings and machines only so that they can employ workers. Marx calls them “constant capital” because they do not increase in value, all they do is transfer their value to the end product. Here is my last quote from Foruvak:

When someone lends money they get money back plus interest. Interest is the surplus value.

Interest-bearing capital has existed thousands of years before modern industrial capital. Interest-bearing capital is a primitive form of capital because it is a redistribution of value from borrower to lender. (This is presumably what Foruvak means by “social process.”) Modern industrial capital differs from this because it produces new surplus-value instead of appropriating already existing value. The secret of this production of surplus-value is the fact that wage workers get a wage which is lower than the value they create. Nowadays, if you scratch the surface of any money-making scheme which is not a ponzi scheme, you will find a wage-laborer producing goods which his or her capitalist can sell for profit because the payroll costs are lower than the value added by this labor.

Next Message by Hans is [\[594\]](#).

[944] TKOberle: Capital is the sum of money and values, that come together and create more value through a social process. The value and money when combined creates the value to increase and expand. In [\[2003fa:325\]](#) Hans writes about Marx’s theory and how “it is something very real, it does things, it harms us.” Capital can be associated with the surplus value that capitalists get when they expand money or values. Capital can be associated with exploitation and valorization. It is basically advancing money or value to receive more profit and value.

Next Message by TKOberle is [\[950\]](#).

[967] CRC: Capital is the result of the process M-C-M’, which is practiced by capitalists in capitalist societies. To explain further, by way of the process of using money to purchase a commodity (labor power) in order to then transform the purchased labor power into value once again, but arriving at a larger sum of value than the individual began with, an individual procures Capital. However, this is not the only method that may be used to create capital. The essential phenomenon that is crucial for the final product to be Capital is that the value must undergo a conversion, by way of a social process, that valorizes it, thus providing an increased amount of value at the end of the process. In summation then, capital is the product of a social process that takes an initial value and valorizes it, providing for a larger quantity of value as the end result.

Next Message by CRC is [\[987\]](#).

[970] Cheeto: In Karl Marx’s equation M-C-M’, the M’ at the end of the equation is capital. It is money that has been advanced into a commodity and has come back with a

profit, AKA capital. However, the accumulation of capital (M') is contradictory to Marx's equation $C-M-C$, where money is expended into a commodity and the commodity consumed as a use-value. In $M-C-M'$, the capital accumulated leeches money from circulation and can undermine the process of circulation itself, assuming that those buying from the person trying to accumulate capital don't realize that they are being swindled. To overcome this contradiction of possibly destroying the system that the capitalist is trying to take advantage of, capitalists turn to the one "commodity" that they can buy and sell so to create the M' , or capital. This one commodity is human labor-power and is the only thing that can create value. Everything else involved in the production of commodities, like machinery, tools, and land are just instruments of labor and do not create any value themselves. This last point is a massive neoclassical misconception of value. Therefore, capital is the M' in the equation $M-C-M'$, where M is money, C is commodity (labor), and M' is capital from the labor.

Hans: The value going through the process $M-C-M'$ is called capital, not just the one phase of this process M' .

Next Message by Cheeto is [973].

[1046] Malibu: Capital is a means of production in a monetary form. This simple explanation is much deeper when looked at closely. It's the ever expanding value of money that creates capital.

Hans states capital best [1997ut:296] "It is value which has the purpose of becoming more value. It is value 'on the move', so to say"

This can further be understood in Marx's $M-C-M$ model. For example you lend someone \$100 at a 10% percent interest rate you get back \$110. The \$10 in interest you made is made because of the capital you had (\$100). Another example would be an apparel manufacture. They use capital to purchase fabric, sewing machines, warehouse etc. This would be the first M in the $M-C-M$ model. They then produce goods (or commodities) the C . Finally it comes full circle when they resell the commodities at a higher price to make a profit and create more capital.

Capital comes in many forms. But the basic idea is that capital is expanded through commodities. That is why the rich (capitalist) get richer because they have capital to produce commodities which in turn make them more money. The worker doesn't have access to capital so they work for the capitalist for a wage.

Next Message by Malibu is [1089].

[1065] Blossom: Capital is value-added. As money circulates through an economy through purchases and sales, it somehow grows quantitatively. This mystery is attributed to some concrete form called capital. Capital passively interacts with the laborer, and this creates commodities that can be sold, so that the capitalist in the end has more money than what he used to purchase the capital and the labor.

Hans: This is a mixture of the right definition "capital is self-expanding value" and the wrong definition "capital is means of production."

Next Message by Blossom is [1066].

Question 542 is **448** in 2004fa, **457** in 2007SP, **470** in 2008fa, **489** in 2009fa, and **565** in 2012fa:

Question 542 *What is mercantilism? In which way are mercantilists similar to misers?*

[571] Deiondrious: Mercantilist nations were impressed by the fact that the precious metals, gold, and the universal demand that is already a mean to obtain other products. So now they use the money to be used a wealth. Under a mercantilist policy the nation attempted to sell more than buy in order to accumulate more silver, gold and other precious metals.

A miser is a person that spends money usually to the point of foregoing even basic comforts.

Mercantilists and misers are similar because they both seek to gain more money and wealth and make sure that they are always ahead instead of giving up anything without gain. “An economic system developing during the decay of the feudalism to unify and increase the power and especially the monetary wealth of a nation by strict government regulation of the entire national economy usually through policies designed to secure an accumulation of bullion, a favorable balance of trade, development of agriculture and manufactures, and the establishment of foreign trading monopolies. . . .”

Hans: Most of this is a paraphrase of [2007SP:684]. This is the second time you are doing this, after [482].

The passage in quotes is from the Merriam Webster Dictionary. You have to identify your sources. The syllabus says on p. 773: “If you quote books or other published sources in your answers, you are expected to give a citation; the same is valid if you quote answers from previous classes which are published on the web.”

From now on I have to require you to only answer questions which have not yet been answered this Semester and which also do not yet have answers in the archives.

Next Message by Deiondrious is [579].

Question 544 is **459** in 2007SP, **472** in 2008fa, and **528** in 2010fa:

Question 544 *In what respects does $M - C - M$ “contradict all the previously developed laws bearing on the nature of commodities, value, money, and of circulation itself”?*

[590] Cheeto: M-C-M and its Magic. $M-C-M'$ contradicts all of the laws regarding the nature of commodities, money, value, and the circulation process itself in that $M-C-M'$ is an attempt to create value from circulation. The overall goal is to take money, invest in commodity, then sell commodity for more money than previously invested. This cannot be successfully executed. Circulation i.e. $C-M-C$ is a zero sum game, because it is powered by exchanges of equivalences of value. $C-M-C$ cannot create value since it is not creating any use values. Value, however, comes from the abstract labor within commodities and not from circulation. Since abstract labor is not being added to the commodity in $M-C-M'$, value cannot be created in this equation and, furthermore, would contradict itself by leeching money from circulation, which would eventually stop circulation itself assuming people fail to realize that they are being cheated. Literally, $M-C-M'$ is to pull value from thin air and then attempt to pull money from circulation, which is a zero-sum game. Much like a game of poker.

However, because of these contradictions, this opens the door to the need of controlling the process of labor by the capitalist in order to fully control the abstract labor within commodities.

Hans: Definition of zero-sum game: Even if nonequivalents are exchanged, circulation still is a zero-sum game because the sum of all gains minus all losses is zero..

Next Message by Cheeto is [591].

Question 545 is **306** in 1998WI, **340** in 2000fa, **402** in 2003fa, **451** in 2004fa, **463** in 2007fa, **470** in 2008SP, **529** in 2010fa, **569** in 2012fa, **585** in 2013fa, and **529** in Answer:

Question 545 *Does Marx argue in 258:2/o that capitalist profits are middleman's profits, and if buyer and seller sold directly to each other, there would be no profit?*

[582] BTFCANDG: Marx seems to be making the argument that the capitalist is making middleman profits, however it seems that A and B would figure out that fact. Through the social background of life, A and B eventually figure out there was a profit being created, that neither of them knew about.

The knowledge may not be an understanding that K was making a profit. But A would come to a knowledge that there was more value in his labor power. B would figure out that he could get more for his money.

A certainly would be happier to have more value in his labor power. Of course B would be happier to get more use value for his money. It almost seems that K hoodwinks A and B. They both could do better than they are. K is making money without producing anything. K is not part of the 1% with means to production. K is as much a part of the 99% who do not have means of production. In fact, K may have less means of production than A or B.

Hans: Basically you are saying: if this is what K is doing, he cannot survive. This is Marx's argument as well. Marx argues: since the capitalists are still with us, K must be doing something different than what is described in this simple parable.

Next Message by BTFCANDG is [\[586\]](#).

[584] Syd: The routine transaction of buying and selling commodities is explained by Marx from the capitalist view. The capitalist purchases a commodity from individual A and then he directly sells the commodity to individual B. This unique perspective of these transactions are seen from the view of a capitalist. Individual A is not aware that the capitalist is selling the commodity bought from individual A to individual B. Individual A simply views the capitalist as a buyer of the commodity. From the view point of Individual B the capitalist is simply a seller of the commodity. Neither individual A or B is aware of the other person. They simply deal with the commodity from the view point of A as seller and from B as a buyer. In these terms it would be safe to assume that capitalist profits are middleman profits. Profit is made in this circulation of commodities when the middleman (capitalist) proceeds to buy and sell the commodity from Individual A to B. If the buyer and seller sold directly to each other according to Marx, "shrink down to a single one side phase of the ordinary sale of commodities, a mere sale from A's point of view and from B's a mere purchase." A profit could still occur, but the profit would potentially be made by the seller of the commodity to the buyer in the one side sided phase of the ordinary sale of commodities.

Message [\[584\]](#) referenced by [\[586\]](#). Next Message by Syd is [\[645\]](#).

[586] BTFCANDG: Eliminating the Middle Man. Syd, I agree with [\[584\]](#), but it seems that B would most likely pay less for A's commodities than before with a middle man, so that both A and B would maximize their utilities.

A would gain more profit than with the middle man and B would pay less out of pocket, or get more for the same money.

Next Message by BTFCANDG is [\[872\]](#).

[592] Blossom: Is profit valid? This question, which frames the event of “profit” as the actions of a middleman not contributing to the true value of the commodity, questions the idea of profit in a way that strikes home. In the comparison of the profits that come out of the transaction induced by the middleman, and the profits that come out of the capitalist action of supplying tools to the labor market which result in commodities, it shows that neither action is valid as a true addition to value.

To the question at hand, Marx does argue that capitalist profits are “middlemen” profits. He states that once “A and B” recognize what “K” is doing, they realize that “K” is not adding value, being thus useless, and they kick “K” out. This is a different way of also stating that the capitalist mode of production, where the means to production are owned privately, is invalid, and the capitalist should be “kicked out” of the transaction. This is exactly the same as the statement he made earlier in the text that “the public should own the means to production”.

If “K” were kicked out of the equation, and “A and B” exchanged directly with each other, there would be no profit by Marx’s definition. According to Marx, profit is the difference between revenue and wages, the extra money that goes to the capitalists. Without the middleman, there would be no “scraping off the top” in the trade of commodities, and all proceeds from trade would go to “A and B” directly, without any going to the capitalist. This is the same as when the means to production are publicly owned by “A and B”, and there is no capitalist control of those tools, and therefore profits do not exist.

Message [\[592\]](#) referenced by [\[612\]](#). Next Message by Blossom is [\[608\]](#).

[612] Hans: Look at the Questions in Context. A few questions in this second half of the class have, among the archive links, also a link called Answer. This is an archive in which I try to formulate the best answer to this question I can come up with. If you submit an answer to a question which is in the Answer archive, then I’d like you to read and respond to this answer, so that I can improve this answer over time.

Question 545 is one of the questions with has an answer in the Answer archive. I say in [\[Answer:3\]](#) that 545 is a stupid question and those answering it should have realized that it is a stupid question. In [\[2000fa:133\]](#) a student asked me to remove the stupid questions, but I haven’t done this. This here is basically a course in reading a difficult text and critical thinking, and recognizing stupid questions is part of this. This question required you to do your own reading and thinking and to recognize that Marx never thought that capitalists are just middlemen and that buyers and sellers could just skip over them and sell directly to each other.

Why then did Marx make up his elaborate story with A, B, and K? The entire chapter Five is a series of arguments that M-C-M’ is impossible. In chapter Six, Marx shows how it is possible after all, but in chapter Five, Marx is arguing as vigorously as he can that it is impossible. The main argument is that the sphere of circulation does not create value, therefore it is not possible that everyone pulls more value out than they put in. But here Marx makes another argument: If someone does M-C-M’, the commodity owner from whom they buy and to whom they sell will not even know. And if he were to tell them that he was doing M-C-M’, then they would just cut him out and sell directly to each other.

The moral of the fable is: M-C-M' is impossible if you stay in circulation. If we see it happening anyway, then we know this is not a circulation phenomenon but it must go outside circulation, namely, it must go through production.

The reaction of [592], that profits are unjustified because they come from buying to cheaply and selling too expensively, is the exact opposite of what Marx wanted to convey. Marx says: profits are made in production, not in circulation, by the capitalists paying less to the workers than the value produced for them by the workers. In other words, instead of getting mad at too high prices, people should get mad at too low wages.

Message [612] referenced by [637]. Next Message by Hans is [637].

Exam Question 549 is **307** in 1998WI, **341** in 2000fa, **359** in 2001fa, **391** in 2002fa, **405** in 2003fa, **454** in 2004fa, **431** in 2005fa, **463** in 2007SP, **467** in 2007fa, **474** in 2008SP, **477** in 2008fa, **573** in 2012fa, and **589** in 2013fa:

Exam Question 549 *Is exchange (direct barter) a transaction in which both sides gain more than they give up?*

[148] Hans: Necessity to distinguish between Use-Value and Value. GrouchoMarxist's [98] is an intelligent and well formulated defense of the subjective concept of value, of the view that prices are determined by people's utilities and not by labor content. Many of you have this view—no wonder, this is the mainstream view taught in economics classes—and I welcome everyone who knows to defend this view as eloquently as GrouchoMarxist. (The pseudonym is well chosen: a GrouchoMarxist is *not* a follower of Karl Marx but one of Groucho Marx. Since "GrouchoMarxist" is such a long word I will call him Groucho from here on.)

I am sending my response to Groucho's [98] in two installments. This first installment comes to you under question number 549 because you need to know the answer to 549 in order to understand Marx's response to the first paragraph in [98]. The short answer to question 549 is: in terms of use-values, both parties usually gain, but in terms of values (i.e., congealed abstract labor), an exchange is a zero-sum transaction: one party can only gain something if the other party loses the same amount, and tendentially, in equilibrium, equal values are exchanged. You should try to remember this "short answer," it is a good guide for how to think about these issues and it is also a designated exam question which you may be asked in the exam. My [2005fa:1791] gives a somewhat longer answer explaining why it is important to make this distinction between use-value and value.

In the first paragraph of [98], Groucho assumes that 20 yards of linen and 1 coat have the same exchange-value and also equal labor content. I.e., market prices reflect labor proportions, exactly as Marx's theory says. I.e., Groucho makes his assumptions as favorably to Marx as he can, yet he tries to refute Marx from this vantage point. This is an elegant way of proceeding; it is called an "Achilles heel critique." You attack your enemy where he seems strongest, finding a weakness, an "Achilles heel," in this strength. Where has Groucho found an Achilles heel? Since the linen weaver is willing to make the exchange, Groucho concludes that the linen weaver values her labor in the linen less than the tailor's labor in the coat. This is in contradiction to Marx's claim that by exchanging their products the producers show that they value each other's labor equally.

What would Marx say about this? Marx says that the linen weaver cannot and does not make a statement about labor by her exchange decision. She can exchange her linen for many different things, but assuming a “pure” case without interference of unnecessary detail, Marx assumes that all commodities are exchanged at those proportions in which equal labor is exchanged for equal labor. This fortuitous case is not brought about by the preferences of the traders but by the re-allocation of labor by the producers: every producer tries to produce things which allow them to fetch more labor in return than they give up—if they must give up more labor than they get in return, they tend to switch to producing that other thing which gives them a larger return. But since they cannot all gain, they end up in a situation in which equal labor is exchanged against equal labor. This “fortuitous” case is therefore the result of production-based decisions, not consumption decisions.

Marx would therefore say the linen weaver makes an exchange for coats because this is the *use-value* she likes best. In terms of labor, it is not advantageous for her but it is an even exchange. That is good enough for her, she is not greedy.

Message [148] referenced by [98] and [2012fa:894]. Next Message by Hans is [150].

[573] Kendull: Yes, an exchange is an admirable transaction by which both sides gain. However, this only holds true in regards to use-value and not exchange value. For example, in the transaction between Man 1, who has plenty of wine and no lamb, and Man 2, who has plenty of lamb and no wine, both men would gain because they exchanged an abundant commodity of lesser use-value for a commodity of more use-value, for Man 1 it was wine for lamb, for Man 2 it was lamb for wine. In this instance of exchange in regards to use-value the exchange acts as a metamorphosis in the form of the commodity allowing both parties to increase use value by trading something they need for something they don't. On the contrary, an exchange is not a method of increasing value in regards to exchange value rather than use-value. Commodities being exchanged with commodities, or commodities being exchanged for money with reference to exchange value, must be set equivalent via a transaction for a commodity of an equal exchange value. Therefore neither commodity owner leaves the transaction with more than they entered with because both commodities were set to equal proportions of exchange value.

Hans: Good observation that the exchange of something which has a use-value which you can use for something which has a use-value you cannot use is a form change or metamorphosis as Marx uses the term.

In order to distinguish commodity-value from use-value you use the formulation “value in regards to exchange value rather than use-value.” I don't like this because it implies that use-value is a kind of value. Marx denies that. In [mecw24]545:1, he calls use-value the “opposite” of value, “which has nothing in common with value, except that ‘value’ occurs in the word ‘use-value.’” If you want to emphasize that you are speaking of value and not of use-value, you should call it commodity-value.

Next Message by Kendull is [659].

[589] TKOberle: According to Marx 261:1/o, “there lurks an inadvertent substitution, a confusion of use-value and exchange-value”. In a barter or exchange two people are exchanging commodities or goods. We must not get caught up in the exchange value but more so the use-value. Condillac writes, “The value of the thing consists solely in its relation to our needs.” Condillac also writes “what is more to the one is less to the other, and vice versa...” So basically both people involved in the barter can come out of it gaining more.

The products can have different use-values to different people. So hopefully the two people can give up something in exchange for something that will benefit them more than the previous product they had.

Hans: After quoting Marx's warning not to confuse use-value and exchange-value, I have the impression that you are evading this issue by not talking about exchange-value at all. Two questions, please answer them:

(1) What do you mean by the sentence "we must not get caught up in the exchange value but more so the use-value"?

(2) When you say "both people involved in the barter can come out of it gaining more," please tell me: more of what?

Next Message by TKOberle is [\[618\]](#).

[784] Bloomer: Exchange can be a transaction in which both sides gain more than they give up. This is all determined by who makes the exchange and whether or not they believe the use value of a commodity to be greater than that of the commodity exchanged. Their gains are not necessarily measured by the commodity they exchange but by the use value they give up in return for a commodity with more or less use-value.

Hans: You should have used Marx's distinction between use-value and value, which is a good toolset to describe the thoughts you are expressing. Reading your answer is like watching you pulling out a nail with your fingernails while hammer and pliers are sitting in a toolbox right next to you.

Next Message by Bloomer is [\[785\]](#).

[804] Lukas: In terms of use-values, yes both sides gain more than they give up in the transaction. If they had a commodity that was higher in use-value for them than the commodity being offered to them held, they would not make the exchange. This does not mean that exchange-values need to be the same in the market place, only that they are willing to temporarily set them equal for the transaction. The value should be a zero-sum situation, however, where one party does not lose or gain over the other party. If this happened, this would represent an inefficient allocation of society's resources, since value is derived from socially necessary labor.

Hans: The definition of "zero sum game" is that gains and losses add up to zero. It is possible for one party to gain, but only if the other party loses. It is not possible for both parties to gain at the same time.

Next Message by Lukas is [\[805\]](#).

[809] KKondo: If both parties are exchanging goods of equal value then there is no loss or gain for either party. But if the exchange is compared in terms of use-value then there could be mutual gain.

Next Message by KKondo is [\[810\]](#).

[830] Syd: A direct barter transaction is a transaction in which both sides gain more money than they give up. The barterer simply gives up a commodity and in return receives money. The individual who gives up the money to the barterer then receives the commodity they wanted. Both sides gain from this transaction.

Hans: A direct barter is an exchange of commodity for commodity, without money.

Next Message by Syd is [\[832\]](#).

[879] Reagan: In the process of exchange, there are two descriptive variables that define the transaction: value and use-value. Assuming the two parties in question are bartering on the basis that they have a surplus of one particular commodity, a trade does indeed result in an increase of use-value. If I have 10 hamburgers, one of which I trade for one of your tacos, I am left with a greater variety and therefore greater utility. However, as is the case with any "fair" direct barter, value will remain constant as these two goods (in this case

hamburgers and tacos) are equal in their exchange-ability, and therefore value. Thus, both sides do indeed gain use-value, though value remains unchanged.

Next Message by Reagan is [880].

[902] Anil: Form of value which is exchanged, is important. If the use-values are exchanged, both sides can gain more than they give up. Because, in terms of that type of exchange both sides are seeking higher use-values, which are independent of quantity of labor objectified in them. But if the value forms are matter of exchange both sides can not gain more. Because, both sides are seeking to realize their value of commodities, which are dependent to quantity of labor objectified in them. It is a zero sum-game that both sides are exchanging just the same amount of value.

Next Message by Anil is [904].

[933] CameronCottle: The simple answer is “no”. In a direct exchange both parties gain different use values but the intrinsic value in the commodities being exchanged is a zero sum game. For example if “A” traded 20 bolts of cloth for a coat than that is the society accepted value of the coat and cloth. “A” may or may not get more use value than “B” but this does not matter because at the time of transaction what was decided was an equal trade of the value in the commodity was made.

Next Message by CameronCottle is [934].

[1013] Tvan: Yes exchange or direct barter is a transaction in which both sides gain more than they give up. This is because people exchange commodities for other commodities that have use-value which they need. The values of the commodities stay the exact same but the use-values of the commodities being traded increases for the people receiving them.

Next Message by Tvan is [1017].

[1015] Ginny: Yes they both gain an item that they need but they may lose something more valuable than they received in the transaction. But none the less they still gained from the transaction

Hans: What you are writing sounds a little paradoxical because you are not explicitly introducing the distinction between value and use-value into your discussion.

Next Message by Ginny is [1018].

Question 550 is **432** in 2005fa, **475** in 2008SP, **478** in 2008fa, and **497** in 2009fa:

Question 550 *Condillac writes: “It is not true that in an exchange of commodities we give value for value. On the contrary, each of the two contracting parties in every case gives a less for a greater value ... If we really exchanged equal values, neither party could make a profit. And yet they both gain, or ought to gain.” Show exactly where Condillac, in this passage, conflates use-value and exchange-value.*

Exam Question 549 is **432** in 2005fa, **475** in 2008SP, **478** in 2008fa, and **497** in 2009fa:

Exam Question 549 *Is exchange (direct barter) a transaction in which both sides gain more than they give up?*

[583] Zvisser: When two parties exchange commodities each person feels that they are resulting with a benefit in the exchange. This can be seen in an exchange that I personally made earlier this month. I had exchanged \$30 and my time and drive to Farmington for a wireless internet adapter for my gaming console. I felt like I was coming ahead in the

exchange because I was saving about \$50 in time and labor. The party that was exchanging the wireless adapter with me had no use for his gaming console (either because it was broke or out of time etc) so he felt as if he was benefiting in the exchange of the two commodities. In reality both parties, me and him, were exchanging relatively even values for the products. This view can be seen in Adam Smith's example of "The Diamond/Water Paradox" this paradox explains the apparent contradiction that, although water is on the whole more useful, in terms of survival, than diamonds, diamonds command a higher price in the market. *However*, if someone had a diamond and they were completely out of water, and on the verge of death from thirst, they would happily sell the diamond for a pitcher of water. They would be gaining from the exchange (because they would be able to live) and the person exchanging for the diamond would benefit because they could get 1 million pitchers of water for the one diamond.

Hans: This doesn't even start to answer question 550. You give an example for an exchange in which both parties gain despite exchanging even values. This falls under question 549, which has the answer that both parties gain in terms of use-value while in terms of value the exchange is a zero-sum game (i.e., what one party wins the other party loses). Your answer does not make the distinction between value and use-value explicit. This is what you need to do if you want to show where Condillac "conflates use-value and exchange-value" as Marx and question 550 say.

Next Message by Zvisser is [1007].

Question 556 is **473** in 2007fa, **503** in 2009fa, and **540** in 2010fa:

Question 556 *Ramsay says: "The idea of profits being paid by the consumers is, assuredly, very absurd. Who are the consumers?" The question "who are the consumers?" is a rhetorical question, obviously Ramsay had an answer in mind. Which answer?*

Question 967 is **473** in 2007fa, **503** in 2009fa, and **540** in 2010fa:

Question 967 *Ramshout says: "The idea of profits being paid by the buyers is, assuredly, very absurd. Who are the buyers?" The question "who are the buyers?" is a rhetorical question, obviously Ramshout had an answer in mind. Which answer?*

[574] Tvan: The answer Ramsey had in mind is that everyone is the consumer. There are sellers and buyers in a capitalist society and because everyone depends on everyone else they are all consumers. Marx gives an example of this when he states in 263:1 that, "the seller pockets a surplus-value of 10. But after he has sold he becomes a buyer."

Hans: You are first answering question 967 instead of 556, which is the right way to do it, and in order to get back to 556 you are arguing that consumers are buyers because everybody depends on everybody. What you should have said is that consumers are buyer because everybody depends on others for their consumption.

Furthermore: Don't say there are buyers and sellers. Marx emphasizes that buyers and sellers are the same people. Your Marx quote comes from the exact passage where Marx makes this point. There he talks about sellers and buyers directly and not yet under the guise of consumers and producers.

Marx's example is a good example for everybody being sometimes seller and sometimes buyer, but not a good example for everybody being a consumer. The capitalist spends most of his sales revenues on productive capital again and only a small portion on personal consumption.

Finally, this Marx quote should of course not be construed to be evidence for what Ramsay meant. Ramsay and Marx are two different people.

Message [574] referenced by [575]. Next Message by Tvan is [658].

[575] Badawn: graded A- weight 50% When Ramsay asks his question: "who are the consumers?" I believe the answer to that is everyone. Everyone who sells a good or a service

they have for money, and then they spend that money. As stated in RKB [2009fa:1087] the only exception to a consumer would be “miser who sells his commodities for money, but then never spends it.” So in a end result anyone who buys something is a consumer.

Hans: Only partial credit because too much overlap with Tvan [574] which was sent out 4 hours before yours. The thing with the miser is the only new thing. In order to get from question 967 to 556, you write “anyone who buys something is a consumer.” You should have written “anyone who consumes something is a buyer.”

Message [575] referenced by [580]. Next Message by Badawn is [588].

[580] Deiondrious: I agree with Badawn [575] but, it comes to think that everyone is a consumer just because they bought one commodity now they are a consumer to be true then that means children at the age of five are consumers also because of purchasing a commodity such as candy. Would it be more reasonable if it was for an age limit. Meaning that adults who buy a high price house or commodity is consider more of a consumer rather than a child at the age of five? If you think of it Ramsay was a high power person that had power over slaves and what would his title be if he were to buy something from another consumer? Clarification on the question I'm confused

Hans: I recommend to everyone that you first read the question and think about it before even looking at the answers in the archives. For Deiondrious this is now a requirement: because of previous answers I have asked him to only select questions which have no answers in the archives yet.

If you read and think through the question before looking at the answers, you won't get on tangents which have nothing to do with the question, and won't get confused if the answer which you are reading says something irrelevant for the question.

Next Message by Deiondrious is [596].

Question 562 is **313** in 1998WI, **398** in 2002fa, **413** in 2003fa, **463** in 2004fa, **440** in 2005fa, **472** in 2007SP, **478** in 2007fa, **509** in 2009fa, **546** in 2010fa, and **603** in 2013fa:

Question 562 *What is the difference between a shoemaker, who adds to the value of his leather by turning the leather into shoes, and a capitalist, who adds to the value of his money by investing it?*

[576] Danish: graded A shoemaker vs. capitalist. The difference between shoemaker and an investor (capitalist) is a fundamental contradiction that exists in our contemporary capitalist society. A shoemaker increases the value of the leather by producing a shoe, thus he has increased the total value of a commodity by adding his labor in to it. On the other hand, a capitalist invests money, and in return he gets more money than what he did invest in the start, thus on a surface it seems like capitalist has increased the money value in the society, but in reality capitalist has not increased value of anything in the society, instead he has simply exploited the labor-power of the workers by paying them less in wages than what they have actually produced, and those unpaid wages are the so called “profits” for the capitalists. The shoemaker uses his labor to increase the value of the leather by turning it into a shoe, while the capitalist has nothing to do directly with the process of production. He does not invest his labor to increase his money, instead he hires the labor-power of the workers and they produce the surplus value on which he asserts his private ownership because he has the property rights on the means of production.

The shoemaker has increased the overall wealth of the society by turning raw leather in to a finished product known as shoe. The labor of the shoemaker is the source of the overall

increase in the wealth (value) of the society. While capitalist has increased the amount of his private money, but he has not increased the total amount of wealth in the society, because he has increased his total amount of money on the expense of the worker (or workers) who he has paid less than what he has deserved, thus a gain of a capitalist equals loss of a worker, so the net increase in the total value remains zero in the society.

Hans: The value in society increases, but the worker doesn't get it.

Next Message by Danish is [581].

[858] Roman: The shoemaker who adds to the value of his leather by turning it into shoes is an actual exertion of human power, his labor to create a final product that will be useful once it's complete, where the capitalist investing his money and therefore adding to the value of his money isn't actually putting any effort nor is involved in an actual labor process. Unfortunately, as unfair as it might be in the end, investing money might actually bring more additional value to the money even though *nothing useful* was created by the capitalist. Money investment is almost like a process of making a profit without exerting any human labor or energy therefore making money out of thin air.

Hans: Instead of the *capitalist* creating value *out of thin air* Marx's explanation of surplus-value is that this value is created by the *worker* because the worker has to work longer than the time required to produce an equivalent of his wage. I took the liberty to edit your resubmission so that it becomes a literal copy of your in-class answer, because your in-class answer has a slightly different tone than your resubmission which made it more coherent. The last two sentences of your resubmission are:

"In the end investing money might actually bring more additional value even though nothing useful was created by capitalist. Money investment is like a process of making profit and adding to the value of your money without producing any use value or exerting human power therefore making it out of thin air."

Why did you leave out "as unfair as it might be" and the "almost" in "is almost like a process"? Please respond.

Next Message by Roman is [859].

[993] Barn: The shoemaker creates value in his commodity with his own hands. He can add new value to his product by adding new labor but cannot valorize like the capitalist. The shoemaker is an artisan. The shoemaker follows the pattern of C-M-C. He makes a commodity and takes it to market, sells his commodity for money and then uses the money to buy another commodity. His transactions in the market are for equal value. His input is leather and output is shoes. He owns his means of production.

The capitalist manufactures his commodity by the hands of others. His profits are made by valorization of capital in the pattern of M-C-M'. With his money he buys labor power. Through that labor power he makes his money, usually more money than the first with the output of a product or commodity. He pays wages to the worker for their labor power and makes his money return (usually valorized) through the surplus labor (surplus-value) of that labor process. In other words, he uses money to buy labor power to make a second money value of greater value (his profit—often times excessive). The capitalist usually owns the means of production and many times pays to the worker only a subsistence wage.

Next Message by Barn is [994].

[1022] Cptcrunch: A shoemaker, in the process of creating his commodity for exchange puts forth his labour power into an item that will benefit him or another. He will go to the market with his shoe that he has invested his labour power into in order to create value and exchange his item for an item of use to him or for a monetary value equal to it which will then go into an item of use for him. For the capitalist, his investment into a particular source

only for the purpose of to increase his wealth and acquire more money off his investment is for the sole purpose of adding value to an item which shouldn't. He uses the excess profit and value to further reinvest for whatever purposes. The capitalist therefore skips the C-M-C exchange of the typical market exchange process and instead jumps forth into the M-C-M category.

Next Message by Cptcrunch is [1028].

Question 564 *Does surplus-value come from the capitalist working “smarter” than the simple commodity producer?*

[578] Maniac: Does surplus value come from smarts or exploitation... Exploitation!

Surplus value in some ways does come from capitalists but in the same way it comes from workers working dumber. The surplus value comes from the exploitation of the workforce. Marx in chapter 5 helps us understand that just because the worker produces more that does not always mean he will receive more compensation. This added value that he produces and does not receive goes down as surplus value that the capitalist now gets or can use to exploit more workers. According to Hans the simple commodity producer can not produce surplus value because he is both worker and boss, so when he exploits his own work for surplus value he is the one who receives the added value therefore making it no longer surplus. Surplus value in some ways does come from smarter production by capitalists but the smarter production is the way that they choose to exploit workers more.

Hans: You seem to be including “exploiting others” in your definition of “smart labor.” That is your prerogative. But if you say that surplus-value “in some way comes from the capitalists” you are in direct opposition to Marx’s theory.

There is another difference between what you write and Marx. You say that the worker does “not always” receive full compensation for the value produced. Marx says he *never* receives full compensation. Profits do not come from a worker being especially efficient, but the wage level is from the beginning set at a level where workers can pay their customary bills but which is far below the value created by their labor.

Message [578] referenced by [581] and [595]. Next Message by Maniac is [625].

[581] Danish: Response to “Maniac” In [578] pseudoname “Maniac” says that “surplus value in some ways does come from capitalists but in the same way it comes from workers working dumber”. With all due respect, I disagree with the notion that capitalist produce surplus-value or it comes from capitalist too, and I disagree with the claim that workers are dumber, and that is why they have been exploited. Although “Maniac” also admits the fact that workers have been exploited by the capitalist, and i completely agree with him on this part. If we dig deeper to find out the source of surplus-value, we will notice that, surplus-value is solely produced by the workers in the process of production. Capitalist does not participate in the process of production, thus he does not contribute in producing surplus-value. Capitalist owns the means of production, and one can argue that there can not be any production without capital, machines, tools etc, and it is the capitalist who provides all these necessary factors of production for the workers to infest their labor. Well I would use the analogy that David Ricardo used to tackle the question of capital in the defense of his Labor theory of Value, i would say that, all the machinery, tools are nothing but “dated labor”, or Marx later called it “dead labor”, so in the process of production, it is solely due to the labor of the workers that we are able to realize the surplus-value.

While as “Maniac” referred workers as dumb, or dumber than capitalist because they let him [capitalist] exploit their labor, well we need to get in to more depth of the matter than this. Capitalism is not just a voluntarily system on which everyone has agreed upon, on contrary, through out the development of capitalism, there have been internal contradictions in capitalism, and capitalism has been protected and shielded by the state, government, police, army, law, and etc, thus even though if a worker realize he has been exploited, he can not simply change the system of production on his own, that is the reason, in United States, labor unions have been strongly denounced, or kept under the check of the state, so they can not organize or mobilize workers on the revolutionary lines. Thus workers are not dumber, they have been simply suppressed and suffocated by the ruling elites of the capitalism.

Message [581] referenced by [595]. Next Message by Danish is [638].

[595] Hans: Blame the capitalists or blame the system? The exchange between Maniac [578] and Danish [581] is a central issue for this class. It is not the first time this issue was discussed this Semester. A similar exchange was Hunter’s [401] with my response [486]. Which issue? Marx is, of course, very critical of the capitalist system (and nowadays the general public increasingly shares this critique). The issue is: how much of this critique should be directed at the capitalists? Marx emphasizes over and over again that they are just the product of a social structure. Nevertheless, they do face the wrath of those, whose lives this system has made miserable. They know it and they are afraid of it. And they are the main obstacle to changing society. Maybe one can say: capitalists are the product of this society, and the class hatred which they elicit because of the damage they do to so many people is also a product of this society. My thinking is: we have to defeat them and overcome capitalism. Justice with due process (perhaps some form of Nurenberg trials) may be appropriate for this purpose. But the goal of the movement should be to go on to better social relations, not to take revenge on those who benefit from the present social relations.

Next Message by Hans is [612].

[827] Msj: Surplus-value is the excess amount of money the capitalist can produce while exploiting and overworking the average worker. Marx refers to surplus-value as the difference between the worker’s wage or exchange value and the value of the commodity the worker is producing. This relates to the amount of additional money a capitalist can add as profit. The basis of capitalism is to improve gross profit to create wealth. If a capitalist has figured out a method that allows workers to produce more commodities more efficiently while not exerting much more effort, then the implication is smart labor. More specifically the capitalist has inspired the worker to create more value in excess of their own labor cost which makes the entire process a smarter effort.

Hans: Are you implying that only those capitalists who are more efficient than the average will make a profit? Please answer.

Next Message by Msj is [983].

[952] Hov: To answer this question we need to find out the source of surplus-value, which is solely produced by the workers in the process of production. The capitalist does not participate in the process of production, they only own the means of production. It can be thought that there can be no means of production without capital, which provides all the necessary tools, and the capitalist is the one who provides all the necessary factors of production. The surplus-value does not come from the capitalist working “smarter” than

the simple commodity producers, what it is is that the workers have been suppressed into working under the rules of capitalism, they are just the product of the social structure.

Next Message by Hov is [1102].

[955] Jaime: No, surplus value does not come from the capitalist working “smarter”. Surplus value arises because the capitalist has the means to produce at a higher capacity than the simple commodity producer, which in turn exploits the laborer. Marx expands by saying that the worker never receives full compensation for their work and that profit isn’t coming from the workers being very efficient, but from the wage rate being set too low.

Hans: This answer and [936] show that you don’t understand the core of Marx’s theory of profits.

Next Message by Jaime is [956].

[979] Badawn: graded C According to Marx the surpluses comes from the exploitation of the worker and not the capitalist working smarter. For example if you hand assemble a car it takes x amounts of hours to do now if you get a machine that can cut that time in half you can produce twice as much as you did before. Now you would think that since the workers can produce twice as much they would get paid twice as much. However this is not the case because the worker agrees to work for x amount that was agreed upon at the time of their job acceptance. This locks the worker in on a contract if you will so the capitalist takes all the surplus from the laborer.

Hans: Are you saying the worker was hired at a time when cars were made by hand?

Next Message by Badawn is [980].

[982] OBJ: The capitalist is actually working more than he is compensated for. He (the capitalist) works harder and produces surplus value for his boss by not fully receiving pay for the value added from his work the capitalist creates surplus value. This is not smart for him to do since the commodity producer can and does receive full compensation for the value created. Really the commodity producer is smarter than the capitalist.

Hans: When you write “capitalist,” do you mean wage laborer in a capitalist system? Please answer and give me your definition of “capitalist.”

Message [982] referenced by [990]. Next Message by OBJ is [988].

[1001] Bu: Surplus-value does not necessarily mean that the capitalist is working smarter. It simply means that the capitalist has the means of production which the simple commodity producer does not have access to. The capitalist is exploiting the worker by giving a wage that is necessary to pay their bills. The capitalist gets anything between what they pay the worker and the value the worker produces.

Next Message by Bu is [1002].

Question 566 is **415** in 2003fa, **465** in 2004fa, **443** in 2005fa, **481** in 2007fa, **491** in 2008fa, and **591** in 2012fa:

Question 566 *Why does Marx say at the end of chapter Five: “hic Rhodus, hic salta”?*

[585] Alex: graded A- Marx ends chapter 5 with “Hic Rhodus, hic salta!” as an analogy between capitalists and a boastful man in Aesop’s fables. The man claimed he had made an incredible jump, and could produce witnesses to said jump, but did not offer to repeat the jump in public. Marx compares this incredible jump to capitalists’ ability to create additional value through the M–C–M process. The money-owner is somehow able to buy a commodity at its value, and sell it at its value, but still end up with more value than he initially put into the circulation system. Marx uses this comparison *not* in order to refute the notion that

capitalists can indeed somehow create value in this manner, but rather to say that they should not do it in secret, or “in Rhodes” so we can see how it is done.

Hans: You are describing Aesop’s fable correctly, basically copying part of a paragraph from the Annotations. But your last sentence as submitted left out the word “not” which I had to insert (in italics) to make it correct. This may have been a simple writing error, I don’t know, but I had to duck your grade for omitting this one word.

Next Message by Alex is [677].

Exam Question 571 is **596** in 2012fa and **612** in 2013fa:

Exam Question 571 *What is the difference between the value of labor-power and the value created by labor-power?*

[311] Hans: Value of labor-power versus value created by labor. Malibu’s free discussion question [310] “What is the Difference between ‘value of labor power’ and ‘Wage’” is asked and answered at the beginning of chapter 19, p. 523 in the Annotations, and it is also in the archives. If you look at [310] in the archives, I established the link to the earlier answers to this questions.

But I am not sure if this is the question Malibu wanted to ask. At this point in our readings, the following question is relevant: what is the difference between the value *of* labor-power and the value *created by* labor. I referred to this difference in [112] and [244], and let me elaborate this again:

Marx’s labor theory of value says that the use of labor-power creates value, and that this is the *only* source of value. Basically this means that workers have a Midas touch. (Everything Midas touched turned into gold.) Whenever they produce something, it creates value. Value does not come from demand, value does not come from machines (they transfer their own value to the product as they depreciate, but they do not create new value), it does not come from the capitalists, it only comes from the labor of the workers.

If workers have the Midas touch, why are they not rich? Because they do not *get* the value they are creating. They get a wage, which is just an allowance covering their cost of living, and the capitalists get everything else.

Marx will develop all this in chapter Six. Right now he has not yet laid the foundations for answering this question, because right now we know labor-power only under one aspect: it has the wondrous ability to create value. But in capitalism, labor-power plays a second important role: it has become a commodity. And the price of the commodity labor-power is much lower than the value created by labor-power.

You may wonder: why is the price of the commodity labor-power less than the value it creates? The short answer is: because the workers can’t use it for themselves because the capitalists and not the workers control the means of production. Marx says that capitalism is a class society in the sense that the capitalist class forces the working class to hand over most of the value the workers create, because the capitalists monopolize the means of production.

Next Message by Hans is [355].

Exam Question 574 is **247** in 1997WI, **321** in 1999SP, **374** in 2001fa, **422** in 2003fa, **450** in 2005fa, **482** in 2007SP, **600** in 2012fa, and **616** in 2013fa:

Exam Question 574 *Chapter Six is not the first place where labor-power is discussed. Where was labor-power introduced first, and which role did it play then? But the discussion of labor-power in chapter Six introduces one fundamental new aspect of it which was not discussed before. What is it?*

[761] Anil: Chapter 1 is the first place where labor power is discussed as: expenditure of human labor-power is the substance of value in commodity producing societies. But in Chapter 6, labor power is introduced as a commodity.

Hans: Correct.

Message [\[761\]](#) referenced by [\[2013fa:1057\]](#). Next Message by Anil is [\[764\]](#).

Question 578 is [249](#) in 1997WI, [313](#) in 1997ut, [323](#) in 1999SP, [357](#) in 2000fa, [378](#) in 2001fa, [411](#) in 2002fa, [427](#) in 2003fa, [477](#) in 2004fa, [454](#) in 2005fa, [486](#) in 2007SP, [492](#) in 2007fa, [499](#) in 2008SP, [502](#) in 2008fa, [525](#) in 2009fa, and [604](#) in 2012fa:

Question 578 *Why are the conditions for terminating employment regulated by law instead of being left to the free market? Does this mean that the state protects the workers against the capitalists?*

[593] Malibu: Because if the regulation were left up to the free market then the people with power (capitalists) would control the labor market. In past times we've seen this leads to slavery. The state needs to regulate these markets because if they don't then a worker loses the only commodity they have, which is the labor they provide. If this happens then the capitalist becomes in control and will pretty much force them to work for commodities of that are vital such as food, water, shelter. The slaves can become the commodities themselves to the owners and traded for other commodities or even other slaves. The previous statements are assumptions but very realistic ones, and they could be argued. The fact is we are all better off with laws protecting us from employment being left to the free market.

Next Message by Malibu is [\[616\]](#).

Question 609 is [271](#) in 1997WI, [346](#) in 1999SP, [382](#) in 2000fa, [439](#) in 2002fa, [455](#) in 2003fa, [506](#) in 2004fa, [483](#) in 2005fa, [531](#) in 2008fa, [554](#) in 2009fa, [591](#) in 2010fa, and [635](#) in 2012fa:

Question 609 *Argue why the commodity the worker sells is labor-power, and not labor.*

[579] Deiondrious: The value of "labor" cannot be measured by labor. For Labor is the substance, and the immanent measure of value, but it has no value itself. Economists saw that behind the market price of labor laid its costs of production, but conceived of its production in terms of the production of the worker. But what is produced and what the worker sells are not labor but labor power. The worker sells labor power in exchange for a wage, but the wage-form hides the distinction between necessary labor to reproduce labor power and surplus labor appropriated by the capitalist. In (corvee) labor distinction between labor for self and labor for the lord is clear. But in slave and wage labor the form of appearance hides the essence, in slave labor all labor seems to be for the owner, hides labor for self, in wage labor all labor seems to be for the worker, hides surplus labor for capitalist. The wage is thus one form of appearance of the essential value of labor power that lies behind it, but the

discovery of this essence required clear scientific thought of which the bourgeois economists did not prove capable.

Hans: This is Harry Cleaver's summary of chapter Nineteen in <https://webspace.utexas.edu/hcleaver/www/357k/357k.htm>. The things Marx says in chapter Nineteen are related to chapter Six, but we are not there yet.

Next Message by Deiondrious is [580].

Question 617 is **643** in 2012fa and **659** in 2013fa:

Question 617 *Give examples how humans change nature by labor, and how they change their own nature by labor.*

[615] Rajon: graded A On page 418 of the Annotations, it says “in the labor process, humans act as a natural force on the nature around them, but from this interaction of natural forces emerges a result which does not depend on nature but on the intentions of humans.” This explains how humans change nature by their labor. Of course humans have to act according to natural laws, but their labor acts according to their own intentions and the end result of their labor is different from what would have occurred naturally.

A perfect example of humans changing nature by labor is the construction of a dam. Dams operate according to natural laws (i.e. building a dam stops the flow of water, causing the build-up of a reservoir behind the dam, etc.), but the building of a human dam which creates a large man-made reservoir obviously is a different result from what would occur naturally if the river were allowed to run its natural course. The materials that humans use in constructing the dam come from nature and the principles that allow for the creation of a reservoir through a dam are based in natural laws (beavers and other animals also create dams), but the human intention of creating the reservoir leads to a different result than what “nature” would have dictated. Through construction of many different things (dams, cars, houses, nuclear power plants, etc.) humans alter nature through their labor.

Interestingly enough, humans also alter their own nature through labor. Humans decide what to do and then follow through on specific tasks to bring their desires about. As they labor, they, themselves are changed. For example, many aspects of human nature are changed through labor involved in construction. As humans labor to build things (such as a dam), they use tools which lead their hands to become hard and calloused. Hard physical work leads to shortness of breath and tiredness, which is a change in the nature of a human who is accustomed to being at rest. Through continual labor involving construction work, it is likely that a person will develop larger muscles, which is a change in their physical nature. Also, they will learn new, more effective ways to do things, which changes their brains. There are myriad ways that human labor leads to a changing of human nature itself, both physically and psychologically.

Message [615] referenced by [2013fa:696] and [2013fa:710]. Next Message by Rajon is [641].

Question 618 is **603** in 2010fa, **644** in 2012fa, and **660** in 2013fa:

Question 618 *What, according to Marx, distinguishes human labor from the labor of an animal or a machine?*

[600] George: graded A- The difference between animal labor and human labor is the need of a plan that humans have before they start to make something. While a bee has a

notion of building a honeycomb or a beaver has of constructing a dam, humans generally need instructions before they can build. Not only do they need instructions to follow but the laborer is generally not the person that comes up with the instructions. The beaver is the laborer and the architect at the same time while with humans these jobs are normally carried out by separate individuals. The architect makes the plans while a subordinate constructs the building.

Hans: Bees know how to build honeycombs by instinct, but the downside of this is that they don't know what they are doing and why. Therefore it not correct to say they have a "notion" of it.

Message [600] referenced by [2012fa:911]. Next Message by George is [866].

[616] Malibu: Humans and animals are instinctively similar. Our nature are very similar. We all have basic needs, wants, and desires. This is no different for a dog, or a human. So if that's the case, what separates humans from animals? Purpose and intentional thinking. Humans are smarter than animals and with that it gives us a purpose for the things we do in life. The text states "Production is governed by purpose" (7.1a Pg.419 text) We go to school so we can hopefully get a good job. We follow certain laws because we don't want to go to jail. I work so I can make money to live. Animals don't operate the same way. Animals react to their situation without thinking of its purpose or ultimate goal. This is what separates animals from humans.

Hans: You are jumping to a conclusion when you say this difference is due to our smartness. It could also be our language skills, the fact that the thumb is opposed to the other fingers which allows us to grab things, etc.

Next Message by Malibu is [633].

[621] Tussy: difference between human labor and animal labor. The difference is that animals have only one unconscious instinctive need for their labor, which is physical survival, while humans have universal purpose beyond survival. Men produce even when their basic physical need is fulfilled and they know why they want to produce beyond that need. Animals just produce things without fully knowing the purpose of it. Here are Marx's two good passages for this interpretation:

'conscious life activity distinguishes man immediately from animal life activity' (Marx, [mecw3]276:3).

"But an animal only produces what it immediately needs for itself or its young. It produces one-sidedly, whilst man produces universally. It produces only under the dominion of immediate physical need, whilst man produces even when he is free from physical need and only truly produces in freedom therefrom. An animal produces only itself, whilst man reproduces the whole of nature. An animal's product belongs immediately to its physical body, whilst man freely confronts his product. An animal forms objects only in accordance with the standard and the need of the species to which it belongs, whilst man knows how to produce in accordance with the standard of every species, and knows how to apply everywhere the inherent standard to the object. Man therefore also forms objects in accordance with the laws of beauty" (Marx, [mecw3]276:4/o).

Next Message by Tussy is [650].

[622] Freshprince: From the beginning of mankind, we understand that humans and animals are similar on many different levels, especially mammals. We humans have simple

needs and demands in order to survive. Just like humans, animals understand these needs also. In order to meet these needs, humans and animals alike must perform the labor needed to provide. Food, water, shelter, among many other necessities are what humans and animals know how to provide for themselves by nature. So human labor would be much different than machine labor mainly because machines don't work for themselves. Marx helps us recognize that human labor is for selfish reasons, looking only to be able to gain something for their works. Machines work selflessly, and even though they don't have a personality or brain, they work on demand and without free will. Animals live and labor reactively. They are very simple, and perform labor the same way for the same result, mainly finding food.

Hans: What you say about the difference between humans and animals was already said in the earlier submissions, I cannot give you credit for this.

Regarding machines you are not pursuing your own thoughts far enough. You say they don't work for themselves, I would say they don't "work" at all in the sense that they are not the subject of the labor process they are involved in. I think this what you mean, because then you also say they work "selflessly" and "without free will." It is as wrong to say that the machines are working as it is wrong to say that the leather is working when the shoemaker turns it into a shoe. They are part of someone else's labor process, they do not create their own labor process as humans and animals do.

Next Message by Freshprince is [888].

Question 620 is **605** in 2010fa and **646** in 2012fa:

Question 620 *What distinguishes human labor from play?*

[599] Foruvak: Marx says that "the less the worker is swept along by the work's own content and the mode how it is carried out, the less... he enjoys it as the spontaneous play of his physical and mental powers." I understand this to mean that the difference between human labor and play is the mindset of the person who is exerting physical and/or mental energy. Let's take homebuilders of equal skill level for example. Homebuilder A works because he has no other means of income, he goes to work punches his time card, labors hard, punches his time card and goes home. Homebuilder B punches his time card because he loves watching an empty lot go from weed filled to having a foundation of a home to watching a new family move in. Marx talks about the "subordination of the will (or he also uses 'nature')," as being pivotal. When one subordinates his will to exert, otherwise undesired, effort this is labor. When one doesn't have to subordinate his will this is play.

Hans: Your definition is apparently: work that you like to do is work, work that you don't like to do is play.

I think building a house is work, not play. It also changes all the time: new materials are developed, regulations change, new technologies for heating and lighting etc. Therefore you cannot say that someone knows it so well that they can do it almost automatically. It is different than playing a piano.

Message [599] referenced by [618], [2012fa:911], [2012fa:914], and [2012fa:928]. Next Message by Foruvak is [640].

[618] TKOberle: As Hans writes in his comments to Oreo's [2010fa:650]: "I think there is an entire spectrum between work and play. After you learn something really well then it becomes more like play. It has nothing to do with selling the product". Work can become enjoyable when you get the point where you are really good at the labor you are performing. Ideally, one would want to get to the point where he can work and it can be like he is playing. Human labor and play can be distinguished by what is trying to be accomplished. Human labor can be characterized as trying to create a good or service and play can be distinguished by satisfying one's desires or pleasures. After researching and reading I feel one can get

to a point where labor and play can be blended together if you are good at your labor or enjoy what you are doing. Marx states that “the three moments of the labor process are purposeful activity, the object on which the work is performed and the instruments of that work.” Purposeful activity may give the feeling of accomplishing something good which will be like play. Knowing you are doing something good will give joy to oneself.

Hans: Very good. But you should also have referred to the earlier answer [599] to this question.

Message [618] referenced by [2012fa:914]. Next Message by TKOberle is [655].

Question 623 is **649** in 2012fa:

Question 623 *Is the soil into which the farmer puts his seeds an instrument of labor or the object of labor?*

[609] Res: The soil into which a farmer puts his seeds is an instrument of labor. The reason it is an instrument and not an object of labor is that the farmer prepares the soil through fertilization and clearing it of unwanted plant life and pests before planting seeds. The farmer makes a clear decision to alter the soil from its original state to be more conducive to his/her labor. The soil of the farmer can also be seen as an instrument of labor through the cycling of crops. One of the primary goals of cycling crops is to add nitrates back into the soil by rotating nitrogen-fixing crops. Through this process, the farmer can enrich and reinforce the soil as a conductor and instrument of his/her labor.

Hans: The answer “instrument of labor” is correct, but for different reasons than you say.

Marx calls the instrument of labor also the “conductor” of labor. Not because it contains labor already, but because the workers uses the instruments of labor in order to manipulate the objects of labor.

Given this definition, everything you say is an argument in favor of calling the soil the object of labor, not the instrument of labor. When the farmer prepares the soil then the soil is the object of labor. But in a later labor process the farmer uses the prepared soil for growing crops. In this process, the prepared soil is instrument of labor, and the fact that the soil was the object of the earlier labor process which produces the prepared soil is no longer relevant, as explained in [605] answering question 629.

Message [609] referenced by [2012fa:935]. Next Message by Res is [654].

Question 627 *Does it depend on the use-value of a product if it is used as instrument of labor or as object of labor, or for final consumption?*

[617] Veb: Use-value determines instrument/object/final product. It does depend on the use-value of a product whether it will be used as an instrument of labor or as an object of labor, or used for final consumption. A product’s consumption in production does not depend on its value; it depends on the physical properties of the product.

In the case of an object of labor, during the production of a chair, nails would be used to connect the legs to the seat. Just because pencils have less value (in this made-up example) or cups have more value, does not mean that they will be used in the production of a chair. It is the nails’ specific physical qualities that make them useful in this labor process.

In the same way, a hammer is physically different than a screwdriver, although they both may embody the same amount of value. It is the physical properties that determine that the hammer will be used to hammer in the nails, in the case of the instruments of labor.

Finally, the use-value determines whether a product will be a finished product, used for final consumption. Using the same example, a chair with three legs (it’s not a stool) is so

defined because of its physical properties, and would be unfinished, and not ready for final consumption. On the other side, if a chair is finished, and is not designed to be attached to a desk, or something similar, its physical properties determine that it is ready to be used for final consumption.

Because a chair (or any other product) has a certain amount of value, does not determine where it is in the stages of the production/labor process.

Hans: In the three paragraphs starting with 288:2 Marx brings several examples where the same use-value can be used as means of labor and/or instrument of labor and/or for final consumption. Question 627 asked you to summarize these examples. Please don't consider the questions as isolated entities. Answering these questions is part of reading the assigned readings, and it is also a check whether you did the assigned readings.

Veb: I did the readings, I thought the question was asking whether the product's use-value determined its actual use or the product's value did. I know the examples, such as grapes which are a final product and also used as a raw material in the production of wine as well as the corn, coal and cattle examples. I'm sorry I misunderstood the question. I didn't think it was asking does a product depending on its use-value have only one place in production as an instrument, object, or final product.

Hans: I know that you misunderstood the question, and I wanted to give you hints how to avoid such misunderstandings, and at the same time explain why I asked this question. To repeat, Marx is discussing to what extent a product's use-value determines the role it can play in a labor process. His verdict is not very clear, he brings several examples where the use-value does not limit the roles the product can play in a labor process, but often is clearly does, for instance many inputs into the production process can clearly not be used for final consumption. The purpose of the question was to summarize these findings.

Nowhere in the text surrounding the question does Marx speak about the problematic whether the product's use-value or the product's value determines its actual use.

I probably would have been more forgiving about your misreading the question if I had learned something from your answer. For instance I would have been curious about your analysis of examples where the use of something is indeed determined by its value and not its use-value.

Perhaps I missed the depth of what you were saying about hammers and screwdrivers but it seemed to me almost like a parody of Marx's method of gaining knowledge about society by looking at everyday things which most people immersed in this society no longer see because they seem so obvious.

I am probably giving you more feedback than you want. Apologies for that.

Next Message by Veb is [\[644\]](#).

Question 629 *Explain Marx's sentence: "Whenever a product enters as a means of production into a new labor-process, it thereby loses its character of product, and becomes a mere factor in the process."*

[605] Kitkat: Products losing their character. Chapter 7 is all about the labor process. Integral elements of said process are the instruments and object(s) of said labor. The key to understanding the sentence in Question 629 is precisely the processual nature of production. This sounds obvious and redundant, but I find this is the lynchpin to understanding Marx's point.

Essentially, things evolve, change form, when they move through the labor-process. Laborers need instruments (tools, machines, raw materials, etc) to create their objects (coats, yarn, etc). All items that enter the labor-process as instruments were once themselves products of someone else's labor. Some other laborer had to produce those things. For example, this is occurring right now as I work to write this homework submission. The product of my labor (right this very moment) is the homework submission I am writing. I need an

already-produced instrument to perform that task. I have turned to Apple (and their factory laborers) to provide me with that product to now produce the object of my own labor.

In this way, what was a product for Apple (my computer) is now an instrument in my personal labor process. Marx calls this transformation the loss of character of the product. When Hans transports this homework submission from the general email listserv to the course archives, he will expend labor to copy and paste my answer into the archives, and he will likely shorten my answer to make it more succinct. A complete archive entry will be the product of his labor. He needed my original homework to complete that task. Thus, the product of my own labor is bound to one day undergo a similar loss of character.

This is an inescapable component to the larger process of capitalism. Even at its barest level, we each must turn to the earth to procure basic commodities. Thus, the loss of character isn't a bad thing, but it goes unnoticed, it "is a matter of utter indifference" as Marx explains. But this, of course, is why Marx brings it to light in the first place—so that we may better understand a taken-for-granted aspect of the capitalist economic formation.

Hans: This is tantalizingly close to a correct answer, but I still think you are off a little. Here are three corrections:

Marx does not talk here of capitalism specifically but of those characteristics which the production process has regardless of its social form.

Not every input into every production process is the product of an earlier production process, but the overwhelming majority of inputs are.

I think there is a translation issue, I changed the translation for future editions to say "it loses its product character" instead "it loses its character of product." That means, in the new labor process, it is no longer treated as a product, it is, as Marx says, "a matter of utter indifference" whether this thing was produced in a human labor process or whether it was readily available as a natural resource.

Message [605] referenced by [609]. Next Message by Kitkat is [643].

Question 631 is **677** in 2013fa:

Question 631 *Are these two goals in contradiction?*

[601] Jaime: According to Marx, the capitalist wants to produce a commodity, and he wants to produce a commodity whose value shall be greater than the sum of the values of the commodities used in its production. These two goals seem like a contradiction, first of all because the actual use-value is immeasurable. Marx himself previously explains that the use-value can only be analyzed or explained in consumption or use. Also, Marx describes the commodity as being also known as what he calls an exchange-value. This is the quantity of other commodities which it will exchange for. This is further proven through his analogy of corn and iron. Regardless of the relationship, the equation is always such that an X amount of corn will exchange for an X amount of iron. The reason he uses this analogy is to display that all commodities are essentially parallel to each other because they can always be exchanged for certain quantities of other commodities. This means that the second goal could never certainly be achieved such that the amounts of the values would surpass the component parts of the commodity. Marx believes that the exchange-value of the commodity cannot be determined by merely glancing at it, and that the exchange-value is not material but actually a measure made by humans. This shows a weakness in the concrete measurement of value to begin with. I believe this shows that the two goals are in fact contradictory and cannot be commensurated unless one can determine the use-value of commodities unequivocally and

then add up the respective values to determine whether or not the value of a commodity is the greater sum of the values of the commodities used in its production.

Hans: You seem to assume that the sales price depends on the use-value of the commodity, and that the capitalist makes profits from the finished product having a high use-value. This is modern mainstream economics, not Marxian economics. On the page after Question 631 Marx writes “We know that the value of each commodity is determined by the amount of labor materialized in it, by the working time necessary, under given social conditions, for its production.” This is a class about Marxian economics.

Next Message by Jaime is [\[604\]](#).

[620] Deiondrious: First goal of the commodity he wants the company to have a good trade in value to make money off it when it's time to exchange. Which means that he has a company that is making great production but then wants to have the company sold he is going to want to have a more exchange profit from the beginning stage of having the company in the first place. That would make him be satisfied because he used max production and utility to the fullest and since he can sell the company for greater value to make another product and start it all over and sell the company at a higher profit.

Second goal he wants to make a profit. I want to make a profit which means that have a product in which the amount of money he will make from selling will be greater than the cost of production. Therefore, resulting in a profit. Which means saying like you use a lemonade as an example and you make the ice and the table and the lemons that you buy then you want to sell the product but you want to sell at a rate where you get some profit out of selling at a high price value.

In conclusion if there is a contradiction well there no contradiction, with a product that makes a profit it will have a good trade in value when exchanging. With the second goal the first goal is accomplished. The reason why is that when looking at both ideas it makes sense to have a product and sell them both at a high price so that you are able to make some profit out of it and build on making more money in the end.

Hans: If someone is the owner of a profitable firm, then this person is usually also able to sell the firm at a profitable price if they want to. These two goals, making profit now from the operation of the firm and making profit from the eventual sale of the firm are not in contradiction.

Your general answer is therefore correct, but your lemonade stand example is not. If you sell your ice, table, chair, lemons, you will only get what you paid for it, or less since these are now used items. What is the difference? Because you are not hiring labor. You must sit there yourself making and selling the lemonade. This is not a capitalistic business, this is simple commodity production.

But you gave the answer of a different question than the question asked. This question was asked in a specific context, and you are not allowed to take it out of this context but must answer it in this context. The question asked is: is there a contradiction between making a commodity that can be sold, and making a commodity where the sales price is higher than the production cost, including the labor cost?

Next Message by Deiondrious is [\[1122\]](#).

Question 644 is **415** in 2001fa, **449** in 2002fa, **465** in 2003fa, **516** in 2004fa, **490** in 2005fa, **627** in 2010fa, **673** in 2012fa, and **627** in Answer:

Question 644 *Why is the day taken as unit of labor-power, instead of hour or week?*

[626] Maniac: **If the work days is split into units of labor why do I get paid by the hour?** In *Capital* Marx splits the day into units of labor rather than what we would think of as segments of time. In the current world many of us work and get paid by the hour and as workers that is how we look at it and I believe even in Marx's day people looked at it the

same way. However I believe that Marx splits the day into units of labor because that is how the capitalist should always look at the day to exploit their workers the most for the most profits. If one splits the day into hours this is units of time that is important to the worker but not to the capitalist. The capitalist wants to split the day into 2 simple units according to Marx: 1) Necessary Labor and 2) Surplus-labor. Necessary labor is the labor that the worker must use to make the capitalist break even on his labor, or in other words the necessary labor is the labor that is used to produce a commodity equal to the trade value of the worker's wage. The surplus-labor is the extra labor that the capitalist can exploit from the worker to produce a commodity with a trade value that turns into profits for the capitalist. The time break down of a day will always be a little different depending on the capitalist and that worker but if you break it into necessary and surplus labor then it is the basic units that are important to a capitalist and that is why Marx breaks the day into units of labor instead of time.

Hans: The break-even point for the capitalist is not the same as the necessary labor. CameronCottle [627], the very next message after yours, is making the same mistake. The division of the day into necessary and surplus labor is not visible on the surface, both worker and capitalist are in the dark about it.

Next Message by Maniac is [920].

[629] Hunter: Hans says in [2003fa:398], "the day is used because the worker delivers his labor-power in daily portions."

When looking at the actual amount of production by a single laborer an hour or even a week does not compare to a day. In an hour there will not have been enough produced to effectively measure or determine progress. A week would not be ideal based on the fact that there would be "time off" and too many unpredictable variables included making it difficult to track and compare results. Although both a week and an hour could be used, a day is better because the amount of time allows enough production to be measured without allowing unplanned obstacles or downtime to get in the way as would happen with a week or hour.

Hans: You are trying to measure the labor performed. The laborer is not selling his labor but his labor-power, therefore we need a way to measure labor-power.

Next Message by Hunter is [945].

[633] Malibu: The capitalist must provide a wage at which the worker can meet their needs while at the same time the worker must provide labor-power that is beneficial to the capitalist. There is a trade off and hopefully balance in this agreement between worker-capitalist, and the most practical way to measure the labor power would be in "day" units. Hans states in his notes to [2005fa:1957] that "The hour must be ruled out because we are measuring labor-power, not labor itself". This means that we are measuring the capacity that one can labor. Measuring by the hour would not accurately measure one's labor-power. The worker must work long enough to fulfill their needs and working in hour units would not be sufficient to survive. Furthermore you can not expect a worker to work a week straight and you cannot properly account for the breaks necessary that they would need to take so measuring in weeks would not work.. This is what make the "day" the perfect unit to measure labor-power,

Hans: You describe the wage bargain between worker and capitalist as a transaction in which both sides gain. Marx is arguing that this is a false appearance. In reality, Marx says, it is not voluntary and all the gains are on the side of the capitalist. It is biased from the beginning because the workers do not have access to the means of production.

You say correctly that for the wage bargain we have to measure labor-power, not the labor itself. But if you are talking about breaks etc you are measuring labor, not labor-power.

Malibu : Hans, I understand your point and I agree that the reality is the capitalist benefits. Take note however that I did say *hopefully* there is a balance in that agreement. This does not assume that there is a definite balance. Only that you would hope there would be. Marx states that unfortunately this is not the case.

Hans: Marx says the structure of society is such that there *cannot* be a balance. If his theory is correct that capitalist profits come from the unpaid labor of the workers and depend on the working class being cut off from the means of production, then the interests of capitalists and workers are antagonistic, they cannot be reconciled.

Next Message by Malibu is [781].

[637] Hans: Look at the answers in the Answer archive. This seems a simple-minded question but it has a lot of depth. Because of its hidden dimensions it is one of the few questions which already have an answer in the Answer archive, namely in [Answer:4]. I said in [612] that I'd like you to look at the answers in the Answer archive and build on them when they exist.

In the present homework period, questions 703 (which is an exam question, i.e., will not earn homework grades) and 710 have answers in the Answer archive, [Answer:5] and [Answer:6] respectively.

Message [637] referenced by [653] and [695]. Next Message by Hans is [642].

[881] Clavis: We use day instead of hour or week because it is more useful and related to calculation of necessary labor. Necessary labor is the labor that worker have to do to maintain their life. It is extremely hard to calculate this in hours or week. If we use hours, then we have to use 'minute' to calculate the necessary labor. We have to calculate the necessary nutrition per minute, wage as well. And if we use week, then we have to use whole day as a unit of labor-power and it is going to be like 3 days (in this case, whole day) per week. Of course in this case 'day' as a unit means full day which is 24 hours.

In addition, we have to use day as a unit because human's life works as 'daily' (so we call it 'daily life'). Which means we can say more easily we need 3 meals per day than we need 21 meals per week (if we use this term, how do we know whether or not we have to eat all 21 meals in one day?) or we need 3/24 meals per hour.

Hans: Week would be possible, day is the shortest possible measure, but hour is impossible. The phrase "daily life" is an excellent discovery.

Message [881] referenced by [Answer:4]. Next Message by Clavis is [882].

[883] Tussy: According to Tres in [2002fa:226] and Rostenbach in [2003fa:398], the unit of labor-power is taken by day instead of hour or week because the day is a constant unit of measurement that is easy to organize and manage than hour or week. It is confusing and inconsistent to use hour as a unit of labor power because workers cannot clock in and out every hour and this would make it hard to measure performance of workers. Working week shifts is not good because there is no flexibility in the choice the worker can make compared to working day shifts.

The day is separated into necessary labor time and surplus labor time. The necessary labor time is fixed and satisfies the wages of the laborer which is determined by the average daily means of subsistence. The surplus labor time is variable and is the source of profit. The balance of power between the capitalist and the laborer can control surplus labor time.

Hans: Your second paragraph makes more sense than the first. It is not possible to say how much a worker needs to live for an hour, but you can say this for a day or week.

Next Message by Tussy is [887].

[909] DO: graded C The day is taken as unit of labor-power instead of hour or week because it is the best way to determine the labor. An hour is too little amount of time to judge the labor-power as it may not be enough time to finish the product. A week is too much time because of the breaks and such that will occur given that week of time. Therefore, the day is the best way for labor-power to be determined.

Hans: Look at [Answer:4].

Next Message by DO is [1103].

Question 651 is **467** in 2003fa, **518** in 2004fa, **534** in 2007SP, **544** in 2008fa, and **697** in 2013fa:

Question 651 *According to Marx, the daily wage is determined by the value of the “average daily consumption of the worker.” How is then the biweekly salary of a salaried employee determined, and how is the hourly wage of a hourly worker determined?*

[624] Marx: graded A How a wage is determined. The first thing we must understand in order to answer this question is that the wage received is not derived from the quantity we produce or the amount of hours we work. That is a common way of thinking in our society but it is flawed. A capitalist is paying a wage not for hours worked, but for labor power. Therefore, the wage is determined by what it costs to reproduce that labor power.

The worker has an “average daily consumption”, which is determined by finding the average consumption per day for the rest of his/her life. It is important to note that this average takes into account weekends, holidays, sick days, snow days, retirement days, and any other days a person’s life may consist of. The value of the “average daily consumption of a worker” is essentially the value of what it takes in order to reproduce the labor power of that worker on average, daily.

So a biweekly salary would be determined by multiplying the value of the average daily consumption of the worker by 14 (the amount of days in two weeks).

The hourly wage of a worker would be determined by finding the average amount of hours a worker works per day for the rest of their life (this would include weekends, holidays, sick days, snow days, retirement days, etc). And then dividing the value of the average daily consumption of the worker by the average amount of hours the worker works per day.

Message [624] referenced by [2013fa:713]. Next Message by Marx is [702].

[627] CameronCottle: Hourly Wage Determination. To start answering this I want to first take a quote out of Hans’s Annotations where he states, “It is commonly thought that the length of the working-day is fixed by economic necessity. If the workers were to go home before the usual 8, 10, 12, 14 hours per day, then, it is believed, the economy would break down or the capitalists would have to close the factories.” As Hans says, it’s a myth and not necessary. We have to understand this point first as we start to see why Marx says that daily wage is determined by the “average daily consumption of the worker” and also how hourly wage is determined.

To understand this we also have to look at question 644 where it explains that the labor day is made up of two parts. The first part is the necessary part or the amount of labor required for the capitalist to break even with wage paid. The other part is the variable part

and this is what the capitalist gains profit off of and this is the production that exceeds the cost of wage. To understand how wage is broken down we have to understand this point because it may only take “5” hours for the capitalist to break even on production, thus making the 5 hours the necessary part of the amount of labor required. Then let’s say the worker still works 8 hours though, making the three extra hours the variable part and the part of profit that is made by the capitalist. So it is not necessary for workers to work 8 hours a week or 10, or 12... etc but in the capitalist drive to constantly maintain maximum profits, they believe it necessary to do so.

Now that we understand this, we can actually review this question and how to determine the daily wage. As [2008fa:789] LaceyMarie reveals, most bourgeois economists would say this quantity is derived by the number of hours worked in a period of time and the amount of value a worker produced within that time. This is of course not true, especially if we take a step back and look at the fact that this would result in the capitalist never making a profit. If the capitalist always paid the necessary amount, meaning that if a person worked 8 hours, than all 8 hours were necessary in covering the cost of the wage. This again goes back to the two parts of the labor day.

By going off that assumption that wage is determined solely by the value produced by that worker, then this would be true and it would always break even. This also means the wage would be equal to the value of production, making the worker gain everything from how much time the laborer spends working. Besides, this also seems like a contradiction to the first chapter where we discovered that value is the society accepted amount of labor required to produce a commodity. Thus by believing that wage is determined by the amount of value produced by a single worker in a period of time seems to contradict this notion we established in the first chapter. This is very astutely pointed out by LaceyMarie when she states we are not looking at their actual labor, but labor-power. This is a very clear distinction that needs to be understood in determining wage.

So now we know that it is not the actual labor of the laborer that determines the wage and it is instead labor-power. Labor-power, like value, is society’s accepted amount of labor time required in the production of a commodity. In this case, it is labor-power. It is in labor power that the worker must cover his/her daily consumption. This is everything and to look at it from simple terms. Let’s say you have a car bill due at the end of the month. It is not due today but the wage you earn today will be used to cover it, in some form. This car bill would be considered a part of the daily consumption along with anything else that is consumed.

This is what the workers necessary labor would be going back to the two parts of the labor day. This is the necessary labor the worker would like to achieve to simply break even and neither gain nor lose. Just like the capitalist anything further than this, is a profit. So it may be necessary for a worker to work 8 hours but the capitalist only needs that worker to work 5 hours to cover their necessary labor for the day, thus making the capitalist gain 3 hours of profit. This again explains why the value of labor does not determine the wage, because again if so the worker would take all the profit, not the capitalist. All these ideas tie together to form the determination for hourly wage: “hourly wage is therefore the daily wage divided by the customary length of the working-day.” ([2007SP:775]) As we have learned throughout this class and what seems to become a common attribute amongst many Marx

ideas is that it is again the determination of society that decides the wage. This goes back to my first paragraph where I provided a sample from the annotations where then the wage could be changed by changing the customary length of the working-day

Hans: The necessary labor is not the same as the break-even point. In [2008SP:515] I concocted a numerical example to show this. I am also not sure what you mean when you say that the wage being determined by the value created by labor is in contradiction with chapter One. Please clarify. As I see it, it is in contradiction with the capitalist making any surplus-value, as you correctly emphasize. That is all.

CameronCottle: What I meant is that it seemed a contradiction because we were looking at an individual worker's labor power and time spent which is variable to that individual. Oh, actually I just realized my mistake. It's hard to break the rational that I have been raised with and so I made that mistake here. What I was thinking is that we were making a mistake by looking at an individual who works a necessary 8 hours. I kept thinking back to individuals instead of thinking bigger picture at society in a whole. It goes back to the lazy worker issue. How can we know that the 8 hours worked are necessary?

Message [627] referenced by [626]. Next Message by CameronCottle is [676].

Question 653 is **452** in 2002fa, **468** in 2003fa, **519** in 2004fa, **493** in 2005fa, **535** in 2007SP, **542** in 2008SP, **572** in 2009fa, **635** in 2010fa, **682** in 2012fa, **699** in 2013fa, and **653** in Answer:

Question 653 *Explain Marx's sentence: "The working-day is determinable but in and for itself indeterminate."*

[631] Anil: For Marx, working day consists of two parts which are necessary working time and surplus labor time. Necessary working time is determined by "the working time required for the reproduction of the labor power of the laborer himself" and this part of working time is fixed by economic laws. In contrast with the necessary working time, surplus working time is variable. Consequently, the working-day is indeterminate due to the variable feature of surplus working time. The phrase "in and for itself indeterminate" clarifies that part. In Encyclopedia of Marxism, that phrase ("in and for itself") is defined as follows: "In Hegel's system, this term refers to the Absolute Idea: here consciousness has merged with its own being. In history and society, this is like a social movement that has achieved its objective and merged itself into the whole social body."* So, for Marx, the working-day is indeterminate intrinsically. Indeed the working-day is indeterminate intrinsically, there are some boundaries in front of the exploitation of the surplus working time, which are evaluated through chapter Ten. As a result due to the boundaries which prevent the surplus working time from increasing exploitation, working-day is determinate, but as a concept it is indeterminate.

* <http://www.marxists.org/glossary/terms/i/n.htm>

Message [631] referenced by [749] and [847]. Next Message by Anil is [670].

[749] Hans: Indeterminate but determinable. I never properly responded to Anil [631]. I think Marx is using the phrase "in and for itself" much more casually than Anil suspects. The working-day being "in and for itself indeterminate" simply means that the economics of the working-day does not tell us how long it should be. There is no such thing as a "natural length" or "equilibrium length" of the working-day. The only thing economics can tell us about the working day is that it must be longer than the necessary labor, and that it must not be so long that it impairs the health and longevity of the laborer. Marx discusses this at length in chapter Ten.

It is not trivial to determine where this maximum boundary lies. In the struggles around the working day in England between 1830 and 1860, capitalists and the working class have different ideas about this length, and they fought over it and finally came to an agreement.

The word “determinable” is interesting in this Marx quote too. Marx does not explain it, he just slips the term into this one sentence and does not use it elsewhere. Literally it means that the length of the working day *can* be determined. I think it means: if extra-economic forces step into this economic void and say, for instance, as they said in 1865 in England “the working-day is 10 hours long” then capitalism can function with this. Capitalism even *needs* such an extra-economic determination because it needs a level playing field for competition.

Whenever I read about the limits of the working-day I always think of its modern counterpart, namely the limits of the planetary resources. There is a scientific paper at

<http://www.ecologyandsociety.org/vol14/iss2/art32/>

which tries to designate the planetary limits for human activity. They have identified 9 limits:

climate change

ocean acidification

stratospheric ozone depletion

interference with the global phosphorus and nitrogen cycles

biodiversity loss

global freshwater use

land system change (we cannot have too much agriculture because we need the ecosystem services of forests)

aerosol loading of the atmosphere

chemical pollution

These are only the boundaries themselves, comparable to the maximum length of the working-day. The authors do not address the question what has to be done so that humanity stays within these boundaries.

Message [749] referenced by [Answer:20]. Next Message by Hans is [750].

[839] Veb: I will break the statement into two parts; first “the working-day is determinable.” This means that the working-day has clear bounds. The minimum is the length of time the worker must labor to meet his subsistence needs (to maintain and reproduce his commodity, labor-power), and is called the necessary labor-time. At the minimum bound, surplus-value is zero. The maximum bound for the working-day is the maximum amount of time possible, while not wearing out the worker so that he can continue working for this length of time sustainably (this is obviously the capitalists’ wish), or it could be the maximum limit allowed by law. The second half of the statement is that the working-day is “indeterminate” (I omitted the “in and for itself” as in the Annotations Hans said that Marx did not mean for this phrase to be looked at in depth). This means that the working-day

(made up of necessary and surplus labor-time) does not have any set limit enforced by economic laws.

Hans: This is a possible interpretation of Marx's text, although I don't believe Marx meant it this way.

Next Message by Veb is [840].

[843] Gv: The working day is determinable in that it can be defined as the value of labor that can be produced in a specific time frame. For example, a worker may be able to extract coal in the amount of 10 lbs in a full day of work. Therefore, the working day can be defined as the amount of labor-power sufficient to reach that specific mark of work (10 lbs of coal). However, the working day is indeterminate in that—when a day of labor is purchased in a per diem basis—the amount of work hours oscillates on political, cultural and social parameters. Incidentally, the ability of capitalists to purchase labor on a per diem basis has been a source of creating surplus-value in the capitalist system—with capitalists pushing for a longer workday (limited by time constraints [only 24 hours per day] and the hours sufficient to address the essentials of life [e.g. sleep]) and wage earners pushing for life-work balance. Not too long ago a work day was defined to be 12 + hours of work. Currently a full day of work is accepted to be 8 hours a day. Therefore, a workday is indeterminate in the fact that it is not measurable by any universal standard. On one hand, a determinable workday sufficient to produce 10 lbs of coal could be accomplished in 6 hours. However, an indeterminable workday (because of a social established or enforced norm) may dictate that a workday is 10 hours a day. In a capitalist system, the extra 4 hours would be employed by the capitalist in harnessing surplus-value.

Hans: As in [837], you are telling a different story than Marx. You are emphasizing the political, cultural, and social forces, with capitalists pushing for their favored outcome, and presumably workers pushing for their favored outcome. You are leaving out the *economic* power of the capitalists because they, not the workers, control the means of production. Using your formulation from [539] they are “hoarding access” to the means of production.

Message [843] referenced by [844]. Next Message by Gv is [844].

[847] Rajon: graded A This is yet another contradiction in Marx's writing. He is quite fond of them. When Marx says that the working day is in and for itself indeterminate, he is saying that there are no implicit bounds to the working-day that are imposed by nature or anything. Because of this, class struggles always exist between capitalists and laborers who each try to define the length of the working-day according to what is best for them personally. For a capitalist, if the working-day is too short, not enough will be produced, but if it is too long, there is the risk of laborers getting worn down and becoming “less effective” to the capitalist as they are unable to produce as much. Despite this, capitalists typically seek longer working-days for the laborers that they are exploiting. For a laborer, if the working-day is too long, they can get worn out, which obviously has bad health effects. Also, if the working-day is too short, a laborer might not be able to earn enough money to support his family.

When Marx says that the working-day is determinable, he is saying that it can in fact be practically determined. For example, a government limiting the working-day to less than 10 hours can be done practically, even if it is not necessarily determinable naturally or intrinsically. So, practically, it is determinable, but, as Anil says in [631], “as a concept it is indeterminate”.

Hans: In this class struggle, capitalist and laborer do not fight for their personal interest but for their class interest. Even if a capitalist personally dislikes mistreating his workers, if he wants to remain a capitalist, he must treat them like the other capitalists do.

Next Message by Rajon is [848].

[865] Bikeman: The working day consists of necessary working time and surplus labor time. Necessary working time is that which covers the daily wage of the worker and surplus labor is that which creates profit for the capitalist. Marx says that there is no set amount of labor time required in a day. One part is determinable because it's the amount of working time required to reproduce the labor-power of the worker and the other part, surplus labor, is variable in length. For this reason, the working day is determinable but in and for itself indeterminate.

Hans: I don't agree with this interpretation. I think the necessary labor is not determinable but determinate, but the overall length is determinable because it can be set by legislation or by union contract and capitalism can live with that.

Next Message by Bikeman is [868].

[873] BTFCANDG: Determinable means for a set amount of time. Going to work at 9am and leaving at 5pm. However, indeterminate means not set amount of time. The worker could pay for himself in working only half the day, perhaps less. The capitalist sets the workday, to make sure to acquire surplus labor and value

Hans: Marx distinguishes between determinable and determinate.

Next Message by BTFCANDG is [874].

[1059] Bandit: graded B The working day is determinable in that it can be derived based on the subsistent needs of the worker. The working day can be calculated based on the worker's lifetime needs to sustain himself divided by the amount of days he works thus determining how long the worker needs to work per day to sustain himself. The working day is also determinable in that there is a maximum amount per day a worker can work based on his physiological and cultural bounds. When Marx says the working day is in and for itself indeterminate, he means that the working day is never fixed but a continuous class struggle between capitalist and laborers. In a capitalist society the minimum bound of the work-day is indeterminate because the capitalist wants to maximize profit which means maximizing the amount of surplus-labor. It could be argued that the minimum bound of the working day in capitalist society would be when surplus-labor = 0, but this would never actually happen in capitalism.

Hans: In your first two sentences you confuse the length of the working day with the value of labor-power.

Next Message by Bandit is [1060].

[1066] Blossom: When Marx claims that the work day is determinable, he means that in each situation, there is a determined amount of labor that is needed by the laborer to take home with him at the end of each pay period to maintain his ability to work. Yet the capitalist needs the laborer to work more than this amount of time so that the capitalist may extract surplus value from this extra labor. Yet there is a point where the laborer may work too much, when his labor time cuts into him maintaining his basic needs. When a laborer works longer than this amount of time and it begins to harm his well being, he is no longer creating as much value for the capitalist, and he is losing profits.

When Marx claims also that the work day is indeterminate, he is saying that once a laborer begins to create surplus value for the capitalist there is no set law stating that a

certain amount of surplus labor is necessary. Although a capitalist aims to maximize profits, It is in his best interest to limit the work day so that the laborer can maintain his well being to continue to generate profit.

Next Message by Blossom is [1067].

Exam Question 658 is **395** in 2000fa, **420** in 2001fa, **453** in 2002fa, **469** in 2003fa, **521** in 2004fa, **495** in 2005fa, **537** in 2007SP, **536** in 2007fa, **544** in 2008SP, **575** in 2009fa, **687** in 2012fa, and **704** in 2013fa:

Exam Question 658 *What are the minimal and maximal bounds for the length of the working-day, and how are they determined?*

[760] Clmrgl: The minimal bounds for the length of the working day is the smallest amount of time of labor power that is required to produce enough income for the worker in order to have their and their families basic needs met. Food, clothing, etc. The maximal bounds for the working day is set by the capitalist and the government. It is set by the capitalist so they can determine how much surplus value they can derive and also so they can keep the workers in health enough in order for production. The government also helps set the maximal bounds to the working day because it is in society's best interest to keep workers healthy and producing.

Hans: You are imagining very enlightened capitalists. Unfortunately, real capitalists care little about the health and longevity of the workers. Cigarette companies did the other capitalists a favor by shortening the retirement years society had to pay for, see [2008fa:1072]. They also resist air pollution regulation despite cost benefit analyses that the cost of the Clean Air Act is a small percentage of its benefits. They also don't care about climate change which affects their own children and grandchildren.

Message [760] referenced by [765]. Next Message by Clmrgl is [763].

[765] Hans: Definition of Necessary Labor Wrong Again. The minimum length of the working-day is the length of necessary labor, i.e., surplus-labor has shrunk to zero. I think Clmrgl [760] means to say this but she gets the definition of necessary labor wrong. Please look up [752]. This mistake is often made, some archive messages have this mistake. Please take the time to read and understand [752] so that this mistake will not reproduced again going forward.

Next Message by Hans is [766].

[826] Marx: graded A They are the minimum and maximum amounts of time a worker can work in a day. The minimum bounds are determined by the amount of time a worker needs to work in order to reproduce his/her wages. The maximum bounds are determined more by things like: How long a worker can physically work, the need for sleep, the need for a social life, and mental/stress relief.

Hans: Instead of "in order to reproduce his or her wage" it would be better to say "in order to reproduce the value of his labor-power." But if the workday is at this minimum, not enough would be produced so that the capitalists can skim off their profit, therefore Marx says that this minimum itself is unattainable.

Next Message by Marx is [831].

[853] BrotherThelonious: The minimal bound is the labor time it would take to cover the daily wage (subsistence cost) of the laborer. This leaves zero profit for the capitalist, so surely he would protest.

The maximum bound is the entirety of the day minus what the worker requires in social and mental time, as well as rest so as to avoid exhaustion.

Next Message by BrotherThelonious is [854].

[912] Kendull: The minimal bound of a working day would equal necessary labor time or when surplus labor equals zero. Also, at this point is the point at which the laborer had created enough labor to allow the firm to break even with the wages paid to the laborer. If a laborer creates a value for the firm of \$5 per hour and is paid \$1 per hour, then the minimal bound is a 5 hour work day. The maximum bound of a working day is set by both the capitalist and the government. The capitalist determines the maximum bound by how much surplus value they can derive from their laborer's labor power and also with the intent to keep the workers healthy enough to maintain production. Also, as a laborer tires they create less value for the firm in comparison to what the worker is paid. A shorter day of laboring creates more value for the firm than a long day of laboring. This is also where the government may determine the maximal bound. The government sets a maximal bound based on the worker's health because a laborer is of more value to society when he or she is healthy and producing.

Hans: Your definition of the minimum is off.

Next Message by Kendull is [915].

[923] Maniac: Minimum bound is the minimum time that a worker can labor and still produce more than he is paid for his labor power. The maximum bound is when the laborer is overworked and not producing enough commodities to even pay his wages or in other words when the capitalist isn't making a profit anymore. They are calculated by the worker's production per unit of time and their wage in comparison to the market value of that commodity produced. If no profit is made they may be either under the minimum bound or over the maximum bound for the marginal time that the laborer is working.

Hans: In Marx's theory the length of the working-day does not depend on the hourly wages, but conversely the hourly wages depend on the length of the working-day. This is quite unintuitive, but it is the central plank of Marx's theory of wages.

Next Message by Maniac is [931].

[939] Slamo: The minimal bound for the length of a work day is the amount of money it takes to keep society running smoothly. The maximum amount of a working day is how much a laborer can work until he or she needs to rest or eat and sleep.

Hans: Marx defines the minimum differently.

Next Message by Slamo is [946].

[954] Hunter: Minimal bounds of the working day would be how much time is necessary for a commodity to be produced so the capitalist is still making a profit, whereas Maximum bounds would be up until the time that too much is being produced to exchange. These bounds would be set by the capitalist based on the amount of demand that is placed on his commodity. The capitalist wants to make money but does not want to pay for extra labor that won't result in a higher profit.

Hans: Marx does not look at the adjustment to demand but at the general laws underlying the length of the working day.

Next Message by Hunter is [1095].

[971] Cptcrunch: They are determined by the labourer's needs for rest, and needs set by himself. If the capitalist takes away the basic requirements for a worker to fully recover from a work day, then over a period of time, that worker will soon lose labour power and decrease his productivity. So if the capitalist determines the minimum amount of time a worker needs to keep himself in working condition, then the capitalist will then use as much labour power

from the worker without totally draining his capabilities in a working day and allowing him to recover when he is not working.

Hans: You only discussed the maximal bounds, not the minimal bounds.

Next Message by Cptcrunch is [974].

[1995] Barn: The minimal value is looked at as the length to produce the necessary labor value but at this point the capitalist receives no profit. The maximal value is a philosophical value of the edge of the worker's endurance. They (the bounds of the length are not determined by any fixed laws of economics) are perhaps determined by the class struggle between worker and capitalist. The government of England past a law limiting the working day to 10 hours in 1850, so the state evidently plays a role.

Hans: There is a slight confusion: the bounds themselves *are* determined by laws of economics, but where between these bounds the actual length falls, this is not determined by economic laws.

Next Message by Barn is [996].

[1051] Jami: Minimal bonds: whatever it takes for a worker to take care of their living expenses (food, rent, etc). Enough to survive. This is determined by the workers.

Maximal bonds: There is no set limit on this and it's determined by the government and the capitalists.

Hans: These bounds are not determined by workers or capitalists but by economic laws, meaning that the market will not allow the violation of these laws. By contrast, the actual length of the working day, as long as it remains within these bounds, is not fixed by similar economic laws.

Next Message by Jami is [1106].

Question 660 is **396** in 2000fa, **421** in 2001fa, **455** in 2002fa, **471** in 2003fa, **523** in 2004fa, **497** in 2005fa, **539** in 2007SP, **538** in 2007fa, **640** in 2010fa, and **689** in 2012fa:

Question 660 *How long is the working-day from the point of view of the capitalist?*

[630] Gonz: The capitalist is concerned with producing the most possible product for the cheapest price possible. In order to do so, he understands that his employees should maximize the productivity of the actual time they are at work. With no regulated labor requirements in place, the capitalist wants the work day to be as long as the employee is physically and mentally capable to keep up production in order to maximize the money being spent by the capitalist on the employee. It is important for the capitalist to understand that a long day of maximized production by the employee does not mean the next day will be as productive, or that week for that matter. With that in mind, the capitalist needs to evaluate a work schedule that would allow the maximum time available to produce his product, but at the same time, to not burn his employee out daily, or weekly, or yearly in order to maximize the optimal level of production of his employees.

Hans: Yes. You describe a capitalist who acts rationally in his best interest. Marx says that such a sustainable high-demand work schedule will still undermine the health and longevity of the worker.

Next Message by Gonz is [686].

Question 664 is **398** in 2000fa, **458** in 2002fa, **474** in 2003fa, **527** in 2004fa, **501** in 2005fa, **543** in 2007SP, **553** in 2008fa, **644** in 2010fa, and **693** in 2012fa:

Question 664 *Why did the worker in this whole argument never say to the capitalist "you are exploiting me"?*

[632] Hov: The worker never says to the capitalist “you are exploiting me” because the worker does not have the power to call out the capitalist in a capitalist system. The worker does not realize the exploitative process of capitalism because what is being sold is the worker’s labor, not their labor power. The worker’s labor must be sold to the capitalists in order to survive, so even if they spoke up against the capitalist it would not matter because they would have to sell their labor to another capitalist, who owns a means of production. With this lack of control over the means of production, the workers have no way to realize the full value of their labor power and this allows the capitalist to use this labor power (commodity) in any ways they choose.

Hans: This is good but one can go deeper than this. Look at my [2000fa:158].

Message [632] referenced by [650]. Next Message by Hov is [736].

[650] Tussy: feedback and discussion. I completely agree with Hov [632] as I see this happening a lot with laborers in sweatshops in a lot of the underdeveloped and developing countries who work under their employers (capitalists) like Nike and Apple but these laborers in sweatshops have no voice or power to speak against these capitalists.

Next Message by Tussy is [687].

Term Paper 687 is **810** in 2002fa, **810** in 2003fa, **810** in 2004fa, **568** in 2007SP, **572** in 2008SP, **576** in 2008fa, **604** in 2009fa, **667** in 2010fa, **716** in 2012fa, and **733** in 2013fa:

Term Paper 687 *Children and the Struggle around the Working Day*

[1183] Kitkat: Term Paper discussion. I am going to give a brief comment on the Utes term paper [2008fa:777]. They present a cogent discussion of Marx’s explication of child labor practices and the working day. The groups gives a good history of the transition from Feudalism to Capitalism the implications of this for child labor and the working day. Prior to the Factory Acts of 1833, they explain, two other Parliamentary acts attempted to regulate child labor, but could not be enforced. The Factory Act of 1833 was able to define a standard working day, as well as promulgate provisions for meals and break times for employees. With the transition to capitalism, these acts further the exploitation of workers rather than protecting them.

This is a well written term paper. I appreciate the use of cited sources, including the definition of child labor from the Internal Labor Organization. This indicates a high level of thought on the part of the Utes group as they used their sources deftly to explicate Marx’s claims. Their discussion of child labor and the working day is cogent and aligns with Marx’s argument.

First Message by Kitkat is [6].

Question 689 is **483** in 2002fa, **522** in 2005fa, **571** in 2007SP, **606** in 2009fa, **669** in 2010fa, and **718** in 2012fa:

Question 689 *Explain how an excessive lengthening of the work day decreases the rate of surplus-value.*

[634] Jami: In my opinion, increasing the length of the work day would have a negative impact for the capitalist. The biggest issue I see (simply because it applies to my work experience) is that a longer work day would cause a worker to tire and subsequently work slower and therefore be less productive. It's the idea of diminishing returns. More of something/a longer work day doesn't always produce a better result. I've seen this firsthand at my office when someone has had a long day. If the work day was lengthened permanently, efficiency and productivity would decrease in the long run.

Hans: You should have checked whether Marx is talking about the same thing or about something different.

Next Message by Jami is [635].

Question 691 is **608** in 2009fa:

Question 691 *Why is nobody in his right mind determined in his actions by the eventual fall of the earth into the sun?*

[628] Barn: The probability of the earth falling into the sun in our lifetime is so slight as to be near zero. This comparative is used to address the issue of the capitalist machine in running out of surplus labor. The worker was often abused to the point that they weren't given leisure outside the work space. The rate of overwork and even early death was high, but the rural areas often times contained a surplus populations who were evidently recruited into the factory of the city. The capitalist seemed to have all the rights and the average worker very few. The early capitalist was more concerned with deriving excess profits than with the humane treatment of those workers who worked for him.

Hans: You give the correct context for the Marx quote but you are not quite putting the pieces together. At the time, the capitalists were seriously undermining themselves by basically slaughtering the working class which is the basis of their wealth. Nevertheless, this was not a concern to them, just as it is not a concern to a sane person in their practical lives that at some point in the future the earth will fall into the sun.

Why not? Because they did not *want* to see it, and because the labor shortage they were creating did not create practical obstacles for them. They did not feel it, therefore it was easy for them to ignore it—because of the inflow of new laborers from England's rural areas.

Next Message by Barn is [734].

Question 697 is **506** in 2002fa, **524** in 2003fa, **577** in 2004fa, **529** in 2005fa, **578** in 2007SP, **573** in 2007fa, **581** in 2008SP, **585** in 2008fa, **614** in 2009fa, **677** in 2010fa, **726** in 2012fa, and **745** in 2013fa:

Question 697 *According to Marx, the only way to increase profits is to shorten the portion of the day during which the workers produce an equivalent of their wage, and to extend that portion of the day when they create unreimbursed new value for the capitalist. Are the capitalists aware of it that all their cost cutting measures, if successful, go at the expense of their workers?*

[636] BrotherThelonious: It seems that capitalists must certainly be aware that their successful cost-cutting measures come at the expense of the workers. Given a rigid working day, the only way for capitalists to increase profit by extending the length of surplus labor in a day is the decrease the length of necessary labor. Should their cost-cutting measures prove successful, the measures the capitalist took were by no means an accident. A successful capitalist is astutely aware of where every penny of his costs comes from as well as where value is found. Whatever choice he makes to produce the same labor-value from a shorter

period of necessary labor was a calculated decision. It is very unlikely that the capitalist who is pinching pennies has no idea from whose pockets those pennies are being drawn. It could be argued, I suppose, that the capitalist believes that by, say, replacing workers with machines that increase productivity, they are increasing profit with the aid of technology, and not through a loss to the workers. However, this line of thinking does not work with Marx. Machines do not add value but simply transfer it. Since it took labor to produce the machine and more to run it, value is not being added, but transferred, and the capitalists profit is still coming at the expense of the workers.

Hans: Are you assuming the capitalists have read Marx and accepted his theory, therefore they don't hold beliefs which "do not work with Marx"? Please respond.

BrotherThelonious: No, I don't think the capitalists have read and/or accepted Marx and his theories. What I am assuming is that if a capitalist is able to extract additional profit, he know where he's drawing it from. If he extends the work day without increasing the price of labor, he knows he's gaining profit that isn't being passed down to the worker. If he increases profit by cutting employees and distributing the same work to fewer workers, he know that the remaining workers have increased burdens. If his profits increase because the cost of subsistence is lowered and the hours of necessary labor are reduced, he know that the workers are surviving on less and he's gaining more because of it. In fact, I don't think it is possible to increase profit without first being able to identify from where that profit can be extracted.

Hans: You are making an interesting point. My answer is that it is not very useful for capitalist competition to know the inner workings of the system. See [2007fa:417].

Next Message by BrotherThelonious is [649].

[645] Syd: Capitalists are well aware that their cost cutting measures are at the expense of their workers. According to Marx, capitalists care nothing for the length of life of labor power. The capitalist simply wants to maximize the labor power a worker can endure in one working day. The capitalist will require the worker to work as much as necessary in one working day to the point of exhaustion, and give the worker enough time to sleep and come back the next day and work as much as possible. As Marx explains, the working day is a two part interval $a\text{---}b\text{---}c$. AC represents a full working day, the section AB represents necessary labor, and the section BC represents hours of surplus labor. According to Marx in order to increase profits the capitalist must shorten the portion of the day which is considered necessary labor. In terms of Marx's two part interval of a working day, this would push B back towards A. Doing so would increase the production of surplus value for the capitalist, which would increase their unreimbursed new value. The capitalists are aware that their cost cutting measures are at the expense of the workers. Experience has shown capitalist that generally there is a constant excess of population in relation to the requirements of surplus-labor-absorbing capital. Capitalists' main motive is profitability, and according to Marx, they take no account of the health and the length of life of the worker.

Hans: The only cost-cutting measure which you discuss concretely is the excessive extension of the length of the working day which Marx describes in chapter Ten. In this case, it is of course obvious that it goes at the expense of the worker. You do not tell us how the capitalists push B to the left. Bandit's [648] shows how this question should be answered.

Next Message by Syd is [646].

[648] Bandit: graded A+ Capitalists' awareness that increased profit comes at the expense of their workers. Marx argues that the only way to increase profits in capitalism is to shorten the portion of the day during which the workers produce an equivalent of their wage, and to extend that portion of the day when they create unreimbursed new value for the capitalist. Capitalists can implement a variety of cost cutting measures and, if successful,

all of them will come at the expense of their workers, however how this happens is more obvious in some situations than others, so it's possible that the capitalist are not aware of how some of their cost cutting measures go at the expense of their workers.

For example one way to cut costs, and therefore increase profit, is to lower the hourly wage of the worker. This cost cutting measure obviously comes at the expense of the worker and capitalist is undoubtedly aware of it. Another example of the way to cut costs is to increase productivity with the introduction of new technology, such as machines, or anything else that increases the efficiency of the means of production. In this sort of situation, the capitalist might not be aware of how this cost cutting measure comes at the expense of the workers because its effect on the workers is not so direct as wage cuts. Increased efficiency in the means of productions creates a temporary increase in profit but ultimately this increase is done away with in the long run because these more efficient ways of producing can be imitated and implemented elsewhere. For example, if a machine increases the rate of production of a certain good, more machines like it can be made. In the end, this just creates a new standard that the workers are now expected to maintain.

Another way in which the capitalists might not be aware of how increasing profits by introducing more efficient means of production is because mainstream economics tells them that it is not the case. According to mainstream economics, the value of a product is determined by all the factors of production, that is the technology (machines) and labor, while according to Marx value is determined only by labor. In capitalism, the means of production are seen as producing value though Marx argues that machines do nothing to add value to the product because the machines must still be operated by human labor. Thus any increase in profit comes at the expense of the worker because it increases the amount of time the laborer is working for free, though the capitalists would not be aware of this because they see themselves as owners of the means of production and they view the means of production as adding value to the product.

Message [648] referenced by [645] and [2012fa:979]. Next Message by Bandit is [707].

[808] KKondo: Capitalists are more often aware that all their cost cutting measures go at the expense of their workers. That is what capitalism is all about: profit, not people. The capitalist "business focus" disregards workers and drives toward profits. An example is when employees are laid off and the workload increases for the ones that stay, but the wages don't.

Hans: In your example it is obvious, but the question asked "all." Your answer did not say "always" but "more often." Did you mean to say that the capitalists are *not* always aware? Please answer.

Next Message by KKondo is [809].

[829] Syd: Capitalists are aware that their increased profits come at the expense of their workers. As Marx argues the only way to increase profits in capitalism is to shorten the portion of the day during which the workers produce an equivalent of their wage, while also to extend the portion of the day when they are creating unreimbursed new value for the capitalist. Capitalists can implement various ways to cut costs which all come to the expense of their workers. A few examples of these costs according to Marx, are to lower the hourly wage of the worker. Lowering the hourly wage of the worker comes at the expense of the worker, while the capitalist is fully aware of this sort of measure. Another example of a way in which capitalists can cut cost is to increase the amount of productivity. This can

be done by using new machines because it increases the means of production. Each method that the capitalists uses to shorten the portion of the day during which the workers produce an equivalent of their wage, all come to the expense of the workers.

Hans: If the capitalist raises his profits by introducing new machines, which do not make the labor process more difficult or more intense, then the capitalist probably thinks this does not go at his workers' expenses. However Marx says in [435:1/o](#) that even in this case it goes at their expense.

Next Message by Syd is [\[830\]](#).

[916] Anil: The process in the question refers to increasing relative surplus value. Relative surplus value can be increased by two ways, first one is by decreasing the wages and second is by increasing the productivity of labor power through introducing productive means and organization of production. In the first way capitalists are aware of it because it is obvious. But the second way creates a misconception among capitalists. Machines, technological enhancements do not create the value. They just transfer their values to the commodities and they are all product of labor in the past. So their value again comes from labor. But capitalists see that increase in relative surplus labor as their product. Up to the time when those improvements become a new social standard for workers, capitalists would enjoy that expanded part of the relative surplus labor.

Next Message by Anil is [\[1111\]](#).

[1035] Unspoken: Yes, the capitalist are aware and in their greed they decide not to care for the state of mind and physical health of the workers. More profit and production could be generated if the "factories" if they would treat the workers with care and make them feel valued. If a change in wages could be implemented, if affordable health insurance could be accessible and instead of long hours there would be fair time frames for workers, production could and would increase and the quality of the product would increase as well. This action would be the end of capitalism as we know it and the abuse/exploits would be less but the capitalistic mind thinks about revenues. They can't "afford" to let production go down, there is never enough or a limit to the production they want to create or keep constantly flowing. If capitalism would ever consider the word "fair treatment" or "just" it would mean equality of treatment and in a capitalistic world equality is banned because it means to lose control/power over the masses/workers. With long days of work and minimum pay rates workers are kept in control, unhappy and feeling that any day they could lose their jobs if they don't abide by the rules even if they don't seem fair. We are expendable at any moment, there is always the fear of been replaced by someone else that is in the same position or worse than the one we live. We are slaves to the society we have helped create.

First Message by Bloomer is [\[0\]](#), First Message by CameronCottle is [\[0\]](#), First Message by Gv is [\[0\]](#), First Message by Hov is [\[0\]](#), and First Message by Unspoken is [\[478\]](#).

Question 699 is **580** in 2007SP, **575** in 2007fa, **587** in 2008fa, **616** in 2009fa, **679** in 2010fa, **728** in 2012fa, and **747** in 2013fa:

Question 699 *Turgot wrote: "In every kind of labor, it must happen, and it does in fact happen, that the wage of the worker is limited to what he needs to secure his own subsistence." Why is this so? Is this still valid today?*

[641] Rajon: graded A It makes economic sense that the wage of the worker is limited to what he needs to secure his own subsistence (and that of his family as well). For a capitalist, maintaining his workers' wages at this level maximizes their productivity. For example, if

a wage was set lower than subsistence level for workers, they would obviously not be able to sustain themselves and would become weak and wither away. Not only is this bad for the worker himself, but it is also detrimental to the capitalist paying the laborer, because he would not be getting the maximum “bang for his buck”. Conversely, if a worker is paid a wage substantially higher than he needs to subsist, it is likely that he would not maintain the ratio of effort to wage that he would receive if he was paid a wage at subsistence level. He would in effect become overcompensated, because it is not likely that he would increase output in proportion to the increase in the level of his wage. It is even possible that he would reduce labor output and become lazy as a result of being paid above what he needed to sustain himself.

This reality still exists today. With respect to low wages, this is partially why minimum wage laws exist—to protect workers and allow them to subsist. Although some people argue that a minimum wage is still not a “living wage”, it is likely higher than many employers would pay otherwise and it helps low income earners have a subsistence level wage. This, in effect helps save capitalists from themselves. If they paid lower wages, it is likely that productivity would drop as more workers became unable to work or if the capitalists had to pay for healthcare costs brought about by a lack of a subsistence-level wage.

With respect to wages higher than subsistence level, I have personal experience. I work at a company for 12-15 hours a week as a research analyst, compiling internet research. I live at home with my parents, and as such, have very few living expenses that I need to pay (no rent, health insurance, etc.). My \$12/hour salary far outstrips my expenses. This allows me to approach work without feeling like I need to work to the fullest of my abilities, because I realize that I am being overcompensated for the work I do anyway. That’s just the reality that I experience.

Hans: You say similar things as Marx, but you seem to approve of it, while Marx is critical of it.

Message [641] referenced by [642], [647], [2012fa:986], [2012fa:1003], and [2013fa:1104]. Next Message by Rajon is [665].

[642] Hans: Is it Bad to have Extra Money? Did others in class also have the impression they were plunged into an upside-down world when they read message [641]? For instance, I stumbled over the following formulation:

If a wage was set lower than subsistence level for workers, they would . . . become weak and wither away. Not only is this bad for the worker himself, but it is also detrimental to the capitalist paying the laborer, because he would not be getting the maximum “bang for his buck”.

For me, the word “detrimental” is more serious than “bad.” If something is “detrimental” it causes damage or injury. If the worker “withers away” due to malnutrition, lack of sleep, if they do not have time to care for their children or money to take them to the dentist, etc., then their human rights are violated. I would say this is *detrimental* for the worker and their family and *perhaps also bad* for the capitalist, instead of saying this is *bad* for the worker and *detrimental* for the capitalist. Calling it “detrimental” for the capitalist almost implies that the capitalist owns the worker.

By the way, malnutrition, together the lifestyles which those are forced into who have no extra time or money, can lead to obesity. Therefore the “withering away” may not always look like withering away, it may look like a plumping up. Since much of this class is about misleading appearances, this is a good example for it.

Here is another passage from [641] and then my reaction to it:

If a worker is paid a wage substantially higher than he needs to subsist, it is likely that he would not maintain the ration of effort to wage that he would receive if he was paid a wage at subsistence level.

Are you thinking people are inherently lazy and they have to be kept on a short leash in order to behave themselves? Is that what you learn in church? If this is your belief, you should at least be consistent and say that the capitalists should be kept on a short leash too. Or do you think capitalist profits are God’s rewards for being good? Can that be reconciled with Marx’s theory of profits? Does God redistribute income from those less deserving to those more deserving? Please tell me your thoughts about this. I do not just mean the author of message [641] but others who may have similar thoughts. I am trying to be controversial here and hope to get some flak from you. It is Sunday morning and this is the kind of thing I am doing instead of going to church.

One last remark. If you think \$12 an hour is overcompensation, count your blessings. Once you live on your own and have a family, you will realize that \$12 an hour is very insufficient income, especially if you want to have health insurance etc.

Everybody, please weigh in and tell the class what you are thinking about these issues. If you make it an ungraded submission, i.e., if you write ::Q:699ug, then it will count as one of your free discussion contributions.

Message [642] referenced by [647] and [651]. Next Message by Hans is [651].

[647] MarxStudent: (graded A) Is it Bad to have Extra Money? Hans [642] asked for controversy so I’m taking the bait. I apologize for including the rest of the thread but my commentary seemed confusing without it.

Hans wrote:

Did others in class also have the impression they were plunged into an upside-down world when they read message [641]? For instance, I stumbled over the following formulation:

“If a wage was set lower than subsistence level for workers, they would . . . become weak and wither away. Not only is this bad for the worker himself, but it is also detrimental to the capitalist paying the laborer, because he would not be getting the maximum ‘bang for his buck’.”

For me, the word “detrimental” is more serious than “bad.” If something is “detrimental” it causes damage or injury. If the worker “withers away” due to malnutrition, lack of sleep, if they do not have time to care for their children or money to take them to the dentist, etc., then their human rights are violated. I would say this is *detrimental* for the worker and their family

and *perhaps also bad* for the capitalist, instead of saying this is *bad* for the worker and *detrimental* for the capitalist. Calling it “detrimental” for the capitalist almost implies that the capitalist owns the worker.

If I understand Rajon’s message [641] correctly, he seems to be analyzing the phenomenon from the perspective of the capitalist. If we seek to understand the motivations and behavior of the abstract capitalist we have to assume that his only objective is to maximize profit. Thus it is indeed true that the abstract capitalist does consider the worker to be a form of capital in his possession, and does not differentiate between this and other forms of capital. Viewed in this context, the subsistence wage is akin to the cost of maintaining any other form of capital (i.e. greasing the gears of the factory). Staying with this metaphor, we can look at “overcompensation” in the same way. The capitalist may wish to minimize the depreciation of his factory, and given the choice of chrome or gold plating he will chose chrome since the alternative is subject to a sharp diminishing return on his investment. I believe this is what Rajon meant by saying “it makes economic sense” (please correct me if I’m wrong).

As to the question of “detriment”, insofar as an individual is acting in his capacity as a capitalist, he has only one goal, profit. Thus anything detrimental to his profit making operation is also detrimental to his being a capitalist, in the same way that a broken instrument is detrimental to someone being a musician.

Here is another passage from [641] and then my reaction to it:

“If a worker is paid a wage substantially higher than he needs to subsist, it is likely that he would not maintain the ration of effort to wage that he would receive if he was paid a wage at subsistence level.”

Are you thinking people are inherently lazy and they have to be kept on a short leash in order to behave themselves? Is that what you learn in church? If this is your belief, you should at least be consistent and say that the capitalists should be kept on a short leash too. Or do you think capitalist profits are God’s rewards for being good? Can that be reconciled with Marx’s theory of profits? Does God redistribute income from those less deserving to those more deserving? Please tell me your thoughts about this. I do not just mean the author of message [641] but others who may have similar thoughts. I am trying to be controversial here and hope to get some flak from you. It is Sunday morning and this is the kind of thing I am doing instead of going to church.

Again I think Rajon is attempting to analyze this from the point of view of the capitalist. He seems to be alluding to leisure preference in utility theory, which states that given that time is a finite resource an individual with sufficient income will be faced with diminishing returns on his consumption and thus leisure will become an increasingly desirable alternative to wages/consumption. Perhaps “lazy” is not the best term here, but rather the worker choses to expend his labor power in a way that is not useful to the capitalist. He may practice an instrument or work in his garden instead of engaging in wage earning labor.

As far as questions of a divine nature, I'm not a religious individual so I can't speak in terms of the morality or justice of income distribution. I do however believe that income distribution is in a sense a product of fate. Some have the good fortune of being born into a rich community or with unique talents while others are born disabled or poor. If we are considering the underlying laws of nature that govern these outcomes and the social relations of human beings, then I would have to say that in a way "God" does pick winners and losers. But to me personally, any attempt at defining an objective 'good' in an ethical or moral context and attributing outcomes to it is nonsense.

One last remark. If you think \$12 an hour is overcompensation, count your blessings. Once you live on your own and have a family, you will realize that \$12 an hour is very insufficient income, especially if you want to have health insurance etc.

With respect to minimum wage, I think that while it is well intentioned it can often have unintended consequences. Some jobs are not intended for bread winners. For example, I had a paper route when I was a kid. It would be silly to expect the paper boy to get paid enough to provide for a family. If such a wage was enforced by law it would result in increased prices for the paper (and other goods) and thus in reduced purchasing power for the person who is actually providing for a family. In other words, it could have the exact opposite of its intended effect.

I look forward to hearing what others have to say.

Message [647] referenced by [651]. Next Message by MarxStudent is [929].

[651] Hans: Ethics and Economics. MarxStudent [647] masterfully represents a line of thinking shared by many economists which disagrees with my [642]. The tone of this essay models the value-neutral stance understanding of all parties, which is expected of me as an instructor but which is absent in my [642]. He also explains why he thinks such value neutrality is necessary, and here he has some radical ideas. He writes:

I'm not a religious individual so I can't speak in terms of the morality or justice of income distribution.

To me personally, any attempt at defining an objective "good" in an ethical or moral context and attributing outcomes to it is nonsense.

In addition to being based on "nonsense," interventions into the market for moral reasons also often result in effects which are contrary to the original intentions due to "unintended consequences."

So far I only tried to describe what I think is the theory represented in [647]. I will show in a minute that Marx has a quite different theory.

MarxStudent would probably say that an economic system cannot be criticized, it can only be described (please correct me if I misrepresent your views here). Marx, by contrast, sees his analysis of the capitalist social system as a criticism. The subtitle of *Capital* is "A Critique of Political Economy." It is not a critique of economics (Marx critiques economics

in the manuscripts known under the title “Theories of Surplus-Value”) but of the economy itself.

Interestingly, Marx’s first line of critique of the capitalist economy is not the income distribution, but the fetish-like character of the commodity. Capitalist social relations are not obvious to those living in capitalism, and therefore social relations are also not under the control of the individuals. If Marx were to hear MarxStudent’s assertion that unequal access to resources is a matter of fate, he would probably say that this is an example of commodity fetishism, because it treats social matters as if they were natural facts which cannot be changed. Compare the end of the long paragraph 166:2/o. Rather, capital acts as an “automatic subject,” as Marx says in 255:1. This means that on a social level, not the individuals act, but capital acts through the individuals. Marx clearly thinks this is not a good thing, that we live in a social order which prevents the emancipation of individuals, and that anybody who sees this has the responsibility to change it.

Adding to the list of contact points between modern environmental thinking and Marx’s *Capital*, which I gave in class last Friday 11/4/2011, I find it interesting that in the environmental community as well, economic decisions are more and more seen as ethical decisions. Many modern economists would answer Clavis’s question in [639] whether we should care for future generations that this is not an economic decision but an ethical decision.

But I also see a contact point between Marx and MarxStudent’s goal of value neutrality. The purpose of value-neutrality in science is to make science objective. It is based on the desire to have science only be guided by the object that is being studied, not by the society in which the scientist is embedded. Some philosophers say that science is not value-neutral because it values objectivity. Now why do we value objectivity in science? If your answer is that knowing more, even if it goes against the grain of the present social order, is emancipatory for the human race, then you are halfway where Marx is. Marx’s goal is not only an emancipatory social institution of science, but he wants to social order itself to be such that it promotes, not inhibits emancipation.

Next Message by Hans is [653].

[859] Roman: The wage of the worker is limited to what he needs to secure his own subsistence in a perfect world where the worker is paid for his labor so he can support his needs and gets a fair wage. In our times however the capitalist it does not happen due to the exploitation of the working class where wages paid are much less than the labor that is put into production. It is made possible due to workers not having access to the means of production it allows capitalist to manipulate the production and gain profits.

Hans: Marx’s theory says: If the worker were to get a full equivalent of the value he produces during the day, he or she would get much more than necessary to support his needs at the level a modern working class family can afford to support their needs. In Marx’s theory, the capitalist does not have to manipulate the production process to make a profit, but profits for the capitalist are built into the system: if the capitalist pays the worker the full value of the commodity labor-power and then sells the products at full value, he will make a profit.

Next Message by Roman is [860].

[951] Hunter: A capitalist pays a laborer as little as possible in order to keep his profit margin high when exchanging the same good that he paid the laborer to produce. With that being said the capitalist still must pay the laborer enough to keep him happy and coming back to produce more. So yes, in most cases the workers wage is still limited to what he

needs to secure his own subsistence, or as close to it as possible. If it were not, the capitalist would be sacrificing profit to pay high wages.

In the end this process keeps the capitalists profit margin up while also keeping the laborer around because they have become used to only having barely enough to survive.

Next Message by Hunter is [\[953\]](#).

[994] Barn: To the capitalist in his struggle for more profit he finds it to his own advantage to reduce the worker's wage to the lowest possible value. Many times the worker is given only the value of a subsistence wage. The subsistence wage is a potential model (or concept) used by the capitalist toward the idea of how much or why the laborer is given a particular amount or value of wage. This model prorates as to the minimal level of wage to sustain the worker and give him the ability to replace himself in the labor market in the next generation (or thereby raise a family) etc. Wage can be of greater value than subsistence wage but never lower or the laborer would go hungry and waste away. Models of subsistence wages and their use by generating the levels of wages of the worker are still in practice today only today the average worker has more toys.

Hans: What you call "model of subsistence wage" Marx calls "value of the commodity labor-power."

Next Message by Barn is [\[995\]](#).

[1028] Cptcrunch: The reason for why it must happen, is to keep the capitalist labour under his control. If the capitalist controls the wages to the bare minimum of what is needed to survive than that binds the worker to the capitalist needs. *If* the wage labourer was to gain more money per hour and a comfort zone or independence from the capitalist, as to pay for for his living and subsistence comfortably, then that could decrease the worker's need to rely on the capitalist and decrease his productivity and become "lazy" on the job knowing he has that extra amount. Which would then result in a decrease of production and develop into a large decrease in profit and capital gained for the capitalist. For today, I believe it is even more prevalent. If the worker cannot control the amount of money they receive or the means of production for his labour, then he can increase the amount of hours he works to compensate for whatever he needs in his life and payments which is now under the control of the capitalists thumbs.

Next Message by Cptcrunch is [\[1133\]](#).

Exam Question 703 is **203** in 1995WI, **210** in 1995ut, **232** in 1996sp, **232** in 1996ut, **285** in 1997WI, **350** in 1997sp, **349** in 1997ut, **359** in 1998WI, **360** in 1999SP, **472** in 2001fa, **511** in 2002fa, **529** in 2003fa, **582** in 2004fa, **535** in 2005fa, **584** in 2007SP, **591** in 2008fa, **683** in 2010fa, **732** in 2012fa, **753** in 2013fa, and **683** in Answer:

Exam Question 703 *What is relative surplus-value? Which mechanisms, that were so far taken as given, affect the magnitude of relative surplus-value?*

[751] CRC: Relative Surplus-Value. The working day is severed into two distinct components: Necessary Labor Time and Surplus Labor Time. Necessary Labor Time being the amount of labor necessary to reproduce the Labor-Power of the individual laborer, i.e. to provide the laborer with enough wages to maintain a healthy, comfortable lifestyle, and Surplus Labor Time is the duration of the working day that is in reality unpaid labor, i.e. the time in which the laborer continues to labor but not for wages. Relative Surplus-Value is

derived from the shortening of the Necessary Labor Time by way of an increase in productivity, and subsequently a lengthening of the Surplus Labor Time. Up to this point, the mode of production was given, and assumed constant, but a change in the mode of production is necessary if the productivity of the laborer is to be increased. Upon the onset of increased productivity, the commodities produced are of less value, leading to a decrease in the quantity of wages necessary for a worker to perpetuate his Labor-Power, and thus a decrease in the Necessary Labor Time. It is by way of this phenomena then that the capitalist, with the desire of increased Relative Surplus Value, shortens the Necessary Labor Time and lengthens the Surplus Labor Time, without lengthening the working day and denying the Theory of Value.

Message [751] referenced by [752]. Next Message by CRC is [957].

[752] Hans: Definition of Necessary Labor. CRC [751] gives two definitions of necessary labor time:

(1) it is the time necessary to reproduce the labor-power of the individual laborer

(2) it is the time necessary to provide the laborer with enough wages to maintain a healthy, comfortable lifestyle

Definition (1) is correct, but definition (2) is incorrect.

I think I can best explain it by a simple example. Assume the normal working-day is 8 hours, and each hour of labor produces a value of \$40. Also assume the daily reproduction cost of the laborer is \$160. Therefore the hourly wage is \$20. This allows the worker to earn \$160 every day and therefore pays for his labor-power.

The necessary labor according to the first definition is 4 hours, because the worker produces a value of \$160 in 4 hours. This is a correct result.

The necessary labor according to the second definition would be 8 hours, because with a wage of \$20 it takes the laborer 8 hours to earn \$160. The second definition is not the definition of the necessary labor, but it is the definition of the length of the normal working day. Wages are held at such a low level that it takes the worker all day to earn back the value which he has given the capitalist in the first four hours.

Message [752] referenced by [765] and [2012fa:1083]. Next Message by Hans is [757].

[788] Alex: graded B Relative surplus value is all of the extra surplus value created by producers and distributed among them all. The quality and efficiency of machines has a large impact on the magnitude of relative surplus value. Workers using more high tech machines are initially able to generate more surplus value for the capitalist.

Hans: As in [787], you misunderstand what "what" means.

You answer the question "what is the relationship between relative and extra surplus-value?" This is not the same as the question "what is relative surplus-value?" This is like defining a person by their relationship to their cat (defining Hitler by saying he loved his dog).

And you again privilege quantities. Modern science thinks that all one needs to know is quantities. Marx had the opposite approach: he wanted to understand the qualities of things first before looking at their quantities.

Next Message by Alex is [821].

[932] Kiwi: Relative surplus-value is the increasing gap between the worker and the capitalist. The magnitude of the relative surplus-value can be determined by: shortening the necessary labor hour and increasing the surplus labor hour. This increases the profit for the

capitalist while the laborer still receives the same wage compensating for their labor-power which increases the gap between the worker and capitalist.

Next Message by Kiwi is [997].

[936] Jaime: Relative surplus value is the amount between the selling price of a product and the cost to produce it. It is affected by the capitalist means of production, i.e. machinery. Machinery makes it so the labor value is more utilized, but also strips the laborer of his former skills to produce the product.

Hans: "labor value more utilized" is not the correct explanation of relative surplus-value.

Message [936] referenced by [955]. Next Message by Jaime is [955].

[948] Hov: Relative surplus-value is the surplus-value which arises from the shortening of the necessary labor time, and from the corresponding alteration in the respective lengths of two components of the working day. The mechanisms that affect the magnitude of relative surplus-value are the social conditions of wages and the labor process.

Next Message by Hov is [952].

[977] Badawn: graded D Relative surplus value relates to a couple of things. First thing is that there are only so many hours in a day that you can work. Now producing a commodity takes X amount of hours in the day to produce. Where the word surplus come into play is in the advances of technology and other ways to make the worker more productive. For example a machine can build a car much faster and more efficient and exact then a human can. This "surplus" goes to the capitalist he saves in production becoming more efficient this allows the capitalist to increase in production and exploit the worker to be more productive with the same work effort. This increase goes directly to the capitalist.

Hans: This explanation is wrong because in Marx's theory machines produce more use-value but not more value.

This is a designated exam question. You were not allowed to reformulate it for your resubmission.

Next Message by Badawn is [979].

[983] Msj: Relative surplus value is the surplus value due to higher technology as it lowers the time needed to produce the worker's consumption goods, so the portion of the day the worker works for himself is shortened. Mechanisms that affect this include the technology needed to produce product. If a more efficient means to produce product allows for 100 pieces to be produced a day rather than 20, then that technology and opportunity affects the relative value surplus. The greater the efficiency of the technology, the greater the magnitude.

Next Message by Msj is [984].

[990] OBJ: Relative surplus value is similar to surplus value. As discussed in [982] surplus value is created by the capitalist taking advantage of his/her employees willingness to work, but not being fully compensated for their work. Relative surplus-value includes the idea that surplus-value is related to the effort or labor value of a producer. For example, if a machine is brought in and it lowers the cost of producing, but the capitalist does not pay the worker any more even though the worker is producing more per hour.

Hans: This "willingness" is forced on the workers by their lack of control over the means of production.

Your definition of relative surplus-value is wrong.

Next Message by OBJ is [1130].

[1006] Bu: If we take a look at a capitalist who pays his employee \$10 an hour and the employee produces a commodity that has a value of \$20, assuming that the employee produces \$20 of value for every hour, we will see where the capitalist benefits. However, if

the capitalist is able to innovate and now the employee can produce $\$20 \times 2 = \40 in one hour of labor then the capitalist will benefit even more. However, this large of an advantage is only temporal. Once every other capitalist catches on and adopts the new innovation we get relative surplus value. All capitalists will benefit from this.

Relative surplus value is the result of increased surplus value due to increased efficiency in production. The efficiency is caused by an increase in technology and it will lower the value of consumption goods by the worker. The worker's day will be shortened in terms of working for him or herself. All capitalists will benefit from this.

Hans: Both your in-class answer and your resubmission had "in terms of working him or herself." I inserted the missing "for." The assumption here is that the workday itself stays at the same length. That part of it which the worker needs to reproduce the value of his means of consumption is shortened, therefore the part which produces surplus-value is lengthened.

Next Message by Bu is [1107].

[1027] JuniorBacon: Relative surplus value is the difference between one wage and the value they are producing. If I pay someone 5 dollars so I can sell what they make for 15 dollars then 10 dollars is the surplus value. This breaks down further with many products to hourly wage. Taking advantage of the worker really defined the magnitude of this.

Hans: You are defining surplus-value in general. Marx distinguishes between absolute and relative surplus-value.

First Message by JuniorBacon is [494].

Question 708 is **237** in 1996sp, **289** in 1997WI, **354** in 1997sp, **515** in 2002fa, **535** in 2003fa, **588** in 2004fa, **541** in 2005fa, **584** in 2007fa, **592** in 2008SP, **596** in 2008fa, **625** in 2009fa, **688** in 2010fa, and **737** in 2012fa:

Question 708 *Why can we gain a scientific understanding of "the sphere of competition" only after having grasped the inner nature of capital?*

[638] Danish: graded A Competition. Capital is an integral component of a capitalist mode of production, and it is a pre-requisite of the competition in a capitalist economy. The famous term "competition" that we hear so often in our mainstream neo-classical academia is nothing but one of the expressions and outcomes of capital. Competition among firms (capitalists) can only be realized under the paradigm of capitalist mode of production. Marx defines competition as any activity by which an individual capitalist tries to take best advantage of the market forces. Thus on a surface level it might mislead us to a conclusion that individual capitalist has personal motivations to compete other capitalists in the market, and he has built-in human motivations to be the best, and outclass his competitors. But if we try to dig deeper in to this matter, we will find out that there are certain social laws which are governing and determining the attributes of the capitalists, and of the rest of us. Competition cannot be realized unless have capital in the economy; capital determines the competition and its directions. Thus it is essential to understand capital and comprehend its attributes to fully understand competition.

As Hans wrote in [2007fa:409] "Marx says that the fundamental tendencies to capitalism do not come from the interactions of people on the market (what he calls competition). Rather, the market only reflects and mediates the essential relations which are located elsewhere, namely, the relations organizing production in capitalist society". Thus if we do not

comprehend the nature and dynamics of capital, we would not be able to make concrete analysis about the competition in the market.

As Marx said “the competitive motivation of the capitalist is not really his own motivation, but his subjugation to the laws of capital”. So when a capitalist is indulged in a competition, he is not doing this as his pure personal action, instead he is reflecting the character of capital, whether he wants it or not. To sustain himself as a capitalist, he has to indulge in competition, hence, a capitalist is forced by capital to be indulged in competition. So competition cannot be understood independent of the capital.

Next Message by Danish is [863].

[654] Res: The reason why one must understand the inner nature of capital before one can gain a scientific understanding of the sphere of competition is that to truly understand competition one must first look at the system that produces it. As Hans stated, “The competitive motivation of the capitalist is not really his own motivation, but this is how he experiences his subjugation to the laws of capital” (Annotations, p. 509). In this light, the capitalist is bound to obey and perform the will of the capitalist system in which he participates. It would be futile to try to understand why capitalists are competitive without looking first at the driving force behind competition which is the capitalism system. For instance, we can all look at a computer monitor and observe that it produces picture, but we cannot completely comprehend how the monitor produces picture without exploring the underlying pixels and components in the computer related to the operation of the monitor. Much like understanding the computer monitor, it is critical to first grasp the underlying nature of the capitalist system before pursuing an understanding of a surface activity like competition.

Message [654] referenced by [673]. Next Message by Res is [737].

[673] Reagan: The Competitive Motivation. While perusing through some of our most recent class discussions and our collective analysis of Marx’s arguments, I found Res’ comments on Question 708 [654] especially intriguing. In particular, I believed her/his use of a quote from Hans, “The competitive motivation of the capitalist is not really his own motivation, but this is how he experiences his subjugation to the laws of capital” [509] brought a fairly fundamental premise for day-to-day operations into new light. That is, what is the root motivation of the capitalist, and to what extent is this indicative of a failing system? As Marx emphasizes throughout his works, the mindset of the Capitalist is one that is driven by the pursuit of commodity. The capitalist fights, exploits, and on occasion cheats to secure as much commodity value as possible, not for use-value’s sake, but for mere accumulation. In essence, before one might hope to analyze the antiquated mental offspring of such a mindset, one must first look at the root cause of it.

Next Message by Reagan is [877].

Question 710 is **205** in 1995WI, **238** in 1996sp, **237** in 1996ut, **290** in 1997WI, **355** in 1997sp, **354** in 1997ut, **363** in 1998WI, **364** in 1999SP, **477** in 2001fa, **516** in 2002fa, **536** in 2003fa, **590** in 2004fa, **543** in 2005fa, **596** in 2007SP, **586** in 2007fa, **598** in 2008fa, **627** in 2009fa, **690** in 2010fa, **739** in 2012fa, **761** in 2013fa, and **690** in Answer:

Question 710 *Do the workers after introduction of new machinery produce more value per hour?*

[640] Foruvak: New machinery doesn't make workers produce more value per hour. A worker becomes more efficient and is able to produce more products (higher total output) because of the new machinery, but this does not increase value. Because value takes into consideration labor and labor time is now cut, value is also cut. Value is a social relation and therefore is only affected by human labor, not by machines.

Hans: You are only telling half the story. What you say is true in the long run. In the short run those capitalists who are the first to innovate get so-called extra surplus-value.

Next Message by Foruvak is [\[924\]](#).

[652] Bloomer: From what I interpreted from the reading, the workers did not add value per hour. Regardless of how productive they were, the workers only made 12 cents an hour for 12 hours. Now if new machinery was introduced, then maybe the excess value you would generate would be from the machine. The machine is not making the worker more efficient but is actually making the cost of production less. For example, in the text it said if the productivity of labor was increased then "the day's labor creates no more new value than before, namely, \$1.44. However it is now spread over twice as many articles." So I believe the machinery to actually decrease the labor-time not the worker's efficiency.

Hans: (1) Your formulation "the workers only made 12 cents an hour for 12 hours" sounds as if the worker's wage was 12 cents an hour. Marx does not speak of the wage of the worker in this example at all, only of the value created by the worker. This is different than the wage. A good rule of thumb is that it is approximately twice the wage.

(2) You are confusing value and use-value. According to Marx's theory, the new machines produce twice the use-value per hour, but machines do not produce value.

Next Message by Bloomer is [\[780\]](#).

[653] Hans: Reminder: please use the Answer archive. I'd like to repeat here what I already said in [\[637\]](#): question 710 is in the Answer archive, it is [\[Answer:6\]](#), therefore I'd like you to build on this [\[Answer:6\]](#) if you want to submit an answer, instead of starting from scratch.

Message [\[653\]](#) referenced by [\[695\]](#). Next Message by Hans is [\[662\]](#).

[812] Skiingforlunch: graded A The Innovator's "Extra Reward" The introduction of machinery raises production in terms of units produced, but does it produce more value per hour? The linen weaver previously producing by hand certainly increases their productivity once a sewing machine is introduced. However does the value of the added sewing machine ultimately raise the value produced per hour?

This can be answered in a simple relative manner. If she is unique in that she is the only member of society with access to a sewing machine her rise in production will allow her to bring more commodities to the market place (at beneficial prices) and create a short surge in the value of her production (the investment would be profitable if it were able to offset the cost of the machinery). In the long run her competitors would all gain access to the machinery and as their productivity rose to a level matching her she will eventually return to her original values in production. This short run value has a name and we must analyze this in greater detail.

Marx looks at this close in the sphere of production in a capitalist society. There are several cracks that Marx denotes between the surface of a commodity and its sphere of production. The value/profit retained by capitalists is found in the sphere of production and

explains surface phenomena that are ultimately generated through competition of market producers.

The improvement in production allows capitalists to reap “extra surplus value” because the greater output allows the producer/capitalist to sell more in the market with his competitors’ production unchanged. The higher output forced the capitalist to lower his price to realize the values of all of his commodities (i.e. the price has to be reduced to sell more goods – ultimately pulling business away from competitors who are not as productive – this is the surface phenomena created within the sphere of production). A surplus value results in that the capitalist now retains more money than originally spent.

The capitalists workers earn their wages based on the labor performed (based on time and output). The extra surplus value is shared partially amongst workers and retained by the capitalist. This extra surplus value is relative in that it draws its value because of the temporary social production increase in relation to competitors. In the long run the competitors in the economy will improve their productivity in a manner to match the innovative capitalist and eventually draw the values back to the original levels. So yes, there is value per hour that a producer

Next Message by Skiingforlunch is [\[813\]](#).

[871] George: graded B While surplus value is created because output is increased with the same amount of labor by the worker, overall value is not increased because value per hour is the same because the worker works the same amount of time.

Hans: When Marx says “overall value is not increased” he means the overall value of the output, i.e., despite more output being produced the money received from the sale of this output is not increased. Given this, you are not explaining why surplus-value is increased.

Next Message by George is [\[1085\]](#).

[928] Foruvak: Marx very straight forward answers that new machinery doesn’t increase value. He says that it only produces more of the product. Also, value is derived from labor which is something that machines cannot produce, only humans can create value because it is a social relation.

Hans: This is correct in the long run. In the short run there is extra surplus-value.

Next Message by Foruvak is [\[931\]](#).

[1041] Freshprince: Do the workers after introduction of new machinery produce more value per hour ?

To help shed light on the question, we look back on a quote in [\[2007fa:397\]](#): “Because value is a social relation, the introduction of more efficient machinery does not enable the workers to create more value per hour than before introduction of machinery”. The introduction of new machinery wouldn’t produce more value per hour, the intensity and of the labor may increase because the machinery makes the labor less difficult.

From what I understand, the machinery does not necessarily generate more value per hour, it simply makes the hours that are worked through labor more appreciated. We must recognize that the machines are doing work and providing labor, and it shouldn’t go unappreciated. But it is necessary to see the hourly labor value of the works both before and after.

Hans: The conclusions which you draw in the second paragraph are the precise opposite of your quotes given in the first paragraph.

Next Message by Freshprince is [1042].

Exam Question 712 is **218** in 1995ut, **242** in 1996sp, **293** in 1997WI, **365** in 1998WI, **366** in 1999SP, **453** in 2000fa, **479** in 2001fa, **518** in 2002fa, **538** in 2003fa, **592** in 2004fa, **545** in 2005fa, **598** in 2007SP, **588** in 2007fa, **596** in 2008SP, **600** in 2008fa, **741** in 2012fa, and **764** in 2013fa:

Exam Question 712 *What is extra surplus-value? How is it related to relative surplus-value?*

[655] TKOberle: Commodities are produced in a market place at times with multiple producers making the same product. At times the different producers are producing that commodity using the same amount labor time and output. Until a certain capitalist comes up with a new way or innovation and can produce that certain commodity with less labor time, thus, producing extra surplus value for that capitalist. As Hans states in [2000fa:170], “The problem with extra surplus value is that it is only temporary. After the production method of the innovator has been adopted by every other producer as well, the market price for this commodity will fall to a level reflecting the lower labor content.” All the competitors producing that product will eventually discover the new way to produce the commodity. Thus the extra surplus value will disappear. The prices of the commodity will then drop and follow. The capitalist will only benefit in the short run.

Furthermore, in the long run the producers, capitalist, and everyone will benefit with the amount of time, price, efficiency that will have improved because of the innovation. Thus, which is called the relative-surplus value. They are closely related in how one leads to the other. Extra-surplus value will eventually bring on relative surplus value.

Hans: Relative surplus-value is not the same as the general social benefits of higher productivity. Relative surplus-value is an increase in the gap between capitalist and laborer. All capitalists benefit from it, but it is not right to say that everyone benefits from this.

Next Message by TKOberle is [715].

[775] SSroy: Extra surplus value is the short term effects of an increase in productivity. A firm will develop a new method of producing a commodity which results in lower prices and higher profits. This continues until the competitors catch up and imitate or create a comparable method of production; thus leveling the playing field once more. Relative surplus-value is that stabilized amount or surplus-value in a competitive market which represents the difference between what is paid to the workers and what the capitalist keeps for himself. Extra surplus-value is the difference between the relative surplus-value and that which a firm earns for a short period after developing a new method of production which increases productivity.

Hans: The linkage between extra surplus-value and relative surplus-value is tighter than you say. After being competed “away,” most of extra surplus-value becomes relative surplus-value.

Next Message by SSroy is [1083].

[816] Gonz: Extra surplus-value is the increased value produced due to technological innovation advances. One can produce more value with a smaller labor power due to the efficiency of innovations in production, whereas relative surplus-value has to do with the individual labor power of the worker.

Hans: Higher efficiency gives more use-value but not more value.

Next Message by Gonz is [1090].

[856] Vegas: Extra and Relative Surplus-Value. Relative surplus-value and extra surplus-value are very closely related but are found in different spheres of production. Relative surplus-value is the extra output by workers in an hour usually yielded by the introduction of new technology. Extra surplus-value is basically the same concept, but it deviates from relative surplus-value when it becomes an advantage for one firm in competition. Extra surplus-value therefore is basically the added value one firm receives compared to other firms on the market. They are able to produce more and sell their product for cheaper than the competition to sell their newly increased supply, but also receive an additional amount for selling it above what their surplus-value.

Hans: You need the concept of necessary labor (i.e., the part of the work day which produces an equivalent of the wage) to define relative surplus-value. The definition you give does not work: if the product can be produced with less labor then its value falls.

Next Message by Vegas is [\[1080\]](#).

[968] Tussy: Extra surplus value is a value that a capitalist utilizes to raise profit that other capitalists have not yet employed. A rise in the productivity of labor is an example of extra surplus value that a capitalist applies to bring profit because higher productivity from new technology leaves larger supply of workers in the market and this brings down the cost of labor and thus brings higher profit for the capitalist. When other capitalists discover this method of saving production costs and creating profits, this situation encourages competition and thus lowers the sale price of goods. This is where the role of extra surplus value stops.

The moment price of the wage goods falls, the extra surplus value turns into relative surplus-value. Extra surplus value is highly profitable for a short term until other capitalists use the same technique. When other capitalists employ the same method, extra surplus-value transforms to relative surplus-value.

Next Message by Tussy is [\[1114\]](#).

[978] Res: Extra surplus value is the surplus value that is provided to a capitalist due to a technical innovation that raises the productivity of production and is not currently available to his/her competitors. However, the technical innovation is soon adopted by the capitalist's competitors which provides an equal increase in relative surplus value to all the producers. In the end, the extra surplus value of one capitalist is converted to an increase relative surplus value for all producers.

Hans: I'd like you to explain the transformation from extra to relative surplus-value a little better.

Next Message by Res is [\[1004\]](#).

[1019] Hayms: Extra surplus value is what the capitalists use in order to gain a little more value from their product. Capitalist use niches to find ways to produce their commodities in a more cost effective way. This is related to relative surplus-value because it is the extra value received or saved from the cost that normally come from the relative surplus-value.

Hans: These explanations are not only unprecise (what do you mean by "gaining a little more value from their product"?), but they also seem based on a mistaken understanding of the underlying categories.

Message [\[1019\]](#) referenced by [\[1036\]](#). Next Message by Hayms is [\[1020\]](#).

[1096] Clavis: Relative surplus value can be made by shorting the necessary labor and this can be done by revolution of technology and mean of production. Suppose there is line A-B-B'-C. line AB is the necessary labor and line BC is the surplus value (absolute), but if capitalist can move B to B', capitalist can get surplus value as much as line BB'. this is the relative value.

Capitalist economics explain this as extra surplus value. Once someone can get new technology, they can make their product cheaper so that they can sell it more and can get advantage among others until other capitalists can get the same technology. And this extra surplus value will be disappeared if everyone can get the technology.

But, if we look at both relative and extra surplus value, we *do* know that extra surplus value is identical with relative surplus value. the only different thing in explanation, surplus value which made by new technology (line BB'), will never be disappeared and will be surplus for capitalists forever.

Next Message by Clavis is [1097].

[1211] MarxStudent: graded B- Surplus-value is the result of the labor power expended in excess of that required by a worker to provide for himself as a result of capitalist exploitation keeping his wage low. Relative surplus-value deals with the magnitude of the exploitation between what the labor-power produces and what the worker is paid in a day. Extra is anything that is created beyond this process of exploitation for a unit of labor-power. **Hans:** Wrong definition of extra surplus-value. "Extra surplus-value" is Marx's name for the process you describe in [1210].

Your definition of relative surplus-value is too vague, you are just repeating your definition of surplus-value.

First Message by MarxStudent is [479].

Question 719 is **212** in 1995WI, **243** in 1996ut, **297** in 1997WI, **368** in 1998WI, **369** in 1999SP, **457** in 2000fa, **484** in 2001fa, **597** in 2004fa, **550** in 2005fa, and **699** in 2010fa:

Question 719 *Does the continual striving by the capitalists to lower the value of their products contradict the basic tenet of the labor theory of value that they are only interested in value, not use-value?*

[644] Veb: If you love something, let it go... Relative surplus-value is the reason that the capitalist's actions towards lowering value do not contradict the labor theory of value. Although some of the actions they take, such as laying-off workers seem to work against them, they increase their surplus-value (their profit). The capitalist increases the productivity of his/her production process, which also decreases the value of labor-power (intended or not by the individual capitalist) and which allows him/her to expand their business by offering a lower costing product than their competitors. By doing so the new relative surplus value is higher than previously. This means an increase in the gap between the capitalist and laborer.

Next Message by Veb is [678].

[1036] Hayms: Although in my first answer I said that it does contradict the basic tenet of the labor theory of value and I agree with some of my answer and would like to add that the capitalists really only hurt themselves while lowering the value of their products, because everyone will strive to beat their prices this will result in the further lowering of products until equilibrium is achieved. After researching more I wanted to change it and say that it does not contradict the basic tenet theory of value because of relative surplus-value. I believe that the effort that many capitalists use to cut costs they are able to bring about extra surplus-value. Whether they do it through better machinery, lower wages, or more workers this is an effective way to bring about a small surge of extra surplus-value. And why would the capitalists not want to do that? As stated in the book, "that the more that one

can reduce the expenses and costs of labor in the manufacture of industrial products without injury to production, the more advantageous is that reduction.” (pg 520) This statement is accurate because you are increasing production, lowering costs, and receiving that extra surplus-value; however, this will ultimately end. This will lead to what Marx believes will cause profit rates to fall. These “falling rates of profit” would make the surplus-value of the workers slowly start to decrease and take away the amount of value each worker is worth.

Hans: Marx says that the rate of profits falls despite an increase in the mass and even the rate of surplus-value.

Reading the above and [1019] I am not sure you understand what relative surplus-value is.

Next Message by Hayms is [1075].

[1210] MarxStudent: graded A No this does not contradict the labor theory of value. The capitalist introduces technological advancements precisely because he hopes to capitalize on the initial imbalance between the value of the products that his firm produces and those of his competitors. For example if through this process his workers are able to double their productivity, the commodities they produce have the value equal to the societal average amount of abstract labor required to produce the commodity. Thus until the innovation is replicated by the competition the capitalist is able to enrich himself due to the additional commodities his firm generates while the value of the commodity has not yet diminished due to a system wide reduction of the labor-power necessary to product it. Use-value plays no role in this decision making process.

Message [1210] referenced by [1211]. Next Message by MarxStudent is [1211].

Term Paper 721 is **638** in 2009fa and **701** in 2010fa:

Term Paper 721 *Essay about the General Connection between Exploitation and Surplus-Value.*

[1132] Hk, Siman, and Sk: Marx defines surplus-value first in reference to his exploration of M-C-M'. He states, in (250:4/oo) that $M' = M + DM$ and that DM, the “increment or excess over the original value I call “surplus-value.” It is a detailed analysis to discover the source of surplus-value, which concludes “the value of a commodity is expressed in its price before it enters into circulation, and is therefore a precondition of circulation, not its result” (260:1).

Marx then looks at production to see if that is the source of surplus-value. “It has not valorized itself, it has not annexed surplus-value during the making of the boots. It is therefore impossible that, outside the sphere of circulation, a producer of commodities can, without coming into contact with other commodity-owners, valorize value” (268:1) Therefore, surplus value is the value created through production which is claimed as profit by the owners. Marx believed that surplus value came from surplus labor of the workers. Surplus labor was the extra labor performed on top of the necessary labor of a worker. It is this surplus labor that Marx believed was the largest source of capitalist profits.

One must begin here to understand the connection between surplus value and exploitation. In typical Marxian fashion, it seems there is no explanation as to the source of surplus-value, Marx digs deeper. It is argued that surplus value must have its origin both inside and outside circulation. The only way for money to transform itself into capital is to change forms to a commodity “whose use-value possesses a peculiar property of being a source value, whose actual consumption is therefore itself an objectification of labor, hence a creation of value” (270:1). He states in (268:2) that surplus-value “must have its origin both in circulation

and not in circulation.” It is the “double result”, whether Marx has explained, because, as I describe below, in capitalism labor-power is a commodity. The capitalist only pays for the necessary labor (the value of labor-power) and realizes for himself the value of the surplus labor. This special commodity is labor-power.

Thus, surplus value can loosely be defined as the difference between what the capitalist pays for the means of production and the labor power and the amount of money the capitalist receives after the production and sale of the commodities produced. Marx explained that the worker or producer is exploited in this system which is built to maximize profits or the continual increase of the value of money. This exploitation stems from unpaid labor. Marx discusses this in his explanation of the working day. A certain amount of labor-time is necessary for a worker to produce a value equal to his or her daily wage. However, the capitalist only pays for the necessary labor (the value of labor-power) and realizes for himself the value of the surplus labor. As the capitalism labor-power is a commodity. By the way, the capitalist to realize this surplus value and profits is by exploiting the producers’ and their labor power.

To understand surplus-value as defined by Marx we must explore this related concept of necessary labor. Marx (324:1/o) defines necessary labor: “It occurs when the capitalist reaps the benefits of this unpaid portion of labor from the production process. Because the working class has to work for wages in order to survive, they are subject to working well past the “necessary labor” time, or the time necessary for the laborer to produce value equal to the wages of that day, which the laborer produces the value of his labor-power takes place—‘necessary’ labor-time, and the labor expended during that time—‘necessary’ labor.” This concept of necessary labor is different from Marx’s concept of the socially necessary labor to produce a commodity, which refers to the most socially common methods utilizing the socially average amount of labor time to produce such a commodity. This provides for the profits of the capitalist, and it also perpetuates the exploitation. Since the capitalist has new profits at his disposal, he can now re-invest that into the means of production and create more surplus value out of his profit.

However, the worker has the capacity to work more hours and the workday in capitalism always extends beyond these few hours of necessary labor-time. The labor-power expended during the time difference between the actual length of the working day and the necessary labor-time is surplus labor. In capitalism, it keeps the working class down because they never get anything but their daily wage, so they don’t get any share of the surplus value even though it is because of them that the surplus value was created in the first place. Imbedded in that commodity is value equal to a full days labor expended in its production. That imbedded value exceeds what the owner has paid for it by an amount exactly equal to the surplus labor, for which he has not and will not pay the laborer. Therefore, surplus-value equals the value created by surplus labor.

The connection between surplus-value and exploitation it is helpful to look at Marx’s concept of rate of surplus-value. To develop this concept, Marx (320:2) explains surplus-value in terms of capital. He describes that capital, C , has two parts: constant capital and variable capital. Constant capital, which Marx symbolizes with c , is “the sum of money layout full of the production” and variable capital, v , is the amount “expended labor-power.”

S is the surplus-value. At the production $C' = c + v + s$, Marx defined exploitation as the transfer of a product from those who produce that product by the expenditure of their labor power to other social classes because of their control of the means of production. A capitalist will always want to maximize profit. The capitalist have to produce surplus value to maximize profit. In order to produce surplus value, the capitalist have to exploit their worker's labor. A way a capitalist can expand his surplus value is increase the productivity of labor for the commodity. In order to increase productivity of labor, the capitalist can invest in more capital to decrease necessary labor. It cannot always be reduced in the final analysis to the product of unpaid labor: that is the heart of Marx's theory of exploitation, whether who owns the means of production, exploits the worker for her surplus, labor, which, because he claims ownership of the products, produces surplus value for him.

We can see that in here, a capitalistic society promotes the idea that the laborer is not selling labor-power but is selling labor. The laborer believes he is selling a day's labor when he is paid his wage. He does not realize that he is being exploited, that he is not receiving compensation for the value he creates. He believes the capitalist concept that since he has been paid for his labor by the capitalist the capitalist owns the product the laborer produced. For instance, surplus-value equals the amount of value that owners of the means of production expropriate from laborers employed by them and that such expropriation violates the norms of fairness. Such expropriation is exploitive, and therefore, ethically wrong. The fact that such exploitation causes alienation and suffering intensifies the wrong. In this way, surplus-value and exploitation are generally connected.

In conclusion, Marx introduced new terms to illustrate the extent of exploitation propagated by the capitalist: absolute surplus-value, relative surplus-value and extra surplus-value. It made the connection between surplus-value and exploitation. In a capitalist society the capitalist believes that he deserves a return on his capital and that he is compensating the laborer fairly. He believes his capital is the source of his profits. Marx's view on surplus value was very simple in the fact that he saw that the working class was working in order to survive. In the attempt to work for survival they were working longer hours and for less compensation the value of the commodities that they produced, because the owners and capitalists were making a profit out of the surplus value.

Hans: Your third, fourth, and fifth paragraph are from [2009fa:731]. The rest or your paper is from [2010fa:735].
First Message by Hk is [1058], Next Message by Siman is [1195], and Next Message by Sk is [1138].

Term Paper 722 is **608** in 2007SP, **702** in 2010fa, and **752** in 2012fa:

Term Paper 722 *Essay about Chapter Eleven: Rate and Mass of Surplus Value*

[1136] Barn: Half of the chapter relates to the chapter heading and the other half to trivialities with the last page as coordinating the flow of logic toward the next unit of the book Capital (relative surplus value). Marx enlightens us to an English manufactures' revolt of 1848-50 which I am assuming led to the passing of the 10 hours of a workers day law in 1850. When the law passed many capitalists were concerned that they would suffer great losses in profits (surplus-value). This chapter is the end of the unit which developed the concept of absolute surplus-value or the surplus-value made by varying the length of the working day. The next unit begins the discussion of relative surplus-value which to a point

abridges that concern of the capitalist to that there are ways to avoid the great losses of absolute surplus-value with the passing of that law.

Marx introduces 2 equations and 3 laws relating to the ideas of mass of surplus-value and its rate. The first equation amounts to or is actually the first law given – the mass surplus-value (S) equals the variable capital (V) times the rate of surplus-value (s/v); $S = s/v \times V$. The second law relates to the absolute limits exercised in the variables a'/a , surplus labor divided by necessary labor, in the second equation. The value that can be produced by a worker is always less than 24 hours. The second equation is the mass of surplus-value (S) equals an average labor-power (P) times the number of workers (n) times the rate of exploitation (a'/a), a' equals surplus labor and a equals necessary labor assuming in hours per day; $S = P \times n \times a'/a$. And the third law relates to as to be self evident, if rate of surplus-value (rate of exploitation) is given and value of labor-power (amount of necessary labor time) is also given → the greater the variable capital the greater the mass of value and of surplus-value. Marx comments that no matter the variability of constant to variable capital the third law holds. For Marx indicates, from what we've studied so far, that the constant capital reappears in the product itself. But Marx furthers his meditation by indicating increased mass of surplus-value by increased variable capital (in our case increased number of workers) only to the form of surplus-value mentioned up to this time.

At the start, we assume the maintenance of labor-power to a constant magnitude. There by, the rate of surplus-value gives us the mass surplus-value to a definite period of time.

A simple example – if the necessary labor time is 6 hours paid at 3 shillings, thereby, one labor-power, and the rate of surplus-value is 100 percent. A mass of surplus-value is the same at 3 schillings with a surplus labor at 6 hours. ($a'/6hr. = s/v = 100\% = 1$) The variable capital is the total paid by the capitalist to his workers, thereby, equals the average value of one labor-power times the number of labor powers under contract (number of workers). ($V = P \times n$)

Another simple example – if one labor-power equals 3 schillings and the total number of labor powers (people employed) amounts to 100, then $n \times 3$ shillings costs the capitalist 300 schillings per day. Further more if the rate of surplus-value is 100 percent then the mass of surplus-value is equal to 300 schillings. ($P \times n$) equals variable capital – 3 schillings \times 100 = 300 schillings, ($P \times n$) \times $a'/a = S$.

The first law: Mass of surplus-value = variable capital \times rate of surplus-value.

First equation → $S = s/v \times V$,

S – mass of the surplus value,

S – surplus-value by worker (average day),

v – variable capital (daily, one labor-power),

V – total variable capital.

Second equation → $P \times n \times a'/a$,

P – value of average labor-power,

n – number of workers (assumed average workers),

a'/a – degree or rate of exploitation (surplus labor/necessary labor).

The second law: The limit of the working day sets a limit in a'/a in compensating through reducing variable capital by a higher rate of surplus-value, or fewer workers with a higher degree of exploitation. By varying the values of variable capital with exploitation rate there is a limit set in a'/a because only 24 hours are in a day.

The third law: If the rate of exploitation and the amount of necessary labor is given then in increasing variable capital leads to increased profit.

Marx goes to great lengths to show that through practiced variability in these equations that the mass of surplus-value can be maintained with a proportionality adjustment of variables in the 2 equations given. For example if the total variable capital is reduced in $P \times n$ by reducing the number of workers then a proportional adjustment by lengthening the day in a'/a , a' – surplus labor increased then in equation $S = P \times n \times a'/a$ the S would go unaltered. This example is limited by the introduction of law 2. The value of the working day can never be greater than 24 hours.

Marx sets a limit to the minimum of the variable capital to employ a worker for surplus-value is that necessary value to employ for the whole year. If a worker were in his own means of production he would work for himself and work fewer hours per day. Marx states that a capitalist who employs only a few workers and derives surplus-value only for the maintenance of his life is no capitalist, that the motive of the capitalist is toward increased wealth. If he only employed a few his would only be considered a master worker. The capitalist is one who must spend all his time being a capitalist, to control and monitor the work of others as well as selling his commodity in the market.

In the Middle Ages in the guild system limits were set as to how many people a master of a craft could have as worker. The book states as to prevent the masters in becoming capitalists. Marx indicates that the development the capitalists far exceeded the maximum medieval limitations.

Marx could not see that individuals could gather in the funds necessary to throw even the beginnings of a capitalist production system into being. He states the state in France in the time of Colbert and in Germany subsidized private persons. And that these persons later developed toward formations of legally held concepts of monopoly in commerce and industry.

Next Message by Barn is [1189].

Term Paper 725 is **515** in 1997WI, **515** in 1997sp, **915** in 1997ut, **915** in 1999SP, **815** in 2002fa, **815** in 2004fa, **815** in 2005fa, **589** in 2007SP, **601** in 2007fa, **609** in 2008SP, **613** in 2008fa, **642** in 2009fa, **705** in 2010fa, **755** in 2012fa, and **778** in 2013fa:

Term Paper 725 *Essay about Chapter Fifteen: Machinery and Large-Scale Industry*

[780] CameronCottle, Bloomer, Gv, Hov, and Unspoken: Review of Chapter Fifteen Section by Section. For our group term paper, we have decided to review chapter fifteen, “Machinery and Modern Industry,” by reviewing and breaking down each section of the

chapter. In doing this we hope to fully address the topic that Karl Marx has presented and at the same time relate it to our knowledge of how the capitalist system works.

Section 1

“The purpose of machinery is to cheapen commodities,” is written by Karl Marx in his second paragraph of the chapter 492:1. This must be understood from this point on when reviewing and looking at the arguments that Karl Marx presents in this chapter because it provides the basis of how we should look at machinery and technology.

What I quoted here is Marx’s response to a quote of John Stuart Mill where Mill questions whether mechanical invention actually lightens the workload for a worker. Marx’s rebuttal to this is that the entire purpose of mechanical advancement in capitalism is to shorten the amount time the worker spends working on his own and increase the amount the laborer spends working for the capitalist. Essentially the entire purpose of machinery is to simply increase the amount of surplus value gained by the capitalist.

“...call a tool a simple machine, and a machine a complex tool,” Marx brings this up because he wants to define the difference between the two and present that there is in fact a difference. He points out though that most do not see there is a difference and that machines are simply a tool like a screw. The first difference he points out is that with a tool, man is the driving force and this is very important because it is still man putting in his labor power to operate this tool. For a machine it is not always man that is the driving power but can instead be water, wind, animals or in modern times, electricity, nuclear fission, etc. . .

Hans: Marx rejects this definition. He considers it wrong to differentiate machines from tools by saying tools are driven by human power and machines are driven by water, wind, etc.

Now that we understand this difference Marx goes on to explain that the machine is actually built up of three parts, the motor mechanism, the transmitting mechanism, and finally the tool or working machine. The motor mechanism would be anything that gives the machine life or movement. This could be the engine of a vehicle, the turbines of hydroelectric plant or anything else we can think of that drives the machine and makes it work. Without this piece of the machine, the machine does not function or have a purpose. It is the core of the machine and again is free from human power.

The second aspect of machine is the transmitting mechanism and this is pretty much anything that transfers, guides or changes the power created by the motor mechanism. This aspect of the machine is the drive shaft of a vehicle, it is wiring of mother board on a computer or the pipes that the steam from a steam engine travel through. Again though the machine is created by man power, it is not run or dependent upon human power to run.

The last aspect of machine is what most would be most familiar with. This is the tool that has been turned into a machine to have what was once driven by human power be driven by mechanical power. This is the saw of buzz saw or sowing needle in an electric sewing machine. The tool still serves the same purpose as it had when being driven by human power but now as it is being driven by machine power, it is far more efficient and has a far greater output. It though again is driven by machine power, even if humans are involved, it is the machine that is now the power behind the production.

Marx also makes the argument in this section that machine is still limited by its human counterpart. A machine that can produce cloth ten times more efficiently than any other machine is useless if it requires a person with four arms to operate it. It is all these key principles we must understand as we move on to the other sections of this chapter because it is this what makes up the machine and it is what Marx is looking at through this chapter.

Hans: You are reproducing the individual arguments Marx is making but you are not getting the theoretical building which he is building with these arguments. Look at the Annotations to the first section in akmc.pdf.

Section 2

In section two Marx expands on the basic topics he introduced in section one and that is by looking at the value transferred by machinery. In section one we looked at simple definitions like what the difference between a tool and machinery is and what is a machine. We also looked at the fact that a machine is not driven by human power but because this it raises a question. What then is the value of commodities created by machinery if human labor power is not the driving force of production? This is a very good question and one that is answered in this section.

To understand the value of machines in products and commodities we have to look at the driving power behind them. Water flows freely, as does wind and the sun costs nothing to shine. Marx presents this point but to harness these free energies can be an expensive process and that is the beginning of the value transferred by machinery.

“Machinery, like every other component of constant capital, creates no new value, but yields up to its own value to the product that it serves to beget,” is the argument Marx makes to the value of machinery. Machinery itself has value as it is created first by human power and therefore the machine has value in the labor power necessary to create it but its true value is from its use value in production. This value is then parted in pieces to every product it creates because the use value of the machine is in the production of the product. So if a machine is capable of producing 1000 widgets then with each widget produced that widget takes a small portion of the value of that machine. The whole value of the machine is therefore the 1000 widgets it produces which have their own use value.

Hans: Your last sentence does not make sense. Don't confuse value with use-value.

This is the core of the value of which machines are a part of in production even though they are always a part of the labor process. The value that is transferred through machines is only done so in bits and pieces instead of one lump sum value. To understand again the difference between machine and tool, with tools the value is in the product. You use a hammer, nails and wood to make a wooden box. The hammer, nails and wood are all tools that are included in the final value of the box. They are society's necessary amount of labor required to make the box and so are intrinsic in the value of the box.

For a machine that is made up of many parts and components and took a good deal of labor power to produce it is not the same how value is created. Even if the machine produces the same box, it now has the same value of wood, nails but also the transfer of value from the labor power that went into the creation of the machine. Where a carpenter could only make one box in a hour before, the machine can produce one hundred and in each one of those boxes is a piece of the value of this machine because the machines intended purpose

was to make boxes. This is how value is transferred by machinery and again how machinery is different than a tool.

Section 3

This section goes in depth about how the progress of machinery in England and the less utilization of muscular power and woman and children exploitation took a rise. It begins explaining how the revolutionary movement in progress of machinery needs less of hard-working bodies for fragile and incomplete development bodies, meaning the work labor of woman and children and the exploits of both. In many households it was very common that every family member had to work in order to survive the capitalistic way of life of their time they did not only did labour but surplus labour, the exploitation of the whole family.

In the beginning we can see that manufactures would rather have woman working in the factories, their preference were woman with children and responsible of supplying the needs for the family, that were capable of following any kinds of orders without complaining and work 16 hours a day. In the 1800's it was very common that parents would sell their children for labour, according to the Factory act they had to at least look 13 years old and pass a medical test that would 'certified their age' but it was well known that most of the children were not of the age of 13. Children's trafficking was very common in factories since people were poor and families needed a way to survive; the parents would get paid 4 shillings a week to put their children to work in factories for 12 to 16 hours a day.

The English Parliament passed a law of children's labor which they could not work more than 6 hours a day and had to have sign paper by the schoolmasters or schoolmistress that they had accomplish at least 2.5 hours of school and no more than 5 hours, there was a sort of contract which they had to abide by. Children would have to go for 30 days to school for 150 hours and that gave them permission to work for 6 months with the manufacture, and every 6 months it would have to be renew. Parents were not very content with this law, so they would take their children out from working in factories and sell them where the 'freedom of labour' still prevailed. We can see the next few years they tried to pass different acts to 'protect' the children but exploitation kept going up. The Public Health Sixth Report, London, p. 34 reported:

'As was shown by an official medical inquiry in the year 1861, the high death-rates are, apart from local causes, due to the employment of the mothers away from their homes, and to the neglect and maltreatment, consequent on her absence, such as, amongst others, nourishment, unsuitable food, and dosing with opiates; besides this, there arises an unnatural estrangement between mother and child, and as a consequence starving and poisoning.'

This were times of desperation, abuse, trafficking, and exploitation that was brought upon the capitalistic society and their machinery, instead of been for improvement it was ending the life of many children and woman because of long days of work and exposure to chemicals. Instead of progress we see genocide, of children and woman a lower class in the eyes of capitalism, in a passive state which people accepted because they had no other form of income; they were not educated and had no voice to be heard by the people in power.

From 1833 to 1847 people worked 12 hours to 16 hours a day, there was an 'experiment' that took place on 1844 by Mr. Robert Gardner where he reduced 12 hours to 11 hours and

the outcome of this experiment was that workers labour more and faster and were happier because they had an hour more to rest, but for the manufacturer they saved an hour of paid labour to the workers and the expenses of the factories like gas, electricity, etc. This proved that if you cut one hour of their long day the work was harder but effective.

While progress continued in machinery and now the use of work-man and work muscle was less needed but more work-hand was in demand, children and woman. What in the past took three men to do with one machine, now with progress and more advanced machinery took only one man, which later could be in charge of three machines at the same time.

From 1848 to 1862 people worked 10 hour days, they worked harder and the abuse kept growing. The exploit of children kept rising and deaths kept going, deaths kept occurring mainly under lung cancer or accidents. The expectancy of life for the children was no more than 30 years old and capitalism kept growing the factories no longer needed man machines or man power but they had steam machines which evolve to gas machines which evolve to electric machines. This meant fewer hours and fewer jobs for heads of family more jobs for the children of the commoners, the children of pain. Our progression was made out of our own destruction and abuse of others and the capitalistic way of life.

Section 4: the Factory

In this section we can understand how the factories kept producing with the progress of new machineries and the exploitation of worker. In the beginning it gives us the idea that man is in control of the machineries and machineries wouldn't work without him but while we go more in depth it turns out that the machine is the one who is in control of man. In other words while the machine keeps running and producing the worker cannot leave the side of the machine until his shift is over.

The factory is divided by the 'most-important' to 'working-hand' meaning is divided by the knowledge that each worker has and that makes his status and pay inside the factory. We can see that an engineer, mechanic or joiners are more important than assistances of the engineers, the ones that are watching over the machine and make sure that everything works properly, or the ones that are responsible to refill the machines with materials that are necessary to produce.

Factories demanded the most of the assistance who mainly were children that became apprentice so in the future they could run the machine. Almost everyone in the work setting was expendable and we can see that with the revolt that happened from 1848 to 1850, people were moved from one job to another with little or no training at all. Production never stops; it never should in the mentality of the capitalism. The worker at this point has lesser value than he/she had in the beginnings of 1800's since now it was easier to train the children to do multiple jobs and to handle machinery than breaking the old habits of older people/workers and teaching them new way of machinery and production.

Workers were forced to abide by the contracts that they signed even if their 'masters' changed rules at the work setting, a master could fire a worker and a worker could sue the master under civil law and maybe get paid for the days of lost work hours but rarely happen. On the other hand if a worker violated the contract and decided to not work anymore for the

'master' of the factory, he was sue in court and was found guilty of violating and in most of the cases had to serve time in jail.

We can also read how the accidents and deaths were more common than in the old days, the head of the factories did not have a reason to stop machineries since now they were so advance they could run all day and all night, stopping production means loss of money something that is never acceptable in capitalism even if it at the cost of a worker's life. The master would get sue but nothing really change since it was the minimal compare to the production, value and profit that they were making at the factories.

There were so many cases where children and adults got trapped in the machineries while they were cleaning because they were running at all times, the worst part of the situation was that cleaning for the machinery was part of the job and was not pay extra or designated to a certain worker with the ability and the skills to do it. Exploitation and abuse continues over the years and now it seems to have grown to be more cruel and heartless. This section just talks about the real cruel truth that with advance came more pain, more suffering, more exploitation and while the situation kept getting worst, the factories kept getting profitable.

Section 5

Sections five and six detail the struggle between workers and machines and the compensation of workers displaced by machines. Marx points that the conflict between capitalist and wage laborer has its beginnings with the capital-relation. Further, he asserts that the use of machinery is, "the material foundation of the capitalist mode of production" (554).

Marx shows how wage earners were unable to initially discriminate between the machines themselves and the machines as objects of the capitalist system. In fact, he details several historical occurrences where workers directly attacked the machines that supplanted their labor. Marx writes, "It took both time and experience before the workers learnt to distinguish between machinery and its employment in capital, and therefore to transfer their attacks from the material instruments of production to the form of society which utilizes those instruments" (555).

Initially, workers charging in full mob against machines is a case of misplaced culpability. Furthermore, workers tearing down a power-loom may be perceived as a rebellion against the manufacturing system, however, Marx makes the distinction that laborers fighting over wages accept manufacture, rather it is the underlying paradigm of the capitalist that incites the rebellion. In regard to machinery, Marx notes that when a machine takes the form of an instrument of labor, it is competing against the worker himself (557). To illustrate this, Marx begins with the assertion that the capitalist system is based on the foundation that workers sell their labor power as commodities (557). When a machine takes over the role of a laborer, it not only usurps the use-value of a workers labor-power, but incidentally it also changes the source of exchange-value (557).

When this happens, capital no longer relies on workers labor-power to value capital, thus supply of workers increases and the price of labor falls below its value. Marx succinctly summarizes this phenomenon, "The instrument of labour strikes down the worker" (559). Marx notes that this is most evident in the introduction of machines in a given manufacturing market, but is also present in improvements to machines and technological advances—as

the purpose of these is to, “diminish manual labor” (559). This non-obvious capacity of machines is accomplished via: 1) accumulated practical experience, 2) the extent of mechanical systems available, and 3) the constant advance of technology (560). Machines often result in such statements as, “We had 80 seamstresses, now we have two seamstresses, two sewing machines and three times the production!” Another aspect that increases the friction between wage-earners and machines, is that apart from machines being superior competitors—to the point of making the laborers work superfluous—they also provide capitalists with the bargaining power to squash strikes and worker revolts (562).

This is a by-product of the exponential productive capacity of machines. In the last section Marx criticizes pro-machine capitalists and economists. Of particular interest is his critique of Ure. Marx highlights the faulty logic that should, “be a great consolation to the pauperized workers” (557). Namely, that machines only cause a ‘temporary inconvenience’ to workers, and secondly, that machinery only gradually take control of a particular field of production (557).

This is in sharp contrasts to a historical fac that Marx points out, “World history offers no spectacle more frightful than the gradual extinction of the English hand-loom weavers; this tragedy dragged on for decades, finally coming to an end in 1838. Many of the weavers died of starvation ” (558). Regarding Ure’s hypocritical diatribe for the workers, Marx writes that Ure arrogantly calls for, “factory workers to thank Providence, which by means of machinery has given them ‘leisure to think of their immortal interests’” (564).

Section 6

Marx points that several “bourgeois political economists” subscribe to the compensation theory. This theory holds that, “all machinery that displaces workers simultaneously, and necessarily, sets-free an amount of capital adequate to employ precisely those displaced workers” (565). Thus, the introduction of two sewing machines that result in the displacement of 78 seamstresses should set of capital of an enough amount to allow those 78 displaced workers adequate employment opportunities. However, the following examples illustrate the faulty nature of this reasoning, per Marx:

Base:

Variable Constant

Workers	Salary	Total Salary	Raw Material	Total
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100	\$ 30.00	\$ 3,000.00	\$ 3,000.00	\$ 6,000.00
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Example 1:

After purchase of a \$ 1,500 machine that replaces 50 workers

Variable Constant

Workers	Salary	Total Salary	Raw Material	Capital Total	Amount Freed	Displaced Workers
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50	\$ 30.00	\$ 1,500.00	\$ 3,000.00	\$ 1,500.00	\$ 6,000.00	\$ - 50
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Example 2:

After purchase of a \$ 1,000 machine that replaces 50 workers

Variable Constant

Workers	Salary	Total Salary	Raw Material	Capital	Total Amount	Freed	Displaced Workers
50	\$ 30.00	\$ 1,500.00	\$ 3,000.00	\$ 1,000.00	\$ 5,500.00	\$ 500.00	50

Number of employees employed by \$500 amount freed: \$ 16.67

In example 1, the constant capital increases to \$4,500, and the displaced employees are 50. However, the cost of the capital purchase negates any capital freed. In example 2, the drop in the price of the capital purchase frees up \$500.

The number of displaced employees is still 50. However, the possibility of employing people at the same rate only yields the capacity to employ 16 of the 50, roughly only 34% of the displaced employees. Marx counters the compensation theory, "The real facts, which are travestied by the optimism of the economists, are these: the workers, when driven out of work-shop by the machinery, are thrown onto the labour-market. Their presence in the labor market increases the number of labour-powers which are at the disposal of capitalist exploitation" (567).

Another aspect of this that Marx discusses is that the use of machinery to increase production in a certain industry results in an increase in the production of sub-servant source productions (570). For example, an increase in coal mining jobs results from the implementation of machines in manufacturing productions, because machines may need coal for fuel power.

Marx notes that the scope of this shift of jobs depends on the length of the working day and the intensity of labor (which has a constant and variable component) (571). On particular interest is the notion that these secondary jobs created because the machines and the displacement of works, results in lower wages for those ancillary employment opportunities. Marx concludes that the, "immediate result of machinery is to augment surplus-value and the mass products in which surplus-value is embodied" (572).

Machines allow capitalists an increase in their capacity to consume. Regarding this Marx writes that capitalists enjoy more wealth and more luxury goods, "growing wealth, and the relative diminished number of workers required to produce the means of subsistence, begets both new luxury requirements and a means to satisfying them. A larger portion of the social product is converted into surplus product, and a larger portion of the surplus product is reproduced and consumed in a multitude of refined shapes" (573).

Marx considers that machines not only set free the worker from their ability to earn wages, but also cheapens and increases production creating an avenue for capitalists to exploit for their lucre. In the last section of this section Marx details demographic statistics that show, that because of machines and the displacement of workers, the servant class increased. Regarding this high rate of modern domestic slaves, Marx sarcastically writes, "What an elevating consequence of the capitalist exploitation of machinery!" (575).

Section seven is about the inflow and outflow of people primarily within the cotton industry. Here, Marx makes several noteworthy points. The first is when Marx says “as soon as the factory system has attained a reasonable space to exist in, and reached a definite degree of maturity, and in particular as soon as the technical basis peculiar to it, machinery, is itself produced by machinery... in short, as soon as the general conditions of production appropriate to large-scale industry have been established, this mode of production acquires an elasticity, a capacity for sudden extension by leaps and bounds, which comes up against no barriers but those presented by the availability of raw materials and the extent of sales outlets” (579).

In this section Marx explains the direct link between relation to nature, raw materials, sales outlets, consumer, and economy. Out of this comes, “A new and international division of labour ... one suited to the requirements of the main industrial countries, and it converts one part of the globe into a chiefly agricultural field of production for supplying the other...”(580). An example of this is what the British were doing to India. India was providing the raw materials, and at the same time India was the market for British goods.

The whole imperialist project was to turn India into a field for the production of raw materials for British industry, and then use India as a distributor of British products. This concept then moves into what Marx calls a temporal business cycle. This means that there are rapid fluctuations when something more volatility gets introduced into the system. Marx emphasizes that volatility is very much what capitalism is all about.

Capitalism expands by leaps and bounds; it crashes, turns back and then expands again. Marx goes on to talk about what he sees as the production of the business cycle. He says it consists of, “...feverish production, a consequent glut on the market, then a contraction of the market, which causes production to be crippled” (580). These business cycles have implications that affect labor, which is why Marx talks about in the cotton industry.

This is a very important aspect of the dynamic of machinery, and it is what differentiates the industrial system from the system that preceded it. The handicrafts and manufacturing system was much slower, however you couldn't throw people out of work because of the monopoly power in the labor sector. Furthermore, people were valued more for their individual skills, as everyone was not performing the same machinist tasks.

Section 8

Section eight talks about the revolutionary impact of large-scale industry on manufacture, handicrafts and domestic industry. In Marx's period of time, the manufacturing system was still present, the handicraft system was still present, and in fact in some respects these systems had become more sophisticated than they were in the times when they were dominant.

This was mainly because that was the only way in which they could survive in relation to the factory system that was coming into being. Marx makes some interesting remarks about this. He says, “The principle of machine production, namely the division of the production process into its constituent phases, and the solution of the problems arising from this by the application of mechanics, chemistry, and the whole range of natural sciences, now plays the determining role everywhere” (590).

This also gets applied to the modern domestic industry as Marx explains, “This modern ‘domestic industry’ has nothing except the name in common with old-fashioned domestic industry, the existence of which presupposes independent urban handicrafts, independent peasant farming and, above all, a dwelling-house for the worker and his family. That kind of industry has now been converted into an external department of the factory, the manufacturing workshop, or the warehouse. Besides the factory worker, the workers engaged in manufacture, and the handicraftsmen, whom it concentrates in large masses at one spot, and directly commands, capital also sets another army in motion, by means of invisible threads...” (591).

The organization of many separate domestic industries into a system of production under the command of capital became a very important aspect of industrial organization in the 19th century. You didn’t see an increase in factory production because factory production goes out to the suburbs or smaller outlying cities, but industrial production inside the city grows vastly by the organization of domestic industries under the command of merchant capitalists who organize what happens. An example of this is the auto industry in the 1980s. In Japan a lot of the parts were made on an assembly line of components, which were constructed in people attics.

This domestic system was a strength because the costs of any kind of downturn aren’t reflected on the car company, but instead on the people because if anything went wrong they wouldn’t have any orders for the parts they were building. This was different than what they were doing in Detroit at the same time, which was based on more large-scale component parts and manufactures, so it couldn’t work the same way. You would think the factory would actually help workers, but in fact it actually helps big capital. Marx talks about this saying, “But though the Factory Acts thus artificially ripen the material elements necessary for the conversion of the manufacturing system into the factory system, yet at the same time, because they make it necessary to lay out a greater amount of capital, they hasten the decline of the small masters, and the concentration of capital” (607).

Towards the end of section eight, Marx has another interesting point. A lot of the demand for products is seasonal, so how does a system adjust to seasonal demand? Marx anticipates something very important when he talks about the adaptability of the system depends on strong communication, “The habit of giving such orders becomes more frequent with the extension of railways and telegraphs” (608). So capitalist who do not want to keep a great stock of product, start to use a new system of transportation and use the structures of communication, which is a kind of commodity flow.

Section 9

In this section of chapter 15 Marx discusses The Factory Acts. Marx starts by arguing that the sanitary clauses are “extremely meagre” and written so to help capitalist “evade” them. The sanitary clauses are primarily made up of four categories; insuring cleanliness, ventilation, education, and protect against machinery.

The first clause Marx discusses is Protection against machinery. According to Marx, the number of Ireland’s scotching mills increased dramatically and had 1,800 mills by 1864. Many workers were not trained to properly use the necessary machinery resulting in “six

fatal accidents and sixty mutilations” in one mill alone. Marx argues that these accidents could have been avoided by simply investing a few shillings to make the machines safer.

The next clause discussed is the maintaining of cleanliness and health. Some workshops were reported to have “abstinence from any such cleaning, in many cases of 20 years.” English doctors declared that every individual required 500 cubic feet of works space as a minimum. Marx argues that this requirement indirectly targeted smaller capitalists. These smaller capitalists could not supply such space causing larger capitalists to automatically for a monopoly. Legislation failed to pass this 500 cubic feet requirement and declared “consumption and other lung diseases... necessary conditions...”

Elementary education is proclaimed as “indispensable condition of the employment of children.” In fact Marx explains how children working and going to both part time proved to be extremely effective. These students often “learnt quite as much and often more” than regular fulltime students. Marx also argues that this truly cannot be the case. He believes that Modern Industry reproduces the division of labor into making the worker a “living appendage of the machine.” Modern Industry introduces the labor of women, children, and cheap unskilled labor. These young workers often learn one task for their job and continue doing that very task until they are of age (17 years old) where they are then cast out. The example he gives, printing press, shows how before a worker had to know how to read and write now have no requirements other than laying paper to be pressed. It seems as though Marx believes Capitalist to abuse the productivity of their women and children.

Ventilation was a big issue in the coal mining industry. Many people suffered from lack of breath and casualties from explosions. Regardless of whether there was an inspector or not, employees failed to complain from fear of losing their job and marked. Being marked made employment in other mines very difficult. One of the biggest issues was the lack of inspectors. In “1865 there were 3,217 coal mines in Great Britain, and 12 inspectors.” With all the office work involved, each mine would only be visited once every 10 years. Marx argues that this explains the number and extent of explosions during the last 10 years.

Marx ends the section by saying, “... Factory legislation to all trades for the purpose of protecting the working-class both in mind and body has become inevitable... (but there are) conversion of numerous isolated small industries into a few combined industries.

Section 10

Section ten is rather sort but is best summarized by Marx’s last paragraph. “Capitalist production, therefore, develops technology, and the combining together of various processes into a social whole, only by sapping the original sources of all wealth—the soil and the laborer.”

The end of section ten is perhaps the best way to summarize this entire chapter. Labor and natural resources are the victims of technological development because the entire purpose of creating technology is not to make the laborer’s job easier but to maximize profits and make the production of products and commodities more efficient. The capitalist wants only to limit the amount of time the laborer producers for themselves and have more time spent producing surplus for the producer. This is what purpose technology serves in capitalism.

Message [780] referenced by [942]. Next Message by CameronCottle is [793], Next Message by Bloomer is [782], Next Message by Gv is [837], Next Message by Hov is [943], and Next Message by Unspoken is [1031].

[863] Bu, Danish, Kendull, and Kitkat: Chapter 15 discusses the transition from small-scale handicrafts and manufacturing to large-scale industry and the use of machines. Regulatory acts, including the Factory Acts of 1844 are described with attention to elements that both helped and hurt the working class. The shift to a reliance on machinery in the production side of the economy meant a concomitant shift in social relations, including an expanded labor demographic (as women and children were now employable) as well as changes in family structure and parent/child relationships.

15.2: Value Transferred by the Machinery to the Product

Valuable machinery cannot create new value but it can bestow its own value to the product it creates. As with human laborers, machinery requires labor costs in the form of upkeep. This is an important factor because machinery can never add more value to a product than it loses, by depreciation. The amount of value a machine is able to transfer depends on the initial value or “labor power” of the machine. A less valuable machine may be less reliable or slower and therefore contributes less value to the product. Also, if Machine A is more efficient and productive than Machine B then, in return, it also gives up less value.

Hans: The reliability of the machine does not affect the value it transfers. This value transfer is only dependent on the value of the machine and on the number of products it can process before it has to be scrapped.

Value transferred from machines to their products has limitations. Similar to humans as instruments of labor, machines have decreasing value over time. While the value a machine yields in the total value of the product increases, the value of the machine decreases. For example, a coffee roaster can roast coffee for 3 weeks without stopping and produce coffee with value increasing relatively. However, the machine will have lost value absolutely.

Another limitation of value transferred from machine to product is the measure of productivity of a machine. The productivity of a machine is measured by the human labor-power it replaces. A machine can only be deemed more productive than human labor when the machine costs less to produce than the labor-costs that would have otherwise been employed with human labor power. A productive machine could be measured by a pound of coffee being sold for \$7 rather than \$12, and at a greater profit with more unpaid labor.

15.3: The Most Immediate Effects of Machine Production

The first result of the capitalist application of machinery is that machinery becomes a means to employ workers that might have otherwise lacked labor-power. Machines allowed capitalists to employ women and children and as a result enrolling every member of a worker’s family. The labor that would have been performed over a period of four days by one worker could now be performed in one day by employing an entire family to power machines. Marx explain that while the employment of these additional workers may perhaps cost more than employing one worker, the price falls in proportion to the excess of surplus labor of four versus one. One consequence of the employment of machines: exploitation of the female and child labor force.

In the late 1800’s, the highest death rates were due to the employment of mothers away from their homes, leaving children maltreated and neglected. Marx explains, and picks this

up again in later sections, that is had serious effects on family structure. The intellectual degeneration produced by transforming immature adolescents into surplus-value producing machines was so severe that British Parliament passed the Factory Acts of 1844. These are discussed at length in later sections of Chapter 15, but Marx explains for now that these Acts made it a requirement that children attend elementary school as a prerequisite of employment.

Capitalists viewed employing machinery as the most powerful means of raising the productivity of labor and therefore sought to lengthen the workday. As a machine is employed for a longer period it transmits value to a greater number of products, with each product receiving a smaller portion of value. For example, a coffee roaster can roast for 16 hours per day for only 7.5 years but the product has no more value than if the coffee roaster had roasted for 8 hours per day for 15 years. Due to the long hours of work performed by a machine it loses value via deterioration and depreciates as it loses exchange value. Furthermore, while the machine is employed, newer, better machines are being produced to enter the work force as competition. The lengthening of the working day enabled capitalists to expand the scale of production to increase surplus-value without investing more capital in machinery or buildings. Except to the laborer, machinery seemed to make the prolongation of the working day desirable. As a result a new class of worker was introduced, the machine worker, one that was hypothetically employed by the machine.

The Factory Acts of 1844 fixed the length of the working day to protect laborers from exploitation. In response to this, Marx explains, capitalists employing machines compensated for lost surplus-value by intensifying the working day. It is deemed that a dense 10-hour working day contains more labor-power than a 12-hour work day with allotted breaks to the machine-worker. This made it possible for the worker to use more labor-power within the given work day. Of course, the speed of the laborer and intensification must be met by the abilities of the machine; the capitalist seeking maximum output must ensure the preservation of machinery from deterioration, the preservation of the value transmitted to the product, and the capability of the worker employed by the machine.

15.4: The Factory

Dr. Urea, who is described by Marx as the “Pindar of the automatic factory” describes the factory in two ways. He first says that its like a “combined co-operation of many orders of work-people,” and furthermore he says its like “a vast automaton composed of various mechanical and intellectual organs” (p. 544). These two statements couldn’t be more different. The first refers to the workers as the ones running the show and the automaton as an object, while in the second statement he refers to the machinery as the subject and the workers as organs working together.

Once a human passes his or her skills to the machine it is set free to do its work. Marx argues that because of this, the division of labor is violated as it typically has the tendency to equalize the kind of labor required between each worker. The division of labor in a factory is looked at as merely workers who work with the machines themselves and those who attend to them. Those who attend to them are mostly children. Apart from these two types of workers there is a group that includes engineers, mechanics, and joiners. Marx says that

these types of workers are scientifically educated and trained in a handicraft. However, he does not consider these workers as part of the factory workers. He refers to this division of labor as purely technical.

A child must learn at a young age and continue upwards to understand and train his movements so that they coincide with a machine. Since there are various kinds of machines that work together for a common purpose, there are many different workers. Since the machinery does all the motion and movements, it does not require that a worker be fixed; rather, a worker can be replaced at any time without interruption. For this reason, Marx explains that division of labor as it was known in the old system is only around because of tradition; division of labor is a form of capital that is a way to exploit labor-power.

In manufacture the worker uses a tool but this is not the case in a factory. In fact, the worker could almost be considered the tool. The machinery dictates the movement of the worker. The machine and factory is looked upon as never-ending torment of repeated movements.

The “Master” who is considered the capitalist holds the power constituted of the “special skill of each machine operator, the gigantic natural forces and the mass of social labor” (p. 549). The Master knows that there is nothing more easily replaceable than the species of labor. Marx explains, “the master’s machinery really plays a far more important part in the business of production than the labor and the skill of the operative, which six months’ education can teach, and a common laborer can learn” (p. 549).

The section ends with talking about elements that are present in a working factory, such as dust, high temperatures, and the extreme noise. You also have the threat of losing a life or limb because of the size and moving parts of machinery. It is said that these conditions rob the rights of the worker of things like space, light and clean air.

15.7: Repulsion and Attraction of Workers through the Development of Machine Production, Crisis in the Cotton Industry

In this section, Marx discusses the workers that are displaced by the introduction of machinery. It refers to the factory system grinds down on workers and throws them into the streets. Taking an initial look at numbers it may appear that machinery and factories have created jobs, not doing away with them. However, this is not always the case! For example, if we look at situations where the number of the employed increased we will see that it was simply an extension of a particular industry. In the case of this section, the cotton trade is used as the extension of the industry.

In 1860 the factories in the United Kingdom contained 85,622 power looms and 6,819,146 spindles with an employment of 94,119 people. Not more than five years later the looms jumped to a number of 95,163 and 7,025,031 spindles were being used. Looking at this we can see that every aspect of the factories increased except the number of people employed. The Wool industry had considerable growth between 1852 and 1862 but the rate of employment stayed unchanged. Even though mass numbers of workers were driven out and replaced by machinery, we can see that expansions of factories create more jobs. There is more work to be done but relatively less jobs.

Marx refers to the expansion of factories and the displacement of handicrafts and manufacture as “an encounter between an army with breach-loading rifles and one with bows and arrows” (p. 578).

Marx is also quick to point out other flaws. Factories have the ability to grow and expand in leaps and bounds and depend on the world market; this creates a “feverish production, a consequent glut on the market, then a contraction of the market” (p. 580). This contraction leaves instability and exposes the workers with the possibility of unemployment. The profit that is made during the flourishing times is hoarded by the capitalist and reinvested into machinery to displace more workers.

Marx uses the cotton industry from 1770 until 1863 to show the ebb and flow of the market. It illustrates during this time that there were depressions, prosperity, repeal of the Combination Laws, extensions of factories, crises, great misery and riots among the factory workers, slight improvements, great increases in power-looms and exports and finally reaches a complete collapse. The cycle is blamed on the introduction of machinery. Marx points out the quality of the cotton produced declined as a result of the machinery and the workers often had their wages decreased because of this.

15.8: The Revolutionary impact of large-scale industry on manufacture, handicrafts and domestic industry

In this section Marx has distinguished the of factory production from handicrafts and manufacture. The introduction of machinery in to the process of production has changed the dimensions and directions of the production process, and it has also left its own unique impacts on social relations. The industries in which the production does not necessarily demand large scale operations in the beginning, such as envelope making, pen making, and others, the evolution of the production has generally started from the handicraft stage, then phased in to manufacturing, and finally in to the factory stage. The division of labor, alongside the introduction of new machinery has catalyzed the transition of production from the stage of handicrafts to factory stage of production. Machines have transformed the dimensions of division of labor dramatically, now women, children and unskilled workers are also employed because these segments of the society are the cheapest source of labor for the capitalist.

Under the sub-heading “Modern Manufacture,” Marx writes the following: “Owing to the excessive labor performed by their workers, both adult and non-adult, certain London firms where newspapers and books are printed have gained for themselves the honorable name of “slaughter-house” (p. 592). Here, Marx is referring to the harsh and inhumane working conditions in the big factories, where women and young children have been employed. These groups were not the only workers to experience deplorable conditions; adult male also had to work from 5 am to 8 pm under dreadful working conditions, especially in the mining industry, brick and tile making factories.

In this section, Marx has depicts the lived realities of the capitalist mode of production, unveiling the true character of the capitalist mode of production. It is important to keep in mind that the time at which Marx was writing *Capital*, most bourgeois economists were praising capitalism, and they have ignored the living reality of the working class. As in our

contemporary times, the bourgeois class portrays the emergence of capitalism as if it was a smooth transition from feudalism to capitalism. On the contrary, this transition has occurred on the backs of the working class; ironically these have been the ones deprived of the fruits of their own labor as they have been alienated from the means of production.

Marx writes, “excessive drunkenness is prevalent from childhood upwards among the whole of this class, is only natural” (p. 594). Here, Marx is referring to the fact that factory workers have been exhausted due to intense physical labor, and the torturous working conditions have been a continuous source of physical and mental stress; after a long day, the only plausible activity for these vulnerable workers is to get drunk and forget about their miserable lives. This is a paradox of capitalist mode of production, where leisure, artistic and intellectual ventures are only limited and restrained to a certain class of people, i.e. bourgeois and petty-bourgeois classes, while the working class has not been allowed to indulge in any artistic and intellectual activities.

Child labor was an integral part of all the industrial production in England in nineteenth century. Marx explains the average ages of child workers, their working conditions, and meal intervals (p. 594). The exploitation of children is directly related with the capitalist mode of production in which reducing the cost of labor is preferable. The young children are not only the cheap source of labor for the capitalists, but for their parents, they are just another source to bring some extra money to their homes so they can meet both ends meet. Marx is analyzing the social relations in a dialectical manner, and he digs deeper to find out the social attributes and behaviors of individuals in depth. Regarding this shift in parent/child relations, Marx writes: “The wretched half-starved parents think of nothing but getting as much as possible out of their children. The latter (children), as soon as they are grown up, do not care a farthing, and naturally so, for their parents and leave them” (p. 599). Marx has argued throughout *Capital* that all the social relations are determined by the relations of production; thus we can infer that all the social relationships, cultural values and traditions are reflections of the dominant mode of production.

15.9: The Health and Education Clauses of the Factory Acts. The General Extension of Factory Legislation in England.

Here, Marx picks up his discussion of the Factory Acts, paying particular attention to issues of health and education. He notes that these provisions “do not relate to the hours of work,” but they are important because while these clauses were imposed to aid in the better treatment of workers, they in fact aid in capitalists’ exploitation of workers (p. 610).

Marx explains the “meager and limited” health provisions of the Factory Acts (p. 611). Citing several examples of worker mutilation and death, Marx indicts capitalists for their “fanatical opposition. . . to those clauses which imposed on them a slight expenditure on appliances for protecting the arms and legs of [the workers]” (p. 611). As noted in previous sections of this chapter, the transition to large-scale industry has furthered the exploitation of workers, as they are now nothing more than appendages to the machines they operate. Combined with the already “fanatical” (to borrow Marx’s word) obsession with accruing capital, these clauses were initially seen as hindrances to that goal as they required capitalists to expend money on protecting their workers from harm. Marx’s tone is very explicitly

aggressive in this chapter as he is now explicating case studies of class struggle and exploitation. A clear example of this tone is found on page 611 when Marx presents a hypothetical question regarding the necessity of Parliamentary Act to protect workers.

On page 613 Marx turns to the education clauses. Noting that the clauses indeed seem “paltry,” they are useful inasmuch as they require elementary education as a condition of employment for children. Remember, Marx is writing at a time when child labor was not illegal as it is today. Indeed, chapter 15 is about all of the dimensions of the transition from small-scale manufacture and handicrafts (artisan labor) to large-scale industry. As discussed in earlier sections of our term paper, this transition brought with it more than the introduction of machinery; it also meant the inclusion of women and children in the workplace, and with that, changes in how wages were paid, social/family relations, and education.

Large-scale industry, with its’ reliance on machine power, has greatly effected the division of labor- and this, in turn, has effected social production; this is a theme pervading chapter 15. Comparing larges-scale industry to handicraft manufacture, Marx refers back to section 3 of chapter 15 to explicate a complex contradiction in the transformation of the division of labor. Perhaps the most significant difference is presented in footnote 29 (quoted from the Communist Manifesto). Marx explains that in earlier modes of production, “the first condition of existence” was in the conservation of the original instruments of production, relations of production, and relations in society. We still experience this sense of conservation when we see artisan handicrafts today- original (often wooden, non-mechanical) instruments used to make the products, a longer period of production because items are handmade, and apprenticeships by which amateurs are taught the craft. But this is not the case with large-scale industry. Workers do not need to know a specialized skill (this has both negative and positive effects in society), they can move from job to job. Large-scale industry is “constantly revolutionizing” as new machinery must be introduced to ensure efficient production. While this new system may give workers more freedom to change jobs, they must do this within a mode of production in which “all new-formed [machines, instruments of production] become antiquated before they can ossify” (p. 617).

Marx spends the rest of section 9 detailing the Factory Acts Extension Act as well as the Workshops Regulation Act, both passed in 1867. These two acts regulated various aspects of both large and small-scale industry. He notes on 626 that these acts are significant because they represent the recognition, on the part of the ruling classes, of “the excesses of capitalist exploitation;” yet, they were put into practice under conditions of “hesitation, unwillingness and... bad faith” (p. 626). He goes on to explain several other acts regulating mines, outlining several elements of the Report From the Select Committee on Mines. Marx’s point for doing this (as he spends several pages discussing mines) is presented in 635:1, where he explains that these Acts have succeeded in “protecting the working class both in mind and body” across industries, but they have also succeeded in the acceleration of “the concentration of capital and the exclusive dominance of the factory system.” This is significant, he goes on to say, because the new factory system no longer conceals the “dominion of capital” (p. 635). And, because of constantly revolutionizing machinery, greater concentration of labor, and the removal of the “redundant population” of disposable workers, this leaves the capitalist system more vulnerable to crisis.

15.10: Large-Scale Industry and Agriculture

This is the final section of chapter 15, in which Marx briefly expounds on the effect machinery has had on rural farm workers. In urban factories, the transition to large-scale industry through the use of machine power has meant physical detriment to workers (injury, death), Marx notes this is not the case with agriculture. Indeed, the key difference for agriculture is that machinery “makes workers’ ‘redundant’ . . . and comes up against less resistance” (p. 637). He cites several examples, including the United States, in which rural populations have decreased as machinery has replaced workers. Farmers can cultivate larger areas of land, but do not need as many workers as one person running a machine can work as much land as several workers using hand-tools. As the turn to machine power brought with it the reliance on techno-scientific applications, this shift has affect familial relations on the farm. Traditional ways of working the soil, restoring its fertility, divisions of labor, and production have “disintegrated” (p. 637). This means greater destruction to the land and soil, as well as “the intellectual life of the rural worker”- these two things occur concomitantly in agriculture, creating lasting effects on “metabolic interaction between man and earth” (p. 637). Marx concludes the chapter by explaining that the capitalist mode of production “undermin[es] the original sources of all wealth- the soil and the worker” (p. 638).

From our discussion of Capital’s Chapter 15, we can conclude that, according to Marx, machines don’t create value by themselves, as falsely proclaimed by the bourgeoisie class; rather, in the capitalist mode of production, machinery has been used as another tool to exploit workers, and appropriate more surplus-value out of them. The shift to large-scale industry through the use of machines was integral to the industrial revolution, exposing the working class to dreadful and drastic conditions. This shift in economic relations brought with it a concomitant shift in social relations, particularly in terms of education and family structure. Machines themselves do not exploit workers; rather, as tools of capitalist production, they have aided in further alienating the working class from the means of production, sedimenting class struggle.

Message [863] referenced by [942]. Next Message by Bu is [1001], Next Message by Danish is [899], Next Message by Kendull is [910], and Next Message by Kitkat is [895].

[942] Hans: Tracing a Long-Winded Argument. Two term papers are now available in the archives, [780] and [863]. Chapter Fifteen is incredibly long, and both term paper groups did a commendable job. I cannot expect more in a term paper. Nevertheless they missed a lot of Marx’s argument. Below is my best attempt to describe the argument just in the first two sections. I am working on the entire chapter, and the next version of akmc.pdf will have a much improved commentary about this chapter.

As far as term papers are concerned, I prefer you doing a smaller section and doing it thoroughly, so that it is a real help for the reader, rather than doing a long chapter and just writing what a casual reader, who does not have time to actually work through Marx’s argument, can get from skimming the original anyway. So here is how I wish a term paper about chapter 15 would be written:

Machines provide the technology to make labor easier and shorter, and to increase everybody’s wealth at the same time. The capitalist application of machines, by contrast, impoverishes the working class and makes their labor longer and more intensive. Under

capitalism, the labor-saving potential of machinery can only be seen in the creation of a class of well-to-do idlers. Chapter Fifteen explains how these perverse effects come about.

Section 1.

After developing the definition of machinery, Marx uses this definition to explain the development of the machine system and the spread of machine-production through the entire economy.

Here is more detail:

Marx rejects the definition that machines are complex tools. He is also critical of the definition that machines are tools which derive their energy not from humans but from outside sources. In order to develop a definition of machines which has explanatory power for his research question, Marx looks at machines not in isolation but in their natural habitat, in the machine system of his time. This machine system had three elements: a prime mover, typically a steam engine, a system of transmission belts, and many “working machines” driven by this power. The main part of this system is obviously the working machine.

By simply looking at the working machines at Marx’s time one could recognize many of the traditional handicraft tools, not held by humans but held and directed by an automatic apparatus. Marx’s definition of a machine is therefore a mechanism replacing a laborer holding his or her tools, which overcomes the inherent limitations of a human laborer (only two arms, concentrates on one thing at a time, limited power, speed, and precision). A look at the history of machines bears out this definition. The replacement of human power by mechanized power is a necessary implication of the development of machines, but it is not the factor driving this development.

With this definition of an individual working machine in hand, Marx explains next the development of the machine system: it comes from the concentration of the sources of power. Marx does not fully recognize the decisive role of the availability of abundant, cheap, and concentrated fossil fuels. But he notes that the machine system of his time is the concentration of production around a steam engine, which allowed production in an urban setting which was formerly dispersed over the countryside because it formerly depended on local water power or wind power.

Once many individual machines were brought together through their use of the same prime mover, they also developed cooperation with each other, with either one machine doing many different operations on the same object of labor, or the object of labor passing through many specialized machines. This cooperation of machines differs from the division of labor in the manufactories in one essential aspect: each step in this division and specialization was no longer constrained to be a human scale process but the machines were built now according to a scientific analysis of the production process.

The fundamental difference between the machine system and the earlier system of division of labor in manufactories, which Marx will refer to throughout this chapter, is that the manufactories were a development of the human *labor process* while machinery was a development of the *tools*. Only the latter allows the production process to emancipate itself from the limitations of a human worker.

The development of the machine system also had implications for the economy as a whole. It spread from one industry to the next, led to better systems of transportation and communication, and achieved its climax when the production of the tools, which was originally dependent on highly skilled, almost artistic labor, was finally taken over by machines themselves. (A modern parallel is overcoming the software bottleneck by developing computers with the ability to program computers.)

So far section 1. [780] did not recognize that Marx rejected the source of power as a distinction between tools and machines, and that he looked at the machine system in order to develop his own better definition. Then the second half of section 1 is not covered at all, as if the writer ran out of time.

Section 2: Since machines replace the worker in the production process of use-values, the question arises whether they can also take over the other thing the worker does in a capitalist production process, namely the production of value. Marx says four things about this:

(1) The machine transfers its own value but does not create new value. The value transferred by the machine is equal to its own value loss due to wear and tear.

(2) Although the machine enters the production of use-values as a whole, it enters the production of value only in little bits and pieces.

(3) Increases in productivity mean that the total value of the product decreases, but the proportion of the value transferred by constant capital increases

(4) Capitalism prevents the introduction of all possible labor saving machinery because the capitalist does not have to pay all labor.

Term papers [780] and [863] make this more complicated than it is, mainly because they do not keep value and use-value separate enough. [863] thinks that the value transfer somehow depends on the quality of the machine. The quality of the machine belongs to its *use-value* and therefore has no bearing on its value transfer. The value transfer only depends on the original value of the machine and the number of products the machine produces. [780] explains this well but then it adds the confusing sentence “the whole value of the machine is therefore the 1000 widgets it produces which have their own use value.” It is the *use-value* of the machine to produce 1000 widgets, not the value of the machine. Regarding value, the value of the machine does not derive from the value of the widgets, but conversely, a part of the value of the widgets derives from the value of the machinery.

Neither of the term papers reported about points (3) and (4).

Next Message by Hans is [1048].

Exam Question 730 is **77** in 1996ut, **83** in 1997WI, **363** in 1997sp, **361** in 1997ut, **525** in 2002fa, **545** in 2003fa, **599** in 2004fa, **552** in 2005fa, **625** in 2007SP, **605** in 2007fa, **613** in 2008SP, **617** in 2008fa, **648** in 2009fa, **711** in 2010fa, **760** in 2012fa, **783** in 2013fa, and **711** in Answer:

Exam Question 730 *Your employer gives you your paycheck. How can you tell whether your pay is based on your labor or not? According to Marx, the simple practical detail that the pay of most people is based on their labor has strategic importance for the functioning of the capitalist system. What is this importance?*

[764] Anil: If my paycheck indicates how much I worked or how much I produced during working time, it constitutes sufficient evidence that shows my pay is based on my labor performed. Aforementioned calculation of payment hides the exploitation of labor, otherwise capitalism could not survive.

Hans: Correct.

Next Message by Anil is [900].

[1044] GrouchoMarxist: Your pay is based upon your labor if the quantity paid is less than the value of the products produced minus the material/production costs of producing that good. This means that the capitalist is paying the laborer based upon the value of the labor to the capitalist rather than the total value of the labor power. This exploitation created by the difference between the value of labor and the value of labor power is the benefit that the capitalist receives and what prompts the system as a whole.

Hans: You got the definitions mixed up.

Next Message by GrouchoMarxist is [1055].

[1161] Clmrgl: The paycheck I receive is based upon my labor. I know that my pay is based on my labor because the pay represents segments of time that I am payed to be at work. My employer pays me a daily or weekly wage and then this is divided in smaller time segments for the hours that I have performed my labor.

Hans: The weekly paycheck is the summation of the hours you were clocked in, it is not one lump sum for the reproduction cost for the labor-power for this week. Marx says that your *hourly wage* is determined by dividing your *average weekly reproduction cost* by the *normal number of hours* you work every week. This hourly wage is determined by a division. The actual wage for any given week which your employer pays you is then the hourly wage times the number of hours you worked in that week. This is a multiplication, not a division.

Next Message by Clmrgl is [1164].

Question 731 is **710** in 2010fa, **761** in 2012fa, and **784** in 2013fa:

Question 731 *Both the fetish-like character of the commodity and the mystification of the wage form are important pillars of capitalism. How are these two pillars related to each other?*

[682] Clavis: Marx thinks that most of people in capitalist system don't know what is really going on. The fetish-like character of the commodity and the mystification of the wage are the important tools to mislead the people in the capitalist system. According to him, 'at first appears', relationships and phenomena are not true. As Marx used Hegel's theory, he also believed Hegel's thought that the world is full with contradictions. and this 'contradictions' mean character of the commodity and the mystification of the wage to Marx. and as I mentioned capitalist system make these kind of notions to mislead people. because capitalist system can't work without contradiction and confusion. Because of misleading, people believe their given situations like mode of production and surface relations. most of people even don't know and even don't try to find out what is the truth, they rooted (stucked) in misleading. And finally this will make the people (especially, workers) slaves and prisoners of capitalist system.

Hans: I would not go as far as saying that the capitalist system *deliberately* misleads the people living in this system. I would rather go the other route which you also imply in your answer, that people *want* to be misled.

Next Message by Clavis is [683].

[950] TKOberle: In [2010fa:727], She writes about how the fetish-like character and the mystification of the wage are closely related through deception. She writes about how they

are powerful tools to keep the veil of deception out of sight and out of mind. If capitalists can keep workers knowing of what goes on they are able to exploit and use workers without them knowing they are being exploited. With the workers not knowing the value they are creating and the relations of their wage the capitalists can then satisfy their fetishes. Capitalists seem to have a need to gain as much value or money as they can. They want as much as excess as they can get their hands on, even if it comes down to using and exploiting other people. They are related in the way that workers wages and value created are mystified and kept out of sight.

Next Message by TKOberle is [1053].

Question 733 is **214** in 1995WI, **223** in 1995ut, **247** in 1996sp, **245** in 1996ut, and **298** in 1997WI:

Question 733 *What is the difference between the value (resp. price) of labor-power and the wage?*

[310] Malibu: Labor power is what the worker sells to the company in exchange for some sort of compensation. A wage is what the employer pays the worker for the work that is done. This is my personal view. What does everyone think on this topic?

Message [310] referenced by [311]. Next Message by Malibu is [405].

[783] Bloomer: The difference in value between labor-power and wage is that wage is based off of labor performed. If the employee were to be paid for his labor power he would require the employer to pay all that's necessary to show up for work. Instead an employee is paid by the capitalist in a wage for based off of the productivity of that employee's labor. The capitalist therefore makes profit through the exploitation of an employee's labor power. An employee of the capitalist believes that their wage correctly represents their labor otherwise the employee would not make the exchange.

Hans: Even if they don't believe that the wage is fair, they still must make the exchange. The alternative of turning their labor into a product and selling this product at full value is not open to them because they don't have access to the means of production.

Next Message by Bloomer is [784].

[806] Lukas: As Hans states in his [1996ut:272] "The wage is the value of labor power paid in such a way that the worker must think he is paid for his labor, not for his labor power."

The capitalist purchases the labor power of the worker at a price that is relative to the area of the economy in which the worker performs his/her labor. The worker is lead to believe that he/she is being paid for labor and not labor power due to the fact that they are paid after they have completed their work. This is done on purpose in order to hide the fact that there is surplus labor in every day, hour and minute of labor. The purpose for this being hidden is so the capitalist can further exploit the worker and continue to make profits at the worker's expense.

Hans: (1) The price of labor-power derives from the cost of living of the workers.

(2) The purpose for this method of payment is less sinister than you say: capitalists measure the labor and pay for the labor for the simple practical reason that they want to make sure that they get the use of the labor-power they have bought. An economist would say this is a principal/agent problem.

Next Message by Lukas is [1126].

[878] Reagan: Part and parcel, the difference between the value of labor power and the wage is the profit yielded by the capitalist. Indeed, it is through this very system of intentionally underpaying workers (well below the value of labor power, often 1/2 or even 1/3 as much) that capital owners are able to exploit employees and yield significant returns in production. By paying wages barely at the level of subsistence, capitalists are effectively able to enslave workers to their own advantage. While there is indeed a necessary labor output, the surplus is rendered exclusively to the benefit of the capitalist.

Hans: You are defining the difference between the value of the product and the wage. This is not the question asked.

Next Message by Reagan is [\[879\]](#).

[1014] Ginny: The difference between the value of labor power and the wage is that the value of labor power depends on what is being produced. A wage is what is worker earns per hour for their labor power. Just because the labor power may be particularly valuable does not mean the wage is going to be higher. The value of labor power of the construction worker may be higher because they exert more physical labor than an accountant yet the wage of the accountant is higher.

Hans: You are talking about the value of the product of labor. The value of labor-power is much more closely related to the wage than the value of the product of labor.

Next Message by Ginny is [\[1015\]](#).

[1024] Tvan: The difference between the value of labor-power and the wage is that the wage is the surface expression of the value of labor power. The wages the workers receive are not a full payment of the value of their labor because they do not have access to the means of production. The commodity that the worker sells is labor-power not labor, but the wages that he/she receives are for the labor so the worker thinks that he is selling his labor and does not see that he is being exploited.

Next Message by Tvan is [\[1061\]](#).

Question 734 is **224** in 1995ut, **248** in 1996sp, **299** in 1997WI, **372** in 1998WI, **373** in 1999SP, **461** in 2000fa, **488** in 2001fa, **527** in 2002fa, **547** in 2003fa, **602** in 2004fa, **555** in 2005fa, **608** in 2007fa, **620** in 2008fa, **651** in 2009fa, **787** in 2013fa, and **608** in Answer:

Question 734 *If it looks like a duck and walks like a duck and quacks like a duck, then it is a duck. What the laborer is selling the capitalist is paid as if it was her labor, and what the laborer gives the capitalist during the day is her labor. Why does Marx not draw the obvious conclusion from this that the laborer is selling her labor, but insist that she is selling her labor-power?*

[659] Kendull: The bridge in the relationship between use-value supplied by a worker and the worker's labor-power is the function that the labor-power contains and how it can be used. This is why Marx was sure to specify that the laborer does not sell labor, but labor-power. The laborer is only valuable to the capitalist if the laborer's labor-power serves a purpose via its application to a craft such as tailoring, carving, etc. Labor is different from all other commodities because it is a "universal value creating element".

Hans: In the transaction between capitalist and worker which Marx calls "sale" (from the side of the worker) or "purchase" (from the side of the capitalist) "of labor-power," the laborer obligates himself or herself to do the tailoring, carving, etc, for the capitalist on demand. This operation is labor. So why is this transaction not called

“sale or purchase of labor”? I do not see how your answer explains this. Please make yourself clearer, by email or by filling out the web forms in the archives.

Kendull: Marx does not call this transaction “sale or purchase of labor” because labor isn’t even on the table. Labor isn’t for sale but potential labor/labor power is. The laborer is selling his/her labor power in the form of potential labor to the capitalist, who will then allocate the potential labor purchased to create something with value.

Hans: Yes, what you call “allocate” is what Marx calls “consumption by the capitalist of the commodity labor-power.”

Next Message by Kendull is [663].

[685] Bu: Marx looks at labor power as the ability to work. When a commodity is produced its value is derived from the amount of labor that goes into its production. The only way a capitalist can benefit from labor power is if it is combined with a means of production that puts out a commodity. In other words, labor-power by itself is not beneficial to the capitalist. Today a company will hire an employee with the idea of purchasing the labor power in hopes of the employee creating higher value (labor). This allows the capitalist to make a profit.

Hans: You are right, labor-power is only potential labor, it is not beneficial by itself but only if this potential has in fact been actualized. The difference between capitalist and laborer is that the capitalist has the ability to actualize this potential, the laborer doesn’t. I tried to formulate all this in [Answer:19].

Next Message by Bu is [709].

[686] Gonz: The capitalist is not concerned with the labor, or time spent working of the employee. He is concerned with their potential output, or labor-power. Hans states on page 525 of the annotations, that “(Marx) gives several reasons why the commodity traded between the laborer and the capitalist cannot be labor.” Then states, “If workers and capitalists think that the worker is selling labor and not labor-power, exploitation becomes invisible—because all labor appears as paid labor.” I agree, and from what I understand, it is the capitalist’s way of paying the laborer a wage for what he feels they are worth with respect to them producing his commodity, instead of paying the laborer for simply labor, which does not necessarily refer to the value he creates. If Marx was to draw the conclusion that the laborer is selling his labor, then the relationship of the employee to their labor-power would not be the main point he was getting at. The capitalist is concerned with making a profit, therefore he must set a value to the laborer, and pay them accordingly in order to make a profit in the end through their labors.

Hans: The difference between labor and labor-power is not the difference between the process and its result, as you say in your first sentence. As I say in [701], it is fundamental for this part of the readings to understand the distinction between labor and labor-power.

Marx has a very specific theory about the economic laws determining the quantity of wages. In [690] I wrote it “seems completely backwards.” It is something you should make yourself aware of if you want to understand Marx’s theory where profits come from. According to this theory, the wage is certainly *not* determined by “what (the capitalist) feels (the workers) are worth with respect to them producing his commodity.” As Marx sees it, capitalists are not exempt from economic laws. They cannot just set prices and wages arbitrarily so that they can make a profit. When Marx says there is exploitation this means the economic laws are blatantly in favor of the capitalists.

Next Message by Gonz is [743].

[834] Marx: graded A Let us take the issues one at a time.

First, the question states, “what the laborer is selling the capitalist, is paid as if it were labor.” The phrase, “as if it were”, should strike us instantly. No matter what the capitalist says or makes it look like, he/she really isn’t paying her for her labor. The capitalist is paying

her for her labor power. The capitalist would not pay her for her labor because labor by itself has no value. Labor does create value through labor power though. So the capitalist would pay her for that. The simple confusion of a capitalist “paying for labor”, when they really aren’t is what helps them to continue to exploit workers.

Second, the question continues by saying, “and what the laborer gives the capitalist during the day is her labor.” More specifically she gives her labor power. Through the process of work, value is created, her labor is realized, and then it is sold. So while she gives (I’m not sure “gives” is the appropriate word to use here as it implies almost some sort of charity or excessive willingness to be exploited) her labor power, the capitalist turns around and sells her labor for much more than he/she paid her.

Hans: You are right, this giving is not a charity, it is not a decision of the worker. It is the consumption by the capitalist of the commodity labor-power he bought.

So at first it may look and sound like a duck, but that may only be because the system has told us that that is what a duck looks like and that is what a duck sounds like. Realistically we may actually be looking at a chicken but we’ve just been lied to for so long that we think it’s a duck.

Hans: The reason why Marx makes such a big deal out of this is that the *quantity* of wages is not derived from the labor which the worker performs for the capitalist but from the value of his labor-power.

Next Message by Marx is [\[1056\]](#).

[854] BrotherThelonious: When considered, labor-power is simply potential labor, it is the capability to work; labor-power does not give value itself. Labor-power expended is abstract labor, but value is that abstract labor congealed in a product. In order for value to be derived from expended labor-power, it must be objectified in a product through the means of production. So, why can’t the laborer expend their labor-power into producing a commodity and enjoy the benefits of their work? Because they don’t own and control the means of production (on a large enough scale to remain competitive, at least) the capitalist does. Without the means of production, the laborer cannot see out the potential of her labor-power so her only option is to sell it to the capitalist in exchange for a wage that will just cover her needs of subsistence.

Hans: This is an excellent answer to question 740, but I had to penalize your grade because question 734, although related, is not identical to 740.

Next Message by BrotherThelonious is [\[855\]](#).

[921] Maniac: The worker sells labor power or the ability to work for an amount of time. The labor power is bought or traded for a set amount of money or a commodity not as the value of labor but only as the labor power or the amount that the capitalist can extract or exploit from the laborers. The capitalist from this point on is in charge of the actions and production of this laborer. The laborer has now lost control of his ability to labor or in other words his labor power. The distinction should here be made that the labor power is the bargaining power that the laborer has; the labor is then put in the commodity. So the labor power comes before and is the laborer’s ability to produce a commodity as deemed by the capitalist. Labor is then extracted from the laborer into the commodity, which is shown by the exchange value of the commodity. If the capitalist were to pay for labor there would be no profits but he would simply break even after all costs are met.

Hans: Your definition of labor-power as the worker’s bargaining power is not Marx’s definition and theory answers two questions:

- (a) why do the laborers not have enough bargaining power to get a full equivalent of what they are producing?
 (b) Marx also defines what price the laborers must agree to instead.

Next Message by Maniac is [922].

[985] Slamo: If you take the saying, “If it looks like a duck, walks like a duck, and quacks like a duck, it must be a duck” and use it in the sense of labor equals labor power, you would be incorrect. Let’s say a worker can only work 8 hours a day, you would think he or she would be paid for his or her labor-power for those 8 hours. In reality however, he/she is only being paid the equivalent of how much work that has been completed to be enough to cover living expenses, let’s say 4 hours for example. Hans states in [2004fa:387] “Although the laborers create all the value, their own wage is only a cost-of-living allowance, because they don’t have access to the means of production. The capitalists are therefore the real beneficiaries of the workers’ labor.” In this sense, The only value laborers have is their labor-power.

Next Message by Slamo is [1064].

Question 737 is **604** in 2004fa, **557** in 2005fa, **630** in 2007SP, **610** in 2007fa, **618** in 2008SP, **717** in 2010fa, **767** in 2012fa, and **790** in 2013fa:

Question 737 *Marx says that labor cannot have value because it is the source which gives everything its value. How can labor give something which it doesn’t have?*

[668] Lukas: In response to this question, I have found a lot of help from the answers provided by others in the annotations. In [2005fa:1902], Matt provides a distinction that should be pointed out in order to help us understand this question more clearly. He says “Labor doesn’t give value but rather creates value”. This question is asked in a confusing way by asking “how labor can give something which it doesn’t have”. When we look at it from the stance that labor is creating value, not giving it, this question becomes easier to understand. An analogy is provided throughout the archives and in the annotations, comparing labor to the sun. The sun creates shadows for other objects, however, it does not have a shadow itself. Likewise labor creates value in other objects. A pile of wood lying on the ground has no value. When I exert my labor power on the pile, and create a fence, I have also created value in the fence.

Message [668] referenced by [672]. Next Message by Lukas is [717].

[980] Badawn: graded A In the archives there is a great quote that is used by Marx it says all shadows are created by the sun but the sun cannot have a shadow the same is with labor because labor gives all things value. This brings me back to the old saying “time is money” for example when I worked as a general contractor we would have to bid on jobs. Now what we judged how much we would charge would be on how long it would take us to do the job this is what we would then charge the client. This how our labor would drive the price of the commodity.

Next Message by Badawn is [1125].

[988] OBJ: Labor, itself, creates value, that which it creates takes on itself the value leaving labor without value, but also leaving labor with time to create more value, hence labor will never have value.

Hans: Good intuition of the process in which living labor materializes itself in a product which has value.

At the end you had the quote “. . . that which the worker sells the capitalist cannot be his labor.” I removed it because it is not relevant for the answer. This quote was also not in your in-class answer.

Next Message by OBJ is [989].

[997] Kiwi: Labor creates value. It can give something that it doesn't have as "it possesses the ability to create value" according to Matt in [2005fa:557]. Labor does not need to possess value in order to create it and this is illustrated in the analogy given by Hans in the annotations about the sun. The sun creates shadows however it does not possess a shadow of its own. Labor power is the ability of a worker to create a product and it is a commodity that the laborers are selling to the capitalists. This is the ability that labor possesses in order to create value. Labor power is a means to create value from labor.

Hans: Everything is very good except your very last sentence. Labor-power is simply the ability to perform labor.

Next Message by Kiwi is [1030].

[1002] Bu: Labor itself cannot have value. The key here is that labor when combined with a means of production gives everything its value. If a worker has labor and combines it with machinery, blueprints or something of a kind then the production of a product will have value. Marx uses the analogy that the sun is the cause of shadows but cannot in itself have a shadow.

Hans: The combination of labor with means of production is necessary not only for value but even for a product. Maybe an opera singer can produce something without means of production, but for most things you need means of production.

Next Message by Bu is [1005].

Question 739 is **633** in 2007SP, **613** in 2007fa, **621** in 2008SP, **625** in 2008fa, **656** in 2009fa, and **719** in 2010fa:

Question 739 *If labor cannot have value, does this mean labor is not a commodity?*

[657] Bikeman: Is labor not a commodity? Marx states that labor creates value and for that reason cannot have value itself. The value of a commodity is the objectified form of the social labor expended to produce it and the quantity of a commodity's value is measured by the amount of labor contained in it. A commodity can be transferred from one person to another, but labor is a part of the worker that cannot be detached for transfer. If he could somehow make his labor exist independently, he could then sell it as a commodity. Labor cannot exist independently from the worker and therefore is not a commodity.

Message [657] referenced by [701]. Next Message by Bikeman is [861].

[658] Tvan: The definition of a commodity that we have learned in this class is that it is anything that is produced for sale or exchange. Marx says in 675:3, "If labor were to be sold as a commodity in the market, it would have to exist before being sold." Labor does not fit the definition of a commodity because it does not exist. In the annotation it is explained that, "a commodity is something whose ownership can be transferred from one person to the next." But since a laborer cannot transfer the ownership of his labor to someone else it is not a commodity.

Message [658] referenced by [701]. Next Message by Tvan is [692].

[672] Reagan: Throbbing Contradiction. A persistent and compelling theme throughout Marx's works concerns the fetish-like character of the commodity and the apparent mystification of the wage-form. In particular, Marx goes to meticulous lengths to emphasize that labor is not a commodity, and that it has neither value nor price. Indeed, the two fundamental premises are part in parcel: because labor cannot have value, it is therefore not a commodity.

The intellectual foundations of this conclusion—that the worker cannot sell the capitalist his labor, therefore defying its ability to be a commodity—are multiple. First, as Lukas covers in message [668], labor has no intrinsic value. That is, because that which creates value, cannot in itself have value. Furthermore, from a practicality standpoint, if labor were to be sold as a commodity, it would have to be transferrable throughout the free market. As is abundantly evident, labor is not transferred: it is “chained” to the laborer along with his ability to produce. Thus, the ill-fated bourgeois and capitalist concept that labor is a commodity is one that is throbbing with contradictions.

Message [672] referenced by [701]. Next Message by Reagan is [673].

[701] Hans: The Necessity to Utilize the Right Concepts. Anyone doing repairs around the house knows how important it is to have the right tools. The situation in our readings is very similar. You simply cannot follow Marx if you are not using his concepts. As I see it with my Marxist bias, Marx’s *Capital* is a toolbox enabling you to better understand the society in which we all live.

The subject matter before the first midterm was dominated by one simple rule of thumb: you cannot think or say anything intelligent about commodities, i.e., the things we buy every day, without awareness of the distinction between use-value and exchange-value. Similarly, the subject-matter that is relevant right now and for the upcoming second midterm is dominated by another rule of thumb: you cannot think or say anything intelligent about the wage labor relationship, i.e., the commodity on whose sale the 99% depend for living, without awareness of the distinction between labor and labor-power. This struck me again when I read your answers in the last homework period, for instance here to question 739. You will see this when I comment on your answers, but first I’d like to give you the “correct” answer.

In the background of Marx’s terse argument in 675:3 that labor cannot be a commodity is one simple observation: labor springs into existence long after the market transaction between capitalist and laborer has been concluded and after the laborer shows up for work. Labor exists only in the moment of time when the laborer does the actual work.

Before looking at what Marx makes of this observation, I must first explain how Marx conceptualizes the labor process. After the decisive moment in time when the labor is performed, this labor continues to exist in the product—but then it is no longer living labor but objectified labor. Dialectical philosophy has a word for this state of affairs, in German “Aufhebung,” often translated as “sublation:” labor is sublated in the product since it continues to exist while at the same time no longer existing. Marx and Hegel would say: this is a contradictory concept but it is just one of the many contradictions that exist in the world.

Ok, now let’s return to Marx’s simple observation? Taking off from it he argues that one cannot sell something which does not exist. And if the worker were able to give his labor an independent existence by objectifying it in a product, he would not be selling labor but a product. You see that Marx has again formulated an impasse situation, which fits right into the collection I gave in [690]: we see the laborer selling something which cannot be sold, and if he could be selling it, he wouldn’t be selling it. Let’s rub our collective eyes and look what is really going on.

Marx does not immediately climb out of this trap but first pursues a different argument. The resolution of the trap set in 675:3 can be found almost two pages later, in 677:1. What the laborer sells the capitalist is not his labor but his labor-power, i.e., not the work itself but his *ability* to do the work. This ability is materialized in his body and mind, this is why the worker after selling his labor-power has to show up for work and allow the capitalist to consume his labor-power.

Now let's look at your answers.

When Bikeman [657] says that "labor is part of the worker that cannot be detached for transfer;" he confuses labor and labor-power. It is correct to say that labor-*power* is part of the worker. This means that it does have an objective existence and therefore it can be sold. It is also true that labor-power cannot be detached for transfer. This does not prevent the labor-power from being sold, but it has the implication that the laborer, after selling his commodity labor-power, cannot go home and enjoy his wage, but has to show up for work and do the actual work.

When Bikeman says "Labor cannot exist independently from the worker and therefore is not a commodity;" this is wrong as written, because labor *can* exist independently from the worker, namely, in the product. And it is wishful thinking if we substitute labor-power for labor, because the implication of labor-power not existing independently of the worker is not that labor-power cannot be a commodity (I wish!), but the implication is that the laborer himself or herself is turned into a commodity.

Tvan [658] gets one blade of Marx's scissor right: labor cannot be sold because it does not yet exist when capitalist and laborer meet on the market. But the second blade is wrong: Tvan says that the laborer cannot transfer the ownership over his labor to someone else. As I see it, there are even two ways to do it:

(a) materialize the labor in a product and sell the product

(b) selling his labor-power to the capitalist is also a transfer of the ownership of his labor during the time for which the labor-power is sold.

What matters here is that neither of these transfers is the sale of *labor*: it is either the sale of the product of labor, or the sale of labor-power.

Reagan [672] goes for the big picture. She has it roughly right, but there are three details where I need to quibble.

(a) Reagan writes "because labor cannot have value, it is therefore not a commodity." Marx does not connect these two points like this. He first argues that labor does not have value, and then he brings a set of different and somewhat unrelated arguments that labor also cannot be a commodity. He introduces this second argument with the qualifier "in any case" (jedenfalls), meaning that what comes now is valid whether or not labor can have value.

(b) Reagan writes that labor "is 'chained' to the laborer along with his ability to produce." It is true that the laborer's ability to produce is chained to the laborer, but the labor, after it is performed, has an independent existence in the product. Unfortunately the laborer cannot take advantage of this, because he does not have access to the means of production.

(c) Reagan concludes “the ill-fated bourgeois and capitalist concept that labor is a commodity is . . . throbbing with contradictions.” This concept is not invented by the capitalists but it naturally arises from the practical functioning of the market economy. This makes it even more devious. The bourgeois economists didn’t invent it either, but they failed to analyze it correctly (as far as Marx is concerned).

Message [701] referenced by [686] and [2012fa:249]. Next Message by Hans is [713].

Exam Question 740 is **226** in 1995ut, **250** in 1996sp, **248** in 1996ut, **301** in 1997WI, **367** in 1997sp, **491** in 2001fa, **530** in 2002fa, **551** in 2003fa, **607** in 2004fa, **560** in 2005fa, **634** in 2007SP, **614** in 2007fa, **626** in 2008fa, **720** in 2010fa, **769** in 2012fa, and **792** in 2013fa:

Exam Question 740 *Why can the laborer not use her labor-power to produce commodities and sell them, instead of selling her labor-power?*

[664] Msj: Labor Power as a Sellable Commodity. Labor and labor power are two different concepts. Labor is the cause of value in commodities, but cannot itself have value. As a laborer I have the potential to produce much labor power, but if I do not produce any commodities I am unable to sell them. If there is no skill set then my labor power will not be valuable enough to create commodities without having the proper knowledge to produce sellable commodities. Simply put, without having the tools, blueprints, strategies, etc I can have all the labor power in the world, but without knowledge of how to produce the commodity then the laborer will not be able to sell labor power.

Hans: If I understand you right, you are saying the workers may have the skills to produce something, but they do not have the skills to sell something. Marx would say there is a deeper reason why workers don’t have the skills to sell things. There is something else missing before they even get into the position to try to sell their products, and that is that they don’t have access to the means of production. These seven words “no access to the means of production” are the short answer this Exam question was expecting.

Next Message by Msj is [823].

Question 742 is **465** in 2000fa, **493** in 2001fa, **532** in 2002fa, **553** in 2003fa, **609** in 2004fa, **562** in 2005fa, **636** in 2007SP, **616** in 2007fa, **628** in 2008fa, **659** in 2009fa, and **722** in 2010fa:

Question 742 *Do Marx’s arguments that labor cannot have value also imply that services (i.e., a haircut) cannot have value?*

[656] Hayms: In the production of commodities Marx has argued that labor cannot have value, and service is a manifestation of labor. Therefore a haircut (service) cannot have value. This is a contradictive statement and Sly proved this as he stated, “An individual doesn’t just get a haircut for no particular reason – they are seeking shorter hair or any hair grooming service offered by the barber/stylist (this is the satisfaction of a need), and thus the haircut has a use-value.” [2010fa:733] This statement shows that a haircut can have value. Since this haircut has use-value it then transforms into a commodity and we have learned that commodities have value. Although this is not a material object such as a coat or a hat that is made by produced labor. This value comes from the labor process that was put into the service (the barber cutting the hair) and the use-value that the subject receives from this service (the satisfaction of an excellent haircut). As stated in Annotations, “if unequal labors are exchanged, then we cannot hope to explain capitalism by the law of value.” This goes on

to say if you are not pleased with the service you have received, then it would not have any type of value and Marx's idea would be accurate. Therefore services may or may not have value depending on your satisfaction (use-value).

Hans: It is time that you start submitting homework answers so that you get the opportunity to weed out some of your misunderstandings.

If a thing has a use-value this does not automatically make it a commodity. Commodities are use-values produced under very special circumstances, namely, produced for the market.

You are confusing use-value and value. Use-value in Marx's terminology is not a kind of value and value does not come from use-value. Unequal exchange has nothing to do with whether the recipient of the commodity is pleased with the commodity or not. In the Marxian terminology, unequal exchange means that the commodity received does not contain the same amount of (direct and indirect) labor as the commodity given.

The "law of value" is a shorthand word for the theory held by Marx and the other classical economists that exchange-proportions on the market are determined by labor content. Modern mainstream economics does not think the law of value is correct; in their theory the exchange relations are determined by utility.

Next Message by Hayms is [\[892\]](#).

[688] KKondo: A service does have a value, but not in the process in which the service is provided. The value of a service comes in the form of its output. The value of a haircut is solely based on the final process of the service and not during it, in other words a person pays for a haircut and not to get his/her hair cut. Thus, Marx's arguments that labor cannot have value do not imply that services cannot have value. According to Marx labor adds value to its product although it has no value. Going back to the haircut example, why is a haircut more expensive in some places than others? Due to the fact that labor adds value to products. In this case, a more fashionable hairstylist has enough credit to increase its haircut price, adding value to the product through labor power.

Hans: This is a difficult question. I don't think there is a satisfactory answer anywhere in the archives yet.

Next Message by KKondo is [\[742\]](#).

Question 744 is [217](#) in 1995WI, [253](#) in 1996sp, [304](#) in 1997WI, [377](#) in 1998WI, [378](#) in 1999SP, [495](#) in 2001fa, [534](#) in 2002fa, [555](#) in 2003fa, [611](#) in 2004fa, [563](#) in 2005fa, [638](#) in 2007SP, and [618](#) in 2007fa:

Question 744 *Why can the inequality in the exchange between worker and capitalist not be explained by the fact that the worker represents living labor, and the capitalist objectified labor?*

[670] Anil: In the production process, living labor is transformed to objectified labor in a commodity. It does not mean a quantitative increase in the value of commodity produced, due to the fact that objectified labor is just another form of living labor and their substance is still equal. In the last instance, value of commodity is determined by living labor which refers to "an allocation of society's present labor-time", not by the objectified form of labor.

Message [\[670\]](#) referenced by [\[680\]](#). Next Message by Anil is [\[698\]](#).

[680] Kiwi: According to Hans' annotations, objectified labor is "when living labor is materialized in a product." Living labor and objectified labor differs only in form and therefore, they both still contain the same amount of labor.

Hans: Anil already said this in [\[670\]](#).

Next Message by Kiwi is [\[699\]](#).

Question 751 is [780](#) in 2012fa:

Question 751 *Although the discrepancy between appearances and that what is really going on is essential for the functioning of the capitalist system, mainstream economics is, as Marx says in 677:2, pretty much the only science which is not aware of such differences. Are you surprised?*

[689] SSroy: Given that the study of economics is known as the ‘dismal science’, it’s easy to understand why a poetic license as a fundamental tenet, is permitted. This disconnect that exists between mainstream economics and the reality, as Marx presents, is curious indeed. May I thus venture to guess as to the why it continues to exist. Firstly, I think it plays well with the concept of persistent oppression between classes. The working class is most certainly not going to be regular participants in academia, let alone dictate the direction of scientific thought. It is therefore incumbent upon the wealthy bourgeoisie to investigate and pursue scientific inquiry. What Marx presents, oppression between classes, is dangerous for the very existence of the class that is responsible to attain the most beneficial methods of societal development, arguably. We therefore, as in most soft sciences, a disingenuous school of thought that does not represent the ideal of true science, which is honest inquiry. If there exists a chance that a person making a choice may lose something as a result of that choice, that most certainly will affect the person’s decision.

A contemporary example, and one that is strangely polarizing (pardon the pun), is climate change or global warming. An idea or concept is presented within the scientific arena, which is to say that humans are altering the natural course of the weather, and data is obtained and presented with a logical conclusion. This has been done countless times with respect to all fields of science. To think, therefore, that the by-products of modern society has some effect on the climate is not a crazy idea to begin with. I remember being young and looking up at the sky thinking that there was a gaping hole in the ozone layer and I might be sucked out of it one day. Turns out, there IS a hole in the ozone layer. So why would anyone presuppose that climate change is impossible? But that very thing happens today. Ask three people about their thoughts on climate change and you will undoubtedly receive very ill-informed, unscientific, and most importantly, disingenuous, responses. The realization that we may have gotten caught up in our progress at the expense of our planet is a tough pill to swallow apparently. I’m not advocating any side of this argument, only that people typically have an aversion toward entertaining ideas that may require behavior adjustment. This is essentially the reason why mainstream economics has become what it is.

Next Message by SSroy is [\[694\]](#).

Question 754 is **783** in 2012fa:

Question 754 *What are the contradictions of the concept “value of labor”?*

[677] Alex: graded A– “value” of labor. According to Marx, the term “value of labor” is in itself one giant contradiction, as it implies that labor has value. Marx makes clear that labor cannot have value itself. As such, any use of the value of labor term is essentially a figurative expression.

Message [\[677\]](#) referenced by [\[690\]](#) and [\[2012fa:1005\]](#). Next Message by Alex is [\[787\]](#).

[678] Veb: Value of Labor. Labor, being the source of value, cannot have value itself.

“Value of labor” is an imaginary phrase, like “value of the Earth” (Hans, p. 265). Classical economists confuse labor with labor-power.

Message [678] referenced by [690]. Next Message by Veb is [704].

[679] Slamo: I believe the main contradiction is well stated in the text as saying. . . . “‘value of labor’ even though we know that labor itself cannot have value.” The reason why labor itself cannot have value is because labor that creates value cannot itself have value. As Marx states in the text. . . . “How would then the value of a 12 hour working day be determined? By the 12 working hours contained in a working day of 12 hours, which is an absurd tautology.”

Message [679] referenced by [690]. Next Message by Slamo is [938].

[690] Hans: Marx the Escape Artist. We have witnessed this now at least three times: Marx argues himself into impossible contradictory situations, it looks like he is trapped, it looks like he is surrounded by walls from all sides and cannot get out, and tadaa, he finds a way to escape which none of his viewers would have thought of.

For instance in section 1 of chapter One: exchange-value is something immanent in the commodity and something relative between commodities. Escape: exchange-value is the expression (which is relative, namely a relation between commodities) of something immanent in the commodity (namely value).

Or chapter Five: M-C-M' with M' ζ M is not possible in circulation, and it is not possible outside circulation. Escape: it is possible by a process which takes place both in and outside circulation, namely the purchase of the commodity labor-power (this is the part in circulation), whose consumption creates more value than the value of the labor-power itself (the consumption is the part outside circulation).

Or chapter Twelve: After the length of the working-day is limited, increases in surplus-value are impossible, because surplus-value is the difference between the total value produced during the day (which is fixed since the length of the working-day is given) and the value of labor-power (which is fixed since it is the value of the workers' means of consumption). Yet, after the limitation of the working-day, capitalism continued to function, accumulate, increase its profits. Here a possible way out would be to say these continued profits from from depressing the wage below the value of labor-power. Although the capitalists do this often, Marx insists that, he does not want to be untrapped this way. His big assumption in *Capital I* is that everything is sold and purchased at their values. Therefore the escape is: instead of lowering the *price* of labor-power below its value, you have to lower the *value* of labor-power itself—by technical progress which produces the workers' means of production during a shorter part of the day. Marx calls this relative surplus-value.

Chapter Nineteen: We know that labor cannot have value since it is the source of all value, but if we look around us we see that labor does have a value (namely, the value of one hour of labor is the hourly wage paid for that labor). Solution: what looks like the value of *labor* is not the value of labor itself but the transformed form of the value of *labor-power*. It must be obtained by a process which seems completely backwards: take the daily value of labor-power (which is the worker's daily expenses) and divide by the ordinary length of the working-day. Anthony Brewer writes: “It is as if the price of a horse was quoted at so much per leg, and then multiplied by four to find the price per horse.” This unintuitive indirectness

bears one important lesson: If a worker wants higher income, working more is not a good strategy to get it. Working more is just adding legs to the horse. It does not increase the value of the horse, which is determined by the labor going into its production, not by the number of legs. The way to get more income is to organize and force the capitalists to allow the workers a higher standard of living.

If you think like Marx, you cannot be claustrophobic. When the construction workers come to build the walls around you, you cannot say “stop, you can build all the other walls but don’t build this wall here.” You must allow them to build *all* walls, until you are completely walled in, and then you face the challenge how to get out.

Two of the three answers sent in were claustrophobic in this way. You tried to wiggle out of the contradiction so that you would not get walled in. Marx does not shun contradictions, he embraces them. He thinks they are the most informative part of what we experience.

For instance, Alex [677] says: “any use of the value of labor term is essentially a figurative expression.” I.e., this is a decoration of the concept of labor (which can certainly in many respects be considered valuable) but it does not refer to anything real. This term was used by Proudhon as quoted by Marx in footnote 26 to 677:2. Marx only heaps scorn on Proudhon for this, and indeed, Marx’s own conclusion is different: in his view, the thing that is commonly called “value of labor” *is* real, it is actual value, the only problem being that it is not value of *labor* but the disguised form of the value of *labor-power*.

Web [678] is closest to the correct solution. He reminds us that labor is not the only thing which is not the product of labor but has value, the earth too, and he even mentions labor-power. So he has put all the pieces of the answer on the table but didn’t put them together.

Slamo [679] reaffirms that labor does not have value. This is like trying to banish a ghost by telling him: “you cannot exist.”

Message [690] referenced by [686], [701], and [2012fa:1005]. Next Message by Hans is [693].

Question 755 is **639** in 2008fa and **733** in 2010fa:

Question 755 *Marx says: if demand and supply coincide then they are unable to explain prices. What would a mainstream economist say about this?*

[675] Badawn: graded C- To answer this question I think it’s important to state Marx argument and traditional economist argument. First of traditional economist believe that supply and demand are what drives price, in a sense. For example if your product has a large demand you can charge more for your product and people will pay a inflated price. We have seen this in some products like the iphone for example. Marx aligns with the labor that was put into the manufacturing of that product is what should drive the price of the product. This makes sense for me because it takes a lot of engineering and manufacturing to build a automobile vs the time it takes to grow and pick a banana when in season.

Hans: Marx does not say that labor content *should* drive the price of the product, but that even in capitalism labor content *does* drive the price of the product. More about this in [2007SP:65] and [2010fa:92] and in many other places in the archives.

Next Message by Badawn is [776].

Exam Question 758 is **221** in 1995WI, **258** in 1996sp, **257** in 1996ut, **373** in 1997ut, **544** in 2002fa, **621** in 2004fa, **573** in 2005fa, **630** in 2007fa, **642** in 2008fa, **673** in 2009fa, **787** in 2012fa, and **810** in 2013fa:

Exam Question 758 *How is the “value of labor” derived from the value of labor-power? Compare the “value of labor” thus obtained with the value of the product of the labor.*

[814] Skiingforlunch: graded A Labor Power—The Value of a Verb? “That which produces value cannot be value”. Value of labor-power is the objectified value created by labor. The value of labor is a derivative of the value of labor power. The value thus obtained from the product of the labor is a reflection of the value of labor. Labor as a commodity reflects itself in production. Labor cannot be priced because labor itself has not yet produced. . . it is an action not yet taken. Therefore its value is derived from the actual production of labor-power. We cannot measure labor. By using labor in the form of labor power we are able to measure productivity. Labor-Power is therefore a commodity which derives the value of labor.

Hans: I was looking for a concrete numerical recipe as in [2005fa:1355].

Next Message by Skiingforlunch is [817].

[822] Oscar: Labor creates value. The value of labor equals the value of labor-power divided by the normal number of hours worked. The value of the product of labor is the value of the item that the labor produced—a chair, a pair of pants, a cheap, plastic toy. The value of the product of labor (the chair) should equal the wages paid to the laborer, but in our capitalistic society it does not.

Hans: Marx explains this difference: the value of labor-power is determined in the same way as the value of any other commodity: by its *reproduction cost*. The value created by this labor-power is its use-value, but the capitalist does not have to pay for this use-value. He has to pay the value.

First Message by Oscar is [510].

[867] George: graded C The value of the product of labor is the amount of time a worker spends making a commodity. Thus the “value of labor” is derived from the time and not the amount that is produced.

Hans: Wrong.

Next Message by George is [870].

[895] Kitkat: The “value of labor” is smaller than the value of labor power. To obtain the “value of labor” you must divide the value of the product of the labor by the number of hours worked.

Hans: To get the value of labor, i.e., the wage rates, you have to divide not the value of the product of the labor, but the value of labor-power, by the hours worked. This is exactly what is so confusing about it: people think it is derived as you say, but it isn’t. The result of this division is smaller than the value produced during this hour.

Next Message by Kitkat is [896].

[899] Danish: graded B+ In the capitalist mode of production, labor-power appears as a commodity. It is a commodity which has been bought and sold on the market. The value of labor is the wage paid for the final commodity produced by the labor-power of the worker, while the value of the product of labor is the exchange-value of that final product. The Value of labor is always less than the value of the product of the labor.

Next Message by Danish is [901].

[925] Foruvak: Labor is the work put forth to produce. Labor power is the extent or skill or quality of labor that is being exerted. We can’t know the value of labor without knowing

the value of the labor power. A capitalist needs labor so it intrinsically has value but a capitalist values a better skilled / more efficient worker because the labor power is greater. Value of product and value of labor, although highly correlated, are different measurements. Value of labor helps to determine value of a product.

Hans: This is mainstream economics. Marx's explanation is quite different.

Next Message by Foruvak is [927].

[961] Karl: graded B Value of labor is what a worker has to produce to survive. The value of the product of labor is higher than the value of labor. The capitalist takes the difference and that is his profit.

Hans: I need a more explicit prescription how the value of say 1 hour of labor is derived.

Next Message by Karl is [963].

[1003] Keynes: The value of labor is derived by dividing the value of labor-power by hours worked. The value of labor is merely a byproduct of the value of labor-power; labor-power creates value, not the other way around. Labor-power is the true source and thus comparatively, the more important of the two, if not the single focus.

Hans: Labor-power is the most important commodity in capitalism, but from this one should not conclude that labor-power, i.e., potential labor, is more important than actual labor.

Next Message by Keynes is [1101].

[1008] Zvisser: Value of labor is a percentage of labor power by labor is a percentage of labor power because labor power is gained by the product of labor by gaining off of a person's labor to produce an item/product and exchanging that product of labor

Next Message by Zvisser is [1009].

[1037] Freshprince: As we know from Marx, labor can be seen in different view as value. "The functions of wages correspond to the fluctuation in the price of commodities". The value of labor can be different and change.

Hans: Where is this Marx quote from? I suspect that it is mistyped or something and would like to look at the original. Please answer, maybe by using a fill-in form.

Message [1037] referenced by [1203]. Next Message by Freshprince is [1041].

Question 762 is **653** in 2007SP, **633** in 2007fa, **645** in 2008fa, **740** in 2010fa, **791** in 2012fa, and **814** in 2013fa:

Question 762 *Would capitalism be possible if exploitation was not hidden but clearly visible to everybody involved?*

[665] Rajon: graded A In order to answer this question, as with other questions, it is important to understand what Marx means when he uses the term "exploitation". He is not just referring to the extreme examples that we think of when we hear the term, such as brutal capitalists forcing small children to work in sweatshops with dangerous conditions for 18 hours a day in order to extract every last ounce of labor from their bodies that is possible. This is exploitation, but it is not the only form of exploitation; it is only an extreme case of it.

As I was reading in the archives, I read a statement by SMIKEC in [2010fa:713] that made me laugh out loud. He wrote: "As a laborer you would have to sit at home and do nothing in order to not be exploited." Again, this is an extreme example, but I think it defines what exploitation really is. Anytime when a worker produces more than what their daily wages are worth is an example of exploitation. This is in effect the definition

of capitalism. Capitalists strive to make a profit and the way they do this is by extracting surplus value from their laborers (workers are paid less than the value of their production). This is the goal of capitalism

The exploitation is hidden because we do not commonly see wages paid to the laborers or the exact value of the goods produced. That is not the concern of most people when they go to purchase commodities. Most people simply want to pay a low price for the commodities. Their ability to do so is based on exploitation, although it is hidden. It is implicit in everything around us.

Message [665] referenced by [676] and [2013fa:783]. Next Message by Rajon is [846].

[676] CameronCottle: Exploitation in more than one form. I am going to be building off of what Rajon [665] wrote and what he referenced back to the archives. I agree that any worker, including myself, is being exploited when our labor is not equivalent to our pay. Yet the one thing is that I am wholly knowledgeable of this fact and the fact that from my work a company earns more than what they pay me. So even though my situation is not extreme it is still visible and still happens despite it being visible.

Now as we know the value of commodity is not the work that each individual puts into producing that good. It is the society's accepted value for that good and the amount of labor required to produce that commodity is society's accepted amount. So if a worker's wage is not equivalent to this value than that worker is being exploited but is the worker ignorant of this fact? Are any of us ignorant of the fact that we are being exploited? I would argue that most of us are very aware of the fact that we are being exploited but we do nothing about it. The reason we do not is because despite having the knowledge we have our supposed "needs" that we need to fulfill. We are a society of wants which could be another hidden exploitation of capitalism. Even sitting at home we cannot avoid exploitation because we see our neighbor with the nice TV, car, wife... etc and in capitalism our happiness is derived from that. It is those fetish like characteristics of commodities in capitalism that exploit us when not working and then capitalist producers that exploit us in work.

Now looking to Marx's time when child labor was still quite common and growing issue in manufacturing, we have to look at who these children were. In the United States, at least these children tended to be the children of families of lower incomes and immigrants who had very little education. This resulted in them being easily exploited because they had dire need for money and the jobs they were doing could be fulfilled by any random worker. For them, the choice was either starve or be exploited... Not a fair decision by any means but the exploitation was not hidden. It was plainly visible for all to see but the power was given to the producer whose purpose was to maximize profit.

This is the other view that could be made that goes along with what Rajon wrote about people not caring just as long as they get the commodity cheap. Of course if we go over Marx's argument though it does not matter what the individual labor is because that is not what determines price. Now if before child labor it required ten hours to produce a watch and then with child labor it takes five hours, then yes the price would decrease. Based on Marx it is not the wage that determines the value of the commodity but the society's accepted amount of labor required to produce the good that determines the value.

Teresa [2008fa:851] makes a great point by addressing many of the points I have brought up. It is not the fact that we do not know that exploitation is happening, it is that we do not know the degree or to what extent it is being done. We know that when being paid \$8 an hour that we are producing something worth more but we do not know if that is \$15 or \$1500. This is how producers exploit laborers into working enough to produce their profits. What she also brought up is that we work beyond what we actually need to fulfill our needs. This is true but also goes back to what I brought up earlier. In capitalism it is like a hoarders-like mentality when it comes to commodities. Everybody is always seeking to obtain more so living with the bare minimum is not acceptable. This is again the other form of hidden exploitation not easily visible in capitalism.

Laborers are always pushing to achieve that point when they can be the ones on top who exploit others and gain from that cheap labor. They are always pushing for the happiness provided by gaining commodities. This allows producers to underpay laborers and for capitalism to function because capitalism keeps the laborer chasing the cheese at the end of the treadmill. The laborer thinks that if they run harder, they will be able to achieve being at the top.

Hans: I have to repeat for the 100th time: Marx in his discussion of the fetish-like character of the commodity did not think about or talk about modern consumerism, the fact that we fall in love with commodities. I think there are deep connections between Marx's fetish-like character of the commodity and modern consumerism, but they are not the same thing.

Other than this, contributions like this are enriching the class discussion since you are confronting Marx's categories with modern experience (or the other way round).

Next Message by CameronCottle is [716].

[898] Kitkat: The simple answer is no. Invisible exploitation is the reason why capitalism has been so successful and has remained the dominant mode of production for so long. When Marx discusses time wages and piece wages, he tells us that workers are tricked into thinking they receive a wage for their level of productivity in their paychecks, where in fact, they are paid for their labor time. Furthermore, when economic agents purchase commodities, concerns for workers' labor time do not enter into the use-value of the commodity they want to purchase. Exploitation can take many forms—some more extreme than others—but it is implicit in the architecture of the capitalist mode of production; it permeates every facet of our economic relations, and by extension, social relations. If workers were aware of their separation from the means of production, Marx contends, they would rise up and demand change. Marx's work seeks to expose this hidden exploitation as a first step toward social and economic change.

Next Message by Kitkat is [1155].

[918] Danish: graded A No, I think capitalism would collapse if exploitation was not hidden but clearly visible to everybody involved. The historical development of capitalism is a fascinating phenomenon, capitalist mode of production is a recent development roughly starting from 18th century onwards, and there were particular contradictions that arose in feudalism, and they paved the path for capitalism to emerge out as a dominant mode of production. In 18th century, capitalism was a revolutionary change in the lives of working class people, because we had bondage-labor under feudalism, where serfs were restricted and restrained in the land where they were born, and they have to be loyal to their feudal lords for their lives. As this might sound disgusting, gross, vulgar, dreadful and exploitative

to most of us in our contemporary times, but it was very much normal and standard way of living for most folks in the Europe, and other parts of the world for hundreds of years. So around 18th century, when an emerging bourgeoisie class offered serfs a life free of bondage-labor, it was a revolutionary and radical idea for serfs and for the whole feudal society. As Marx called it “double freedom” of workers, it means that workers are now free to move around and sell their labor-power to whomever, wherever and whenever, but now they are also free from any ownership or attachment with the means of production.

But like feudalism, capitalism has its own coherent contradictions, and exploitation of the workers is the fundamental contradiction of the capitalist mode of production. As feudalism roughly survived for more than 800 years in Europe, but eventually when the contradictions of feudalism came in to the broad-light, the whole system collapsed, and it gave birth to the new system. Similarly, capitalism has been successful in hiding or manipulating these coherent contradictions, we have developed whole field of “bourgeois economics”, (neo-classical economics) to hide the exploitation of capitalism by giving it fancy names. The Neo-classical economists have ditched or forgotten the debates and discussions of value, natural rate of profit etc. which were the integral questions/issues of research and discussion for early bourgeois classical economists like Smith, and Ricardo. Neo-classical economists fear that, these classical debates will bring the contradictions of capitalism in the frontline, and the young folks will raise questions about them. Similarly, mainstream academics, media, art, etc. all are trying to cover up the exploitation, and they don't miss a single chance to bash out their hate-monger against thinkers like Marx and others who challenge the status quo of capitalism.

Furthermore, workers need to concentrate on their work, thus if they feel they have been exploited, they would not focus on work, instead they might indulge in labor unions, strikes, revolutionary politics etc. Plus an average person needs to be self-satisfied about the job they do, for example, a young graduate from Harvard ends up working at Wall Street, but if he/she feels that Wall Street is exploiting average American people, most probably, he/she will not be able to satisfy his/her own consciousness, and will leave or decline the job. It is because an average citizen in our industrialized world thinks of him/herself as good moral and humane person, thus they would not like to take advantage of others. The capitalist class knows that psychology very well, thus they come up with their own ideology (right-wing conservatism, liberalism, etc.) to rationalize the capitalist mode of production, and hide the exploitation so they can prepare young minds to continue supporting capitalism. But if it was apparent to all of us without being classify ourselves as Marxist to understand this exploitation, then capitalism would stop functioning, workers would revolt, managers would cease to exploit their fellow human beings, and capitalist lose their so called moral face in front of everybody, as feudal-lords did, thus it is an integral and necessity for capitalism to keep exploitation hidden.

First Message by Danish is [8].

[960] Karl: graded B+ Capitalism would not be possible if exploitation was not hidden. If workers could clearly see they were not being compensated fairly by the capitalist the capitalist would have to pay them a higher wage. Capitalists keep the extra above the rate of subsistence of their workers. This is the capitalist's profit. If workers could see this capitalism would not be possible.

Hans: Any arguments to support this assertion?

Next Message by Karl is [961].

[999] Keynes: Capitalism would not be possible. In the least, it wouldn't represent the form we see today. For example, in a paycheck given to employees, it shows the hours worked, the wage, and the amount of money given to the laborer for that given period. It does not, however, show what they have produced or what their labor-power's value is. This hides the exploitation of the laborer by the capitalist. If the laborer was to see this, capitalism would not be possible. It is in the capitalist's best interest to maintain a never-ending cycle by which the laborer never realizes the extent to which he is exploited.

Next Message by Keynes is [1000].

[1012] Zvisser: Capitalism would be possible HOWEVER, the profits in capitalism would be cut to a minimum. I have 2 sides to this argument. I feel that exploitation is prevalent in today's society but the extent of the exploitation is not written out in detail. I defend this argument by mentioning that people's needs and skills in producing a variety of items are different. So even though exploitation is in the open profits could still be made because of individuals' specific skills and talents. Second some people do not research, so the individuals that are ignorant and do not research would give profit to the individuals that do research. This can be noticed in today's economy with the car sales. A car can be valued on the internet but if you do not research that car and look in to competitive prices than you will most likely be taken advantage of. The second side of my argument is that even though people understand that they are working for less than the output that they are producing the actual extent to that difference is not actually written out. We don't know if a person is doing \$100 of work per hour and only gaining a \$10 per hour wage. Thus leading to \$90 of surplus, or if there is only \$1-\$2 of surplus. This ambiguity in surplus wages causes exploitation to be possible.

Next Message by Zvisser is [1126].

[1039] GrouchoMarxist: Capitalism is dependent upon hiding exploitation from the laborer. The capitalist depends upon the surplus-value created by the laborer. This is necessary as the capitalist himself does not create a product or use value via his own labor power, but is instead dependent upon the accumulation of the surplus-value of his employees. For example it is estimated that the average laborer working in an hourly paid job has a necessary labor time (total day wages/value created and in total hour worked) of 4 hours. This means that the last 4 hours of the 8 hour workday all contribute to surplus gains by the capitalist. If the laborer were aware of this gap in necessary and actual labor time, productivity would be drastically reduced or cease after the halfway point. Because no surplus-value is created the capitalist no longer has a means to continue investing capital. This was seen in the Soviet Union as there were drastic reductions in worker productivity and overall Soviet economic activity under the communist wage-labor model.

Next Message by GrouchoMarxist is [1040].

[1159] Clmgrl: Capitalism would not be possible if exploitation was clearly visible. This is because the workers do not fully realize that they are being exploited. They believe they are getting a wage for their labor and not their labor power. In fact most workers do not understand the concept of labor-power and that this is what they are selling to a capitalist for their wage. Because they are selling their labor power and not just labor it creates surplus value for the capitalist. When we go to purchase commodities we do not look at things such

as labor or surplus value in a product. We only realize the price of the product. This helps keep the flow of exploitation going as well. If society realized that we sell our labor power to capitalists and how much surplus value is created because of that, the working class might be more willing to fight to get the full value out of their labor power. Although this would be very difficult for the working class to do as it is the capitalists who own the means to production.

Hans: This private ownership of means of production would suddenly be very precarious. For instance if all the firms which recently got Federal Handouts to stay in business would have been nationalized, this would have made a big dent in private ownership of means of production.

BTW, getting full value does not mean getting the full value of their labor-power but getting a full equivalent of what they are producing every day.

Clmrgrl: Hans, if the workers got full value of what they are producing would this mean then there would no longer be capitalists? Who at that point would control the means of production? Would it be the working class as a whole? Does relate to what you were talking about in class on December 2 about planned economies?

Hans: Workers can never get 100% of the value they are producing; some of it must go for investment, retirement, etc. But there would be no capitalists, all income would come from labor. Investment and retirement guidelines could be decided democratically by public debate and referendum: do we want to work longer and consume more, or have more time and consume less?

Means of production can be owned either collectively by the workers of that firm, or they can be state owned.

Clmrgrl: I think I would enjoy living in this system very much.

Next Message by Clmrgrl is [1160].

Question 766 is **571** in 2003fa, **627** in 2004fa, and **579** in 2005fa:

Question 766 *In section of chapter One, the defects of the forms of value always led to better forms. The wage form is certainly defective. Why has it not been replaced by a better form?*

[684] Clmrgrl: Wage form or indifference. The wage form has not been replaced because it is a necessary form to keep in order for a capitalist society to continue to run. Hans states this happens for two reasons. 1) Practical reasons and 2) Preservation of the system. Under the practical reasons it is so workers will continue working for a wage and so that capitalists will have someone to produce their goods. Under the preservation of the system it is because of the underlying exploitation that happens towards the workers in a capitalist society. If the wage form was expressed differently then people would be able to see this exploitation a lot easier and clearer. I think the strongest statement that is made about wage form is from Marx himself when he states in 680:3 “nothing is easier to understand than the necessity of this form of appearance” He is stating that this form does persist because what appears on the surface is very important in the way capitalistic society gets its workers to work.

Next Message by Clmrgrl is [759].

[885] Poptarts: It is explained that because forms have led defects, rather the forms of value that they have led to better forms in the past. It is reasonable to assure then, that because wage form is defective, it should lead to a better form. The wage form has not yet been replaced entirely by a new and better form because of several reasons, first that other economical and social systems have major influence on meach other, especially for trade, pressuring the form to stay the same. In addition, there are some ideas of better wage form, but none that are agreeable to all, and with men always fearful of change, the current

defective though partially or limited form continues to work enough that it has not been changed. It is rather waiting for a catalyst to propel a change to a better form

Hans: Your assumption is wrong that these forms have been prevented to change by friction, and that they will change if there is a catalyst for this change.

Next Message by Poptarts is [886].

[1010] Res: The current wage form has not been replaced due to the practical reasons and because it is highly beneficial to capitalists and the capitalist class. If the wage form was replaced it would come at a large cost and difficulty to the capitalist because he/she would have to renegotiate wages with the laborers and define a new wage form. This process would require a complicated redefining of the wage form and it could also provide far too much incite into the exploitation of the laborers' labor power under the previous wage form and the new wage form as well.

The current, defective wage form is far too beneficial to the capitalist class to be willingly replaced. Capitalists have used the wage form as it stands to successfully misdirect the laborers' focus away from the true value of his/her labor in labor power. Instead the current wage form has refocused the idea that labor itself has value and that a laborer is paid one hour of wages equal to one hour of labor which conceals and overlooks the relationship between necessary labor and surplus value. As a result, the current wage form is highly conducive to the exploitation of laborers by the Capitalists and for this reason will not be replaced.

Next Message by Res is [1052].

Question 773 is **225** in 1995WI, **264** in 1996sp, **316** in 1997WI, **389** in 1998WI, **393** in 1999SP, **514** in 2001fa, **554** in 2002fa, **577** in 2003fa, **633** in 2004fa, **585** in 2005fa, **666** in 2007SP, and **656** in 2008fa:

Question 773 *Is the transformation of the value of labor-power into the value of labor real, or does it take place only in the minds of those who sell and buy labor-power?*

[687] Tussy: No, the transformation of the value of labor-power into the value of labor is not real. This is transforming the productivity or output of the worker to the actual value of his labor. Capitalists count productivity as the value of labor although the value of labor is larger than the productivity or the output of the worker. This phenomenon can be comparable to mathematicians playing with imaginary numbers (the false (not real) value of the labor based on productivity) like they are real numbers. This reminded me of how a lot of insurance companies hire sales representatives and pay them by commissions and productivity and not value the workers' actual time and labor. This also reminded me of students in competitive schools who don't get graded on their hard work and effort (labor) but on their productivity and become a slave to the education. I actually think becoming a slave to education is good. maybe this is one exception where transformation of the value of labor-power into the value of labor can be real. :)

Hans: You seem to think that Marx wants to pay people by their effort while the capitalists pay their workers by results. There is so much wrong with this that it is impossible for me to fix it all in one remark. Just one thing: value is based on labor not in order to reward the effort of the laborer, but because this labor could have been used to produce other things too. It is an opportunity cost measure.

Tussy: I am a little embarrassed but I will do a better job understanding Marx's point next time. Thank you so much for the feedback!!

Next Message by Tussy is [708].

Question 776 is **668** in 2007SP, **646** in 2007fa, **655** in 2008SP, **659** in 2008fa, **690** in 2009fa, **754** in 2010fa, **805** in 2012fa, and **828** in 2013fa:

Question 776 *Why a separate chapter about the time wage? Wasn't the time wage already discussed in chapter Nineteen?*

[707] Bandit: graded A Why a second chapter on time-wage? In chapter nineteen, Marx discussed the essence behind the wage form but in chapter twenty and twenty-one, he discusses its main shapes. In chapter nineteen, he establishes the connection between the surface forms and the underlying relations of production, but in following chapters he investigates these surface forms and how they mediate the forms which lie underneath them. Marx criticizes main stream economics as having an “obsession with substance” (683:1) while neglecting the different shapes these forms can take. In these chapters, Marx discusses how economic laws originate not only from the sphere of production but also on the surface, stressing that surface forms try to make themselves independent of their underlying mechanisms, and argues that how these forms mediate their underlying mechanisms and their effects should be explored. Through his discussion of surface forms, Marx establishes an argument that the two main shapes, time wage and piece wage, both have the inherent tendencies to extend the length of the work day, and piece wage has the tendency to intensify labor. If Marx had ended his discussion of time wage after establishing the essence of wage form, he wouldn't have been able to formulate this argument because this argument is based on an investigation of the surface forms and the effects they may have.

Hans: The underlying relations of production should not be called “forms,” but other than this, this is the correct answer.

Message [\[707\]](#) referenced by [\[2012fa:1052\]](#). Next Message by Bandit is [\[835\]](#).

Exam Question 779 is **671** in 2007SP, **662** in 2008fa, **693** in 2009fa, **757** in 2010fa, **808** in 2012fa, and **831** in 2013fa:

Exam Question 779 *Wages have two main forms: time wages and piece wages. Why does Marx discuss time wages first?*

[759] Clmrgl: Marx discusses time wages first because that is where the first part of capital comes from. The surplus value from the additional labor power hours of the workers that is used beyond what is needed to produce products.

Hans: Marx uses a different argument, and your formulation “beyond what is needed to produce products” seems to indicate a serious misunderstanding of necessary labor.

Next Message by Clmrgl is [\[760\]](#).

[836] Bandit: graded A Why does Marx discuss time wages first? Marx discusses time wage first because wage is directly related to labor-time while piece-wage is an indirect relation. Time is also a very influential factor because laborers can only sell their labor-power in limited amounts of time, otherwise the relationship between capitalist and laborer would collapse into slavery. Also, the easiest way to measure the labor-power put forth by the worker is as a measurement of time.

Hans: Measuring labor by its output is perhaps not as easy but for the situation of a wage laborer it is a more accurate way of measuring and of controlling the agency of the worker at the same time.

Message [\[836\]](#) referenced by [\[2012fa:1063\]](#). Next Message by Bandit is [\[1059\]](#).

[841] Veb: Marx discusses time-wages first because it is from this that surplus-value, the first form of capital, comes from.

Next Message by Veb is [1106].

[844] Gv: Time wages are first discussed by Marx because they are central to understanding the process by which the capitalist harnesses surplus-value from the laborer by maintaining a work day is a specific labor amount of time in excess of the time sufficient to meet a need.

Hans: What you write here fits together with [843]. Marx would argue that the length of the working day is not determined by the demand for the goods, but by the systemic need to create surplus-value fueled by the greed of the capitalists. He would probably point to overproduction in the face of unmet demand to back this up. For instance right now we have an overhang of unsold or repossessed empty homes and homelessness at the same time.

Next Message by Gv is [845].

[849] Rajon: graded A- Marx discusses time wages first because they are the more elementary form of wage. Piece wages are actually just disguised versions of time-wages. It is the labor-power behind both types of wages that determines their value, but this is simpler to understand and more self-evident in time wages. Piece wages can be transformed into time wages and they can be compared.

Hans: Marx's key argument is missing in your answer: the sale of labor-power must always be limited to a certain *time* because otherwise it would degenerate into slavery. This is Marx's explanation why time-wages seem to self-evident. Since wages are paid for labor, not for labor-power, piece wages are, as Marx sees it, the most rational form of wages, since it is better to measure labor by output than by time.

Next Message by Rajon is [931].

[869] Bikeman: Time wages are discussed first because that is the typical arrangement between workers and capitalists. Wages are paid by the hour or the day and the capitalist has control over the surplus value he gains from the hours worked above the minimum subsistence requirement. Also, as the time wages are better understood, he can then point out the flaws and cheats associated with the piece wage arrangement.

Hans: Marx uses a different argument.

Next Message by Bikeman is [911].

[875] BTFCANDG: Time wage is discussed first because it is the base for Marx's thoughts. Time wage is what the capitalist pays to purchase labor. When overtime is paid, the capitalist is even happier to have the worker working longer hours. Piece wage is then easily shown that the capitalist can pay EVEN LESS for labor, and push the worker to produce faster/harder or more efficiently. Time wage has to be shown first to build upon the fact that the worker is being exploited.

First Message by BTFCANDG is [29].

[941] TKOberle: Time wages is discussed first because it is the only way to accurately and sufficiently compensate a worker. Time wages provides a worker with the necessary hours to pay for their cost of living. Piece wages can be used by capitalists to exploit workers and it provides for workers a way that does not allow them to pay for their cost of living.

Hans: Marx himself gives a different reason.

Next Message by TKOberle is [944].

[958] CRC: Marx elects to discuss time wages prior to discussing piece wages in order to outline the malfunctions and deficiencies of time wages, and then to provide a reasoned argument for the superiority of piece wages. Marx discusses the fact that time wages incorrectly gauge the value produced by a laborer and their complicity in the Capitalist's exploitation of

laborers, and then segues to discussion of piece wages more correctly gauging the value produced by the laborer, but, again, the methods used by the capitalist to keep wages depressed and to escape having to pay the laborer the true equivalent of the value he produced.

Hans: Marx does think piece wages are more appropriate for capitalism, but nevertheless this is not the reason.

Next Message by CRC is [967].

[964] Cheeto: Time wages are discussed first because time is the easiest first step in having a measuring stick to determine how much of a humans labor power a capitalist owns. Because once an wage-earning laborer walks onto a factory floor, all of his or her labor-power belongs to the capitalist.

Next Message by Cheeto is [970].

[1038] Malibu: Time wages are the form of time units to produce, this could be the wage for a day, an hour, or a week of labor (day is the preferred time wage to measure). Piece wages is when you get paid for what you make. For example a firm may pay \$10 an hour for every chair that is produced. You get paid on the amount of chairs you create not the time it takes you to produce a given commodity.

Hans: And why time wages first?

Next Message by Malibu is [1045].

[1068] Blossom: Marx starts with time wages first, because they are the foundation for both pay structures. Piece wages are just another form of time wages that focuses on the units produced by a laborer within a specified unit of time.

Next Message by Blossom is [1114].

Question 780 is **672** in 2007SP, **663** in 2008fa, **694** in 2009fa, **758** in 2010fa, and **832** in 2013fa:

Question 780 *At the beginning of the Time Wage Chapter one might expect an argument of the sort: Wages are paid for labor, and labor is measured in time, therefore we will discuss time-wages first. Instead of this argument, Marx in 683:2 brings a different transition from labor-power to time wages. How does he argue, and what, if anything, is wrong with the argument outlined here?*

[718] Clavis: Marx says that labor-power have to be sold as time periods. if its not, capitalist can buy the labor ‘forever (very long term)’, and capitalism turns into slavery (which is selling the labor of human in life). Workers are selling the labor power they have for a time period to the capitalist, and the capitalist give workers the wage in the form of time wage. Which is not for labor power itself but for given time period. In other words, the big difference between the argument in the question and Marx are ‘labor’ and ‘labor power’. The question says that the wage is paid for labor but Marx says that wage is paid for the labor power. So, labor is not measured by time, but labor *power* is measured by time.

Increase of wage does not mean the increase of price of labor necessarily.

We have to measure the value of labor power divided by time, not the nominal wage.

Hans: Your two additional paragraphs at the end are not necessary for answering the question and do not add anything to it.

Next Message by Clavis is [857].

[973] Cheeto: In the statement “wages are paid for labor, and labor is measured in time, therefore we will discuss time wages first” the statement wages are paid labor is wrong,

because wages are paid for labor power. Once the worker walks onto the factory floor, all of his or her labor-power belongs to the capitalist. The capitalist pays for the labor-power and measures the labor-power in units of time (hours, days, weeks), where during this time all of the worker's labor-power belongs to the capitalist and is not fully paid for the value she or he creates.

Next Message by Cheeto is [1112].

[987] CRC: First, Marx argues against the conception that wages are paid for labor. Instead, he insists that wages are paid for the purchase of labor-power, but even this does not fully address the question. For Marx, labor-power is sold by the laborer in exchange for the commodity money, and time-wages are used to measure the value of the labor-power being expended over a certain, defined amount of time. The argument provided in the formulation of Question 780 is therefore wrong in both of its statements.

Hans: The time does not measure value produced, it measures how much of the labor-power which the worker sold the capitalist has been consumed already by the capitalist. The time measures the laborer, not the product.

Next Message by CRC is [1074].

[1045] Malibu: Hans states in [2009fa:806] “wage is determined by the laws of value applied to the commodity which is really being traded, i.e., it depends on the value of labor-power. The price of labor measures the use-value which labor-power has for the capitalist, that is why it plays no role in the basic determination of the wage, despite the fundamental role it plays on the surface.”

You must understand there is a certain amount of labor power available. We know that is is not possible for a person to work all the time. We must eat, sleep, rest etc. Labor-power is measured in time therefore, you must understand the amount of labor power you have then discuss time wages within that labor power. The Argument in the question is that it is labor-power *not* labor that wages are paid for.

Hans: And what was Marx's own reasoning given in chapter Twenty-Two?

Next Message by Malibu is [1046].

Question 783 is **674** in 2007SP, **652** in 2007fa, **662** in 2008SP, **666** in 2008fa, **697** in 2009fa, **761** in 2010fa, **812** in 2012fa, and **835** in 2013fa:

Question 783 *How can the price of labor be reduced even without changing the weekly pay?*

[696] BrotherThelonious: Decreasing the price of labor. As we saw in chapter 12, capitalists gain by creating surplus value beyond the necessary labor in a working day. In order to create surplus value, they attempt to increase the amount of surplus labor in a working day. One way they can do this is to decrease the amount of the working day that is necessary labor, leaving more of the day as surplus labor. Another way is to decrease the price of labor, which is done by increasing the working day. As we see in Chapter 20, if the daily wage remains constant, the price of labor is the average price of labor-power divided by the average number of hours in a working day. So, for a capitalist to decrease the price of labor, he simply needs to increase the hours in a working day while holding the average daily value of labor-power constant. To exemplify this numerically, consider a daily wage of \$80 dollars a day with an eight hour working day; the price of labor would be \$10/hour. If the capitalist

increases the working day to 10 hours but holds the daily wage constant, the price of labor becomes \$8/hour.

The obvious modern comparative example for this scenario is the hourly-wage worker versus the salaried worker. It's like the old joke about driving past a construction site: one guy is getting paid to work and four guys are getting paid to watch him. The joke is that hourly workers getting paid to do a finite amount of work—like building a house—will get paid more the longer it takes to complete the project. As such, it benefits the worker to give less than full effort in an attempt to draw out the length of time to complete the project. Now, put the same worker on a salary and he no longer has incentive to shirk; he's getting paid the same no matter how many houses he finishes. If he is presented with a deadline or quota of some sort, he could be obligated to extend the hours he works in order to finish the project on time with no additional compensation, whereas the hourly laborer would get more money for each additional hour spent. So, by employing workers on an salaried basis, the capitalist can get more work for the same daily wage, effectively reducing the price of labor.

Hans: What you write about relative surplus-value at the beginning is only confusing and you should have left it out. Decreasing the price of labor is not an alternative to relative surplus-value but an increase in relative surplus-value *is* a decrease in the price of labor.

The formula which you give for the price of labor is originally given in chapter Six. You may think it is pedantic of me to bring this up, but there is a big difference between chapters Six and Twenty. Chapter Six talks about the social relations governing the production process, chapter Twenty talks about the surface.

Message [696] referenced by [709], [743], and [2012fa:1064]. Next Message by BrotherThelonious is [850].

[699] Kiwi: The price of labor can be reduced without changing the weekly pay by lengthening the working day of the laborer without an increase in pay. However, as Jugernaut pointed out in [2008fa:882], this can lead to the capitalist to “lose employees” and therefore he made a suggestion to increase efficiency in the work place. When efficiency is increased in the work place, more output would be produced using the same amount of time. This will decrease the price of labor without changing the weekly pay. Although Alex in [2010fa:746] gave an example of how the method of payment illustrates his point about lengthening the working day of the laborer without an increase in pay, personally I think this example will illustrate how the method of payment, wages versus salary, can be enforced to increase efficiency in the work place. According to Alex, hourly wage will decrease efficiency in the work place and the laborers “will stall in their responsibilities by taking longer to perform a job” in order to obtain more pay whereas those who receives a salary will be more efficient in their work as they are getting paid the same amount regardless of the hours they work. Hence, increasing efficiency will reduce the price of labor without changing the weekly pay.

Message [699] referenced by [709]. Next Message by Kiwi is [710].

[703] Jaime: According to Marx the average price of labor can be determined by dividing the average daily value of labor power by the average number of hours worked in a day. By extending the workday by a couple of hours the average price of labor will decrease. Thus by lengthening the average workday hours, the overall weekly pay will not have changed, but the price of labor is reduced. This can only work to an extent. Once the labor power starts to diminish due to being overworked, it becomes counterproductive. This is only an example of what could possibly happen without the law of value being dishonored.

Hans: Your last sentence sounds a little kryptic. You should explain better what this means.

Message [703] referenced by [709]. Next Message by Jaime is [779].

[709] Bu: Reducing price of labor. When I read this question I immediately think of what we know as salary pay. The question asks how the price of labor can be reduced without changing the pay. If we look at a hypothetical scenario where a worker earns \$10 per hour and works 8 hours a day, the worker may or may not be ambitious to complete his job duties because at the end of the day he goes home with \$80 regardless of completing the task or not. So, they employer may put an employee on salary pay and require him to complete more tasks. If the employer can get the same employee who earns \$10 an hour and works 8 hours a day to work 10 hours a day on salary pay of \$80 a day, then the employer will be able to benefit and reduce the price of labor. The employer would look at this as a win and would reduce the price of labor without changing the weekly pay. To put it simply, the capitalist is having the employee work longer days and completing more tasks for the same amount of cost.

Hans: This is the fourth answer to this question. It has quite a bit of overlap with the very first answer [696] and ignores the additional points brought in by [699] and [703]. It is good to hear people's spontaneous reactions to these questions, but I am not sure if your answer promoted the overall discussion or set it back by focusing on this one example only.

Message [709] referenced by [743]. Next Message by Bu is [863].

[734] Barn: The capitalist hires on the worker to produce his commodity. Well, he pays the worker for the necessary labor power and profits the difference called the surplus labor or surplus-value. Say the capitalist sets about requiring the laborer 12 hours of labor time per day and pays to him 6 units money and pockets for himself 6 units which he calls profit. Say the capitalist requires of the laborer 6 days a week at the same rate given above. The laborer receives 6 units money times 6 days per week to a total of 36 units money as weekly pay and the capitalist receives the same as profits in the same amount of time (one week) from the laborer's efforts in example. Now the capitalist figures an increased desire to profit and requires of the laborer to work 2 hours extra per day without pay for those extra hours. The hourly pay now becomes $1/2$ units money/hour to $3/7$ units money/hour. The workers weekly wage has remained the same. The capitalist pockets an additional surplus-value at a higher rate for himself for a total of 48 units money per week from the 36 units money per week by merely increasing the hours of the labor power without an increase in weekly pay to the laborer.

Hans: It is rare that such an open wage cut is successful, workers will resent and resist it. But there are other ways how it can be done in less obvious forms. They were discussed already and it is your responsibility to read and build on those earlier answers.

Next Message by Barn is [993].

[741] Siman: When efficiency is increased in the work place, more output would be produced using the same amount of time. This will decrease the price of labor without changing the weekly pay. By extending the workday by a couple of hours the average price of labor will decrease. Thus by lengthening the average workday hours, the overall weekly pay will not have changed, but the price of labor is reduced. This can only work to an extent.

Hourly wage will decrease efficiency in the working place. The labors are responsible to stay at work to taking longer time to finish their work. In order to get more efficiency in

their work the labors should be got the same amount of salary even they taking longer labor-time. So, increasing the efficiency in the work would be reduced even without changing the weekly pay.

Hans: Your first paragraph says things which were already said this Semester. I cannot give you credit for it. Your second paragraph is very unclear. I do not understand what you are trying to say. Please send in a revised version of your second paragraph, either by using the web form in the archives or as an ungraded submission.

Next Message by Siman is [744].

[743] Gonz: If a worker is on a fixed income, whether it be yearly or other salary, he is paid the same thing every pay check no matter the amount of hours he works in a given pay period. If he is asked to work overtime, that theoretically is a way in which the price of labor is being reduced without changing the weekly pay. Companies get around paying time-and-a-half to employees that are asked to work longer work weeks, but are not compensated because of their fixed salary. That is how they can reduce an employee's price of labor.

Hans: This same situation was already discussed in [696] and [709]. My comments to [709] (which were available on the web before you sent in your answer) apply to you also.

Next Message by Gonz is [789].

Question 784 is **675** in 2007SP, **653** in 2007fa, **663** in 2008SP, **667** in 2008fa, **698** in 2009fa, **762** in 2010fa, **813** in 2012fa, and **836** in 2013fa:

Question 784 *Is it true that the laborer is only interested in what he receives, i.e., the overall daily wage income, and not interested in what he gives, i.e., the overall length of his work day?*

Question 970 is **675** in 2007SP, **653** in 2007fa, **663** in 2008SP, **667** in 2008fa, **698** in 2009fa, **762** in 2010fa, **813** in 2012fa, and **836** in 2013fa:

Question 970 *Is it true that the laborer is only interested in what he receives, i.e., his wage, and not interested in what he gives, i.e., that he does not derive satisfaction from the work itself?*

[702] Marx: graded A Is a laborer just interested in a wage? To address the question directly, I feel that in most cases the worker is mostly interested in the wage, and slightly interested in the labor. I have had days at my job where I have worked incredibly hard and accomplished so much that I went home feeling good about myself and my day's labor. I think for the most part, every one out there can say that they have had experiences like that. I will however be the first to admit that I am more interested in the wage than the labor.

There is something amazing about labor that brings both a sense of accomplishment and satisfaction. There is something inherent in the human nature and psyche that needs and craves work. One of the most fulfilling things a person can do is building or creating something for themselves. It satisfies both a want and a need inside you. I honestly feel that this is a requisite for happiness. The sad thing about capitalism is that it has stripped all of that satisfaction away from us, and forced us to focus on the wage instead of the labor.

This brings to light a very sad consequence of capitalism. The vast majority of workers obviously don't like going to work every day, being exploited, killing themselves for their employer, and coming home with meager wages. But this is what they need to do to survive in our system. So what if everyone was producing for themselves and not just for a wage?

If workers were working for themselves and not just a wage, then the statement at the beginning of this answer would be flipped. It would read, “In most cases the worker is mostly interested in the labor, and slightly interested in the wage.” The general populous would be filled with more joy, happiness and satisfaction.

Hans: The question, if read in context, is clearly about the length of the workday, not the satisfaction of the work. But the original formulation of the question was a little ambiguous, therefore I let it pass. But I fixed the archives to remove this ambiguity.

Message [702] referenced by [2013fa:824]. Next Message by Marx is [825].

[712] Skiingforlunch: graded A– The Exploited Worker. The worker’s concern goes beyond the wage received for his labor. The worker is very interested in what he gives as his contribution to production. If the length of the labor day is extended by the capitalist, the worker may earn an increasing daily/weekly wage yet the capitalist still reaps the benefit. If the day is extended to the point where it starts to affect the worker’s substance, the worker is going to be greatly interested in what he gives to production. The worker will no longer be able to reproduce his labor in continuing days and his labor will not longer become voluntary. The worker has agreed to sell his “labor” but only to extent of the normal use of his labor. The capitalist sees more benefit by extending the working day to reduce the price of labor and increase the surplus value generated in production. This is an ongoing concern for the worker and he will definitely be interested to the extent of this ongoing economic fact.

Hans: You are assuming here that the worker gets paid for the extra hours, while the context in which this question was posed was a situation in which the workers don’t get higher daily income.

Next Message by Skiingforlunch is [747].

[716] CameronCottle: A hard question to answer. After reading through *Capital*, I am torn on this answer. I would say yes and no for many reasons. One as a laborer myself I can answer no, the wage is not all I am interested in but it is one of my reasons for working. I am working because I have bills to pay and I need to pay them but that is not the only reason I work. I work to gain knowledge, to feel productive and to hopefully obtain another higher paying position. Looking at this only from a personal standpoint, many of us work really bad jobs before we land into our career. I have worked at retail stores, telemarketing firms, etc. . . and I only did so because I wanted a little spending money. The place I work at now though, I could see being a career so I invest a lot into it, more than what my pay scale says I should because of the chance I have to move up. The chance for career advancement that does lead to a higher wage causes me in the present to work harder and for more than just my wage.

Now looking at it from this way, you could argue that yes in the long run a worker is only interested in wage. The reason you can argue this is that even if the worker in the present is not really interested in wage, they are working harder solely for the hope that the skills and work will someday result in a higher wage. This though, I would say is not wholly true despite being able to argue it. Many people leave higher paying jobs for moral reasons or conflict within the company. There is so much more that goes into working than just wage as evident by the different career paths available in the world. If wage was the only interest, then one could argue that there would be no reason to go to school because one would be forfeiting potential wage with no guarantee in the long run that they would be paid any more.

Evidence to why this is also a no is by the fact that many people change careers based of what they are interested in. If wage was the only motivation for a laborer then everybody

would be trying to be a doctor, a lawyer, a CEO, a drug dealer, etc. . . . Yet there are reasons why not everybody goes down those paths and those limitations are set by the individual person. Now the reason I say yes and no is that for some people, the pursuit of wage and wealth is their true goal. They don't care how they obtain it as long as they obtain it and so this is true for them. Even though I may be contradicting myself here I would say that it is not true for them still, unless of course their only obsession is in the hoarding of wealth and not the actual use of it. The desire of wealth and wage is to fulfill some explicit need or want, not in the actual wage or wealth itself. Even for those who wish to amass large amounts of wealth, it is so they can obtain something, whether that thing is tangible or not. Wage is normally the means and not actually the end result.

Overall this question can be hard to answer because you can look at it from so many perspectives. Ultimately I think it could be stated that a person only works if they have something to gain from working, whether that be a wage, education, skills, sense of value, etc. . . . Even if it is for joy, they are still trying to obtain joy and so I would argue that wage is not the only reason people work but instead just one of many. How one obtains this is dependent upon the person. A sense of value may be gained by being proud of what work is being done and the overall productivity that the worker has demonstrated. Though there is no tangible gain, the worker still gains from that sense of value.

The big reason why I can't answer yes or no in this question is because the two topics being debated are not completely separated. A worker who prides himself/herself in their work still gains from that. They gain from the praise they get from superiors and are motivated by it. Others pride themselves in their work because they hope to gain a higher wage someday so that they can work less. A person can place more value in what they give than what they receive but a person will still work for what they receive. The examples I gave before of people leaving higher paying jobs that they were good at for moral reasons supports this. They were good at their work and got paid well for it but it didn't make them feel good at the end of the day, so they left. At the end of the day it comes down to how the individual decides what has more value and what gain is more important for them. Is spending time with one's family at the expense of a lower wage more important? Or is gaining a lot of wealth so your kids don't have to pay for college more important? Ultimately it all comes down to what we desire to gain, making this question very difficult to answer yes or no.

Hans: I am a little puzzled: how can you give such a thoughtful answer, which differentiates between ethical and unethical ways to make money, and never even mention exploitation?

CameronCottle: I think I was hinting at it but really never got to expressing it and in some ways I confused myself with this question. When I first looked at the question, the answer seemed so simple but as I started writing, I realized that it went deeper than I initially thought. So I lost a bit of my initial rationalization when it came to this and the actual mention of exploitation got lost in all the other ideas I was trying to sort out and address. Exploitation was one of topics I was thinking about this so I think I will go back and see if I can't incorporate it into my answer. It obviously holds weight in such a discussion, so I will think further on this.

Hans: Thank you for explaining yourself.

Message [716] referenced by [793]. Next Message by CameronCottle is [780].

[745] Hans: Capitalist Code. If you look at this question in context, it is clear that Marx is not talking here about the satisfaction of the laborer but about the length of the work day. I reformulated the question in the archives to make this explicit in the question itself.

The brief answer to this question is: of course the worker cares about the length of the work day. When Marx says that he or she doesn't, with an exclamation point behind it, this is only as a sarcastic response to Senior.

Marx is famous for criticizing other writers not only by asserting that what they say is wrong and that Marx himself has a better explanation, but also by exploring *how* the other writers come to their wrong conclusions. Marx did not do it explicitly in this case, he thought it was obvious, but I think it is useful to ask the question: How did Senior come up with his absurd remark that workers don't care how long they work?

My explanation is that Senior was speaking in code. In plain language he was telling his capitalists brethren who paid for his professor job: "you can get away with paying the workers outrageously low hourly wages as long as you allow them to work long enough that their overall takehome pay allows them to pay their bills." Basically these workers sacrifice themselves for their families. Senior didn't want to be so blunt about it, therefore he made up the fairy tale that they don't *care* how long their workday is. He attributed the systemic outcome to the preferences of the laborers. The kernel of truth in this fairy tale is that they *act as if* they didn't care, because market forces are against them and they want to provide for their families. But of course they care! They don't like working 12 hours a day but this is the only option they see for themselves.

Capitalists are still acting the same way today. In a hearing where undocumented workers were subject to criminally unhealthy working conditions, the capitalist or his agents tried to defend themselves by saying that these workers are "characteristically resilient." Yeah right! They don't dare going to the doctor because of their undocumented status, and they are probably also not informed about the health dangers of their job. This does not mean they are not affected by the chemicals they had to use without protective clothing. If your food is rotten you can still give it to the dog because his stomach is different than ours. But these are people, not dogs, and treating them like dogs is a crime against humanity.

Message [745] referenced by [2012fa:1053] and [2012fa:1291]. Next Message by Hans is [746].

[753] DO: graded B- weight 25% I personally do not think that the laborer is only interested in what he/she receives and is in fact interested in what he/she gives. Though what laborers do receive while working is a huge part of why they are doing that labor, in many cases it is not. Other than things they receive such as getting paid, the opportunity of advancement or promotion, gaining a higher social status, etc. I do believe that in many cases, laborers do care about what they are giving and the product they are producing. Take a researcher for example, though that researcher may receive great pay for what he/she does and could be a huge reason why he/she went into that career, I do believe that (not all but lots) truly do want to discover new things which could make an impact in the world. Say somebody discovered the cure for cancer, I have a very hard time believing that the only thing that person would care about is the massive amount of money which they would receive for doing so. I would have to say that the researcher would care far more about what they have just given to the society as they will have discovered something that will annually save millions and millions of people's lives.

Hans: This is the fifth answer to this question. You are expected to build on the earlier answers. As a minimum you should have realized, from reading the earlier answers, that they are answers to two different questions. This is a good example for what I say in [778].

Next Message by DO is [\[755\]](#).

[793] CameronCottle: This question, as I have stated in [\[716\]](#), is a difficult question to answer. In one respect you may answer yes because the main purpose of working is to gain the means to support one's self and family. If this is by farming or by working for a wage or any other occupation, the purpose is still the same even if the means are different.

It then could be argued that it would be beneficial for the worker to care about the work they put in and put in their best effort. The reason is because if they don't then the only ones who are going to be hurting or losing would be the worker. This is because if a person puts in full effort to their work then they "should" get the full value of their labor but this is not true.

In capitalism the worker has little to no control over their wage or the means of production. The capitalist, in its pursuit of profit is in control and abuses the worker. One could say that it is actually beneficial for the worker to only do the bare minimums and to not care because the worker is being exploited. The worker in capitalism never sees the entirety of their work and it is not them who benefits from their hard work but the capitalist who does. I say that the worker honestly has no reason to care about anything but their wage and their wage is normally out of their control because modern capitalism has become almost a form of slavery. People sell their labor power at a set wage and it is the capitalist determines what that labor power is actually worth. The labor that actually results from the worker is not a part of the wage itself.

This question cannot only be looked at by evaluating wage because there is so much more that goes into working, even going beyond the obvious exploitation of workers. Many work because it makes them feel good and productive in society. If this is a good reason to work or not and if these people would work if they knew they were being exploited is another question. The truth is that some gain in ways that are not measurable or in ways that are beyond their control. For example one cannot control the praise they gain from another but if the praise and recognition of others is what they strive for, then working hard may be a means of gaining this. The actual praise is beyond their control but the hope of gaining it is what drives them.

This drive for achieving something could be connected back to why workers allow the capitalist to take advantage of them. Workers hope that with hard work that in a few years that they will be the ones exploiting the ones beneath them while taking the profits. They see it as a zero-sum in their lifetime. They give up and allow themselves to be exploited in the hope that later down the road they can do the same to others and what they lost will be made up. As we know, very few actually achieve this.

Some just care about their work because of how it makes them feel. This feeling is specific to the individual and it is hard to evaluate without asking every individual why they work. Such things are impractical to measure and put a number to. So it is a challenge to say if the worker cares about something more than another.

At the end I can only conclude that the reason why someone works is to gain something. This thing can be something tangible or something relative, but at the end it comes down to what the individual desires to gain. Even the capitalist can choose if profit is their main goal

or not, depending on what they place value on. Each individual perceived wants or needs are what drive them to work or not work. This makes the two notions of giving and receiving connected; and not two separate driving factors. Some give to receive while others receive and then give.

So in our society driven by wants and needs that have placed value in things that should not have value, we see workers desiring a wage that can sustain their ever growing desire for things. Not all workers are this way but a major driving force behind the issues we see in capitalism come down to this simple notion of us not actually looking at the value of an object but instead its price tag. Society has somehow managed to correlate a higher price tag, with greater happiness and so this drives the worker to always obtain a higher wage even if the wage is not the actual desire, it is a means of fulfilling the desire.

Hans: This time you did incorporate exploitation.

Next Message by CameronCottle is [794].

Question 785 is **676** in 2007SP, **668** in 2008fa, and **838** in 2013fa:

Question 785 *In 683:4/o, Marx gives a formula which allows us to compute the price of labor from the daily value of labor-power. But in 685:1, he says that the daily value of labor-power depends on the price of labor. In which direction does the causality go? Does the daily value of labor-power depend on the price of labor, or the price of labor on the daily value of labor-power?*

[738] Keynes: Ultimately, the price of labor depends on the daily value of labor-power. There is a difference in long term versus short term, but since the system will in the end correct itself, it is the price of labor that is the dependent. Sure, you will make more money by working extra hours, but the producer will do what he can to increase profitability. The producer is in control of the wage, not the other way around. At all times, there are plenty of people who are willing and able to work the job held by others. It is reverse logic to think that increased hours would in turn lower a wage, but this shows the worker how much he does not know about the power of the producer. He fails to recognize that the producer calls the shots. Hans mentions in [2008fa:877], the solution to increase wages based on Marx's theory would be to unionize and force the capitalists to increase the workers' wage.

Next Message by Keynes is [739].

Question 786 is **677** in 2007SP, **665** in 2008SP, **669** in 2008fa, **700** in 2009fa, **764** in 2010fa, **816** in 2012fa, and **764** in Answer:

Question 786 *In a system of hourly wages without a set daily minimum of hours, Marx says that "the connection between the paid and the unpaid labor is broken." Explain what he means by this.*

[715] TKOberle: This question is in regard to the act of capitalists exploiting workers. Workers have a demand to obtain a certain income to live and support themselves and their dependents. When a worker does not receive a scheduled routine of hourly wages their income can never be regular and they only receive paid working hours for work that is needed by a capitalist. Also it has do with the surplus value that the capitalist receives by only using that worker for a certain period of time needed. When there is a worker that is

paid for example at \$13 per hour and is producing \$38 dollars of value for their work the capitalist is taking the extra value for themselves. This difference in money from the \$13 per hour and \$38 dollars can be an example of unpaid labor. If the capitalist could provide more hours or pay the worker more per hour and reduce their own surplus value, everyone would be better off. It is a matter of watching out for everyone and not taking advantage of or exploiting workers. This is what Marx is talking about when he says the connection is broken.

Hans: Whether the connection is broken or not does not depend on the length of the surplus-labor. What you are saying is mostly correct but you have to take more care in sorting out your thoughts and formulating them coherently.

Message [715] referenced by [2012fa:1067]. Next Message by TKOberle is [940].

[737] Res: Marx states that the “connection between the paid and unpaid labor is broken” in response to a system of hourly wages without a set daily minimum of hours is because this breaks the structure of wages for laborers that allows for basic subsistence. When laborers have a guaranteed number of hours of employment each week, they can create the surplus value that the capitalist acquires and also work enough paid labor to receive a sufficient wage for subsistence. In the case that workers are not employed for a set daily minimum of hours, they still create the surplus value for the capitalist, however, they are not employed for a sufficient number of hours to gain the necessary wages for subsistence. As Hans stated in [Answer:9] in the case of a recession, the capitalist continues to “claim the unpaid labor without allowing the workers to perform enough paid labor for themselves to live”.

Next Message by Res is [975].

Exam Question 789 is **683** in 2007SP, **661** in 2007fa, **671** in 2008SP, **675** in 2008fa, **706** in 2009fa, **770** in 2010fa, **819** in 2012fa, **842** in 2013fa, and **770** in Answer:

Exam Question 789 *What is the difference between surplus labor time and overtime?*

[695] OBJ: Surplus labor time vs. Overtime. Surplus labor time is not recognized by the capitalist. “He (the capitalist) does not not know that the normal price of labor also includes a definite quantity of unpaid labor, and that this very unpaid labor is the normal source of his profits. The category of surplus labor-time does not exist at all for him, since it is included in the normal working day, which he thinks he has paid for in the day’s wages.” Overtime on the other hand is most surely recognized by the capitalist. Though it still includes unpaid labor, the capitalist is willing to accept the prolongation of the working day associated with overtime for exchange of extra pay.

Hans: When a question has an answer in the Answer archive, such as this question here in [Answer:10], then I’d like you to take off from this answer. I said this in [637] and repeated it in [653]. This is not only true for the homework questions but also for the questions you have to answer in the exam. The answer in the answer archive has an additional important aspect which is missing in your answer.

KKondo: OBJ you have given a good answer to what is the difference of surplus labor time and overtime in a poetic/capitalist point of view, but you have not captured the true/simple difference between them two. We all know from working experience that overtime is the recognition in form of extra wage for employees that have worked extra time, therefore the name overtime. On the other hand, surplus labor time is a mathematical calculation for production in relation to labor. For instance, if I receive \$15 an hour and produce the equivalent of \$40 then my surplus labor time is of \$25 ($\$40 - \$15 = \25).

Hans: KKondo, surplus labor time is not just a mathematical calculation. It is the profit the capitalist can expect from selling the commodity.

Next Message by OBJ is [767].

[742] KKondo: There are two points of view for the difference between surplus labor time and overtime. On the employee's eyes the only difference is that he/she gets paid extra for overtime while surplus time makes no difference. For the employer, every hour worked by the employees should generate some kind of surplus labor time and this amount decreases as they get paid overtime. To better explain the difference I must use an example. Mike works 40 hours a week for a shoe factory and he gets paid \$15 an hour. So Mike produces \$30 an hour, which generates \$15 of surplus labor time for the company. If he exceeds the 40 hours then he gets paid extra for overtime. In this case, Mike will make \$25 an hour for overtime still producing the \$30 an hour for the company which generates now only \$5 of surplus labor time. Any amount of time that exceeds a normal day's work is considered overtime, therefore should be paid extra for. And every amount produced by an employee that exceeds his/her wage is considered surplus labor time.

Next Message by KKondo is [\[807\]](#).

[744] Siman: The difference between surplus labor time and overtime is that surplus labor time is thought to be part of the normal working day where overtime is beyond the realm of the normal working day. Employees think that all of their labor is paid for but it isn't true. If it were true then there wouldn't be any surplus labor or profits for that matter and they wouldn't be exploited by the capitalists. Overtime is different because they will pay you more than what you would make in a normal work day. It seems like the capitalist would be losing money because they are paying employees. Overtime is very deceptive because it seems as though capitalists are doing you a favor by paying you more because you work longer—but they are just earning more profits while exploiting the employers through surplus labor. So surplus labor time is thought to be part of the normal work day, where over-time is something that is extra, on top of the normal working day. Although the amount of surplus labor time during overtime is less, it is still there. In a capitalist society, it seems that any time a worker is working; there will be surplus time. This according to Marx is how the capitalist exploits the working class.

Hans: This is [\[2010fa:749\]](#). I cannot give you credit for this.

Next Message by Siman is [\[1070\]](#).

[785] Bloomer: The difference between surplus labor time and overtime is that surplus labor time is part of the normal working day. Capitalists exploit the surplus labor time to make profits. Overtime is just extra labor time that a laborer can work and continue to have their surplus labor time taken advantage of by the capitalist.

First Message by Bloomer is [\[48\]](#).

[805] Lukas: Overtime is visible to the worker and the capitalist, is an extension of the normal working time for the worker, and is paid at a higher wage.

Surplus labor time is invisible to the worker, takes place throughout the entire normal working hours, and is essentially unpaid labor for the worker.

Surplus labor time is even found in overtime, only at a lower amount, due to the higher wage found in overtime.

Next Message by Lukas is [\[806\]](#).

[810] KKondo: There are two ways to look at it: the employee's and the employer's. For the employee, surplus labor time does not mean much, but overtime means that he/she has worked more than his/her contract says, therefore an extra wage is received. And for the

employers, surplus labor time is the amount produced by the employee over his/her wage. An example is Mike that works at a shoe factory. He receives \$10 an hour and produces \$30 an hour. Therefore his surplus labor time is of \$20. Mike works 40 hours a week, but this week he's working 45, so on these 5 extra hours he will get paid \$15 per hour. When Mike makes \$5 extra of overtime and still produces \$30 an hour his surplus labor time drops to \$15.

Next Message by KKondo is [1078].

[832] Syd: The difference between surplus labor time and over time is simple. Surplus labor time occurs when the capitalist receives labor equivalent to the wages produced that day, the surplus labor time is the surplus of the wages the laborer receives which goes directly to the capitalist. Overtime occurs when the laborer earns additional wages off of the labor produced in a certain time period. An example is a person works 8 hours, but is only scheduled 6.

Hans: Your definition of surplus labor time is misformulated. Please submit a correct formulation through the fill-in form at the internet.

Next Message by Syd is [1016].

[880] Reagan: The difference between surplus labor time and overtime stems from how they are perceived and acknowledged by the capitalist. Surplus labor time (all additional labor time invested beyond the necessary labor time) is not given a special designation by the employer, as it is this additional labor input from which he/she derives profit. Overtime, meanwhile, is when a worker (whether willingly or un-willingly) works beyond the standard 40 hour/week scale for additional compensation. While the level of acknowledgement between the two may differ, however, both ultimately exist to serve the interests of the capitalist and further exploit the worker.

Next Message by Reagan is [1115].

[900] Anil: These two concepts convey different meanings from different perspectives. Surplus-labor time is the labor time unpaid by the capitalist and is the difference between actual labor time and labor time necessary for the reproduction of labor-power. Overtime is the time that workers does not work and paid by the capitalist in actual labor time. For capitalist that time is stolen from him.

Hans: As you say in an addendum to your resubmission, this confuses the terms "overtime" and "slacking." Instead of just saying "stolen" it would be more accurate to say "stolen back."

Next Message by Anil is [902].

[934] CameronCottle: Overtime is very much visible to the worker while surplus labor time is not. Overtime is also designed off the basis that 40 or 30 hours of work is needed from the worker for the producer. This is obvious to the worker and the worker can see when they go overtime unlike surplus labor. Surplus labor time is not visible to the worker because the worker sells their labor time and they are not in control of the production process. Let's just say "A" produces \$20 an hour then they should be paid \$20 an hour. Since the capitalist is in control though the worker sells their labor for \$10 an hour. This extra \$10 an hour is surplus labor time because it takes the worker 2 hours to achieve what value he actually creates in one hour. This is what drives such things like the 40 hour work week.

Next Message by CameronCottle is [1214].

[1017] Tvan: The difference between surplus labor time and overtime is that overtime is the time a worker works past 40 hours in one week or 8 hours in a day. He would usually

receive extra wage above his normal wage for these overtime hours. Surplus labor time is the time a laborer works to “pay for” his productivity. So overtime is when the laborer receives extra wage for working more than the legal standard of working hours and surplus labor time is the time the laborer puts in after he has reproduced his wages and then the capitalist makes a profit off of the surplus labor time.

Next Message by Tvan is [1021].

[1018] Ginny: The difference between surplus labor time and overtime is that overtime is when a worker is working more than the recommended time set by regulations. Overtime did not exist a long time ago. Surplus labor time may be considered the time which labor is no longer needed to produce commodities because X amount of goods have been produced and there is no need for more labor time. Overtime is needed when production is lacking the labor power to produce enough commodities that are demanded.

Hans: Your definition of surplus labor time is completely off.

Next Message by Ginny is [1115].

Question 790 is **679** in 2007SP, **657** in 2007fa, **702** in 2009fa, **766** in 2010fa, and **820** in 2012fa:

Question 790 *In Chapter Twenty, Marx mentions two abuses connected with the wage which he thought would be abolished with the legal limitation of the working-day but which weren't. Which are those?*

[704] Veb: Abused (need more ketchup). The first abuse is the capitalist urge to pay an hourly wage, instead of a daily wage, enabling the capitalist to employ the workers only when he needs them. The second abuse is the lowering of the average pay for a working day, so that the worker must rely on overtime pay to meet their requirements of maintaining and reproducing their labor-power (forcing them to work longer).

Hans: Please explain your ketchup joke. I'm not getting it.

Veb: Sorry, its a reference to a comedian. He does a bit where he's at a fast food restaurant and wants ketchup but the guy behind the counter tells him to wait. And an old lady next to him says “abused,” like its horrific. Not that I'm saying that these two abuses are not a big deal, it just reminded me of the joke.

Message [704] referenced by [2012fa:1030] and [2012fa:1202]. Next Message by Veb is [838].

Question 791 is **680** in 2007SP, **658** in 2007fa, **668** in 2008SP, **672** in 2008fa, **703** in 2009fa, **767** in 2010fa, **821** in 2012fa, and **844** in 2013fa:

Question 791 *How does Marx argue that longer hours are associated with a lower overall daily wage?*

[740] Keynes: From Marx's equation, the daily value of labour-power is divided by the working-day of a given number of hours. The longer the working-day, the lower the price of labor. Marx says, and Hans quotes in [2008SP:570],

“But the same circumstances which allow the capitalist in the long run to prolong the working-day, also allow him first, and compel him finally, to nominally lower the price of labour, until the total price of the increased number of hours is lowered, and therefore, the daily or weekly wage.”

Marx goes on to give examples of such associations. Pressure to keep one's job, the competition of other workers, the increase of the labor supply all contribute to a worker willing to work more hours. In the short term, he may increase his daily wage, but time is on the side of the capitalist. Wage agreements end and contracts are renewed for a lower overall daily wage. Over time, the worker works more and more hours for the same wage, or accepts a lower wage for less hours. It is a negative relationship.

Hans: You are explaining that longer hours depress the hourly wage, but except for the Marx quote which you do not clarify for the reader you do not explain why hourly wages are depressed so much that even the daily wage is lower despite longer hours.

Next Message by Keynes is [998].

[821] Alex: graded A Marx makes the argument that longer a working-day and lower daily wages are negatively correlated. He initially cites Alexander Redgrave's study, which found that between 1839 and 1859, factories that were under the Ten Hours' Act saw increasing wage rates, while factories with much longer working-days actually saw declining wage rates.

Marx tries to make his argument intuitive by first focusing on lower wages and how they lead to longer hours, instead of vice versa. Because they are being paid such low hourly wages, workers agree to work longer hours – in order to make enough money to survive. Thus, the capitalist gets the worker for more hours, at a lower wage. It is an unfortunate situation for the laborer, but he must work however long is necessary to obtain a living wage. Marx says that the low price of labor serves as a catalyst for the capitalist to extend the working hours. He also says that in general, if the laborers are in such a forced position as to agree to longer hours, they are also likely in such a position to have to accept not only lower hourly wages but even lower overall daily wages.

Hans: Your last sentence originally ended with "have to accept lower wages." I reformulated it to remove the ambiguity.

Next Message by Alex is [828].

[943] Hov: Marx makes a statement on p 689/o, "Circumstances which allow the capitalist in the long run to prolong the work days also allows him... to reduce the price of labor," therefore industries where the work day is long are industries in which the workers are weak. From this statement, we can conclude that the daily wage would be lower in an industry where the workers are weak, and higher where the workers are united. Weaker workers allow capitalists to enforce longer hours and wages on them, whereas in an industry where workers are strong in performance and unification, or form unions, the wages and working conditions tend to be higher and more favorable.

Next Message by Hov is [947].

[956] Jaime: Marx argues that longer hours are associated with lower daily wages because, unless an overtime wage is agreed upon, the worker is still getting the same weekly pay, but working more hours in each day, therefore lowering his hourly wage. Marx says, and Hans quotes in [2008SP:570],

"But the same circumstances which allow the capitalist in the long run to prolong the working-day, also allow him first, and compel him finally, to nominally lower the price of labour, until the total price of the increased number of hours is lowered, and therefore, the daily or weekly wage."

Hans: The first paragraph, which was your in-class answer, and the quote in the second paragraph do not fit together.

Next Message by Jaime is [1079].

[984] Msj: An employee's basic fixed number is the hourly wage; which equates to the total income being determined by the number of hours worked and the hourly wage. Marx argues that the fixed number is off of the total income received whether it be by day or by week. This amount is also argued that it is the amount needed to supply the worker with his needs (food, clothing, shelter), nothing more, nothing less. If I am a worker making \$800 a week and work 20 hours, I am being paid at \$40/hr. A capitalist would push me into working 40 hours which lowers my hourly to \$20/hr. My longer hours have therefore caused a lower overall daily wage.

Hans: $40 \times 20 = 20 \times 40$, i.e., the daily wage has remained the same.

Next Message by Msj is [991].

[1025] JuniorBacon: It's simple math, if your worth is 8 hours, and you get paid 40 dollars your worth will stay at 40 dollars, that's the value of your production, but if you're working 10 hours just to get that 40 dollars of production you divide that by 10, now you are making 4 dollars an hour instead of the previous 5 and this same process would still continue until you are working for next to nothing with a lot of hours.

Hans: The wage does not depend on the value you are producing.

Next Message by JuniorBacon is [1026].

Question 793 is **674** in 2008fa and **769** in 2010fa:

Question 793 *In which of the examples in this chapter is there a tendency to increase (daily) wages while lowering the (hourly) price of labor; a possibility Marx invoked in 684:1/o?*

[739] Keynes: This question has been attempted twice before, so I hope to build on it. The question asks "In which of the examples in this chapter is there a tendency to increase (daily) wages while lowering the (hourly) price of labor". Marx gives two examples at the end of the chapter. The first is about a man doing the work of 1.5 or 2 men, while the second is about bakers selling below price. The first, as stated by Jwhittle in [2008fa:864], shows the tendency. It is long, but worth quoting:

"The increased competition brought on by individual workers laboring longer in an attempt to increase their daily wage undermines all workers. The relatively inflated labor supply causes workers to undersell their own labor to gain employment all the while continuing the longer working day. The capitalist just fires the workers not willing to go the extra mile and replaces them with cheaper workers. The situation has a tendency to increase the daily wage but lower their hourly wage. As the worker's take home pay increase he or she finds himself or herself working longer and harder for a depressed prices of hourly labor. They fall in to a trap brought on by competition due to private ownership of the mean of production."

The second example does not show the tendency. The baker sells his product less than a rival's, which puts pressure on the rival where he "must make it up by getting more out of the labour of the men". This exploitation of getting more hours out of a worker does not increase daily wages. It remains the same while the price of labor is lowered.

The first example is brought about by competition amongst workers, while the second seems to be brought about by competition between capitalists. In both cases, the price of labor is lowered. Hans gives another example in [2008fa:864] about the household having more than one wage-earner, “and the second wage-earner earns less per hour than the first”. Next Message by Keynes is [740].

Question 794 is **847** in 2013fa:

Question 794 *What does Marx mean when he says in 690:1/o that “the category of surplus-value does not exist for the capitalist”?*

[700] Kitkat: Capitalists think they know, but they have no idea. Hans provides an apt annotation before presenting Marx’s conclusion to chapter 20: “The complaints of the capitalists about the infringements against their rights to exploit gives a fitting conclusion of the chapter: everything looks different on the surface” (p. 571). In 690:1, Marx shows us just how warped of a perspective the capitalist has because their sole focus is exploitation of the working class. For the capitalist, what matters most is their ability to make more profits, this is why Marx says that “it is only the semblance of the relations of production which is reflected in the brain of the capitalist.” As the capitalist is a master-exploiter, they are not on the factory floor, the worker is reduced to the mere appendage of the machine she works (see chapter 15). Therefore, the capitalist thinks they know about the “real” relations of production, but they know only a “semblance” of them.

Marx proceeds to explain several facets of the relations of production about which the capitalist erroneously thinks they know, one of these is surplus labor-time. Marx explains that the “real” source of the capitalist’s profits is in the unpaid labor, but the capitalist thinks she is making money by paying workers for their labor. Surplus labor time is “included in the normal working day” within unpaid labor- but since the capitalist cannot recognize unpaid labor, she also cannot recognize the surplus labor time. Similarly, the capitalist cannot recognize the “true” nature of overtime, as the rest of the paragraph explains.

Next Message by Kitkat is [796].

[819] Oscar: For a capitalist, “surplus-value” does not exist because they do not separate their laborer’s work-day into the categories of “necessary labor” and unpaid, “surplus-value” labor. To the capitalist, he is paying the worker wages for the hours spent working in the company/plant/factory. The capitalist does not distinguish between these two categories as a Marxist does. To the capitalist, all work is towards higher profits. The capitalist does not see himself as exploiting the worker, he sees himself as finding a more efficient means (additional “surplus-value”) to move toward the end result of higher profits. How can a capitalist define or even recognize the “surplus-value” category when he does not believe he is exploiting his workforce? (Answer: he can’t.)

Hans: Beliefs are not this strong. Marx thinks, and many modern philosophers of science agree, that scientific research can lead one to conclusions which one did not expect and which one may not formerly have believed. Exploitation is, as Marx sees the structure of the society we live in, an objective reality that can be scientifically ascertained.

Next Message by Oscar is [820].

Question 797 is **674** in 2008SP, **678** in 2008fa, and **850** in 2013fa:

Question 797 *How does the coexistence of time-wages and piece-wages enable the capitalist to cheat?*

[732] Cheeto: Tools of Exploitation. Time and piece wages enable the Capitalist to cheat workers because, depending on the task, each form of wage allows for a form of measurement that enables the capitalist to increase productivity from the workers, by either lengthening the working day or making it so the worker must produce a certain amount of product in order to receive some sort of wage, so to create commodities to sell, while not giving the worker the full value of the commodity even after the means of production consumed in the commodity is subtracted. Time wages, as described by Marx on page 694, allow the labor to be measured by the labor's immediate duration. Piece wages, however, measures the labor by the quantities produced piece-by-piece. Piece wages carry certain characteristics, which allow this form of wage to be even more exploiting than time wages. In order to be paid for the piece, the quality of each commodity must be high and stay consistently high. This, in turn, turns every employee against one another inadvertently since workers are now working to produce as many high-quality commodities for the consumer as possible. This accidental competitiveness opens a door for the capitalist to lower the amount that he/she gives each worker, thus pushing the worker to work harder in order to cut out some sort of a wage for her/himself. Furthermore, piece wages prolong the working day for the workers since the worker will need more time to produce an ample amount of commodities to be paid individually for and, thus, stays in the factory as long as humanly possible, and without extra pay, to produce these commodities.

Hans: You are talking about time wages and piece wages separately and take pains to show how similar their effects are, but you are not talking about the synergy beneficial for the capitalist when workers on time wages and on piece wages work together.

Next Message by Cheeto is [733].

Question 799 is **829** in 2012fa:

Question 799 *What does Marx mean when he says in 693:2/o "piece-wages are not an immediate expression of a value relation"?*

[698] Anil: In the phrase that is mentioned in question, Marx means that piece-wage does not measure the value of a commodity directly. It mainly helps to measure how much labor was expended in order to produce a definite quantity of pieces at a certain time interval. Due to that, piece-wages are just "a modified form of the time-wage", not a numeraire of value in the output but a numeraire of labor performed by the worker.

Hans: Your last sentence was originally: "not a numeraire of value but a numeraire of objectified labor in a commodity." I changed it because I think you meant the right thing but used the wrong words to express it. Piece wage does not measure the output in terms of labor, but it measures the performance of the laborer in terms of his or her output.

Next Message by Anil is [748].

Question 802 is **689** in 2007SP, **682** in 2008fa, **713** in 2009fa, **777** in 2010fa, and **832** in 2012fa:

Question 802 *Time wages and piece wages have opposite effects on the competition between workers. Explain.*

[735] Lukas: A house divided. Time wage earners and piece wage earners will act differently, based on which method they are paid.

Time wage earners receive incentive to act as a team in order to produce the expected hourly (daily, weekly, monthly) output. There is no incentive to outperform the other workers, since they are all paid equally no matter their individual output.

Piece wage workers, on the other hand, have incentive to be as efficient as possible, since their wages are based upon the average labor time and not the value that is created in the commodity (as in the time wage earners). The more you can produce, the more you will earn, and along with that may come a certain status (Being a high achiever vs. being mediocre). This drives competition among the workers to try to outperform one another.

I have been able to witness this first hand at two former employers. I worked for USPS, where everyone was paid a very similar wage (the only difference in pay came from seniority) and also for a Satellite TV retailer, where everyone was paid commission only. At USPS, there was a strong sense of teamwork, almost like a big family, where the manager was the competition since she was the one trying to push us to do more. At the Satellite retailer, the manager was looked upon with much higher regard as someone that paid us “good money” for our work. The competition was among the employees to see who would be the “top dog” for the day (week, month).

One final point that I think is worth mentioning was brought up in the archive. Atticus points out in [2010fa:969] “This increased sense of competition exists even in firms where the majority of laborers are paid time wages and a minority of exemplary laborers are paid in piece wages. The capitalists begin to expect more from laborers paid in time wages. These conditions have the effect of lowering wages and increasing productivity.” This can be seen as a tool for the capitalist to increase his exploitation.

Hans: Very good with only one quibble: Neither time wages nor piece wages are based on the value created in the commodity. They are just different ways to measure the labor of the workers, to ensure that the capitalist gets full use of the labor-power which he purchased.

Message [735] referenced by [736]. Next Message by Lukas is [803].

[736] Hov: In the time wage system, all the workers do not compete against each other, but instead try to work together as a team to accomplish the task at hand. Working as a team is a benefit; when they work together as a team they all reap the benefits, and when the group performs poorly they together suffer the consequences. In a piece wage system, workers do not work along side each other as it is more of a competition. Workers will want to make as much as they can as fast as they can because in a piece wage the workers are paid according to how many commodities or parts of a commodity they produce. This creates a competition inside the workforce to see who can become the most productive and highest paid.

Hans: Everything you said was just said by Lucas in [735], but your formulation is more concise.

Next Message by Hov is [780].

Question 807 is **695** in 2007SP, **674** in 2007fa, **683** in 2008SP, **687** in 2008fa, and **718** in 2009fa:

Question 807 *How do piece-wages change if productivity rises?*

[692] Tvan: To answer this question it is I am going to supply a quote from Marx 699:2/o which states “the piece-wage is lowered in the same proportion as the number of pieces produced in the same time rises, and therefore in the same proportion as the amount of labor-time employed on the same piece falls.” So if productivity rises then the piece-wages are lowered.

Hans: How does Marx derive this result? There is much more to say about this question. You should distinguish between increases in the intensity of labor, and increases of productivity in which more or better output is produced with the same effort. Also the issues I addressed in [2009fa:830] are of interest here.

Message [692] referenced by [766]. Next Message by Tvan is [931].

[755] DO: graded C+ As Marx states in the example he gives in 21.3, that if the number of pieces that are produced in a given amount of time rises, that the piece-wage will lower at the same rate. One example that can be used to show why this happens is machines. Say for example that a laborer could make two pillowcases per hour by stitching it by hand, and was paid 4 dollars per pillowcase for doing so. Then say that the laborer was given a sewing machine which made it so that he or she could now produce 4 pillowcases per hour. Because of the help that this laborer was getting from the sewing machine, it would make it so the wage per piece is now 2 dollars. Even though the production doubled once the sewing machine was introduced, the laborer can not take credit for what the machine was doing, that is why the laborer receives a lower wage per piece.

Message [755] referenced by [766]. Next Message by DO is [756].

[766] Hans: Wages are not a Payment for Output. In my comments to [692] I said that as answer to this question I not only expect the *result* (that the wage per piece is lowered) but also Marx’s reasoning how this result comes about. [755] gives such a reasoning:

“Even though the production doubled once the sewing machine was introduced, the laborer can not take credit for what the machine was doing, that is why the laborer receives a lower wage per piece.”

This explanation implies that the machine, not the worker, produces the additional value. This is not compatible with Marx, who says that machines do not produce value, but it is compatible with the view promulgated by mainstream economics that the worker gets compensation for his contribution to the output, and the owner of the machine, the capitalist, gets compensation for the machine’s contribution to the output. This is how a mainstream economist would explain the lowering of the piece wage.

Marx would explain it differently. According to Marx, the question how much credit the worker gets per piece of the output never arises, because the worker is not paid for the output at all. The output never belonged to the worker because the worker has sold his labor-power to the capitalist. The output enters the calculation only because the capitalist uses the output to measure the labor of the worker. Therefore, instead of saying

“I can’t give you credit for what the machine was producing”

the capitalist would say:

“What I am buying from you is exactly the same as before, your ability to work. Your work has not become harder with the sewing machine, it is only different, but this does not concern you because it is my privilege to

use your labor-power as I please. I am measuring your labor by its output to make sure I get full use of your labor-power. With the new setup each piece represents less of your labor. I will therefore pay you less per piece because as a measuring stick for your labor the piece has become smaller.”

Of course you don't have to write exactly this, but I want your answers to reflect the fact that the piece wage is not a measurement of the piece by its labor content but a measurement of the worker's labor by the piece.

In addition, I also want your answers to reflect the difficulty which the change of the measuring stick represents for the capitalist. [2009fa:784] is an example where the capitalist did at first not even know how much labor was needed with the new machine and therefore cut piece wages only after the laborer figured out the best way to use the machine. This made it very obvious to the worker that the sale of labor-power is a ripoff situation, and often this is an opening for the workers to fight back.

Message [766] referenced by [908]. Next Message by Hans is [770].

[790] Roman: Again let's look at the correlation between a piece wage and the number of pieces produced. If the productivity rises and worker now produces more pieces in a given time according to Marx the piece-wage lowers, and again it is the question of who gets the credit for the increase in productivity and why all of a sudden a worker now produces ten pieces a day instead of five. It is the technology that allows higher production not the laborer himself, he doesn't work any harder to produce higher amount of output, in fact his labor now is easier than it used to be, so the piece-wage should therefore decrease.

Hans: You are expressing one point of view about what *should* happen to piece wages. It is not the only possible point of view, see my [713]. And the question which wage is fair is different from the question which wage actually prevails in a capitalist system. For this your argument must be slightly different. For this you must refer to those mechanisms determining wages, instead of referring to fairness.

Next Message by Roman is [858].

[798] Gonz: The piece-wage is the wage paid to the employee based on their productivity in accomplishing their individual task. For example, a guitar maker would be paid according to how many guitars he could assemble in a certain amount of time. If he made a guitar in one day, he would receive a certain wage. If he assembled two guitars in one day, his pay would be double. If the guitar maker was paid a fixed salary, however, the matter of working efficiently would not be a concern, for they would receive the same wage, no matter their productivity. This is how piece-wages change with productivity. In this way the capitalist exploits the worker because he pays them as if they are a machine and only values the finished product instead of the effort of the laborer. The capitalist is concerned with making a profit, and it is good business to pay the laborer only for the work they accomplish instead of the time they spend on the job.

Hans: You have to distinguish between intensity and productivity. You are arguing that the piece wage increases the intensity of labor. I.e. you are answering a different question than the question asked.

Your in-class answer argues: under a piece wage, if the worker produces more output, he gets more money. Ergo the piece wage increases with increasing productivity. This is not the question either. The question is: how is the piece wage *rate* affected by an increase in productivity.

Next Message by Gonz is [815].

[801] Vegas: Piece Wages. Piece wages are used by capitalists to pay laborers according to the labor power used in productivity. Capitalists always want to lower wages, but instead

of directly lowering the wages which might lead to revolt, they introduce technology, which makes the workers more productive. If productivity rises because of a machine, the piece wage of the worker decreases because the capitalist takes credit for the added productivity of the machine, even though the worker is still the only one creating the commodity with their labor power. As it becomes easier to make each piece the worker's piece wage is lowered.

Hans: The worker is not only one creating the commodity (for this you need not only labor but also means of production and natural resources), but he or she is the only one creating the *value* of the commodity. (If you wanted to be more exact you might say the consumption of his or her labor-power creates this value.)

Next Message by Vegas is [\[802\]](#).

[890] Tussy: If productivity doubles from new technology while the labor input is constant, piece wage is reduced by half. This happens because higher productivity means less workers are needed and therefore the supply of workers increases with less demand for workers in the labor market and this makes it easier for the capitalist to exploit workers by reducing their wage. This can lead to conflict between the capitalists and the workers. This situation makes exploitation more obvious and workers are more likely to resist exploitation.

Next Message by Tussy is [\[926\]](#).

[908] DO: graded B Piece-wages can change in a huge way if productivity rises. If productivity rises, piece-wages will lower or decrease the same amount which the productivity rose. For example, say the piece-wage was \$10 per chair which was produced, and a worker could produce one chair per hour. Then a machine was introduced which made it so the worker could then produce two chairs per hour. This machine being introduced to the production process would therefore change the piece-wage to \$5 per chair rather than the \$10 per chair like it was before the machine was introduced to the production process.

Hans: Look at [\[766\]](#).

Next Message by DO is [\[909\]](#).

[1084] SSroy: Technically, if a worker is being paid with piece-wages, they will see an increase in the pay they receive given the same amount of time is being worked. This does not work well for the capitalist who is only concerned with the actual labor cost. He will therefore pay based on time wage which will not change even if there is an increase in productivity. For example, an accountant who sells their labor power to the firm must work the designated and pre-arranged 8 hour work day. For years he manually inputs data into spreadsheets. Then one day, software becomes available and the accountant is then able to double or triple his productivity for the same amount of time. Yet, despite this clear advantage that the software produces for the firm, the accountant's paycheck will remain the same because he is being paid a time wage. If, however, he were to be paid a piece wage, based on the overall amount of work he is able to accomplish, his paycheck would double or triple because of the new software. But again, this would be disadvantageous for the owner of the firm because increased productivity would not be desirable due to the necessity of increasing one workers pay.

Hans: It is difficult for the capitalist to decrease wage rates of any kind, because this provides a focal point for the workers' resistance. But in this case they have to do it.

You are right when you say that the capitalists are going back to time wages. I think Marx overestimated the role of piece wages. Modern factories are engineered in such a way that the worker has no choice how fast they work. The machine controls the work intensity and the workers are paid time wages.

Next Message by SSroy is [\[1113\]](#).

[1097] Clavis: Piece-wage is the wage which is paid for what worker achieved on his work. in other word, it have to be paid for labor-power (productivity, in this case). suppose the worker can produce a value of \$10 per hour and the working day is 8 hours long. in this case, regardless of necessary labor, the worker have to be paid \$10 per hour because they produced a value of \$10 per hour. if the worker produce a value of \$20 per hour, theoretically, the worker have to be paid \$20 per hour.

But in reality, because capitalists want surplus value, they will not pay \$20 per day. They will pay \$10; wage; \$20 much. So they can get surplus value as much as \$(20 - wage paid). And also, they can abuse the workers because working time of piece-wage is not made on necessary labor (so, they can get advantage of absolute surplus value).

Hans: In piece wage, the worker never gets the full value they produce. You don't seem to understand how the value of labor-power determines both time wage and piece wage.

Clavis: The using of word abuse, and \$10; wage; \$20 shows that workers never can be fully paid. That is why I said capitalists can get the profit of \$20 - wage paid.

Hans: Your answer only confirms to me that you don't understand how the value of labor-power determines the wage. If you want to convince me otherwise, you need to tell me how the wage is derived from the value of labor-power.

Next Message by Clavis is [\[1098\]](#).

Question 808 is **696** in 2007SP, **675** in 2007fa, **684** in 2008SP, **688** in 2008fa, **719** in 2009fa, **783** in 2010fa, **838** in 2012fa, and **861** in 2013fa:

Question 808 *If the capitalists make higher profits due to technical innovation, should the workers get part of this?*

[691] Karl: graded A– Technical Innovation. If the workers had a hand in the technical innovation then yes they should get a part of the profit. If the workers had nothing to do with the technical innovation then they should not receive part of the profit. Technical innovation comes from people, and the person or group of people should receive part of the profit from their innovation.

A secretary innovates a new way to keep the books at a steel mill, this leads to higher profits for the capitalist. The secretary should receive part of the profit. Here the secretary receives part of the profit not the other workers. If a crew chief in the same mill innovates a new smelting machine, then the crew chief should receive part of the profit.

Hans: Please explain why they should only receive part of the profit and not all the profit resulting from this innovation.

Message [\[691\]](#) referenced by [\[713\]](#), [\[2012fa:1071\]](#), and [\[2013fa:857\]](#). Next Message by Karl is [\[959\]](#).

[708] Tussy: Capitalists don't have to pay the workers extra money if the higher profit is made because of the technical innovation, because the value of the labor is still the same with or without technical innovation. It is the choice of the capitalists to decide either to pay their employees more for the extra profit they make or not because the extra profit does not come from extra labor but from technical innovation. This situation is similar to when rich people make donations for the poor. The poor might have not offered anything directly to the rich but some rich people choose to donate. So it is a choice.

Hans: When you write "value of labor" do you mean the purchase price of labor or do you mean the value created by the labor?

In your answer you are assuming that Marx's theory is incorrect because you are assuming that not all value is created by labor. Would your answer be different in a counterfactual world in which Marx's theory is correct?

Message [708] referenced by [713]. Next Message by Tussy is [883].

[713] Hans: I Won't Argue with your Preferences, but I Can't Help Wondering Why. Marx's theory says that all value comes from labor. Capitalists can make profits only because the market allows them to pay their employees a wage which is far below the value created by the labor of these employees. In this view, even good union wages are exploitative because they deny access to most of the wealth these workers are creating. Technical innovation may lead to nicer things for the workers, but the workers still have to work as long as before and, if Marx's theory is right, most of the benefit of technical innovation percolate to the capitalists.

Technical innovation is not really the work of any one individual. It is the result of a social process. Those workers who work the machines designed by the engineers create the practical experiences with nurture further improvements. A case can be made that the benefits of this social process should be shared by everyone, down to the person sweeping the floors. But due to their control of the means of production, the capitalists are able to syphon off the benefits of co-operation into their pockets. And [691] and [708], along with many answers in the archives, think this is just fine. That individual who makes the direct innovation should get rewarded, but the benefits should not be spread around the working class. Which means that the benefits are left up for grabs for the capitalists.

I am always amazed when I read this. I guess you like to live in a society in which some people can earn millions. This is more important to you than a decent living for everyone. Or maybe you think these millions trickle down to a decent living for everyone? Or perhaps you are enamored with individual heroism as promoted by Hollywood movies? I'd love to understand better why you are making this choice.

Message [713] referenced by [714], [790], [2012fa:1058], [2012fa:1079], [2012fa:1141.1], and [2013fa:857]. Next Message by Hans is [745].

[714] Kendull: Employment is Enough of a Generous Redemption. I would have to argue with the answers in the archives on this one Hans [713]. While I dream of a world in which the bonuses received by CEOs are rather dispersed to the hard working middle class employees, I think we could apply this to another situation and have a different outlook. For example, I wouldn't want to receive an A on a group term paper only to have the group members that did not do anything get the same grade. Innovation goes the same way in my opinion. Another example: and maybe they are, but I wouldn't expect the increase in profits due to Apple's production of the iPhone 4S with faster internet, new features, and a better camera to be dispersed amongst the employees at the AT&T store, rather I foresee the digital masterminds that worked tirelessly to design it benefiting from the increase in profits at Apple. Employment is enough of a generous redemption to the employees at the AT&T store if you ask me.

Hans: You answered my question: classism (resentment against poor people) and racism are motivations which my [713] overlooked.

Next Message by Kendull is [863].

[717] Lukas: RE: I won't argue with your preferences... In response to Hans and Kendull, I think that Hans makes a good point. If "those workers who work the machines

designed by the engineers create the wealth of practical experiences which nurtures further improvements,” then they probably should receive compensation for providing those experiences that lead to the further innovation. As Kendull points out, the iPhone 4S will increase profits for Apple because of the new features that are incorporated into it, but why did Apple “need” to make another iPhone? Didn’t they have enough success with the previous versions? Simply put, they received feedback (practical experiences) from customers, AT&T employees and engineers on the previous versions and decided to earn more profits by “allowing” us to have a newer version. They benefited by having us give them the answers to how they could earn more profits (granted they had to put money into research and development, marketing, etc.) and then we reward them by buying their new product at a record pace (over 4 million in 3 days according to one website). I don’t know what a fair compensation would be, but I think the case could definitely be made that there should be one. What does everyone else say?

Message [717] referenced by [861]. Next Message by Lukas is [735].

[756] DO: graded A When it comes to capitalists making higher profits due to technical innovations and whether or not workers should get part of this profit, I tried to look at it a little differently than Karl, Tussy, Kendull and Lukas have. In my opinion, though technical innovations may produce higher profits for the capitalists, this does not necessarily mean that the labor is any easier for the workers than it was before the technical innovation. Say that a new machine was created which tripled the productivity of labor but at the same time made the labor more difficult for the workers. In this case, I do in fact think that the workers should receive some of the profit that the capitalists are making due to the technical innovation that was introduced.

Hans: Yes, this is the argument used by the capitalists: pay the workers for their labor-power, and then all the other benefits of production belong to them. After all, they hire the workers one by one and therefore can get away with treating them as isolated individuals.

Message [756] referenced by [2012fa:1208]. Next Message by DO is [908].

Question 810 is **840** in 2012fa and **863** in 2013fa:

Question 810 *Do you see challenges for the world capitalist system at the present time to reproduce itself? If so, explain these challenges.*

[857] Clavis: There is very famous anxiety of service industries these days. Which is everyone just trying to make ‘someone’ to do something for them. In other words, no one tries to manufacture or actually do something but try to pay to make someone do that for the consumer. There is consumer, but there is no producer.

These kinds of phenomena occurred also in international level. Relationship between China and U.S. shows us that one part of the world became ‘only’ producer, and another part of the world became ‘only’ consumer. U.S. gave up most of their manufacturing industries and just trying to be a consumer by the money which made with M - C - M process. And this made U.S. economy as illusional prosperity. But as we all learned, this prosperity is bubble. They are prosperous only in looks because people put the extra value to something that actually doesn’t have that much value.

Now capitalist society is stucked by ghost of M - C - M. No one try to make real value (which made by labor power) but try to make fake extra value (which made by M - C - M).

This causes deeper difference between real value and shown fake value (bubble). This will be an obstacle for the reproduction and stability of capitalist society.

Message [857] referenced by [1048]. Next Message by Clavis is [881].

[915] Kendull: The world capitalist system is currently having trouble reproducing itself. High unemployment is an indicator of countries challenged with reproducing wealth. In a capitalist system failing countries have failing capitalists, or firms. A capitalist not reproducing itself when it does not create enough surplus value and when the variable capital that the laborer produced and from which the laborer is paid is depleted. The capitalist may not be able to purchase more potential labor and workers will be laid off. Wages are not the only form of reproduction. With a variable capital fund is depleted the capitalist may not be able to replace the means of production used up in the form of instruments of labor or raw materials.

With the current recession capitalist firms are seeing a weak dollar and consumer market as just some of the challenges of reproduction. Unfortunately the results of these challenges are often downsizing potential labor and maximizing work days, which further decreases value created by the capitalist. Some may argue that a capitalist system seems selfish at times when the capitalist takes a larger portion from the variable capital fund created by the laborers and stores it as private capital, rather than reproducing wealth to produce more tomorrow. Under a weak dollar the capitalist may be confronted with the challenge of not having enough capital to purchase more raw materials and will therefore be unable to produce enough surplus value to maintain its wealth and production.

Message [915] referenced by [1048]. Next Message by Kendull is [1167].

[929] MarxStudent: graded A In this response I play devil's advocate, it's a bit long winded but I hope it broadens the conversation. I begin with a critique of the critique of capitalism in the context of the current crisis and go on to examine the global response to it and my predictions of the future. Bear with me, I do get around to answering the question by the end.

To begin my analysis of the current situation in the global economy I ask the question "What were the causes of current crisis?"

The conventional explanation offered by critics of capitalism goes somewhat like this, deregulation in the financial industry led to excessive innovation in the financial markets and as a result, firms were incapable of properly pricing assets and making rational decisions thus they became over leveraged and took excessive risks when it came to lending. As a result, the firms' irrational behavior undermined the capitalist system itself, a process alluded to by Hans in [919]. They conclude that further government intervention in the form of increased regulation and safety nets is required in order to prevent the "excesses" of capitalism.

This analysis completely ignores the role played by government intervention in the market and it is my belief that in doing so it confuses the effects for the cause. It would seem to me that upon closer inspection, the very policies intended to control the behavior of the market are revealed to be responsible for the current crisis.

Perhaps the most significant intervention in the private market comes in the form of the Federal Reserve system. The Fed was introduced in 1913 as a solution to periodic crises in

the financial system. The argument was that if the government granted the fed monopoly power over the money commodity, it could fight crises by expanding and contracting the money supply at will.

Another important interventionist policy was the creation of government backed mortgages through Fannie Mae and Freddie Mac. These institutions were the result of government attempts at social engineering by lending to poor individuals in order to promote the objective of creating an “ownership society” and allowing everyone to live the “American dream”, which places home ownership at its center.

In the wake of the dot com bubble and the 9/11 attacks, the Federal Reserve decided to lower interest rates to historic lows in order to stimulate economic activity. The combination of an unlimited supply of practically free money and an implicit government guarantee of mortgages to risky borrowers created incredibly skewed incentives for firms. Rather than seeking out the safest borrowers in order to maximize returns, the new incentive was to lend as much money as possible, often to the riskiest borrowers since there was virtually no risk of default thanks to government guarantees on the loans. This has come to be known as “predatory lending”. All of the additional money being invested into the housing market artificially inflated housing prices which in turn led to speculation and an even bigger bubble.

The problem with the conventional analysis of the recent crisis is that it exclusively lays the blame on the “greedy capitalists” when the conditions that created the crisis were not the result of capitalist activity, but rather the policies of benevolent bureaucrats attempting to manipulate the market toward what they believed to be socially desirable goals. The firms simply behaved rationally in accordance with their profit maximizing motive. They knew they would not be subjected to the normal market discipline of a capitalist economy. In a system free of government intervention, the moral hazard problem would not have existed and they would have suffered massive losses on their investments and not had the incentive to make bad loans in the first place. It’s a perfect example of what happens when governments pursue well intentioned policies that can’t possibly account for all of the unintended consequences that will result from them.

(A side note, The Great Depression, the S&L crisis and the Great Recession, the three worst financial crises in our history all occurred on the Fed’s watch and M. Friedman and others have made convincing arguments to the effect that it was responsible for exacerbating the crises, rather than helping)

What are the consequences of the crisis?

While many who favor a greater role for government intervention have been quick to announce the death of capitalism, the real consequences of the crisis would seem to suggest exactly the opposite. Both in Europe and the United States, governments are adopting austerity policies which are designed to reduce the role of the public sector in the economy. Looking at Europe one can clearly see capitalism exerting itself in the bond market and the sovereign debt crisis. Those countries like Greece which have built unsustainable economies around public sector debt are dealing with the inevitable reckoning of an unsound and artificially propped up economy. The inefficient institutions of the state are being subjected

to the discipline of the free market. The only other alternative for heavily indebted governments to meet their obligations is to monetize their debt, which could potentially result in hyper-inflation reminiscent of the Weimar Republic or Zimbabwe.

What is the long term trajectory of the global economy?

It seems clear to me that capitalism is succeeding at reproducing itself globally. The BRIC economies, which account for a third of the world's population are rapidly liberalizing and experiencing enormous growth. At the same time, developed economies are reducing the size of their public sectors and firms are able to compete globally with the fewest trade barriers in history. Furthermore, policies designed to promote perceived "social goods" such as the war on drugs or immigration and travel controls are under serious attack and will likely be reformed in order to accommodate markets. Taken together, all of these phenomena suggest to me that at least for the foreseeable future, we can continue to expect the role of governments to decline and that of markets to grow increasingly dominant.

Message [929] referenced by [1048]. Next Message by MarxStudent is [1076].

[1048] Hans: Start Seeing Reproduction. In chapter Twenty-Three, Marx asks how the capitalist system reproduces itself. This question is often not asked. It is a somewhat subversive question, because it implies that capitalism is not the only possible or most natural or most rational system, but it has conditions of reproduction and therefore also of existence which may or may not be satisfied.

Since the capitalists fear the resistance of the working class, we are not really trained in this way of thinking. None of the three answers to this question alluded to what I see the two main reproductive challenges of capitalism at the present time, namely

(1) the end of cheap and abundant energy and the exhaustion of other non-renewable natural resources.

(2) the looming climate and ocean crises.

Point (1) is fairly easy to see. Whenever capitalism tries to renew growth, oil prices shoot up and suffocate growth again. Fukushima spells the end of the age of nuclear energy, which means twenty percent of world wide electricity production are on the way out. These are formidable obstacles to capitalist growth (and without growth, capitalism cannot exist).

Point (2) does not yet show up as concretely as point (1), it is a ticking time bomb which has not yet exploded. But it is a danger which may for instance make all the investments into dirty energy worthless overnight. Oil from the tar sands in Alberta is so dirty that it cannot be exported to the EU, and such regulatory obstacles will only increase over time. Natural disasters, hurricanes and fires, epidemics, flooding, lack of food, water, and fuel, all these are wildcards ready to strike any time, and they may easily trigger depression, inflation, and political unrest. People will turn away from consumerism. We cannot know what will happen and when, but we can compute with mathematical certainty that these kinds of crises must strike since we are on a highly unsustainable path.

Since we live in a situation where the survival of the capitalist system is at risk, it is good to think in terms of reproduction of capitalism. As an exercise in this kind of thinking, I'd

like to look at the issues brought up in the answers to question 810 and see whether or not they are challenges of the world capitalist system to reproduce itself.

Clavis [857] speaks of the switch of the US to service industries only, i.e., deindustrialization. This undermines the position of the US as a world hegemonic power, but it does not signal the inability of the world capitalist system to reproduce itself. On the contrary, those countries producing the things which the US no longer produces, get a chance for capitalist development. The system as a whole is doing just fine with this, although we in the US may no longer be at such a favorable place in the system.

The other issue brought up by Clavis is fictitious accumulation taking the place of real accumulation. If you are buying stocks or mutual funds or other investment vehicles you are not buying the means of production themselves, but you are buying future dividend incomes, i.e., you are buying claims to receive a part of expected future wealth creation. Marx calls it “fictitious capital” because it is capitalized surplus-value. It depends on real accumulation, but the concern is that the real wealth allegedly undelying these papers is not there, i.e., that it is a bubble. Marx would say that capitalists resort to gambling only when more reliable ways of creating wealth are unavailable. Asset bubbles are therefore a *sign* that real accumulation of wealth is running into troubles. Whenever we see bubbles we should therefore ask: why can't capitalists make money the tried and proven way of exploiting their workers? I think because of the obstacles I mentioned at the beginning of this answer. Firms are awash with cash, they are not investing, because of the big question marks implied by my points (1) and (2) above.

Kendull [915] cites unemployment and business failures. Again this is not a failure of capitalism to reproduce itself. Marx shows in chapter Twenty-Five that unemployment is a normal ingredient of capitalism, it is needed to keep wages low. The boom-bust business cycle is, according to Marx, one of the manifestations of the contradictions of capitalism, but it is not lethal to capitalism. Capitalism has lived with business cycles now for 200 years, ever since the introduction of long-lasting fixed capital. It is therefore not an issue of the survival of the system.

A weak dollar is not a reproduction failure of the system either, although the unreliability of the dollar as an international measure of value may lead to the dollar losing its privileged position as a world reserve currency. Don't confuse the decay of the US hegemonial position with the decay of capitalism itself.

According to MarxStudent [929], the recent crises do not show the weakness of capitalism but the weakness of benevolent efforts to improve on capitalism. The Marxist response here is that the efforts to give capitalism a humane face were not voluntary gifts, but they were forced on the capitalists by the pressure of the working class. The New Deal would not have been possible without the intense labor struggles during this time, and the GI bill was designed to appease the soldiers returning from World War II and prevent the return of the revolutionary aftermath of World War I. The long lull in the labor movement and the fall of the Soviet Union encouraged the capitalist class to roll back these social advances. This was amazingly successful for a long time, and only recently has led to sudden unexpected

changes such as the revolts in North Africa and the Middle East and the Occupy movements. The role of WikiLeaks in these recent movements shows how important it is whether exploitation and corruption is open or hidden.

Marx says that the greatest danger to the reproduction of the capitalist system is the resistance of the working class. I think MarxStudent could improve his analysis if he were to incorporate into it the efforts of the capitalists to neutralize working class resistance.

Next Message by Hans is [\[1086\]](#).

Exam Question 814 is **559** in 2002fa, **698** in 2007SP, **677** in 2007fa, **788** in 2010fa, **844** in 2012fa, and **867** in 2013fa:

Exam Question 814 *How is the capitalist motivated to see to it that the social conditions of reproduction are met?*

[884] Sk: A capitalist is always motivated to see the social conditions of reproduction are met. Because he wants to have a stable profit. In capitalism, he looks for long time development, he must not just production, he want reproduction. Like capitalist need to the raw materials and production can be reproduction. It is kind of like recycle the system. Societal conditions make the system happen. Like if they found a opportunity, they catch it and want keep going for a long time. The free-rider problem is an important point. Like Marx says, whenever a capitalist cares for the longevity of his own firm, he also does things necessary so that the social production process can continue. I think it is a recycle and long period development system

Hans: What you write is more correct in China, which has a government with a certain independence from individual capitalists looking out for the long term interests of capitalism as a whole, than for the US where capitalists have too much power for their own good. In [\[2010fa:939\]](#) I said “the capitalist system can reproduce itself only if the working class is strong enough to teach the capitalists the most rudimentary table manners.” Indeed, the power of the Chinese government comes from the capitalists’ inability to this point to entirely roll back the working class’s 1949 victory.

Next Message by Sk is [\[891\]](#).

[919] Hans: Capitalist Motivation for Reproduction. The reproduction of the capitalist system is in the interest of the capitalists. This does not mean that the capitalists spend any money or resources to make sure that the system can reproduce itself. Marx says the *only* thing the capitalists do in this regard is that they see to it that their own firms survive and grow.

Recent history shows that survival of specific firms does not guarantee reproduction of the system, it may even undermine it. The fossil fuel companies are influencing the public process in a manner that it suicidal for the human species and therefore also for the capitalist system, only so that their specific industry can continue with their exorbitant profits for a few more years before the inevitable shift away from fossil fuels happens.

Other examples showing how little the capitalists do to ensure the reproduction of the system are in my [\[2010fa:939\]](#).

Message [\[919\]](#) referenced by [\[929\]](#). Next Message by Hans is [\[942\]](#).

Exam Question 819 is **399** in 1999SP, **494** in 2000fa, **523** in 2001fa, **563** in 2002fa, **643** in 2004fa, **592** in 2005fa, and **681** in 2007fa:

Exam Question 819 *Why is the part of the capital advanced for wages called “variable capital”? (The answer to this question cannot be inferred from the context here but this is a definition Marx made in chapter Eight.)*

[907] Sk: when capitalist doing production, they must divide capital into two parts, one part use to purchase the production, like machines, factories, raw materials, auxiliary materials and fuel, and another part use to buy the labor force, the mean to employed workers. The part of purchase production, it just only change their form in process, the value of them transfer to the new products, it doesn't change the original value. So Marx call it constant capital. And another part use for buy labor is different, during the process of product, it is the role of living labor to replaced, and the actual use of labor is labor. Labor has a special role, as a specific work, it keep the product information's old value, then transfer to another new products, as abstract labor, it create a new value. The new value of labor create can compensate for the value of labor itself, it also can produce a value of the balance of surplus value. Because the capital of buying labor has the value changing during the product, so it increase itself value, it became a variable, so Marx call it variable. Marx gives an example about the capitalist is not giving advanced wages because the labor wont get paid until his job finished. Also the worker get the money from the capitalist is the capitalist earn from their past work then use it to pay them now. In the recycle, it is the part of the capital advanced for wages called “variable capital”

Next Message by Sk is [\[969\]](#).

Question 822 is [646](#) in 2004fa, [595](#) in 2005fa, [705](#) in 2007SP, [684](#) in 2007fa, [697](#) in 2008fa, [729](#) in 2009fa, and [796](#) in 2010fa:

Question 822 *Does the capitalist, who started a business with his own capital, preserve this capital while consuming surplus-value, or does he consume his original capital and replace it with accumulated surplus-value?*

[893] Hayms: A capitalist that starts his/her own business with his/her own capital puts down the money towards their business. This original capital now spent goes towards the production of the raw materials that he/her will use in the new business. I agree with this statement that the capitalist does consume his/her own capital needed to produce goods to sell then he replaces it with accumulated surplus value. I agree with Samwell [\[2009fa:957\]](#) when he/she said as soon as the capitalist begins to consume labor-power he/she will recognize the creation of surplus value and then begin to consume whatever value he/she chooses. But disagree with this so called “illusion” that the capitalist is using the new surplus-value while preserving his/her original capital. That is difficult to assume because the capitalist could very easily be using his original capital while keeping his/her surplus value untouched.

Marx gave the best thought in [714:2/o](#) after he said the capital originally advanced has been consumed by the capitalist he says, “The capitalist thinks, that he/she is consuming the product of the unpaid labor of others, i.e, the surplus-value, and is keeping intact his/her original capital; but what he thinks cannot alter facts.” This fact I believe is that he/she has already consumed the original capital and it is now being replaced with this accumulated surplus-value. This of course can never be guaranteed as stated by Boston [\[2009fa:962\]](#) the realization of surplus value and profits from surplus value are not a guarantee and cannot be

assumed. This consumed accumulated surplus-value may replace the original capital but as Hans said in his remarks to [2009fa:960] there are no guarantees in a market economy. The accumulated surplus may never reach the original capital which again restates my point that the original capital is consumed and then replaced.

Next Message by Hayms is [931].

Question 835 is **578** in 2002fa, **602** in 2003fa, **661** in 2004fa, **608** in 2005fa, **718** in 2007SP, **697** in 2007fa, **706** in 2008SP, **710** in 2008fa, **742** in 2009fa, and **865** in 2012fa:

Question 835 *Explain how capitalist production, just by the fact that it is happening, reproduces the separation between the worker and the means of production.*

[911] Bikeman: Marx states that because the capitalist production process is happening, it reproduces the separation between labor and capital. Because of the continuous connected process of reproduction, it produces not only commodities and surplus value for the capitalist, it also perpetuates the the capitalist relation, or the continual separation between the capitalist and the laborer. He says “Capital pre-supposes wage-labor, and wage-labor pre-supposes capital. One is a necessary condition of the other; they mutually call each other into existence. Does an operative in a cotton factory produce nothing but cotton goods? No, he produces capital. He produces values that give fresh command over his labor, and that, by such command, create fresh values”. (724:1, p617)

Next Message by Bikeman is [914].

Term Paper 838 is **926** in 2000fa, **926** in 2001fa, **826** in 2002fa, **826** in 2003fa, **826** in 2004fa, **826** in 2005fa, **724** in 2007SP, **700** in 2007fa, **708** in 2008SP, **744** in 2009fa, **811** in 2010fa, **868** in 2012fa, and **892** in 2013fa:

Term Paper 838 *Essay about Chapter Twenty-Six: Secret of Original Accumulation*

[1090] Gonz and KKondo: Secret of Original Accumulation. Until chapter twenty-six, Marx has dealt little with the historical context of how capitalistic society has come to be. He has dealt mainly with defining what is value, money, labor, etc. and in this chapter he transitions into a more historical sense of the accumulation of wealth and the economic society of capitalism.

In the first topic, Marx discusses the ‘never-ending circle’, one of which where capital accumulation is the last step of the cycle. The theory of the matter begins with an available commodity and labor-power. The labor-power is transformed into capital, and that surplus-value created by the labor-power is used to acquire a capital profit. That profit is therefore able to acquire more capital, and thus wealth. And so the cycle continues without beginning or end. But on a historical basis, where did such a cycle begin?

In the second paragraph on page 873, Marx states, “This primitive accumulation plays approximately the same role in political economy as original sin does in theology.” In making reference to a mythical story that describes the imperfect, flawed nature in humans, Marx relates this to the supposedly flawed system of capitalism. Further, reference to the story of original sin is Marx’ attempt to dismiss the Smith mythical past, and settle on the actual historical context in which capitalism came about. Marx seems to recite a common political

ideology of his time when he describes a situation in which long ago, certain hardworking people whom may have had a certain talent, or knowledge were hardworking enough to rise to the top, where as lazy people, remained content at selling their labor-power through their 'riotous living' and stayed at the bottom. At Marx's time, this was the common political economic ideology of how capitalism came to be. However, according to Marx, the common belief where hard working people became the capitalist and the lesser fortunate people became the workers due to a difference in interests was anything but an idyllic chain of events. On the contrary, capitalism came about as part of an evolutionary process not controlled by human intervention as we will soon read. And so he finishes by saying, "As a matter of fact, the methods of primitive accumulation is anything but idyllic."

Next, Marx transitions into the relationship between worker and capitalist in describing the true nature of the capitalist system. "...money and commodities are no more capital than the means of production and subsistence are." And then he infers, they are transformed into capital. The capitalist mode of production is founded on a certain basis, but undoubtedly the first distinction to be made, according to Marx, is as fundamental to the two opposing sides of the capitalist system: on one hand, the owner of money, the means of production and subsistence, which buys labor power of others, whose motivation is always essential to increase the sum of values you have. And on the other hand you have the free worker who are the sellers of labor-power, who Marx stresses that they are not considered free because of the means of production, as slaves and servants, but do not own these means of production, such as a peasant proprietor. And on the other you have 'ownership of the conditions for the realization of their labor.' Thus the production of capital is the process of transformation; that is the relationship between the two commodity owners: the capitalist who consumes labor-power from the worker, and the free worker who sells their labor. Marx makes it clear that primitive accumulation, is nothing else than "the historical process of divorcing the producer from the means of production." It is primitive because this process predates capitalism as we know it from which it took its form.

"The economic structure of capitalist society has grown out of the economic structure of feudal society," this sentence from Marx, from a historical context, may undoubtedly describe Marx's main point of chapter twenty-six. The feudal society of the middle ages was one of great inequality of classes. Serfs, or servants forcefully worked hard in virtual poverty to provide a surplus-value for their lords. The lords were their masters who did little to accumulate such wealth. The capitalistic economic structure of which Marx speaks can draw convincing parallels. The difference lies in the free worker, who emerges after his emancipation at the rise of city-states from the sixteenth century. They are no longer compelled to work by their lords, however, they become 'a free seller of labour-power, who carries his commodity wherever he can find a market for it.' Moreover, the capitalist can be compared with the lord. They buy labor-power by the free worker in order to produce their commodity, in contrast to the exploitation of the serf by the lord.

Marx now begins to form a more radical view of the capitalistic society, for he says that, "The starting-point of the development that gave rise both to the wage-labourer and to the capitalist was the enslavement of the worker." Though in the feudal society, serfs were exploited in order to accomplish surplus, the wage-laborer now has the freedom to

take his trade elsewhere if exploited. Nonetheless, Marx feels it an important note that the transformation of the feudal society to that of the capitalist is ‘the transformation of feudal exploitation into capitalist exploitation.’

In conclusion, it is clear Marx’s stand: that primitive, or original, accumulation was founded on a historical phenomena in which one societal system facilitated a transition into the next one; the capitalistic system is the product of just that. “The expropriation of the agricultural producer, of the peasant, from the soil is the basis of the whole process,” from which he concludes. However he notes that expropriation has had different characteristics in different countries throughout the year, but England is the basis of his example.

Hans: What you call “an evolutionary process not controlled by human intervention” Marx calls “pillage and plunder.”

First Message by Gonz is [17] and Next Message by KKondo is [1094].

Term Paper 839 is **932** in 2000fa, **932** in 2001fa, **832** in 2002fa, **832** in 2003fa, **832** in 2004fa, **832** in 2005fa, **727** in 2007SP, **701** in 2007fa, **709** in 2008SP, **745** in 2009fa, **869** in 2012fa, and **893** in 2013fa:

Term Paper 839 *Essay about Chapter Thirty-Two: Historical Tendency of Capitalist Accumulation*

[1114] Blossom, Jaime, SSroy, and Tussy: Chapter thirty two of Marx’s Capital aims to describe the evolution of the system of property control from the beginning of economic development in which individuals owned their own means of productivity, to capitalism, in which a relatively small group of individuals owned the means to production, and practiced exploitation of the labor force. He then discusses how capitalism will be overcome by the very forces that were responsible for its creation.

Certain individuals that exhibited more social power, and therefore became the source of law more or less, expropriated peasants by taking their means of production, and allowing themselves to use those means of production for their narrow interests with the new social laws of property rights. Due to this expropriation, a new workforce, known as the proletariat, was created. This was a new class of industrial workers who lacked their own means of production and hence sold their labor in order to maintain their livelihoods.

Hans: The peasants did not lose their land because some powerful individuals decided to steal it from them. According to Marx, the deeper reason why they lost their land was that the scattered means of production were a hindrance to the progress of productivity. The land thievery by the nobility only carried out this historical necessity.

According to Marx, social labor is the product of the individual laborer owning the capital which he produces with, and that laborer gets the entire value of what he produces without having to split it, as in such cases where the capital is owned separately by an individual Marx calls a capitalist. When laborers work for themselves with the aid of their own capital, to create commodities which they bring to market to sell purely for their own gain, this is known as a term that Marx coined “petty industry”.

Hans: If the worker owns his means of production, then these means of production are not called capital in Marx’s terminology.

This petty industry was most prominent in precapitalistic economies. What is interesting is that Marx viewed such petty industry, it seems, as a mediocre cycle where growth was strictly limited and tied to a “system of production, and a society, moving within narrow and

more or less primitive bounds.” Within this system of the individual producer creating value for himself with his own tools, social production was at its finest.

When Marx claims that social production was at its finest during such a period of time where individuals worked simply for themselves producing a limited set of commodities purely for their own personal gain, without having to share that gain with a capitalist, he is implying that social production was not ready to function at higher levels of productivity where large scale cooperation, and capital accumulation is required. Although, these are a few of the qualities Marx expects of post-capitalist societies. So in this line of thought, it seemed like Marx actually thought the capitalistic structure necessary in order for society to benefit from a larger production and commodity output in the period of time that he dealt with. This way individuals may have access to more resources and be educated in order to better develop the skills necessary to one day take over and once again own their own means of production.

Hans: Yes, Marx thought capitalism had a progressive historical role. It was a progressive force at the beginning, but it is regressive and destructive now.

In Marx’s time, larger scale production of any sort of commodity met a point where it had been broken down to a fine process with so many steps, as well as inputs, that it would have been hard to manage production as a group on an individual level if each person were working for themselves. This is where the capitalist arrives. At first the capitalist is detrimental to the society that he acts on, but the harm that results from his action also benefits the proletariat in the long run. The capitalist more or less indirectly will teach the laborers to act as a unit in production, to cooperate. Then at some point in the future the laborers will realize that they do not need the capitalist in order to maintain productivity levels.

How could individuals congregate, or groups form, and have goals, or some form of mission statement if they are not first united under a “leader” that is in control of their labor contribution, as well as the capital they labor with? How can they form a unity and produce commodities for sale, while still getting the full value of their labor? This is where the capitalist inadvertently educates the proletariat on better means of cooperation and higher level functioning to facilitate social change. Then one day the laborers will realize that they do not need the capitalist in order to maintain productivity levels.

According to Marx, the birth of capitalism was the result of the inefficiency of what was referenced earlier as “petty industry”. Certain individuals during this span of time viewed this production as very limited in its ability to create value, and thus by force accumulated capital and took control of the work force. They did this because they saw the segregated efforts of the workers and how it was inefficient to the point that it prevented production growth. This take over, however inequitable, lead to more expanded forms of production because now people could cooperate on a larger scale, and feed off of the capitalist’s resources and direction to perform the capitalist’s goals.

It may have been different if the capitalist acted in a way in which his own sacrifice of consumption in the very beginning, created capital. But Marx claimed that there was no prior savings activity by any specific group that lead to their mastery of capital. Rather, as

previously mentioned, he viewed the transformation of individuals who worked for themselves into a labor force that depended on the owners of capital as the result of violent expropriation.

As history tells repetitively in many areas of the world, these capital owners took what was not theirs, and enacted laws of capitalist production which served to alienate labor, centralize capital, and innovate technology. This action created a working class that these capitalists consistently exploited and continue to exploit, to gain profits that were founded on thievery. This thievery is the source of the birth of capitalism, that Marx refers to when he uses the word expropriation. The alienation of labor enables the capitalist to exploit the workers because the workers do not have control over the end result of their product nor the process of production that they act in.

The development of capitalism was not something gradual as the result of people slowly organizing and forming better ways to produce as a group. People did not have such instinctive tendencies. This led to a small group of individuals taking over people and what they used to produce to create a new capitalist society where a new class began to depend on such capitalists for their income, however meager it may be in comparison to what the capitalists scrape off of the top.

Although the birth of capitalism led to a more expanded form of production across the board due to the mass cooperation of the new labor force, individuals were and still are deprived of the capital they once claimed, and therefore do not extract as much value from their labor as they did previously. This exploitation of labor leads to the capitalists claiming profits that they did not put any labor into. What gives this owner his claim to their productivity, other than the fact that he owned the factors which permitted them to be so productive?

It almost seems as if Marx believed that laborers were better off in agrarian communities where their labor was tied to the earth in the production of basic necessities; when labor was individualized and each individual owned the means to their production, because people were receiving the full value of their product. This is compared to a later version of civilization where commodities were abundant in supply, and many needs that people didn't even know they had previously, were filled. This in itself is a statement on how detrimental to society Marx viewed the current capitalistic form of production. Yet, he still felt capitalism served a valid purpose in educating the working class on the ways of producing at higher output, so that one day they may revert back to socialist production without losing the convenience of the wide array of commodities that can be produced on a larger scale.

Marx states later in the chapter that the proletariat will discover the extent to which they have been exploited and forced to work not only for their own benefit, but mainly for that of the capitalist. He claims that the "revolt of the working class, a class always increasing in numbers, and disciplined, united, organized by the very mechanism of the process of capitalist production itself" will grow and unfetter the chains of the current economic situation and mode of production. The working class will, according to Marx, revolt to join the direct product with their labor once more, the labor which belongs to them, not to the capitalists. The demise of the capitalists will be born of the "first negation" which is a change from petty production to capitalism, the very thing that capitalism thrives on, and "negation of

the negation”, when the proletariat uses the very same production theory that the capitalist preached, to undo him and reclaim property to individual ownership.

Marx also commented on the reduction in the number of capitalists and how the number of proletarians have grown and continue to grow. According to economic trends, which can be validated in the present day, capitalists will reach a global market of labor to expand their power and hence exploit more workers, as capitalism matures. The capitalist elite will shrink in number, and the proletariat will continue to grow; thus, the misery of the latter will compound exponentially, while the capitalists reap more reward than at any point in the past. As capitalists exploit the increasing number of laborers and devour individual production, the exploited working class will increase to the point where finally they will overthrow the capitalists, and a more socialistic form of production will work its way into society

The very thing which controlled the working class, the capitalist and his capital, will be the one to teach the working class how to work together on a larger scale, to cooperate, unite and organize, so that one day production will exist without the interference of the capitalist; he will be overthrown. Marx goes on to say that “The monopoly of capital becomes a fetter upon the mode of production, which has sprung up and flourished along with, and under it.” Capital control will at some point in the future become a hindrance to production. What was so necessary at the birth and infant stages of production will fall to the wayside in lieu of a better form, a more communal form of production where the worker will reap the full reward.

Hans: Instead of your formulation “capital control will at some point in the future become a hindrance to production,” modern Marxists would say that they have become a hindrance to production already, that modern capitalist production diminishes our wealth rather than increasing it.

Next Message by Blossom is [1192], First Message by Jaime is [46], Next Message by SSroy is [1157], and First Message by Tussy is [119].

Term Paper 840 is **933** in 2000fa, **933** in 2001fa, **833** in 2002fa, **833** in 2003fa, **833** in 2004fa, **833** in 2005fa, **730** in 2007SP, **702** in 2007fa, **710** in 2008SP, **714** in 2008fa, **746** in 2009fa, **813** in 2010fa, **870** in 2012fa, and **894** in 2013fa:

Term Paper 840 *Essay about Chapter Thirty-Three: Modern Theory of Colonization*

[931] Foruvak, Hayms, Maniac, Rajon, and Tvan: graded A Preliminary Group Paper 840. To start this chapter about the modern theory of Colonization, Marx makes a point to note that there are two different types of private property that political economists seem to confuse. The first kind rests on the labor of the producer, while the second kind rests on the exploitation of others. Both types of private property are necessary for the capitalist to be successful but many only think of the first kind of property to determine if the capitalist will be able to produce his desired commodity at the highest rate of efficiency.

Hans: You are not getting the critical edge of Marx’s argument. In capitalism, only the second kind of property is needed. The first kind of property only gets in the way, as one will see in the colonies. But the sycophants of Marx’s time, the paid and also the voluntary unpaid disinformers, pretend that capitalism is based on the first kind of private property instead of the second.

In footnote 4, Marx brings some clarity to his initial statement of this chapter when he makes the distinction that “A negro is a negro. Only in certain relations does it become a slave.” This demonstrates that if the capitalist does not have the social relationship that

makes the “negro” in this situation his slave, regardless of the amount of other capital that the capitalist has, then he does not have the most efficient labor force that he can exploit to produce his desired commodity. In the same footnote we see that this social relationship pertains not only to human labor but also machine and animal labor. Marx declares, “A mule is a machine for spinning cotton. Only in certain relations does it become capital.”

Hans: Too much detail. I want you to tell me in a condensed and coherent form what Marx’s train or argument is in this chapter. Don’t tell me what he says in which footnote, I don’t care about how he presents his argument. If I did, I’d read the chapter myself. I want to know the big lines how he argues.

Regarding your next point, it is Marx’s view that Wakefield did not discover anything new about the colonies. When Marx talks about Wakefield’s “discoveries” he means that Wakefield blurts out general truths about capitalism, things which people usually don’t say aloud, packaged as so-called discoveries about the colonies. Marx did not use scare quotes around the word “discoveries” but he could have.

Marx notes that E.G. Wakefield discovered, or at least was the first to acknowledge, that in colonies the first kind of private property, meaning that which is found in monies or substances such as machines or advantageous land to build upon was still not enough to make a man a capitalist. Only the added value of exploitation of a wage-laborer creates the conditions necessary to make a “producer” a capitalist. While it may seem that the material products such as money or animals are “capital” in and of themselves, Wakefield makes it clear that capital “is not a thing, but a social relation between persons which is mediated through things.” Exploitation is necessary in capitalism.

Hans: The two kinds of property do not differ by what can be owned (owning means of production versus owning slaves or wage-labor) but by how the property owner got this property: either by working himself or by exploiting others. That is why the first kind of property does not fit together with capitalism: if it is possible to gain property by working, then the laborers will not sell their labor-power to the capitalists but use their labor-power to create property for themselves.

The story is told of Mr. Peel and the mass migration that he facilitated from England to the Swan River district of West Australia in an attempt to increase his wealth as a capitalist in a new land. He took with him substances of production or capital in the amount of 50,000 British Pounds as well as 3,000 working class laborers. It would seem that he had brought with him all that is needed to be a successful capitalist but in the end Mr. Peel was left unhappy without a single servant to prepare his food or make his bed. When the 3,000 persons arrived in the Swan River region they were not bound by the same social structure that made them wage-laborers in England. Mr. Peel no longer was their source of income or the leader of their expedition. Mr. Peel in this situation was their liberator from the social relationships that through their whole lives held them bound in England.

Hans: I don’t want literal quotes. I want concise summaries extracting the essentials.

You are just copying or paraphrasing what is said without following the argument. You must say that Marx finds Wakefield’s theory that capitalism arises from a social contract is preposterous, and Marx criticizes Wakefield in part by quoting other passages from Wakefield which contradict this theory.

Wakefield notes that, “If all the members of the society are supposed to possess equal portions of capital . . . no man would have motive for accumulating more capital than he could use with his own hands.” He believes that this is the case in the “new American settlements, where a passion for owning land prevents the existence of laborers to hire.” Capitalist accumulation and the capitalist mode of production were impossible in these colonies because the class of wage-laborer is missing. This lack of laborers occurs because everyone has access to their own means of production. Capital and wage-labor came into existence

by a social contract that mankind has adopted. This social contract is a simple contrivance for promoting the accumulation of capital as the “ultimate and only goal of their existence”. Wakefield believes that the American states of his day should use systematic colonization instead of spontaneous and unregulated colonization, which is the opposite of the more systematic form. He notes, “In the Northern States of the American Union, it may be doubted whether so many as a tenth of the people would fall under the description of hired laborers . . . In England . . . the laboring class compose the bulk of the people.” According to Wakefield, slavery is the sole natural basis of colonial wealth. Without slavery, “[The capitalist’s] capital must have perished, or, at least, must soon have been diminished to that small amount which each individual could employ with his own hands.” This actually happened at the last colony founded by Englishmen at the Swan River Settlement, where much capital perished because of the want of laborers to use it.

Hans: Next you bring again a long almost literal quote from Marx.

Since the bulk of the soil of a free colony is still public property, every settler on it can turn part of it into his private property and use it as his individual means of production, without preventing later settlers from doing the same. This fact contributes both to the prosperity of the colonies as well as to their resistance to the establishment of capital. The separation of the workers from the conditions of labor and from the soil did not yet exist in the colonies in the time of Wakefield. He notes that “no part of the population of America is exclusively agricultural, excepting slaves as their employers who combine capital and labor in particular works.” This allows the free Americans to cultivate the soil as well as perform other occupations. This control over their own means of production differs radically from the situation in Europe at the same time.

Marx states that the “great beauty” of capitalist production is the fact that it always produces a relative surplus population of wage-laborers. This of course is in comparison to the amount of capital. Therefore, the law of supply and demand is always kept in a balance that is pleasing to the capitalist. Because there is always a greater supply of wage-laborers than there is demand for them, the capitalist is able to exploit these laborers. This large supply creates a social dependence of the wage-laborer on the capitalist. Marx says that in “the mother country”, this relation of social dependence only occurs when there is deception on part of politicians and leads to the creation of two equally independent owners of commodities. One is the owner of commodity capital, and the other is the owner of commodity labor. He goes on to say that this scenario occurs, without deceit, in the colonies (before the United States was formed) on a much grander scale. Many of the wage-laborers arrived in the colonies as adults, and with a constant influx of immigrants there was a constant fresh supply of wage-laborers without any delay to allow them to become of working age.

Although a constant supply of new labor might sound like a positive thing, Marx says that this is actually a huge obstacle and that it is so huge that it cannot be overcome. The capitalist system as it existed in the colonies was a self-defeating process. Marx explains that “today’s wage-laborer is tomorrow’s independent peasant or artisan” who works for himself. The capitalist system makes it so that the wage-laborer doesn’t stick around in the factories and warehouses, and thus the labor market is always “understocked.” The wage laborers are only working long enough to acquire skills and capital that will then allow them to leave their old

life as wage-laborers behind, becoming independent producers. This time is generally short because of the wages that they receive. The chapter states that “The workers emphatically refuse to let the capitalist abstain from paying for the greater part of their labor.” This means that the wage-laborers were demanding too high of a wage, which wasn’t their “legitimate share,” according to Molinari. One possible solution, to import wage laborers from Europe, doesn’t resolve the situation because they too eventually become independent and end up becoming competitors against their former employers. In response to the capitalist importing his own competition Marx cries out mockingly that “The end of the world has come!” The capitalist then has a pressing need for cheap, subservient workers who he can exploit.

Paraphrasing Wakefield, Marx says that because the ratio of capitalists to laborers becomes so small there is a dispersion of production, which ruins the “foundations of combined labor.” Because the time to go from wage-laborer to capitalist is short and the ensuing ratio becomes so small, the development of long demanding projects cannot be sustained, which would never happen in Europe because the working class is “always present in excess.” This lack of confidence in the labor supply leads many capitalists to refrain from taking on larger and potentially more rewarding endeavors.

Wakefield discusses the differences between England and the colonies with regard to capital labor distribution. Wakefield refers to the mass of the American people as “well-to-do independent, enterprising and comparatively cultured” whereas the English agricultural laborer is a “miserable wretch” and a “pauper”. Wakefield then asks the question, “How then can the anti-capitalist cancer of the colonies be healed?” Wakefield discusses the routine for success to turn the country away from the root of evil, which is this system of public soil. This technique, called “systematic colonization”, is to turn the virgin soil from public property to private property through individual labor. The government should set a price on all land independent from the law of supply and demand that compels the worker to work a long time to be able to earn the money to buy the land. Hal and PLG [2010fa:1058] made two good points to explain Wakefield’s idea to promote working for the capitalist long enough to, “(a) make a profit beyond subsistence, and (b) import more laborers to replace them, thus assuring a steady supply of wage labor.”

The conclusion of Chapter 33 discusses Marx’s counter to Wakefield’s ideas by pointing out the hypocrisy of the idea of government artificial price setting. The idea of setting public property with a price that is “sufficient” is very paradoxical and most capitalists would not even consider it. Marx notes that Wakefield’s idea of systematic colonization was not necessary because of the amount of centralized capital brought about by the Civil War.

As the last chapter in Marx’s capital, Marx ends this in a very effective way after analyzing every connection between the laborer and capital. It is clear that the wage-laborer is never much more than property in a capitalistic society. The final paragraph that Marx uses discusses the capitalist mode of production and accumulation. The development of capitalist private property is the fundamental condition for the annihilation of self-earned private property. This reiterates what Marx has stated from the beginning – a laborer is never more than a factor of production within the society.

First Message by Foruvak is [201], Next Message by Hayms is [1019], Next Message by Maniac is [981], Next Message by Rajon is [1082], and Next Message by Tvan is [1013].

[1106] George, Jami, Keynes, and Veb: graded A Chapter 33 opens with a short discussion of private property. Marx says that there are two kinds: one that “rests on the labor of the producer himself, and the other on the exploitation of the labor of others”. He states that political economists confuse the two, later explaining that they do so in the interest of the system itself. The two kinds of private property are representative of the two systems of accumulation. The first kind, which comes from the labor of the producer, exists in the colonies, which Marx describes as “virgin soil colonized by free immigrants”, and includes the United States in this category. Because there are originally no restrictions against immigrants owning, moving, and working on land, they can produce for themselves instead of the capitalist.

The second kind of private property is representative of the capitalist accumulation process (described in earlier chapters). This “grows on the former’s tomb”, which means that through the violent process called “primitive accumulation” or “original accumulation,” the first system had to be killed so that the second system could establish itself. In other words, the capitalist system, through state enforced mechanisms, dispossesses people of their rights (to land, to movement, etc.) in order for the capitalist class to exploit their labor. Marx then reiterates the confusion of the two systems, by saying that the capitalist “in the interest of the so-called wealth of the nation. . . seeks for artificial means to ensure the poverty of the people”; the capitalist uses the end result of the former system to justify the actions of the latter system. Here Marx introduces the idea that the system of modern colonization only replicates and makes more obvious the contradictions of capitalism on a global scale.

Marx then introduces E.G. Wakefield, whose ideas he will spend the majority of the chapter critiquing. Marx appreciates Wakefield’s discovery of the conditions for accumulation in the colonies, as well as Wakefield’s detection that capital is “a social relation between persons which is mediated through things.” What is needed in the colonies for accumulation is the creation of the “other man” in relation to capitalists, “the essential complement” (Marx): the wage-laborer. In contrast to Wakefield, Marx doesn’t view the wage-laborer as an equal transaction between independent commodity owners, he sees it as wage-slavery; the defining aspect of hierarchical industrial systems and a gross exploitation of the wage-laborer.

To create the wage-laborer, Marx includes a story about Mr. Peel and his attempt to profit by the means of capitalization. In the case of Mr. Peel, he went to Australia, specifically Swan river, and brought with him “3000 persons” and even 50,000 pounds. The workers, when they arrived, left in the chance that they might themselves own their own property and gain access to their own means of production. He failed when he arrived in Australia since he only owned the means of production and not the wage-laborer. Mr. Peel failed to bring with him the “English modes of production”. This is in reference to the second form of private property. Marx follows by stating that the means of production only become capital “under circumstances in which they serve at the same time as means of exploitation and subjection of the laborer.”

So what is needed then in order to create the wage-laborer? Marx agrees with Wakefield in what is needed, but still fails to agree with him about the need for such a transition from one form of private property to the other. Wakefield says, “So long, therefore, as the labourer

can accumulate for himself. . . capitalist accumulation and the capitalistic mode of production are impossible.” In contrasting Europe and the colonies in the United States, the latter consists of a free colony and that the “bulk of the soil is still public property, and every other settler on it therefore can turn part of it into his private property and means of production.” The solution is first, for the government to sell land at a high price so that it is not attainable by everyone, “a price that compels the immigrant to work a long time for wages before he can earn enough money to buy land, and turn himself into an independent peasant.” The second is for the government to “import have-nothings from Europe into the colonies, and thus keep the wage-labour market full for the capitalists.” Marx continues with Wakefield’s thought, “this is the great secret of ‘systematic colonization’.”

This is undoubtedly an unfair and unjust accumulation of capital, but Wakefield argues that it should be done, Marx would argue otherwise. Though the transition of one form of property to the other, and the enabling of the means of accumulation for the capitalist, it should still be stated that there was at one time the conditions that did not allow the capitalist to prosper. With this in mind, we can see that systems can be changed. Perhaps it is this idea, that nothing is permanent, that Marx attempts to instill in the reader at the end of the chapter. He ends with the destructive means of the “modern theory of colonization”, but is informative enough to give the reader the means to undo it.

Hans: The first two sentences of your second paragraph were originally

The second kind of private property is representative of the primitive accumulation process (described in earlier chapters). This “grows on the former’s tomb”, which means that through its own process of primitive accumulation, it kills the first system through various means.

My correction removes your confusion between capitalist accumulation and primitive accumulation.

Next Message by George is [\[1204\]](#), Next Message by Jami is [\[1148\]](#), First Message by Keynes is [\[5\]](#), and First Message by Veb is [\[26\]](#).

[1115] Ginny, Kiwi, Reagan, and Res: In the 33rd and final chapter of *Das Kapital*, Volume One, Marx elaborates on a number of key ideas that were fundamental to his cognitive outlook on the capitalist system. Initially, he further defines what political economy is, almost unarguably his most significant and landmark contribution to economic theory. First, he explains that it intentionally confuses, on principle, two radically different kinds of property: that of the producers’ own labor, and that of the labor of others. Thus, as is the case with much of this monumental work, Marx seeks to further define the difference between the producer and the employer from a labor perspective. As he continues, he explains that these two components of political economy (the producers’ labor, and the labor of others) are a direct antithesis of each other, creating the functional dichotomy that makes the existing capitalistic system of rabid wealth accumulation so inherently unstable. Marx’s exploration of political economy continues, as he examines the very particular role Western Europe has played in its ultimate manifestation. This “home” of political economy, as he continues, was where the bands of capitalism conquered what the near entirety of national production, and controls all strata of society. Indeed, Marx once again successively identifies that truly intricately debilitating role the political economy plays within all elements of society, on both an economic and social level. Thus, it is this very antiquated mode of production which he believes will ultimately decay.

In the colonies, meanwhile, a very different scenario existed. In these often geographically separated lands, the regime created by the capitalist is at every moment challenged by

a never ending tirade of resistance from the producer. As enumerated upon extensively in earlier portions of *Das Kapital*, the producer owns the conditions of labor, and then employs the labor. With this employed labor the producer is able to enrich himself. However, the distinction greatly evident here is that it is the producer (not the capitalist) which is able to exploit the masses to his ultimate benefit. The reasons for this divergence are thus: most ostensibly, in the colonies the capitalist no longer has the brute strength of the mother-country to empower him. Thus, thwarted in his efforts to expropriate the laborers, it is as Marx so poetically notes, “here his apologetic armor crumbles off, bit by bit, like rotten touchwood.” In essence, the Colonies serve as a stark representation of the truth as to the conditions of capitalist country, both within the mother country and throughout the world.

From that point in Chapter 33 of *Das Kapital*, Marx explores in powerfully adequate depth the role that E.G. Wakefield, who established colonization theory, played in establishing his formulations of colonial realities. For one, he notes that at one point the “mother land” (in this scenario, England) sought to create a system of wage-workers within manufacturing via Acts of Parliament. This process was entitled, “system colonization,” and was doomed nearly from its onset. Indeed, as Marx notes, Wakefield soon came to realize that in the colonies capital is not so much a thing as a social relation between persons. Within this observation, Wakefield knew that forcing indigenous peoples into servitude would be impossible. Thus, Wakefield and his “colonization theory” were soundly thwarted.

Hans: This was hilarious. I had a good laugh.

There are several conditions necessary for capitalism to flourish but perhaps the most important condition is that there must be a constant supply of wage workers. Why is a constant supply of wage workers needed in order for capitalism to succeed? Marx answers this question by pointing out that a social contract must be present for Capitalism to succeed. The social contract divide society into two: “the owners of capital and owners of labor” (Marx, 934). Laborers are needed to turn the resources into commodities or else these resources will be depleted resulting in the failure of capitalism. Wakefield gave the example of a failed attempt of capitalism of the Swan River by the British in Australia. The Swan River settlement had no constant supply of laborers and “a great mass of capital, of seeds, implements, and cattle, has perished” (Marx, 934).

In order to have a constant supply of wage workers, there must be different social standings or status in society. In that era, for example in Great Britain, the social status of your family defines what your occupation will be in life. For example, an individual born into a working class family will find it difficult or nearly impossible to become a landowner. The individual was expected to work in factories or farmlands in order to continue to support his or her family, which creates a constant supply of wage workers. However in the colonies, social status played very little role. Someone born into the working class can come to the colony and obtain his or her own land, as it was very easy to do so. An individual who owned his or her own land and is self-sustained in their needs would not decide to become or go back to being a laborer. Hence, this creates a shortage of wage workers, which means that capitalism cannot be sustained. This is further argued by Wakefield when he remarked, “If all members of the society are supposed to possess equal portions of capital... no man

would have a motive for accumulating more capital than he could use with his own hands” (Marx, 933).

Another condition needed for capitalism to flourish is that there needs to be a separation of industries. There was no division or specialization of labor in the colonies. Marx pointed out that the people of the colonies “follow many other occupations” (Marx 935) and “are spinners and weavers; they make soap and candles, as well as, in many cases, shoes and clothes for their own use” (Marx, 935). Let’s go back to the example of the weaver exchanging her linen for a coat made by the tailor. In the colonies, the weaver would have used her ability to make her own clothes and probably her own coat. The products were not made for exchange and if the producers decided to sell his or her surplus products in exchange for another commodity, then he or she would gain all of the profit. This benefit of self-sufficiency reduces the need for wage workers. However, in a capitalistic society, many people are dependent on one another to create commodities that have a use-value that they need or want. For a capitalist system to work, the wage workers must be dependent on the capitalists. This dependency stems from the fact that the laborers do not have access to the means of production of commodities therefore; their only true commodity becomes their labor power. Since, the only commodity that they can sell is their labor power; the laborers must work within the capitalist system, allowing the system to flourish.

The obstacles to the adoption of capitalism in colonial America were that many of the American colony’s core principles contradicted the basic needs of a capitalist Economy. The availability of cheap land, and access to means of production drove colonial Americans away from a dependence on wage work. Early Americans also prided themselves over independent subsistence, which severely strained the capitalist control over the labor force.

A major barrier to the full-scale adoption of capitalism in colonial America was the availability of cheap land to early Americans. Not only was the land cheap, but it also conformed to a social expectation that America was a land of opportunity where a European wage workers can become “independent land owners, if not competitors with their former masters in the labor-market.” (Wakefield, 938). For current capitalists, this situation is unacceptable because it encourages the entry of new capitalist competitors and jeopardizes the basis of the capitalist mode of production (wage workers dependent on capitalists). In a model capitalist society, land rights must be prohibitively expensive so that it limits ownership to primarily capitalists and ensures the dependence of wage workers on the exploitative wages provided by capitalists.

Additionally, the availability of means of production to individuals posed a serious threat to the primary needs of capitalism: a populace composed of primarily wage workers and the creation of a sufficient reserve army of wage workers. The ability of early Americans to access capital draws an interesting parallel to the pre-Enclosure Movement situation in Great Britain. If the majority of early Americans live away from population centers and have access to means of production to satisfy subsistence needs and a provide relatively high quality of life, the capitalists have no foothold to convince them to switch to a more dependent position and conform to earning subsistence through wage labor.

Capital accumulation was also threatened in Colonial America due to the wide distribution of the means of production. A large part of the populace was able to manufacture and sell their own commodities instead of relying on a capitalist accumulation of capital. Many early Americans did not sacrifice nearly as much labor value and were able to receive the grand majority of the value of the commodities they had created. Capitalists could not expect to successfully exploit labor if the populace had access to the means of production and did not have any reason to surrender their means of production and transfer to wage labor in favor of Capitalists.

These conditions in colonial America clearly illustrated the contradictions and difficulties of capitalism. Early Americans were no longer subject to an economy that demanded dependence on capitalists for subsistence. In the American colony, one could have land at a cheap price and even control one's own subsistence through small-scale ownership of the means of production. The ability of one to travel to the American colony and shed the status of wage worker and don the status of a small scale producer threatens the very nature of capitalism. The final result was a straining of the dependence of colonists on the capitalist system. However, this new-found empowerment was to be eventually taken back by the capitalists as early America was adapted to be more beneficial towards capitalism.

Marx suggests that if men were willing to turn all the soil from public property into private property they would destroy the root of all evil, and the colonies along with it. The solution would be to let the government impose an artificial price of the land that is independent of the law of supply and demand.

The price would be set so high that the immigrant worker would have to work an extremely long time to accumulate enough savings to buy enough land to become independent of the capitalist system. First he must create capital for the 'capitalist' so the capitalists can exploit more laborers then he must place at his own expense, a placeholder on the labor market, so the government can then forwards across the sea for the benefit, the capitalists.

Hans: Wakefield's book was published in 1833. The United States were no longer a colony of the British. His systematic theory of colonization was not applied to the USA, as you imply here, but to Australia. It failed because it caused European emigrants to avoid Australia and to emigrate to the US instead.

The money from the sale of the overpriced land would be used by the government to employ employees in proportion to import the immigrants from Europe into the American colonies to keep the wage labor market full for the capitalists. Marx says that this is the secret of systematic colonization. The supply for labor must be constant because when new immigrants come the immigrant will not have enough money to buy land until they worked for a long time as a wage worker. All of the immigrant workers working simultaneously would produce capital for the employment of more workers. The immigrant who worked a long time to accumulate enough savings to buy land would have worked long enough that they will have a worker readily available to replace them when they retire. The price of the land will be so high that immigrants cannot afford it so in ensures that immigrants will have to work before they are independent land owners.

It is very characteristic that the English government practiced this method of "primitive accumulation" that was prescribed by Wakefield for the use of colonies. It was a major fiasco just as Sir Robert Peel's Bank act, it did not work. It only made more and more people leave

the European colonies for the American colonies it did not work the way Wakefield proposed it would. The advance of capitalist production in Europe, accompanied by increasing government pressure, has rendered Wakefield's recipe superfluous.

The more and more men that came to American colonies made it crowded in the east. When the workers migrated here from the European colonies they readily settled in the east because the area had an abundance of employment opportunities. However, in later years, the American Civil War brought about an enormous debt with its pressure of taxes and the rise of the vilest financial aristocracy. This brought pressure on the government to pay back the civil war debt. The government then exploited the public land with companies like the railways and mines, which ended up being the most rapid centralization of capital. More laborers moved westward to settle after the war because of the railways and mining jobs available to them. The great republic has therefore ceased to be the promise land for immigrant workers. They did not have public land available to be independent landowners like they had once imagined.

The only thing that interests us is the secret that the capitalist mode of production and accumulation, and therefore capitalist's private property is the annihilation of self earned private property, in other words, the expropriation of the laborer. This, in essence, defines the fundamental soul of Marx's theories. From chapter 1 to chapter 33, Marx was forever defining the plight of the laborer.

First Message by Ginny is [142], First Message by Kiwi is [38], First Message by Reagan is [156], and First Message by Res is [21].

[1125] Badawn, Freshprince, Hunter, Malibu, Slamo, and TKOberle: Marx states that the political economy "confuses on principle two very different kinds of private property" Private property is classified in two. The first would be each person's own labor, the second would be the employment of others to labor. These two kinds of property are exact opposites. In simple terms one is your own labor and the other is the labor of others.

Hans: When Marx writes "political economy" he means the mainstream economics of his time. Perhaps a better translation would be "political economics." You seem to have understood this in your first paragraph (above) but not in the second paragraph (below).

Western Europe dominated the political economy. Western Europe would use their power to exploit other countries. They would use their means of capital to come into other countries and overtake their productions, Much like America has done with the South American countries. This is what happens in a capitalistic world. The greater power will always exploit the lesser for their own benefit. You will find however at times resistance to the capitalist and their regimes. This happens when a producer works to benefit himself in a way that only benefits him.

The capitalist does not receive any labor from the producer because the producer is in it for himself. This is what entrepreneurship is all about. There are risks going at it alone. You lack the power that the capitalist has such as money, machines and other equipment that can produce on a large scale. What happens is the producers who are in it for them cannot compete and are forced to comply to the capitalist.

The Western Powers will force the lesser countries and developing colonies to adhere to the exploitation of their labor. This exploitation in turn keeps these lesser powers dependent

upon the western powers what results in mass poverty. This is capitalism on a Macro scale. Marx says “capital is not a thing, but a social relation between persons, established by the instrumentality of things”. Capital has to have something of useful value. Whatever capital is spent on has to be exploited to create more capital or it is not actually capital.

I would like to start the next topic that needs to be brought up with a direct quote from Marx book “. . . . Wakefield, two preliminary remarks: We know that the means of production and subsistence, while they remain the property of the immediate producer, are not capital. They become capital only under circumstances in which they serve at the same time as means of exploitation and subjection of the laborers.” Marx is clear here when he breaks down Wakefield’s response about the generalization of a capitalist on the labor force. Marx clears this up in his book in To put the difference between Wakefield and Marx stance on the subject of capitalist in the new colonization of new America. I would put that Marx clearly points out the capitalist mindset, whereas Wakefield fails to do so. He also clears up a important misconception that Wakefield leans toward, stating that anything used to produce a commodity is considered capitalistic. Marx clearly points out that this is false. Marx states that private property only turns into capital when it is no longer in the hands of the laborer.

As Marx points out Wakefield’s feeble view on the colonization of new America. In relation to how Wakefield believes that the main contributing factor to the wealth is the labor force and exploitation of the labor force due to the importing of laborers, where Marx clearly points out the fact that this is not true. In fact Marx points this out in Wakefield’s own words from Wakefield’s own book. Marx states that a large obstacle for the capitalist was the availability and ease it was to obtain land for a laborer. A worker would find it relatively easy to work to obtain land in a relative short timeframe. Thus the capitalist problem with obtaining workers and keeping them. In fact Marx points out that not even ten percent of the northern American union would fall under the classification of a laborer. Thus we can see the flaw in Wakefield’s reasoning.

Marx speaks of the lack of laborers in the early American colonies for the capitalists. Marx states that the blacksmith, the miller and the shopkeeper aside from their own trades manage to work on and maintain their own farms as well. Marx states, “Where land is very cheap and all men are free, where everyone who so pleases can easily obtain a piece of land for himself, not only is labor very dear, as respects the laborer’s share of the produce, but the difficulty is to obtain combined labor at any price.” With people this busy, there is no one for the capitalists to employ in their factories or on their farms. These are the “free Americans” that Marx speaks of. Aside from the slaves and their employers there was very little in means of capitalism in the early American colonies.

Marx explains how in early America land was so cheap that anyone could settle a property and make his own living off of it. This didn’t help the capitalist in This lack of workers slowed down the progress of a newly established capitalistic society. In order for the capitalists to survive in America, they would need to find some form of cheap labor. As we know, immigrants and overpopulation in big cities were the answer to the capitalist’s problem. They filled the gap that existed in order for the capitalists to succeed.

A great strength to a capitalist in the American colonization was having laborers that they could use for their creation of surplus value and capital. In colonization times the capitalist was very dependent upon the wage worker. The benefit of a capitalist having a wage worker was that it enabled the capitalist to exploit the laborer and use them to create surplus value. It was a way for them to satisfy their fetishes. The people colonizing America were used to the way it was done in Europe. Capitalism was the way to run the economy. The colonizers believed it was also beneficial for them to do the same in the New World. So they started introducing these ideals in to the New World. Problems with the demand of labor and wage was an issue that would present itself when they would try to implement the way of European economics.

In Colonial times certain wages were desired by the capitalist so that they would be able to maximize their profit and provide just enough compensation for the laborer to stay in need and desire of the job. The problem with the old world style of economics being implementing into the new world was that people produced and provided for themselves independently. Workers did not need to be wage workers because they were able to get the things they needed without being a wage worker. A lot of the time capitalist were forced to share the profits equally because of the demand and oscillation of wages. This equal distribution would entice the wage worker to become a capitalist. If wage laborers were imported from Europe it would not be profitable for them. The imported wage workers would then buy their own land and become competitors to them. The imported labor would become independently able to supply for themselves.

Wakefield states that with exception given to North America and a few of the other new colonies, wages paid to the "English agricultural laborer" rarely ever offers more than the minimum wage needed to survive. This is ultimately the result of the capitalist system offering little room for growth to the laborer, while maximizing profits for the capitalist. Marx states, "But, never mind, national wealth is, once again, by its very nature, identical with misery of the people."

According to Wakefield the question arises; "How, then, to heal the anti-capitalistic cancer of the colonies?" One way would be to make all land private and impose a price high enough that not just any laborer could purchase, but only those who have worked long and hard and managed to accumulate fairly large amounts of capital, from the little amount allotted to any laborer. This system would in turn distill hope in the laborer through making his dreams of owning land a possibility, while at the same time attracting many more laborers, who share the same common goal. Wakefield says, "the supply of labor must be constant and regular, because first, as no laborer would be able to procure land until he had worked for money, all immigrant laborers, working for a time for wages and in combination, would produce capital for the employment of more laborers."

Through this system the laborer feels to be making progress, because they are, when compared to the original life of an English peasant. This small allowance for growth is a tool used by the capitalist to increase labor, voluntarily, while at the same time increasing the capitalist's own wealth. Wakefield states, "Every laborer who left off working for wages and became a landowner would, by purchasing land, provide a fund for bringing fresh labor to the colony."

The many different demographics of colonization can be seen as having much room for improvement and growth. When understanding the different ways colonization takes place over history, we can see certain behavioral patterns that can be sometimes matched depending on where and who the different types of people are. The objective is to understand “systematic colonization.” The attempt to dictate and control in an orderly fashion, the manufacture of wage-workers in the Colonies. This competitive and potential prosperous idea is one that many dedicate all of their time looking to cease control of. The involvement of the Government in these areas plays a crucial role in every aspect of the lives of the wage-workers.

Without even and fair ground rules manufactureres could completely under-pay and take advantage of the hard working citizens. It is in the best interest of the public and the people that the government is involved in the law settling and rule making. Anything less that this would result in serious problems.

By letting the Government control the law of supply and demand, and letting the leaders of the Government have their hand in the setting wages, the people can have an order among them. Letting the Government do their job by providing jobs and create income along with obtainable opportunities, is important for every

Marx concludes his thoughts in chapter 33 with this profound statement “the capitalist mode of production and accumulation, and therefore capitalist private property, have for their fundamental condition the annihilation of self-earned private property; in other words, the expropriation of the labourer.”

–“Economic Manuscripts: Capital Vol. I—Chapter Thirty-Three.” Marxists Internet Archive. Marxist.org. Web. 30 Nov. 2011.

<http://www.marxists.org/archive/marx/works/1867-c1/ch33.htm>

–Marx, Karl. Capital. Volume 1. London. Print.

Next Message by Badawn is [1154], Next Message by Freshprince is [1179], First Message by Hunter is [57], Next Message by Malibu is [1215], First Message by Slamo is [146], and Next Message by TKOberle is [1182].

[1133] BrotherThelonious, Cheeto, and Cptcrunch: Same Concept, New Label. For over a hundred fifty years, capitalist societies have been attempting to either find cheap markets to exploit in order to produce commodities to sell back to the mother-nation or to find markets to sell to. Unfortunately, the latter is difficult to find or create so they stick with the former. During Karl Marx’s time, capitalist nations were attempting to enter new realms in order to exploit the land, resources, and labor. However, the capitalists had difficulty in penetrating these new “worlds”, as one may say, due to the inability to control the means of production. Marx gives a detailed look at this issue for the capitalists and how they went about solving this dilemma. After some time, however, the capitalists lost their grip in these new territories when they demanded independence from the mother countries and no longer wished to be used-and-abused colonies that were set up to only serve the mother country that happened to own the colony. At first glance, this may seem like the end of colonial capitalism since workers decided that they wished to maintain the means of production themselves and develop their own futures. Unfortunately, this was far from the case. Colonial capitalism is back. It’s new, improved, and fully updated with new methods and strategies. Like a bad

ex-boyfriend, colonial capitalism has shown up on the world's doorstep pleading to be taken back by insisting that he has changed. And, like a young naïve girl, we have let it back into our lives despite the fact it is still the same exploitive system it has always been.

Marx opens chapter 33 regarding *The Modern Theory of Colonization* by criticizing political economy. He claims it confuses the two different kinds of private property: one which rests on the work of the laborer and the other which exists on the exploitation of the labor of others. These two forms, he claims, are the direct antithesis of each other, and the latter form grows “on the former’s tomb and nowhere else.” (Marx, 931) In Western Europe, it is this latter form that has taken control of, either directly or indirectly, of the nation’s production.

However, in the colonies, quite the opposite was taking place. Here, the capitalists come up against the obstacles of the producers who, as owners of their own conditions of labor, employ their labor for their own gain rather than that of the capitalist. As such, the capitalist attempts to find a way to “clear out of the way the modes of production and appropriation which rest on the personal labour of the independent producer.” (Marx, 931) The political economist, according to Marx, decries independent labor and argues that the development of social productivity of labor—cooperation, division of labor, employment of machinery, and so forth—is impossible without the “expropriation of labor and the corresponding transformation of their means of production into capital.” (Marx, 932) So, the political economist is arguing for encumbering the populace in poverty in the name of national wealth.

Next, Marx discusses E.G. Wakefield’s ‘systematic colonization,’ an attempt to manufacture wage-laborers in the colonies. In order to develop this system, Wakefield first had to realize that a capitalist was not such simply by benefit of owning means of production, property, machinery, and so forth. What was missing was the wage-laborer, someone willing to sell himself. Capital in the colonies, as Wakefield discovered, was not a thing but “a social relation between persons which is mediated through things.” (Marx, 932) So, the means of production and subsistence are not of themselves capital, they only become so when they are also employed in the exploitation of the worker. However, to the mind of the political economist, which Wakefield was, these traits are so connected that they give the label capital to these means, even when they are not.

Wakefield explains that, should every man possess the same amount of capital, nobody would have the incentive to accumulate more capital than he can use with his own hands. This was the case in the colonies. Since the colonial settlers had access to land and controlled their own means of production, there was an impediment to the creation of a wage-labor class, preventing capitalist accumulation and the capitalist mode of production. The implementation of the capitalist mode of production requires the expropriation of the mass of the people from the soil. But in the colonies, the soil was still public property which each settler could turn into his private property and his individual means of production. Why would a laborer need to employ their means of production in benefit of the capitalist when he could own his own land and control his own means of production?

The capitalist system, separating the workers from the means of production, did not yet exist in the colonies, so the separation of agriculture and industry could not have taken place, either. Aside from slave-owning agriculturalist, the colonists were often jacks-of-all-trades;

there had not yet been established much of a division of labor. Land owners also constructed their own furniture, mended their own clothes and made their own candles. There was no opening for the capitalist to exploit.

This measure of independence for colonial producers is what was keeping the capitalists at bay. Without a monopoly on the means of production, the capitalists couldn't coerce workers to sell their labor-power, the one commodity they would be left with. Whereas in Europe, capitalists thrived in a system that "constantly reproduces the wage-labourer as a wage-labourer, but also always produces a relative surplus population of wage-labourers in proportion to the accumulation of capital." (Marx, 935) This relation of labor supply and demand served to keep wages low, profits high and kept the laborer in constant reliance on the capitalist for subsistence. However, in the colonies, with land so abundant, even the constant influx of laborers cannot swing the labor market in favor of the demanders. There were consistently fewer suppliers of labor than demanders and this kept would-be wage laborers as independent producers and left would-be capitalists with nobody to exploit.

Marx describes Wakefield's discontentment with this scenario. Sarcastically put, the poor capitalist who imports labor from the old world must pay a substantial portion of profits to the laborer or risk losing the worker in a supply-limited labor market. With such high wages, the wage-laborer does not remain as such for long. Instead, he is able to use his earnings to buy his own means of production and become an independent producer. So the injury to the capitalist, in Wakefield's view, is triple-fold: his profits are diminished by the high wages he must pay, his grasp on his workers is fleeting, and he is essentially funding his eventual competitors. Clearly, to political economists like Wakefield, this injustice could not continue and economic dependence between worker and capitalist must be created by artificial means.

So what, then, is Wakefield's solution to this "anti-capitalist cancer of the colonies?" (Marx, 938) The solution is quite simple; if it is the abundance of public land that is enabling independent producers, restricting access to that land will prevent workers from controlling their own means of production and force them to rely on the capitalist. By having the government place an artificial price on the land, the immigrant worker would have to work for a long time for the capitalist before he would be able to purchase land for himself. Furthermore, the funds raised by the government from the sale of land could be used to import other peasant laborers from England, ensuring a steady stream of wage-laborers for the capitalist and, with the increased supply of labor, help drive wages down at the same time.

This is the basis for Wakefield's 'systematic colonization.' Since no immigrant laborer would be able to buy land initially due to the sufficiently high imposed price of land, he would have to work for a wage and increase profit for the capitalist who in turn could supply even more labor with his funds. Secondly, for those laborers who were able to earn enough in wages to purchase land at the imposed price, he would essentially be funding the importation of more laborers to take his place. As Marx puts it, the laborer is essentially paying a ransom first with by creating enough capital for the capitalist to replace him, and secondly by funding his replacement in the labor market with the fee of his land purchase. (Marx, 939) And it is in this fashion, Marx finds, that in the New World, "the capitalist mode of production and

accumulation. . . have for their fundamental condition the annihilation of the private property which rests on the labour of the individual himself; in other words, the expropriation of the worker.” (Marx, 940)

The side effects of society’s first attempt at a relationship with capitalism were devastating, especially with regards to indigenous people of the new, exploited land. When colonists, and soon after, capitalists, arrived, the native societies of the land were almost immediately extinguished. Either they were pushed from their land or simply killed. Their languages, knowledge, and cultures wiped off the face of the earth, never to enter the world’s history books. The indigenous people simply did not wish to conform to the European system in terms of politics, religion, and economics. For example, in North America when European colonizers arrived to current date, millions of Native Americans have been extinguished. The number of Native American deaths far exceeds that of the Holocaust. In Australia, the aboriginal tribes are currently nearly extinct due to mass extermination and dislocation, while having only recently been granted citizenship in Australia. The death toll for the Aborigines is estimated to be in the hundreds of thousands. All of this is due to refusing to conform to the new system of society that washed up on their shorelines. However, not all native societies suffered the same fates as the Native Americans and the Aborigines. Some otherwise peaceful native societies were simply turned against one another in order to make them more manageable for the Europeans, while creating political boundaries and artificial governments which had otherwise never existed in the region. This last example, without doubt, has made more trouble for modern society than almost any other and will be discussed later.

Hans: This holocaust of the native population is not discussed at all by Marx, but it is good that you mention it.

So we understand, in a nutshell, what colonialism did to human society in the past and that it has modern implications for our modern world along with a understanding of Marx’s thoughts about colonial capitalism. However, Marx only met the young man, colonial capitalism, when he was first brought home by our young maiden in the mid 19th century. Upon meeting this young man, Marx was heavily disapproving and could see through his lies of development and bettering society. However, after some time this young man left us, along with Marx, but later returned with a promise that he had changed. The young man of colonial capitalism had changed from his forceful, exploitive self to a new man. He now called himself Free Trade and this time his argument that he would, indeed, change the world was very enticing for the still young girl of society. But what is this new and improved Free Trade? Has this young man really changed or is he still the same wolf with a different set of sheep skin to hide behind? Upon further investigation, we quickly see that Marx would also disapprove of this young man and of his return in the 20th century, yet again. His trickery is relabeled, but nonetheless exactly the same and with the same overall intentions: find markets, exploit markets, profit from markets.

If capitalism were to continue its system of exploitation, it would have to become clever. Its old system of reckless land grabbing and forceful, or simply put, slave labor no longer worked. The Europeans that came to work become out of reach for the capitalists due to the access of means of production and left to work their own land, whereas the natives either died off or became too difficult to control. All of its former colonies from Asia, Latin America, and Africa were now independent countries. Capitalism and its host nations (the

United States and Europe, namely) needed to find new tools to get what they wanted from these new nations. They no longer had authority of artificial price control over land since the newly established governments took control. The solution was far too simple; control the new governments. Prevent governments that would be controlled democratically to appear and manipulate those governments under your control. Using the fledgling governments to serve the purpose of the western capitalists instead of its people granted the capitalists more than they could have ever dreamed of. They had access to land, displaced and consistent labor that would require little to no safety regulations, pay increases, environmental policies. The taxes would be minimal; just keep the dictator satisfied. These new corporations are now literally able to have their cake and eat it too. Even intellectuals such as Noam Chompsky see the new relation between states manipulating states for the benefit of large business as stated in his lecture at the University of Cape Town "Their immense power is growing as a result of social policy that is globalizing the structural model of the third world."(6)

Now we know how the capitalists will continue their exploitive habits on society. The newly hatched governments of what was once their former colonies will now be taken under their wings and pushed into policies that benefit none but the capitalist either directly or indirectly. Capitalist governments will be the forefront of manipulation against new nation states, while the capitalists lobby their demands towards the capitalist governments. This shows that the capitalist state is very obedient dog and that the newly hatched states stand no chance against this dog and its teeth. However, one must question the means in which capitalists states keep weaker states in place. Again, sadly, the answer is generally very simple; by means of armament sales or instability. Currently, the United States' Sales of armaments is 4.8%—or \$8641 million, according to the Stockholm International Peace Institute—of the GDP of the United States, while the Pentagon's budget is over \$698 billion dollars. To put it in perspective, 10% of what was made in arms sales abroad could have put an end to world hunger in 2010. (5) These sales are made to anyone with the money. Unfortunately, little thought is given to what the weapons may be used for and have been used in everything from genocide, such as the case with Iraq against the Kurds in 1988 with American chemicals from American firms(4). Furthermore, 74% of client-states of the United States use torture and receive military aide from the U.S. in order to maintain power (2). Sadly, the massive amounts of armaments have made it so that there is one gun to every ten people in the world.

Overthrowing potential democratic states is also an agenda; no use in letting people make their own choices. Iran is, without doubt, one of the greater tales of misfortune and derailed democracy where the United States made very apparent, and successful, moves to dismantle Mosaddegh who wanted a 50/50 profit share agreement between American and British firms and the Iranian government (7). These few examples of countless atrocities easily display that the United States has, at the least, clearly misplaced its priorities of advocating democracy, sovereignty, self determination, justice, and liberty, but instead, has replaced these noble values with a constant, relentless pursuit of prophet for its native firms and corporations.

The (indirect) iron fist will be the way capitalist nations direct their heavily armed dogs of the capitalist nation-state. There, currently, seems to be a glimmer of light at the end of this

very dark tunnel, but not without a brutal fight to get there. However, one must ask what are the other side effects of allowing capitalists to take over entire societies by controlling the other society's governments by means of the capitalist's state and its ability to provide the arms needed for a brutal dictatorship to maintain power? We understand that dictatorships, genocide, displaced peoples, and loss of political opportunity are all results, but we also know that the problems created by this idea of Free Trade, this returned boyfriend of past, run much deeper, sometimes immeasurably deeper. One of the first things that happen once a lesser state is on submissive control of a capitalist state is the accumulation of private property by capitalist firms and corporations from capitalist nations.

Frequently, foreign firms will enter impoverished countries to invest money and buy land in order to grow crops and sell back to the capitalist nations using natives of the land on which the crops will be grown. Unfortunately, these foreign investors frequently buy up the best land; far more land than is actually needed for the current demand of crop. The result of this is that the natives no longer have land in order to grow subsistence crops and the population encounters a hunger crisis. Furthermore, the crisis is intensified by native farmers who do own land when they grow cash crops instead in order to make some money (7). Along with these two initial problems, the capitalist world deepens this crisis by subsidizing its own crops, making it so impoverished farmers need to sell below market value and make little to no money from their product. Just this problem of not being able to start the most basic of economies lays the foundations for instability, terrorism, and famine all basically due to a lack of entitlement or access to the means of production.

This returned boyfriend and all of his promises of change and hope of a better future will hopefully not fool our young maiden for long. The negative signs of the new colonial capitalism, or Free Trade, are already beginning to show with mass poverty, dictatorships, and hunger. This new form of capitalism has not changed, but has merely advanced its image and has attempted to bury its ugly past by relabeling its still present, ugly habits. With any luck, the virtues and insight that our world, our young maiden, have been granted by minds such as Marx will enable us not to take on such exploitive relationships and will allow us to permanently leave behind this burdensome young man, this Free Trade, this capitalism and look to a more encompassing, enriching, and humanitarian future.

1)

<http://allafrica.com/stories/200607070411.html>

2)

<http://www.amnestyusa.org/research/reports/investigation-prosecution-remedy-accountability-for-human-rights-violations-in-the-war-on-terror>

3) Friedman, Alan. Spider's Web: The Secret History of How the White House Illegally Armed Iraq, Bantam Books, 1993.

4)

http://money.cnn.com/2011/02/10/news/international/america_exports_weapons_full.fort

5)

<http://www.sipri.org/research/armaments/production>

6)

http://www.thirdworldtraveler.com/Economics/MarketDemo_Chom.html

7) Bodley, John. Cultural Anthropology: Tribes, States, and the Global System, Mcgraw Hill, 2010

First Message by BrotherThelonious is [135] and First Message by Cheeto is [158].

Term Paper 842 is **815** in 2010fa, **872** in 2012fa, and **896** in 2013fa:

Term Paper 842 *Enumerate as many features of capitalism as you can find where the system hides exploitation to the people living in the system. Then try to explain why the system hides exploitation in so many different ways. There are several possible explanations, for instance*

(a) capitalism happens to have several features which hide exploitation just by accident.

(b) capitalism has systemic features (for instance the fetish-like character of the commodity, i.e., the fact that individuals do not see nor control the true character of their own social relations) which cause it to systematically hide exploitation.

(c) if capitalism would not hide exploitation so well, it could not exist. After the individuals have achieved personal freedom to the extent they did in modern times, only a system of exploitation can survive which hides exploitation.

(d) both exploiters and those exploited are interested in hiding exploitation to themselves and others; therefore the agents in a capitalist system do things deliberately which hide exploitation.

Are there other explanations?

[1062] Karl, Marx, and Bikeman: Exploitation in Capitalism. In 341:3/o of Das Kapital Volume 1, Marx writes, “As a capitalist, he is only capital personified. His soul is the soul of capital. Capital, in turn, has one single minded life impulse, the drive to create value and surplus value, to make its constant portion, the means of production, absorb the greatest possible amount of surplus labor. Capital is dead labor, that, vampire like, only lives by sucking living labor, and lives the more, the more labor it sucks.” In this quote, Marx is comparing the capitalist to one that can only survive by stealing the life blood of someone else. In other words, the capitalist can only survive by exploiting the working class.

In the system of capitalism, there are many tools that are utilized to both propagate its philosophies and hide its exploitation of the worker. There are reasons that capitalism is concerned with hiding the exploitation. The capitalist system would not survive if all those living in the system truly understood the extent of the exploitation occurring. When comparing the capitalist class with the working class, we see that the capitalist is benefited in multiple ways. By paying the worker for his labor-power, the capitalist benefits from the surplus labor created during the workday. The capitalist also benefits from the capital paid to labor that is used to sustain the health of the worker. In the future the capitalist may also benefit from the offspring that will become a source of labor-power. All of these benefits are

hidden from the working class. (Marx, *Das Kapital* Volume 1, 717:3) Although capitalistic exploitation of the working class is rampant in the capitalist system, not every capitalist is fully aware of how the system is taking advantage of the working class. Those in positions of power, money, and influence have achieved their status through exploitation, and they understand the necessity of continuing to hide exploitation. This paper will address the most common ways capitalism hides exploitation.

First it is necessary to understand why capitalism hides exploitation, then the exact methods that capitalism employs to hide exploitation can be understood. Capitalism could not survive if those in the system understood the exploitation that is occurring. There are reasons that capitalist would continue this system. In 449:1/o of *Das Kapital* Volume 1, Marx says “The driving motive and determining purpose of capitalist production is to extract the greatest possible amount of surplus value, and consequently to exploit labor power to the greatest possible extent.” Whether capitalists fully understand the mechanisms or not, capitalists do understand that they are able to pay the worker a wage that is much less than the value of the labor power that the worker is creating. The goal of the capitalist, as Marx implies, is to pay the workers as little as possible in order to increase the surplus value. Along with paying them as little as possible, it is the goal of the capitalist to increase their production and efficiency without paying the worker a higher wage.

Workers are not oblivious to this exploitation. Hans states that, “The worker is not allowed to criticize the capitalist for getting more value out of the use of his labor-power than the value of the labor-power. He acknowledges that the capitalist has bought his labor-power exactly for that reason, and by selling his labor-power he agrees to his exploitation” (Ehrbar, Annotations to 342:2/o).

Hans: Being oblivious and not being allowed to bring up this aspect in market negotiations are two different things. This also does not mean he agrees to his exploitation, I changed the text now.

The answer to why a worker would agree to being exploited shows how capitalists deceptively hide exploitation. The worker agrees to being exploited because they have no access to the means of production. The worker has no other choice but to let themselves be exploited. Hans says in [2009fa:226] “Many people in the U.S. know how ugly and exploitative capitalism is, but they still don’t reject it because on a macro scale, the selfish actions of the greedy capitalists come together in a dynamic macro system which benefits everyone.” Hans continues in [2009fa:637] to state that, “The inequalities of capitalism are often deplored, but people say that eliminating the inequalities will not make the average person better off.”

Workers do not have access to the means of production. The capitalist system claims that one must be at a certain position to access to the means of production. Workers cannot obtain access to means of production when they receive only enough money to reproduce their labor power. If workers work harder, as the capitalists suggest, and try to put themselves into a position to gain access to the means of production, workers rarely benefit themselves. Most times these actions only benefit the capitalists more. Workers are working harder and thereby increasing productivity for the capitalist, while receiving only a modest pay increase. In turn, the capitalist receives more surplus value. The worker may even take a second job to the detriment of their health working late hours on less sleep. At the second job, workers would be exploited even more and the surplus value will be received by another capitalist.

While the worker never sees his family, gets limited sleep, and is stressed by the amount of work.

To the immediate capitalist, who is prescribing this philosophy, it may not be apparent that this is a means of hiding the exploitation, or reasons for the exploitation. The majority of people in the capitalist system have been taught that this line of thinking is morally correct. That it isn't fair for someone to get what they did not work for, and that the workers need to work harder to better their position in life. The capitalist would say they have innovated, gone to school, and worked very hard for access to the means of production, and that it is only fair they receive the rewards. Capitalists that were born into privileged families, given advantageous positions due to nepotism, or were just in the right place at the right time, does not make it fair for them to exploit others.

One way that capitalism hides exploitation is by saying, markets always get things right. Capitalists living in the system have been taught that this is alright. The statement that markets always get things right, is another way of saying that workers will always be paid a fair wage, or that they will never be taken advantage of. These statements continue because if a company were to exploit them, they would not find workers to work for them. With no workers, the company would go out of business. However, when viewed objectively the purpose of the capitalistic market is to determine the lowest possible wage that employers can pay their employees, and not to pay workers what they deserve. By saying that markets always get things right, capitalists avoid having regulations imposed upon them that would require capitalists pay higher wages.

A reason for capitalists to hide exploitation is, economists and statisticians focus on the famous Gross Domestic Product (GDP) per capita. It is said by economists that when GDP per capita increases in a country that follows a capitalist ideology, that capitalism is the cause of the GDP increase. Economists are correct on this statement. The increase of GDP is due to capitalism, and that increase goes to the capitalists. GDP per capita is an average that is used to claim that the standard of living is rising. This is not necessarily the case. Rising GDP per capita is due to the profits of capitalists increasing. It also includes the inequality and exploitation increasing. Essentially the rich capitalists are getting richer because they have found ways to lower the necessary wage time and increase the surplus value. The workers are producing more in the same amount of time while still getting paid the same amount, and the capitalists are getting more surplus value. Instead of stating it how it is, those in positions of money and influence choose to portray these statistics so they show a benefit for everyone.

Big corporations state that they are the job creators, and that workers should be grateful to have jobs. This method is very subtle because on the surface corporations are correct. If corporations were to dismantle all of their production facilities then many workers would not have jobs. This is due to what the capitalist system has created. The reason workers are not be able to start producing on their own, is workers do not have access to the means of production. The capitalists have created a system that has left a select few with the private ownership of the means of production, thereby practically enslaving the working class. It is because of the capitalist system that workers are dependent on capitalists for jobs. Workers do not naturally depend on others who exploit them for jobs. This is a consequence of

capitalism that is twisted to make the working class think they are being helped out by the capitalists. This is clearly not the case. Marx writes that “capitalist production, therefore, just by the fact it is happening, reproduces the separation between labor-power and the means of labor. It thereby reproduced and perpetuates the condition for exploiting the worker.” (Das Kapital Volume 1, 723:2/o). As a result, society is divided into classes. Labor and capital no longer confront each other in the market as seller and buyer, but rather, the labor is constantly returned to the market as a seller of labor-power. The worker is trapped in a situation where his labor belongs to the capitalist even before he has sold it.

Lastly, capitalism hides exploitation in not an accidental way. It is a calculated strike to keep people from asking questions that may lead to revolution. It is simply keeping certain literature from the working class by lying about it. Karl Marx and his teachings and philosophies have been painted in a negative light. In capitalist societies it is common for media and government officials to vilify Karl Marx. Media and governments claim that capitalism is the way for everyone to prosper and that socialism or communism would create poverty and stagnation. There are those who bring to light every negative aspect about a communist society and relate that to the teachings of Karl Marx. This constant barrage of propaganda has convinced the working class that capitalism is the best system there is, and that the American Dream, which is becoming wealthy and happy, is the goal of capitalism.

This is just a sampling of the many ways that capitalism hides exploitation from those people living in the system. If capitalism did not hide exploitation so well, capitalists would not be able to make the profits they so dearly love because the workers would no longer tolerate it.

Next Message by Karl is [1144] and Next Message by Marx is [1139].

[1122] Bandit, Msj, Syd, and Deiondrious: graded A Capitalists constantly compete with one another over capital by finding new ways to generate profit and surplus value in order to maintain an edge. Oftentimes this is done by exploitation of the laborer. Hans describes exploitation as follows: “If the social control over these things (meaning the means of production) is such that one part of the society is forced to work for another part of society, this is called ‘exploitation’.” (Ehrbar, Annotations Fa2010 pg. 9) Further, not only is one part of society (laborers) forced to work for another part of society (capitalists), but laborers are often earning wages far less than the value they produce. Capitalism has many different features which work to hide exploitation for several different explanations.

Some features of capitalism hide exploitations simply by accident, others systematically hide exploitations, some hide exploitation as a necessary factor in the survival of capitalism, and still others hide exploitation because both exploiters and those exploited are interested in hiding exploitation and deliberately do things to hide it.

Capitalism happens to have several features which hide exploitation just by accident. Capitalism is a system of commodities that could not function without the value associated with individual commodities. The value of a commodity is produced from the expenditure of labor power. Labor power is provided by the laborer, while the means of production is provided by capitalist. According to Marx, “The directing motive, the end aim of the capitalist production is to extract the greatest possible amount of surplus value. And consequently to exploit labor power to the greatest possible extent.”

With in the system of capitalism, the capitalist exploits labor power from the laborers. The capitalist uses exploitation to alter the distribution of wealth, and to keep the wealth within a small group of elite with in the capitalist system. Accidental exploitation occurs in capitalism when the laborers are unaware that they are being exploited. In capitalism there is a constant cycle of laborers entering and exiting the capitalist system. The “next generation” of laborers in the cycle are being exploited, because they are not aware of the exploitation that occurs in the previous generation. These laborers are unaware that they are furthering the capitalist accumulation of profits.

Another form of accidental exploitation occurs in the societal norms of a society. Examples are in education, sports, and entertainment. Capitalist take advantage of the societal norms in these areas. The athletes which provide the entertainment, are underpaid for the revenue they produce for their owners. Students pay tuition to the Universities, that do not go directly to the professors. The exploitation is seen by the laborers who are work for low wages, and consumers who pay for over priced commodities. The laborers and consumers are unaware that they are being exploited.

Capitalism also has systematic features which hide exploitation to the people living in the system because the individuals do not understand the true character of their social relations, such as the fetish-like character of the commodity. Here, the exploitation is hidden by the fact that the way individuals perceive their social relations is distorted, and appears to them as a relationship between physical things. In the commodity, the social character of men’s labor appears to them as the objective character of the product of that labor. As soon as the product is seen as a commodity and no longer as a mere use-value, the social context of production distorts the material production process and value of a commodity manifests itself as a relationship between commodities. The fact that the magnitude of the value of the commodity is actually determined by amount of socially necessary labor is hidden from the awareness of the individual.

Another systematic feature which hides exploitation in Capitalism is the sale and purchase of labor-power. The laborers sell the capitalists the commodity of labor-power but the capitalists pay for labor. According to Marx’s labor theory of value, the use of labor-power creates value and is the only source of value. The laborer sells his labor-power to the capitalist because the capitalist control the means of production but the price of the commodity labor-power is much lower then the value created by labor power. Thus, in the process of its consumption, the commodity labor power produces surplus-value for the capitalists.

Marx’s theory that labor-power is the only source of value is related to another feature which systematically hides exploitation. Capitalists differ from Marx in that, according to them, value is determined by all the factors of production, that is the modes of production (technology, machines) and labor, while according to Marx value is solely determined by labor. Capitalists view the means of production as adding value to the product while Marx argues that the means of production must still be operated using human labor-power. As the capitalists see themselves as owners of the modes of production and they view the modes of production as adding value to the product, individuals living in a capitalist society would not see an increase in profit for the capitalists that results from increased efficiency in the

modes of production as exploitation. Marx on the other hand, would argue that this is exploitation because this merely increases the portion of the working day in which the laborers are working for free.

As laborers are exploited in the capitalist system, they receive wages that are in some cases far less than the value they produce not only from the exchange value produced from the sale of commodities, but from their own labor value. Exploitation is constantly battled across the system as laborers taste the effects of capitalism and strive to earn more than sufficient to provide food, shelter and warmth for them and their families. At some point in time the laborer feels free from exploitation and becomes content with their wages. This contentment can come from many sources: satisfaction with a position in the corporation as a whole, the understanding of “fair market value” for their labor value, or comfort of having a wage that covers the necessities of life. The latter helps us understand how exploitation is hidden in the capitalistic system, especially during an unstable economy. Under a struggling economy laborers become numb to the effects of exploitation. In this situation the laborer knows the capitalist is making more surplus value off the laborer than the laborer may feel is appropriate. This is a difficult position for the laborer because, if battled, the laborer runs this risk of losing the wage altogether to another laborer who is anxiously waiting to fill his/her position and receive wages to provide the necessities of life for his/her family. Contentment is a very real way of hiding exploitation in the capitalistic system and is even more prevalent as we experience economic hardships due to the gratification of simply having a job to provide for one’s family.

Exploitation is a necessary evil for capitalism to exist. The constant battle to overcome exploitation is the very thing that keeps it alive in capitalism. If exploitation were truly erased, the capitalistic system would cease to exist as there would be no profit for capitalists to expand their businesses.

Next Message by Bandit is [1198], Next Message by Msj is [1168], First Message by Syd is [149], and First Message by Deiondrious is [124].

Question 844 is **713** in 2008SP, **716** in 2008fa, **749** in 2009fa, **817** in 2010fa, **874** in 2012fa, and **899** in 2013fa:

Question 844 *Which use-values must be available on the market so that accumulation of capital can take place?*

[969] Sk: Accumulation of capital means the economy grows. Like when the use value of money accumulation the capital you earn, labor force power and production. when there is a bigger firm of economy, it need a bigger firm of money supply. Whenever economic go up, money supply go up too. When capitalist use his money to invest his products, after he sold the product in the market, he makes money so he can pay his labor and keep their labor power. If there is no products to produce, labor power will be low, they don’t want to work with no pay. In today, the capitalist society world, money is often usable, if there is no money, there is no possible has capitalism. Also today economic world, the money supply can go up without a lot of production. There is a lot of ways. Money is not one of the use values have to be usable in the market. Capitalist has enough money to accumulate, which does not need to depend on the use values on the market.

Next Message by Sk is [1071].

[1072] Slamo: Lets say you buy some property in Alaska to mine for gold, in order to start mining you would need equipment to mine with. If there was no equipment previously made, you would have no equipment to mine with and you would have to either wait for someone to manufacture proper equipment or you would have to make your own. In this sense the availability of mining equipment creates use-value for the miner. In the capitalistic system that we are used to most equipment that people need to create a commodity is already available. If some sort of disaster happened or an economic collapse, it would be harder to find certain manufactured goods that a company would need in order to make a product.

Next Message by Slamo is [1125].

Question 847 is **716** in 2008SP, **719** in 2008fa, **752** in 2009fa, **820** in 2010fa, **877** in 2012fa, and **902** in 2013fa:

Question 847 *How can the capitalist be compared with a conqueror who buys commodities from the conquered with the money he has robbed from them?*

[965] Bikeman: Who is worse, the conqueror or the capitalist?

The conqueror rides into the village with his thugs and takes whatever he wants. After the dust settles, he keeps a grip on the people of the village and continues to benefit from their work. He takes a tax and pays for his consumption of their production with their own money. The relationship is well understood by both sides. There is no secret, no illusion. It is what it appears to be. The people unwillingly participate in their exploitation.

In the case of the capitalist, there is no violent invasion. Jobs are provided, workers are happy and they peacefully coexist with the capitalist without fear. But all is not well. There is an illusion being carried out by the capitalist. He has the workers convinced that he is their friend and that they are paid fairly for their work. This is where the capitalist becomes worse than the conqueror. He is stealing from the workers of his village just as the conqueror is, but he is much less honest about the process. The unpaid labor of the worker is hidden and its surplus value benefits the capitalist only. He doesn't have thugs to share with and the laborers willingly and happily participate in their own exploitation.

Next Message by Bikeman is [1054].

[966] Gv: Capital Conquistadors. Spanish conquistadors often appropriated that which was not theirs while forcibly indoctrinating natives to embrace Catholicism. Popular myth, specially that which is propagated in countries whose history is marked by the actions of conquistadors, claim that the riches usurped by conqueror hands and expatriated to the conquistador's motherland are of such vast quantity that they are sufficient to erect an overpass made of gold that could bridge the new and old worlds. Notwithstanding arguments on the volume of wealth extracted, it is a historical fact that riches were not only appropriated by conquerors, but also riches were shipped to home nations as well. This tendency coupled with economic indentures that resulted from trade policies caused conquered nations to face a double standard of poverty. Hence, it can be said that laborers producing cacao were paid (assuming they earned wages and not stripes) by the riches usurped them in the first place. This tendency is also exhibited by the capitalist. Capitalists are motivated to harness surplus-value that is generated by a laborer. This surplus-value is transformed into capital, which

employs the laborer and is a source of wages. Surplus-value is akin to the usurped riches taken by the conqueror. In turn, those conquered are forced to assume the role of consumers (e.g. in colonial times buying British made was a fad supported by societal pressures). Likewise, the laborer becomes the consumer of the product of their own labor, paying for these commodities with more labor than they costs (Marx, 728). An incidental point of comparison is the conquistador's drive to sell Catholicism. This is similar to the capitalist selling their economic system.

Hans: Marx had Roman or Greek conquests in mind where the conquerors taxed the conquered cities and then bought things from the cities with these tax revenues. The conquistadors robbed gold etc but I don't think they used this gold to trade with the conquered nations.

Next Message by Gv is [\[1057\]](#).

[1055] GrouchoMarxist: Modern Wage-Labor. As the capitalist only provides the initial capital for the creation of a business, the funds required to maintain the capitalist's relationship to the worker must be funded by means of the workers' own surplus-product. The modern wage-labor system is wholly reliant upon instilling a sense of ownership in both the capitalist and the laborers by which the capitalist makes his living. Payment is viewed as a privilege that the capitalist bestows on the laborer rather than the product of the workers' labor-power. Because of this the capitalist is unknowingly allowed to withhold a large quantity of the value gained by the product of the workers' efforts. This "surplus-value" or any value in excess of what the worker earns is used to benefit the capitalist and further develop the capitalist's enterprises. This means that the actuality of a corporate environment is a system by which the worker is consistently paying his own wage with the surplus-value deducted from his previous output. As Marx puts it in 728:3 "... the transaction is for all that only the old dodge of every conqueror who buys commodities from the conquered with the money he has robbed them of." The capitalist is depriving the worker of the fruits of his own labor only to later repay the laborer with his own coin. All of this is done under the guise of the continued presence and value of the capitalist's initial investment and the perceived ownership of the worker by his employer. Much as the Spanish paid the conquered Aztecs with the blood money that was stolen from them, the capitalist can only continue his exploitation of his workers through the product of the laborers' own efforts.

Next Message by GrouchoMarxist is [\[1108\]](#).

[1071] Sk: People call the person has a lot capital or money as capitalist. Like Marx said, every conqueror who buys commodities from the conquered with the money. I think capitalist is like a conqueror and a robber, capitalist always want to make money and earn the bigger profit. He hire the worker and earn the surplus value from them then use it buy the commodity. For example, there is a capitalist has a business making shoes. He hired the labor and use the labor power to produce the shoe and sell it to the market. But at the same time the worker also needs to buy shoe to wear so they will use their pay to spend on the shoe. It is a recycle system so the capitalist make the maximum profit from the worker, capitalist earn the surplus value and the market price. They like a robber rob the most the can from the conquered worker. when they earn more surplus value from the worker, they hire more worker and product more shoe, at the time, they earn more surplus value and the market price. Capitalist earn the money from the worker and use it to buy commodity. Keep going..capitalist just like a conqueror and robber in the labor market and product market.

Hans: Yes the labor market. You mention this only in your last sentence. The capitalist uses the money he robbed from the worker to buy the worker's labor power which gives him more money.

Next Message by Sk is [1073].

Question 848 is **717** in 2008SP, **720** in 2008fa, **753** in 2009fa, **821** in 2010fa, **878** in 2012fa, and **903** in 2013fa:

Question 848 *In what way must the laborer “buy back the fruits of his previous labor with more labor than they cost”?*

[981] Maniac: **buying the fruits of your labor with more labor.** In this statement Marx bring forth a good question how is it that the laborer produce his own oppression? The wage laborer produces first the commodity that can later on make himself less needed by the capitalist. The laborer also in this sense makes himself after he has produced this desired commodity he is still a needy person. The Wage laborer only makes enough from his wages to continue on, he does not have the labor that he lost but he must continue on to labor on so that he can produce and consume the commodities that he has labored so hard to produce.

Next Message by Maniac is [986].

[1070] Siman: The laborer must “buy back the fruits of his previous labor with more labor than they cost” because he is not properly compensated for the work that he does. It stems from the capitalist exploiting the worker and robbing them with unpaid labor. The capitalist makes his profits through exploiting the workers.

The reason it takes the laborer more labor to buy back the product than the labor he and his colleagues put into its production is not because the capitalist marks up the price, but rather because the capitalist marks down the laborer's wages. According to Marx's theory of wages, the laborer is paid just enough wages to pay the bills and have incentive to come back to work the next day, but this is much less than the value produced during the work time.

Hans: Your first paragraph is [2010fa:872], and your second paragraph is [2008fa:1168].

Next Message by Siman is [1132].

Question 849 is **879** in 2012fa and **904** in 2013fa:

Question 849 *Isn't it a good use of surplus-labor if the surplus-value produced by one worker creates additional jobs for other workers?*

[1069] TKOberle: Yes, if surplus value created by a single worker can create more jobs for other workers that is a good idea. The surplus value or unpaid labor created should be used to hire more workers. Capitalists may get the idea of buying machines to replace other workers which will leave them out of work and create more capital and surplus value for the capitalist. It sounds selfish that a capitalist would do such a thing. If the capitalist would look out for the well being of everyone, everyone would be better off.

Hans: You have all the elements of a correct answer here, but you are not putting them together right. If this higher demand for labor raises wages too much, capitalists will reduce their investment again or use machines to replace laborers. All this will be discussed in detail in chapter 25.

Message [1069] referenced by [2012fa:1315] and [2013fa:1162]. Next Message by TKOberle is [1125].

Question 855 is **726** in 2008fa, **759** in 2009fa, **827** in 2010fa, **885** in 2012fa, and **910** in 2013fa:

Question 855 *Why is it not admissible to seek relations between whole social classes in the laws of commodity exchange?*

[1058] Hk: First of all the conversion of a sum of money into means of production and labor-power, is the first step taken by the quantum of value that is going to function as capital. This conversion takes place in the market, within the sphere of circulation. The second step, the process of production, is complete as soon as the means of production have been converted into commodities whose value exceeds that of their component parts, and, therefore, contains the capital originally advanced, plus a surplus-value.

Exchange-value seems at first to be a quantitative relation, the proportion in which use-values are exchanged for one another. In this relation they constitute equal exchangeable magnitudes. Thus one volume of Propertius and eight ounces of snuff may have the same exchange-value, despite the dissimilar use-values of snuff and elegies. Considered as exchange-value, one use-value is worth just as much as another, provided the two are available in the appropriate proportion.

These commodities must then be thrown into circulation. They must be sold, their value realized in money, this money afresh converted into capital, and so over and over again. This circular movement, in which the same phases are continually gone through in succession, forms the circulation of capital.

The use of Marx's analysis of commodity exchange entails an abstraction from the variety and complexity of actual market practices, as of course there is no such thing as "the market" but only a variety of markets.

To define what a commodity exchange is, it acts as an organized marketplace for agriculture goods, most importantly grains. Much like how stock exchanges provide a market for stocks and bonds to be purchased, a commodity exchange, otherwise known as commodity markets, provide a market for the trading and selling of commodities, i.e. grains. Most circulated commodity purchases on these exchanges are corn, soybeans, oil, eggs, wheat, beef, metals (i.e. gold, tin).

Long-term price stability has been described as the great virtue of the commodity back standard. Under the commodity back standard, high levels of inflation are rare, and hyperinflation is nearly impossible as the money supply can only grow at the rate that the commodity supply increases, but also as the inflation is reared, at the same time, deflation are usually be happened. It is a circular rule in the laws of commodity exchange

Hans: These are literal copies from various web sites. The second paragraph is *Contribution*, 270:2. The fourth paragraph is from

<http://onlinelibrary.wiley.com/doi/10.1111/j.1467-9833.2009.01478.x/full>

I didn't bother to look up the sources from the others.

Next Message by Hk is [1132].

Question 856 is **760** in 2009fa, **828** in 2010fa, **886** in 2012fa, and **911** in 2013fa:

Question 856 *Describe as well as you can the social mechanism of which the capitalist is merely a drive-wheel.*

[945] Hunter: In order for the capitalist to accumulate as much wealth as possible he must have laborers under him that are efficiently producing his commodity. The capitalist will spend as little as possible while at the same time pushing his laborers to the brink of production in order to boost his profits in exchange. Mim [2009fa:1084] states “the capitalist must force his workers to produce. This forceful production is driven by the capitalist and in this sense the capitalist is a ‘drive-wheel’. From this position the capitalist is responsible for the direction the production takes and in turn the direction in which society heads.”

I agree with Mim. The capitalist holds a great deal of power and when making decisions will in the end determine in which direction all of society will head. For the reason the capitalist is merely a drive-wheel

Hans: I realized that my translation was wrong. The correct translation is gear-wheel or cog, it is a wheel that receives torque from somewhere and transmits this torque, not a wheel that generates traction.

Message [945] referenced by [2012fa:1375]. Next Message by Hunter is [949].

Question 858 is **220** in 1996ut, **301** in 1997sp, **297** in 1998WI, **712** in 2008SP, **729** in 2008fa, **830** in 2010fa, **892** in 2012fa, and **913** in 2013fa:

Question 858 *Is a capitalist free to decide whether to expand his business, and how much of his profit to use for personal consumption? Which mechanisms, if any, constrain him or her?*

[991] Msj: Personal Wealth or Business Investment. Capitalism is all about creating wealth and increasing the overall profit to create additional wealth. Hans notes in [1996ut:202] that capitalism as a whole decide how much is able to be reinvested and is based upon wages, profits, etc. These types of decisions are based purely upon the basis of creating additional wealth, not for the benefit of the nation. This may take new meaning with the economic climate as of late. A necessary component to a capitalist is the accumulation of wealth and if capitalists are able to control this portion of wealth then they will certainly do all they can to control what is personal and what is reinvested back to the business. As mentioned earlier the economic climate as of late would certainly control the use of profits for a capitalist and capitalism as a whole. Money in general is being supplied back to the company simply to keep the companies afloat rather than for personal wealth. We have seen this in many local businesses within our industry.

Next Message by Msj is [992].

[1074] CRC: The capitalist answers to himself. The capitalist exercises almost absolute autonomy in his/her decisions between the amassing of wealth or the expenditure of wealth. This is, and certainly ought to be, a frightening concept because avarice and greed are allowed to flourish unbridled by any concrete regulation or limitation, and all profits are thus achieved directly from the capitalist’s feverish squeezing of profit from the labor of others at an ever-increasing rate and intensity. The only mechanism operating to rob the capitalist of this autonomy is an informal one, and one that is solely concerned with viability and competitive fitness. The capitalist cannot spend so lavishly that they are unable to maintain their control of the means of production and thus lose their business. The capitalist must always

have enough capital in reserve for the perpetuation of his/her trade. Other than this however, the capitalist is relatively free to delegate their own personal flavor of balance between consumption of wealth and amassing of wealth, both of which maintain their advantages to the capitalist.

Next Message by CRC is [1129].

Question 859 is **763** in 2009fa and **831** in 2010fa:

Question 859 *How was surplus-value divided into capital and revenue in the different historical periods of capitalism?*

[1075] Hayms: In the beginning surplus-value was very different throughout history. The capitalist system started out as just a very simple exchange system. The surplus-value that each capitalist received was only enough to purchase enough materials so that they could continue to produce their products. As Marx said in 741:2/o, “they were obliged to work for their livelihood.” They had to work alongside the laborers and could not really acquire any type of fortunes. The capital they received was enough to produce more raw-materials, and the revenue they received was small.

The next part of the system capitalists begin to acquire a small fortune. They “acquire little fortunes, but worked as hard as before.” The capitalists would be able to save a little bit more capital allowing them to have extra surplus-value allowing the capitalist to hire more help which as stated in the annotations, “to squeeze out the labor power of others and enforces the laborer abstinence from all life’s enjoyments.” They did start to begin to enjoy more wealth.

Later in the process and one of the most important parts of the process was the development of capital. This is what Hans called the end of, “self-finance” to expand. This allowed what the book calls, “quick opportunities to get rich.” This shows having credit to be more important than having capital. This would then allow the capitalist much more money for personal consumption. The development of credit soon becomes a business necessity, and importantly led to the development of what Dr. Aikin would have described as a more expanded trade.

Hans: Regarding the first period: the purchase of “enough materials so that they could continue to produce their products” is not financed from surplus-value but from the backflow of constant capital.

While your description of the first period shows that you don’t understand how surplus-value is defined, your description of the fourth period shows that you don’t understand how capital is defined. Capital did not just develop in the fourth period, all four periods were stages in the development of capital.

Your essay sounds as if capital accumulation was no longer necessary with the availability of credit, this is why luxury consumption increased. Marx himself describes a different connection.

Since you only have a fuzzy understanding of the concepts used, it is no wonder that the main part of the question, how the division of surplus-value into revenue and new capital investment evolved over those periods, is not answered in your little essay.

Next Message by Hayms is [1137].

Question 862 is **896** in 2012fa:

Question 862 *Does Marx’s theory of capitalism allow the interpretation that the capitalist loans the means of production to the worker? Justify your answer.*

[1076] MarxStudent: graded A No. Throughout chapter twenty four Marx builds his case against the idea that the means of production are the rightful possession of the capitalist class.

My summary of how he describes the process of capitalist accumulation goes like this. . .

Because the capitalist pays workers only a portion of the value of their labor-power, he is able to appropriate the surplus value of their labor-power for himself. Then, due to the competition that is inherent in the capitalist mode of production he is compelled to invest a portion of the surplus value in acquiring new capital. The new capital in turn is put to use by additional labor-power, for which workers are not compensated at full value. This leads to even greater accumulation since both the original and additional capital, along with the labor-power they employ allow the capitalist to appropriate an ever greater amount of surplus value. The process continues indefinitely, so that whatever portion (if any) of the original capital was the legitimate property of the capitalist by virtue of his expending his own labor-power to possess it, grows smaller and smaller so as to be essentially nothing.

Any claim that a capitalist has the right to possess property that was not the product of his own labor-power, or from the exchange of such a product, is a violation of the labor theory of value. So from a Marxist perspective the capitalist has no legitimate claim of ownership over the means of production, thus the capital is not his to lend to the worker in the first place.

Hans: For those reading this answer in the archive I'd like to say that it received an A because it has an excellent summary of chapter 24, not because the answer to question 862 is entirely correct. Even if the capitalist has acquired the means of production by illegitimate means, this does not preclude him from loaning them to the worker. There is another reason why the interpretation that the capitalist loans the means of production to the worker is incompatible with capitalist reality as Marx sees it. This reason is not addressed in chapter 24.

Message [\[1076\]](#) referenced by [\[2012fa:1365\]](#). Next Message by MarxStudent is [\[1209\]](#).

Question 863 is **728** in 2008SP, **734** in 2008fa, **767** in 2009fa, **835** in 2010fa, **897** in 2012fa, and **919** in 2013fa:

Question 863 *What is the "Abstinence Theory"?*

[1061] Tvan: Basically abstinence theory is wrapped around the idea that the capitalist are abstinent from the benefits of the product that he is making because he is not using his means of production for his own consumption. Marx explains that the abstinence theory did not exist in primitive societies. He says that a bow maker is exercising a industry but is not practicing abstinence because he himself needs the bow. But in today's society abstinence is practiced everyday. Mark states that, "the more society progresses, the more abstinence is demanded."

Hans: These are quotes from Senior, not from Marx. Marx is highly critical of Senior's theory.

Next Message by Tvan is [\[1063\]](#).

Question 866 is **663** in 2004fa, **737** in 2008fa, **770** in 2009fa, **838** in 2010fa, **900** in 2012fa, and **922** in 2013fa:

Question 866 *If it is true that the laborers produce all the value, it is necessary to explain why they do not get it. This question becomes especially puzzling if one considers the exponential character of the accumulation of capital. One should expect labor demand to*

eventually outrun the labor supply, so that the labor market will eventually become a seller's market. Which mechanisms prevent this from happening?

[1137] Hayms: The first part of the question is true. Laborers produce all of the value but they do not receive it. Why do they not get it? This is how Wakefield would say as discussed in chapter 33. They will work until they can become the capitalists. Which produces in set a never ending cycle. Although Wakefield discusses this as the consumption of property and property ownership, the idea is generally the same and that is why there are laborers. They labor with the hope of one day becoming a capitalist.

To second part of the question I would explain this by using some of the ideas Greg uses when talking about chapter 18 which is titled Different Formulae for Rates of Surplus-Value which was also explained by Greg in his answer [2009fa:1163] and his term paper [2009fa:993]. Marx explains that surplus labor can be called unpaid labor, and it is interesting that the capitalist is taking this unpaid labor, but I do not see how the appropriation or taking this capital increases the labor supply. If the capitalist takes too much and does not pay a worker the wage equivalent to what he may be worth, the laborer will leave for a better job that pays more or he will be exploited and overworked but how can this laborer be replaced if they are continued to be underpaid.

The capitalists will do their best to employ workers so that they can earn a profit and accumulate more capital but at the lowest possible wage. Marx has talked about how capital can increase by trading itself for more labor-power, but it needs to avoid labor shortages at all costs. The obvious mechanisms to prevent labor demand to outrun labor supply would be to control the population. This is very common in society today in college towns. There are many low paying jobs that exploit the laborers but there continues to be more and more college students that are willing to work for less so that the capitalist can accumulate more capital and earn more profit. This continues to prevent labor demand outrunning labor supply.

The other idea to avoid labor shortages is technological advances, new labor pools, and as Marx would put it, "the instability of capitalism" this leads to recessions and depression. Technological advances help in the increase in productivity which would lead to some laborers getting laid off but this leads to more openings in other job markets. Greg uses a great example and I would agree with that in [2009fa:1163] he uses the technological advancement of the automobile and its destruction to the saddle manufactures, horse bridle manufactures, but increased the amount of jobs in the automobile industry and steel factories. This is seen today in the computer world, there are many jobs lost because of machine technology and other robotic advancements but more need for those that run these machines and computers.

Message [1137] referenced by [1201]. Next Message by Hayms is [1201].

Question 867 is **771** in 2009fa, **839** in 2010fa, and **901** in 2012fa:

Question 867 *"Value composition" and "organic composition" are two names for the same number, namely, the proportion between constant and variable capital c/v . When does Marx use the word "value composition" and when does he use "organic composition?" Why*

would one want to introduce two different words for the same number? Are there other examples where Marx uses two different words for the same thing?

[1092] Bandit: graded A– “Value composition” vs. “organic composition” Marx uses the term “value composition” to describe the proportion between constant capital and variable capital with respect to value, where constant capital, measured in the value of the means of production, is divided by variable capital, measured in the value of labor-power, or the sum of wages paid. Hans describes this proportion in the annotations as “a pure number (dollars divided by dollars)”. Marx talks of a second component of capitalism, which he terms “technical composition”, when describing the proportion with respect to the use-values which capital acquire during the production process. Here, constant capital is measured in the mass of means of production employed and variable capital is measured in the mass of labor necessary for their employment. In the annotations, Hans points out how this contrasts with value composition in that it can not be represented numerically because it is the mass of means of production per hours of labor. Marx uses the term “organic composition” when the value composition of capital is “determined by its technical composition and mirrors the changes in the latter”.

Marx uses two different words for the same number because these two components are related, not identical. The term “organic composition” is used when variable composition reflects technical composition, but when Marx uses “value composition” this is not the case.

This is not the only scenario in which Marx uses the two different words for what seems to be the same thing. Another situation would be with terms “exchange-value” and “value” which seemingly describe the same thing but through further investigation it becomes clear that there is a distinction in that exchange-value is merely the quantitative aspect of value, a way of expressing the value of a commodity in terms of another commodity which it can be exchanged for, while value is something inherent within the commodity.

Hans: Exchange-value versus value is not a good example because they are actually two different things. Value composition and organic composition are not two different things, they are exactly the same thing, the ratio of constant over variable capital.

Exchange-value and value are “related but not identical” but this characterization does not fit for value composition and organic composition. One can say value composition and technical composition are related but not identical, but value composition and organic composition are indeed identical. The only difference is that organic composition is a sign for the technical composition, while the value composition is not. I am using the word “sign” here deliberately, because Marx’s discourse has a lot to do with Peircean semiotics.

Maybe the following example will clarify this. Marx’s terminology is like having a different name for a traffic light when it is actually regulating traffic than when it is turned off and blinks yellow. It is like calling the same physical thing a “traffic light” when it is turned on and a “yellow blinker” when it is turned off.

Such a terminology is certainly unusual but it can make sense. If you are telling the driver “careful, traffic light coming up” the driver will prepare himself for a quite different action than if you are telling him “careful, yellow blinker coming up.”

Next Message by Bandit is [\[1122\]](#).

Question 871 is **319** in 1997WI, **387** in 1997sp, **384** in 1997ut, **582** in 2002fa, **606** in 2003fa, **665** in 2004fa, **612** in 2005fa, **736** in 2007SP, **707** in 2007fa, **736** in 2008SP, **741** in 2008fa, **774** in 2009fa, **842** in 2010fa, **905** in 2012fa, and **928** in 2013fa:

Question 871 *The capitalist depends on the worker for profit, and the worker depends on the capitalist for survival. Does this mean that workers and capitalists have the same interests?*

[1078] KKondo: This is a good question due to the way it is formulated. When I first read the question it came to my mind that yes for the simple fact that they do need each other. But needing each other does not mean that they have mutual interests. In [2010fa:1030] Somramthom argues that “The main goal of the capitalist is to exploit the worker by profiting from the “surplus” labor the worker creates”, making us think that it is on the capitalists interest to pay the workers the minimum possible in order to gain more from their labor. On the other hand, it is on the worker’s interest to increase their wage to make a more comfortable living. So even though they do need each other for survival, their interests are completely different. An example is of a football player, the owner of the team needs him to play well in order to win but not as good to the point that his value would increase. On the other side, the player wants to play good in order to increase his salary. Both need each other, but have different interests.

Message [1078] referenced by [1079]. Next Message by KKondo is [1090].

[1079] Jaime: To agree with KKondo [1078]. I do believe that while the capitalist and the worker are dependent on one another, but by no means have the same interest. Exploiting a worker in order to increase surplus value, and thus making a profit, is not the same as a worker trying to provide for himself. A common interest could be reached if the worker also benefited from good work and longer hours. If both the capitalist and the worker could come to an agreement for a final outcome they would then have the same interest.

Next Message by Jaime is [1114].

[1088] Alex: graded A Ultimately, laborers and capitalists have the same interest—that is to earn, at minimum, an amount to sustain themselves. However, that is basically where the similarities end. For one, the worker is generally able to only earn just enough to survive, while the capitalist is intent on earning much more than that. Also, they reach their goals in very different ways. As noted in the Annotations, the relationship is a contradictory one. It is not a mutually dependent relationship with exclusively shared interests. Capital uses the growth of labor-power to advance its own interests, not those of the laborers.

The two parties are dependent on each other to an extent—Capital may increase only by putting new labor to work, and laborers must rely on the capitalist because the laborer is separated from the means of production. However, this relationship is tends to favor the Capitalist far more than the laborer. The worker can only strengthen himself by exchanging himself for capital if he is increasing capital, which Marx says is “by strengthening the power whose slave it is.” Capitalists on the other hand, will only hire additional labor if the wage is low enough to ensure profit.

Message [1088] referenced by [2012fa:1482]. Next Message by Alex is [1100].

[1099] Skiingforlunch: graded A Mutual Interests? I think not! The interest of workers and capitalists are not shared in capitalism. Although they are dependent on each other in order for the economy to perpetuate itself, their motives for their actions are precisely different. Capital needs labor in order to make profits. Labor creates the value that a capitalist needs. The capitalist motives in the production process are to subordinate labor in order to

reap a surplus value. The worker seeks a wage and as a result he is willing to sell his labor to the capitalist to ultimately survive. There is a contradictory identity in which capital usurps the labor-power for its own purposes, but the unity of the interests are not mutual.

Next Message by Skiingforlunch is [1100].

[1105] Keynes: Worker and Capitalist Interests. “The capitalist depends on the worker for profit, and the worker depends on the capitalist for survival”. By the questioning, this makes the worker seem in much more of a dependent state than the capitalist, but it is entirely the opposite as Hans states in his response to Somramthom, [2010fa:1030], “workers do not really need the capitalists, they could easily take over the jobs of the capitalists, while the capitalists can do nothing without the workers.”

Within the same response, Somramthom expands on previous answers by signaling the difference between short term and long term views. In the short term, the worker and the capitalist have different interests, as stated above. But it is in the long term that they share the same interests. Both have an interest in a society that benefits everyone, that “can produce wealth for everyone” (Hans, [2010fa:1033]). It is here that the workers and capitalists’ interests merge. In the short term, the capitalist does what he can to exploit the worker to gain the most profits he can. The worker just holds on and tries to survive.

Next Message by Keynes is [1106].

[1143] Hans: Reconciliation not Possible. The mailing list posting by Carl Estabrook included below is relevant for question 871 because of the following passage:

It’s wrong to see the postmodern trinity of oppressions (race, gender, and class) as similar to one another. The first two can in principle (but not easily) be solved by reconciliation; the third (the conflict exploiter/exploited) cannot: one or the other must be liquidated (not the persons, one hopes, but the social role)—i.e., the way the society functions (its political economy) must change.

Ok, here is Carl’s entire article, after this I am including a brief bio of Carl. The article is from

<http://mailman.lbo-talk.org/pipermail/lbo-talk/Week-of-Mon-20111128/015672.html>

and the bio from

<http://www.anti-war.net/speakers/Carl-Estabrook.html>

Various forms of Identity Politics [IP] are threatening the Occupy Wall Street/99% movement.

It’s not too much of an overstatement to say that OWS represents the re-introduction of class into US politics for the first time in 40 years. Forty years ago, US liberals stepped back from the concern for class that emerged from the ’60s (= the demand for equality) and substituted concerns for race and gender (= the demand for diversity). I don’t want that Great Refusal to be repeated.

Racism of course exists in US society, and it should be opposed. But it’s wrong to see the postmodern trinity of oppressions (race, gender, and class) as similar to one another. The

first two can in principle (but not easily) be solved by reconciliation; the third (the conflict exploiter/exploited) cannot: one or the other must be liquidated (not the persons, one hopes, but the social role)—i.e., the way the society functions (its political economy) must change.

The class profile of the US has been roughly the same over the past 30 years, even as Neoliberalism has financialized the society and concentrated wealth at an accelerating rate in the elite:

1% = economic elite (aka ruling class, big bourgeoisie), owners of property, esp. productive property;

20% = political class (aka liberal class, petty bourgeoisie, graduates of a good college, hence “tertiary bourgeoisie”), those who want to be like the elite (see now Chris Hedges, *The Death of the Liberal Class*): it’s to them that the highly-developed US propaganda system is directed; and

80% = working class, and aware of it.

Of course all but the elite are working class in the sense that they must rent themselves to the owners of capital in order to live. But the possession of some capital (especially “human capital”) allows the political class to do so on better terms than the working class. They are relatively privileged.

The OWS/99% movement appears when

(a) members of the political class switch their allegiance from the elite to the working class; and

(b) members of the working class give up their usual—and usually accurate—assessment that “nothing can be done” (i.e., only individual solutions are possible).

IP dissolves this conjunction by substituting individual demands—the demand for diversity—for the demand for equality. IP can be, consciously or not, an attack on the OWS/99% movement.

Noam Chomsky wrote fifteen years ago, “American society is now remarkably atomized. Political organizations have collapsed. In fact, it seems like even bowling leagues are collapsing. The left has a lot to answer for here. There’s been a drift toward very fragmenting tendencies among left groups, toward this sort of identity politics.”

—CGE

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(“From Bard to Verse”, Saturday noon-1 PM). He has spoken and written on history, politics, and US foreign policy, particularly with regard to the Middle East.

Next Message by Hans is [\[1147\]](#).

Question 879 is [743](#) in 2007SP, [743](#) in 2008SP, [748](#) in 2008fa, [781](#) in 2009fa, [850](#) in 2010fa, [913](#) in 2012fa, and [936](#) in 2013fa:

Question 879 *What is the “juridical illusion”?*

[1134] CRC: The Juridical Illusion. In Chapter 25, Marx accuses Eden of “juridical illusion”. To elaborate, juridical illusion refers to the phenomenon of an individual buying into the popularized narrative that states that the laws are responsible for the make-up and organization of social relations within a society. In a Capitalist society individuals are often times “had” by the juridical illusion that the Capitalists are the “creatures of civil institutions”, as Eden says. This then must imply that the social relations in which laborers and Capitalists are bound up are a product of the institutions put in place by the citizens of a given Capitalist society. This is used as a justification, or cop-out, for the abuses exacted upon laborers by the Capitalists. This is simply wrong. The reality is that the social relations in which laborers and Capitalists are bound are the source of the law which only serves to codify these relations and circumstances, making them increasingly difficult to be challenged by laborers, should they choose to confront the system that extorts and suppresses them.

Gv: I think I touched on this subject in my free discussion [\[1057\]](#). According to an article I recently read, I found it interesting that the SEC levies weak punitive measures to companies who are engaged in fraudulent activity. The implication of this, is that the populace is hoodwinked to believe in laws and regulations. The populace is sold on the importance of the vote. On the other hand, those in power play the system to their benefit. Case in point, is the Sandusky scandal—where a system worked to protect an offender perhaps because of the financial benefits or prestige that resulted from his employ.

Hans: Thank you Gv, this is a web submission which enriches the archive.

Message [\[1134\]](#) referenced by [\[2012fa:1518\]](#). Next Message by CRC is [\[1150\]](#).

Question 882 is [398](#) in 1997sp, [395](#) in 1997ut, [675](#) in 2004fa, [621](#) in 2005fa, [746](#) in 2007SP, [717](#) in 2007fa, [746](#) in 2008SP, [751](#) in 2008fa, [784](#) in 2009fa, [853](#) in 2010fa, [916](#) in 2012fa, and [939](#) in 2013fa:

Question 882 *What does Marx use the metaphor of a golden chain for? Why does he say the chain has become heavier?*

[1087] George: graded B– The purpose of the golden chain metaphor is to show the stronghold the capitalist has on the wage earner. Gold because the capitalist makes so much money off of him, and it is a chain because the wage earner only has so much potential to make money, and the length of that chain depends on the capitalist but it will always exist. It is loosened when the wages rise but the chain is very well still intact. It becomes heavier and shorter when the capitalist loses capital thus decreasing the laborers’ wage, or when he is getting more exploited than before.

Hans: The chain is called golden not because of the money the capitalist makes, but because the worker himself gets more money than the absolute minimum for living, while still being dependent on the capitalist. The chain becoming heavier means that the worker is now dependent on this higher income because they have changed their consumption habits.

Message [\[1087\]](#) referenced by [\[2012fa:1481\]](#) and [\[2013fa:1192\]](#). Next Message by George is [\[1106\]](#).

[1110] Freshprince: The metaphor of a golden chain is used because it symbolizes how the regular laborer is a prisoner to the capitalistic system and money, without the ability to break free. Marx sees the working class unwillingly working for their capitalist employers, but yet choose to in order to keep their jobs. Marx says “in which the wage-laborer has already forged for himself”, meaning that the laborer has the freedom to continue the work or not, but in theory must continue to survive.

The symbolism of the chain being loosened is when the worker is gracefully granted with a higher wage. The chain is heavy because along with a higher wage given, comes more and more responsibility and in essence, less flexibility and freedom. The weight becomes heavier as the chain bears down on the laborer, handicapping them in certain instances. As the laborers succeed in making money and accept their role under capitalism, they wont ever find themselves free from the gold chains bound to them.

Hans: Marx says that the laborer forges the chain for himself because the capital which enchains him is not produced by the capitalist but it is accumulated surplus-value produced by the worker himself.

Next Message by Freshprince is [\[1125\]](#).

Question 883 is **331** in 1997WI, **399** in 1997sp, **396** in 1997ut, **593** in 2002fa, **617** in 2003fa, **676** in 2004fa, **622** in 2005fa, **718** in 2007fa, **785** in 2009fa, **854** in 2010fa, **917** in 2012fa, and **940** in 2013fa:

Question 883 *Does it make sense for the working class to fight for higher wages if the capitalist, for economic reasons, usually maintains the upper hand in such conflicts?*

[1091] Sk: I think it make sense for the worker to fight for the higher wages. If you believe you are right, fight for it. Worker always live under the capitalist power. If they show the capitalist they choose giving up the fight, then the labors totally lost their labor right and chance to say what they want, because the capitalist just think they give the labor a pretty good price or set even lower wage for them. The working class can organize the labor group or join in the union to fight for the higher wage. although the labor lose in the fight, the labor create their power and they can learn something from the fight. It can totally make a different for the future. As Hans said in [\[2007fa:670\]](#): “even if they lose their labor struggle, Marxists would say that the struggle itself creates forms of organization for the workers that can make a difference in the future, and that the workers learn from their struggles.” They may not have the upper hand in the conflicts but at least they don’t let the capitalist walk all over their rights.

Next Message by Sk is [\[1093\]](#).

[1107] Bu: Fight back. A capitalist has one thing in mind, and that is to maximize profits. There are many ways to make profit but maximizing includes taking all legal actions possible to minimize payroll. An employer tries to pay as little as possible to a worker while the worker tries to get the most he can get.

The answer to this question is yes, yes it makes sense to fight for higher wages because if an employee does not, then the employer will take advantage and pay as little as they can get a away with. A worker needs to be careful when fighting, they need to use appropriate resources available when deciding to fight back. In today’s society we see “unions” formed which is done with the idea that they make sure that the employees get what they deserve.

If it weren't for organizations like this, the employer would take advantage. Workers must fight but they have to do it collectively or they will be at a disadvantage.

Next Message by Bu is [\[1185\]](#).

Question 884 is **332** in 1997WI, **405** in 1998WI, **429** in 1999SP, **524** in 2000fa, **554** in 2001fa, **594** in 2002fa, **618** in 2003fa, **677** in 2004fa, **748** in 2008SP, **786** in 2009fa, **855** in 2010fa, and **941** in 2013fa:

Question 884 *Does the dependence of the workers on capital decrease when wages are high?*

[1093] Sk: The dependence of the worker on capital does not decrease when wages are high because capital is the independent variable. When I was working a summer job in a casino in Macau, there is a lot people coming gambling in August. So the casino raise our wage. I was more dependent on the higher wage, at that time, I want a nice motorcycle. After summer, we don't have as many customers come gambling. The wage goes down again. The wage were high only for a short period. When the wages are higher, it will be the same dependence on capital or more dependence.

If the wage is high and the worker uses the capital to buy or produce his product and sell it in the market then it may decrease the dependence of the worker on capital when the wage is high, but as Hans said before "the capitalist system has built in mechanisms preventing too many workers from becoming capitalists". I think it is really true. There is really many systems to prevent many worker become capitalist, that is what really happening in the real world. So it won't decrease the dependence of capital when the wages are high.

Message [\[1093\]](#) referenced by [\[1131\]](#). Next Message by Sk is [\[1132\]](#).

[1095] Hunter: In a capitalist society it seems more likely to me that wages would only be high when there is good reason. It could mean that the cost of living has been raised, or inflation is up, and the only way for the capitalist to keep his laborers is to pay more. With this theory it would not mean that the worker's dependence on capital would decrease, moreover it would stay the same or even increase with the false feeling of having more.

Another reason I could think of wages being higher would be to attract more laborers, and increase the amount of spending. It is human nature to spend more when given more. After a close analysis the capitalist may find it beneficial to increase wages when there is a high demand for his produced goods. This increased wage would encourage more people to buy, ultimately, returning capital to the capitalist, and at the same time increasing the laborers need for capital even though they are making more money.

It would only be a select few that would continue to live the exact same lifestyle that they did when making less money, in the end lessening their dependence on capital.

Hans: The tale that higher wages benefit the capitalist because it generates a market for his product is often told but Marx would say it is wrong. If the workers force the capitalists to raise wages, capitalists may turn around and say "high wages are good for us anyway" in the hope the workers won't realize that they have the power to force things on the capitalists which the capitalists don't like.

Message [\[1095\]](#) referenced by [\[1131\]](#). Next Message by Hunter is [\[1109\]](#).

[1131] DO: graded B- In my opinion, the dependence of the workers on capital does not in fact decrease when wages are high. Just because wages are high, the dependence of the workers is the exact same as it is if the wages were low and would not see a change of

dependence at all. The workers are depended on to produce the product, which in turn is sold or traded which is what keeps companies profitable and in business, and in almost every case the reason for having a business in the first place. Just because the wages may be high, does not change the fact that the workers are depended on at a very high level and necessary whether the wages are high or low.

Gv: I agree. Higher wages often shift spending habits. While the car may be newer or the house larger, the dependence remains. If anything, dependence increases because the presupposed individual has more to lose. The worker remains stuck in the rat-race despite higher wages.

Hans: The question does not ask about the dependence of the capitalist on the worker, but about the dependence of the worker on the capitalist. Gv does not realize that DO has turned the question around, and the reasons for Gv's "agreement" are different than the reasons given by DO. Gv's remark does not make the archives easier to use but on the contrary makes them more confusing.

Gv: Sorry for any confusion. I was commenting from the paradigm of the worker. Despite increased wages, a worker remains dependent on the capitalist (i.e. the worker is dependent on the wages provided by the capitalist), in part because with increased wages, a worker typically shifts his or her spending habits. Increasing habits results in more or more costly commodities. Thus, the worker who is spending more has more to lose or risk if he or she were to exit his employ under a capitalist. Because of changing spending habits, it could be said that increased wages leads a wage-earner to be more reliant on the job provided by the capitalist, in other words the wage-earner becomes more dependent on the capitalist. Regardless, I apologize for hindering rather than fomenting the discussion.

Hans: People asked me what they could do if they don't have enough participation points. My preferred extra credit assignment is the one I announced in [486], that you identify answers in the archives which answer a different question than the one asked, and formulate the question which was asked. Had Gv added a remark to this submission here saying: "this is not an answer to question 884 but to the alternative question 'Does the dependence of capital on the workers decrease when wages are high?'," then I would have been impressed. This is very much a class in critical reading and Gv would have shown that he is reading critically. Instead Gv is adding remarks to this message here which would have fit for [1093] or [1095] but which do not fit here. It shows that Gv is not reading critically. Gv thinks the text says what he already has in his mind, without realizing that DO is pursuing a completely different argument.

Next Message by DO is [1194].

888 is **0** in 2005fa, **0** in 2007SP, **888** in 2007fa, **888** in 2008SP, **888** in 2008fa, **888** in 2009fa, **888** in 2010fa, **888** in 2012fa, and **888** in 2013fa:

888 *Free Discussion*

[43] Hans: Is it a good idea to produce only for market demand? This email shows you how you can satisfy your free discussion requirement. Very simple. Do the same thing as you would with a homework answer but choose question number 888. Under this question number you are free to discuss anything you want.

Expanding on my [40], I'd like to make an additional remark on the notion that something for which there is no market demand is useless. Right now there is not much demand for investment goods. Corporations are hoarding cash because there is too much uncertainty what they will be able to sell when. Well, this slack in investment demand would be an excellent opportunity to do those investments which we all know are necessary: the investments for a cleaner, greener economy. Last Friday, Obama did therefore exactly the wrong thing when he told EPA not to tighten the Ozone standards. Obama said tightening these environmental regulations would be a job killer. According to Krugman, this is bad economics.

<http://krugman.blogs.nytimes.com/2011/09/03/broken-windows-ozone-and-jobs/>

A time when nobody else invests is exactly a good time to make green investments. Although there is no market demand for them, they are far from useless, and therefore the state should create this demand. What do others think about this?

Message [43] referenced by [44], [48], [141], [175], and [697]. Next Message by Hans is [50].

[44] Veb: Re: Is it a good idea to produce only for market demand? I wanted to comment on Hans' postulation that the state should create demand for "green" investments, as there is currently no market demand for them in [43]. Politically, I completely agree with this. However, I wonder if these would be considered as having value? Hans commented on the coat having a use-value in the summer in [40], but that, in my interpretation, was assuming that the coat in question already existed, and therefore had already had a production process through which labor could be congealed within it. Green investments (the type under discussion, at least) have not been made yet, and so there is no labor embodied within to make them useful (under Marx's definition).

I don't think I read anything in the text (yet) about future use-values, and I was wondering how that played a part in this system. Obviously, future expectations play a part in market relations (at least in neoclassical economics), and so perhaps if we expect (and in this case, may be fairly certain) that these investments have large potential benefits, they can be treated as already being useful, even though they are not yet in existence? Or is it that the investments already exist but the market for them is too small for some, and so the use-values of future green investments are just extrapolated off of the ones already existing?

This concept also made me think about what Hans talked about last class. He said that the most important social cost is no longer labor, as things are so easily and cheaply made and that the most important social cost of production is the use of resources, because of issues such as environmental degradation. I wonder then if these future green investments would be considered useful through that lens. In other words, can the environmental benefits of this commodity be considered an alternative to labor to give them value? If so, the question of expectations of future value applies to this as well.

Message [44] referenced by [48]. Next Message by Veb is [147].

[54] Poptarts: I was discussing the classes I am taking with a friend, and I was asked what is the difference between Marxism, and Communism. I was not really sure there was a difference, though I simply said that I guess I would find out sooner or later.

I decided then to take a look around and see what exactly that difference is, if any. When poking around I found that most people are not really sure what the difference is, but the general consensus seems to be that communism would be the political realization of Marxism, which of course can take on various attributes that differ as much as people do. On the same note, without Marx there would of course be no communism, or socialism at all, so in some ways they are really just the same when talking about them in a general sense.

Message [54] referenced by [56] and [303]. Next Message by Poptarts is [280].

[56] Danish: Definition of Communism. In the US we have very self-centered definitions of socialism, communism and marxism. But it is important to understand these words in their original and correct text. Before Karl Marx we do see an aspiration of egalitarian society among the intellect of that time especially in France, and the word socialism was circulating even before Marx. As we are learning in this class that Marx is analyzing a

“mode of production” in “Capital”, thus Marx is not prescribing a remedy or trick to establish a communist society. But first of all we have to clearly understand what does “Communism” mean in the eyes of Marx. According to Marx, communism is such a society in which there are no classes and thus the exploitation does not exist, and a communist society must be a borderless and stateless society. Socialism is one step towards communism, in Socialism a state (workers’ state) will protect and defend the rights of the working class people and the production will be under the democratic control of the workers rather than capitalists. While Marxism is an ideology which is based on “Dialectical Materialism” besides the economic doctrine of the Marx, i.e. *Capital*. Thus the claim that USSR was communist is a pretty ignorant statement in the light of Marxism, USSR based its economy on some fundamental principles Marx which he laid down in *Capital*, and it aimed towards achieving communism which is only possible in a world-wide society. Thus calling a North Korea, and Cuba as communist is just a propoganda by the ruling classes to make people feel that marxism or communism is authoritarian, un-democratic, lack of freedoms etc. Cuba and N. Korea have planned economies to an extent, but it does not make them communist societies by any stretch of imagination.

So Poptarts [54] is right that talking about Marxism would be similar as referring to communism, but not that definition of communism that we hear in our mainstream corporate controlled media or academics. As Marxism is a social science and it is not a religion that assert certain unchallenged sub-text which has to be followed all the time, instead marxism clearly says that one has to adapt and evolve according to the material conditions of your society, thus a planned socialist economy in US would look pretty different than what USSR had or Cuba etc.

Message [56] referenced by [303]. Next Message by Danish is [116].

[57] Hunter: In class Friday September 9, Hans mentioned that if we lived in a communist society no one would work for more than 4 hours a day because we are already producing way too much as it is. (Interesting point.)

Production can be looked at in so many ways and so many things are considered production. I was recently in a class and the professor brought up the point that production will always exist not only because people are always consuming but because newer demands are always being created. Look at the iPad for example. 5 years ago there was absolutely no need or demand for something that was not yet on the market. Now most people would like to own an iPad whether or not they actually have one.

Because most people will always have a desire to hold power or control we will never live in a society that doesn’t have enough production, but I do find it intriguing that although we have so much now, it is still inevitable that new needs will be introduced creating more production and consumption as our society continues to advance and evolve.

Message [57] referenced by [59]. Next Message by Hunter is [302].

[59] Gonz: In regard to the comment made by Hunter [57], I feel it is a valid point that as society and the economy in which we live, grows and evolves, there will be a constant growth in consumption and production for products yet to be invented. As technology advances, it opens up opportunities for new products in the market and our society grows from that. Look at how much the economy has grown since the invention of the internet and smart phones.

I think that was the fundamental approach by Marx, in that society constantly changes, and with that brings an evolution of economies, whether it be from capitalism, to communism or whatever the next step could be.

Next Message by Gonz is [\[107\]](#).

[89] Skiingforlunch: Modern Day Value of Gold. I was wondering today as I thought about use values and their affect on commodities in the today's marketplace what Marx's arguments would be in regards to market "bubbles". Our society is on a recovery from the the recent housing bubble.

My thoughts are curious as to how Marx would explain the current growing bubble in gold?

The difference ongoing between housing and gold is that housing has a clear and defined use value, whereas gold has relatively no use at all as a human necessity. I believe the answer clearly lies in the exchange value of gold. Although the use value for gold is relatively small, the use value is acting as the carrier for a major exchange value. Consumers in the market are willing to buy large sums of gold at a very high cost because they believe the high congealed labor concentrated in gold is worth larger magnitudes of other commodities. As opposed to Austrian economists who would say that gold is high in value because of scarcity, the root of the issue for Marx is actually in the larger sums of labor hours required to create one gold ounce (more time spent in exploration). For Marx, the labor is driving value rather than resource scarcity. Austrian economist's have a direct conflict of the equation for the high gold prices using the theories in the "water-diamond paradox" but in this case both parties will find the same result.

I would like to hear if anyone has any idea how Marx would determine what causes a price bubble to finally burst?

Next Message by Skiingforlunch is [\[157\]](#).

[125] Danish: Question for Hans. In chapter one "Commodity" first edition of Capital, Marx wrote, (pg. 131 of translation of Fowkes)

"the medieval peasant produced a corn-rent for the feudal lord and corn-tithe for the priest; but neither the corn-rent nor the corn-tithe became commodities simply by being produced for others. In order to become a commodity, the product must be transferred to the other person, for whom it serves as a use-value, through the medium of exchange. Finally nothing can be a value without being an object of utility. If the thing is useless, so is the labour contained in it; the labour does not count as labour, and therefore creates no value."

So how would you describe the above phenomena in the context of Marxian economics, where the amount of labor spent by serfdom has been exploited by the feudal lord and the priest? Isn't the transfer of corn-rent and corn-tithe is due to bondage labor of the serfdom? Isn't it consistent with the wage labor in the capitalist mode of production, where a worker produces goods and services, and the capitalist appropriates profit (surplus) out of those goods and services produced by workers?

Secondly the notion that nothing can be a value without being an object of utility, sounds like this undermines the labor embodied in that object? If a product manufactured by a worker yields no utility to its consumer, it does not mean that labor has not been invested in it, so isn't it being contradictory to labor theory of value?

Message [125] referenced by [127] and [133]. Next Message by Danish is [128].

[127] Marx: My Thoughts about your Question. Hey Danish, I know you directed your question [125] towards Hans but I found that passage very interesting as well and just wanted to throw in my thoughts since it is a free discussion.

As for the first part of your question, the corn-rent and corn-tithe never become a commodity because they are never transferred to another through the medium of exchange. Now if the lord or priest were to either give the peasant cloth or gold in exchange for the corn, then the corn would have become a commodity. Further, if the lord or priest were to take that corn and exchange it for something else such as gold or cloth, then it would also become a commodity. The difference is that in a capitalist mode of production the goods and services are immediately put up for exchange (whether for money or other goods). The capitalist doesn't keep the goods for their self like the lord or priest. Both the worker and the peasant are exploited but the peasants goods are never exchanged like the workers.

As for the second part of your question. This is something that I was wondering about long before Marx brought it up. I can't help but think that Marx is just trying to be logical and realistic in saying that items that don't bring any benefit or utility to anyone can not have exchange value. I feel that with that statement he is avoiding absurd scenarios. For example, if I spend two hours making a dozen balls of mud and drying them out I can not count those two hours of labor as value adding labor because I did not produce something that I could possibly exchange. That is because no one needs or could benefit or gain utility from my labor in producing the balls of mud. I can't expect to exchange my dozen mud balls for a coat that also has two hours of labor contained in it.

My immediate question in reading that section was similar to yours though. And that is that it seems almost contradictory to the labor theory of value. It seems that with the statement "If the thing is useless", Marx is making a direct connection to use value and saying that use value is what determines the value. But I don't think that is what he is saying. I believe one clue in solving the contradiction lies within the labor theory of value itself with the term "socially necessary labor", and I don't think that labor hours spent producing a useless item would be considered socially necessary labor. That would make it not contradictory... I think...

These are just my thoughts though, and I hope Hans will answer these more clearly and clear up any areas where I may be wrong.

Message [127] referenced by [128] and [133]. Next Message by Marx is [129].

[128] Danish: This Question is for Everyone. [Marx] thank you for your response [127], and it is open to discussion for everyone, I put Hans name in the subject to just attract his attention to my raised questions. I understand your explanation of the first part of the question of corn-rent, and it does make sense that Marx is trying to differentiate it from the commodity in a sense that there is not a direct exchange of goods between the serf and feudal lord.

I think you got it right for the second part too, now that you have mentioned the idea of “socially necessary labor”, now i think i can relate that idea with the use-value of a commodity, but then wait a minute, isn’t it then assimilate in to the argument of neo-classical and the bourgeois economists who relate the value of a good with supply and demand, and eventually with the utility a consumer obtains by consuming that good.

I hope Hans can shed some light on it, and i am going to read the text again to get a better idea what Marx is trying to say.

Message [128] referenced by [129]. Next Message by Danish is [134].

[129] Marx: I agree completely Danish [128]. I go back and forth and that question still confuses me.

Next Message by Marx is [159].

[133] Hans: Commodities, Exploitation, and Use-Values. Danish’s question [125] was answered correctly by pseudonym Marx [127] and all I can do is try to explain why these answers are not only correct but also consistent with the spirit of Marx’s critique of capitalism.

First part: the relationship between medieval lord of the manor and serf is an exploitative relationship like the relationship between capitalist and laborer. Exploitation, as Marx uses the word, occurs if the product is transferred from the direct producers to other social classes on the basis of their control of the means of production. Both medieval serfdom and modern wage-labor are exploitation, but they are not both mediated through commodity relations. Marx says that capitalist exploitation is especially insidious because it does not *look* like exploitation. It hides beneath seemingly egalitarian commodity relations.

Second part: For an activity in commodity society to count as labor, it must fit into the social division of labor, i.e., produce something which is needed by someone who can and is willing to pay for it. In this sense there is a link between use-value and value: the thing must be a use-value in order to be a value. And since production is private, it is the private loss of the producer if he or she produces something that is not needed, just as it is their private gain if they produce something for which demand exceeds supply and therefore its price is higher than its value. The adjustment of production to consumption needs is costly in every society, and in commodity society these costs are the risks of the private producers.

If you think it is unfair to burden individuals with the social adjustment costs, you are right. And in the present time we are in a situation in which this unfairness has become an impediment with severe consequences for my children and grandchildren and for most of you in the latter part of your lives. Society is faced with the task of switching from fossil energy to clean energy. This is a huge adjustment, one might better call it a U-turn than an adjustment. Millions of workers whose jobs depend on fossil fuels (such as everyone who has to do directly or indirectly with automobiles or airplanes) are in danger of losing their jobs. Society must come up with a safety net for them. Workers should not be punished for working in an industry which suddenly turned out to be the wrong industry. Their retraining must be paid for by society, and if their new jobs have lower wages they should get compensation for this. The cost of the energy switch must be borne by all; as long as we try to shift this cost to those employed in the fossil-fuel dependent industries, we are delaying the

energy switch. Every delay is going to be incredibly costly and life-threatening for our own children and grandchildren.

Message [133] referenced by [134]. Next Message by Hans is [148].

[134] Danish: Thanks Hans for your profound thoughts [133], now it does make a lot more sense.

Next Message by Danish is [202].

[136] BrotherThelonious: Marx and Taxes. Reading recently on the so called Buffett Rule proposed by Obama for taxing the wealthy, I was wondering how taxation would work with Marxism. Perhaps this will be something better questioned further into the semester, but does Marx outline a system for taxation and public welfare, or is that something naturally taken care of as an affect the workers controlling the means of production? Naturally, not everyone is physically capable of labor and thus, some form of national welfare would still remain a necessity, so I have to assume a system of taxation is considered. Any thoughts on this? Also, that so many firms not only don't pay taxes, but receive governmental compensation, would Marx consider this a double-dip, of sorts, in that not only are the wealthy exploiting labor but they also take advantage of a taxation system that largely favors large corporations over individuals?

Next Message by BrotherThelonious is [231].

[139] Kitkat: Musings from a Communication Student. I do not have a background in Economics and know very little about economic principles/concepts. I study social movements (environmental justice in particular) and am using my doctoral coursework to learn how to bring an economic perspective (especially economic development) to the critical rhetorical examination of these issues. David Harvey, a critical geographer, uses Marx to analyze issues related to urban planning and cultural geography. For me, he is a great model of someone outside of the field of economics who uses Marxian concepts, building bridges between what can be seen/treated as disparate disciplines. The Communication discipline also offers a few models of scholarship utilizing Marxian concepts to investigate social phenomena not typically understood in terms of Marx's theories.

Environmental justice is a social movement that emerged in the 1970s out of the struggle for civil rights and alleviation of environmental degradation. Activists in this movement demonstrated against things like the siting of toxic waste dumps, location of landfills, and other unfair practices targeted at populations typically without the social capital necessary to combat such things- i.e. non-white, poor people. While the racial dimensions of this movement have been analyzed, I find the classist (economic) dimensions have been largely neglected by my discipline. I'm taking our course to learn concepts that may aid in my research to understand these dimensions a bit better and offer other scholars a language with which to analyze them. I'm wondering if anyone on this listserv can offer any suggestions-based on our reading of Marx thus far or other reading you may have done- in relation to this? I'm a budding scholar, so any suggestions/discussion is useful to me.

Further, I am studying economic development (and have actually taken a few courses on this, so I've got a tinsy bit of background there) in relation to the global food system. Currently, I am working on several studies related to the food stamp (SNAP) program here in the US. BrotherThelonious' free discussion post about social welfare and taxation made me wonder about Marx's theories in relation to food stamps. I'm not sure yet if our reading

of Capital to date offers any insight into the study of the federal food stamp program. What do you all think?

Next Message by Kitkat is [\[289\]](#).

[141] Hov: The ozone and jobs. After reading the NY Times article by Paul Krugman referenced in [\[43\]](#), I felt he had an interesting point with productivity. I have never been the biggest activist for the government intervening with a business, and forcing them to do what the government feels is best, but it seems this would boost employment, at least in the short run. Another point that comes to mind is that ozone prevention building would also require regular maintenance and inspections. This would contribute to a boost in employment in the long run as new jobs would have been created such as new inspectors, maybe new programmers and of course pencil-pushers.

Next Message by Hov is [\[360\]](#).

[144] Res: China and rare earth metals. A recent article in the New York Times address one of the more interesting stories I have found in the news lately. China, which supplies nearly all of the rare earth, is drastically reducing the global supply. These metals are paramount in the manufacturing of green energy products. The Chinese government decided to draw back on the production of rare earth due to the pollution heavy mining and processing of the resource.

The reduction in the global supply has dramatically increased the cost of green energy and slowed the development of green energy. The rest of the world is calling foul and claiming that China is manipulating the market, however, China's regulation targets the rare earth industry (which includes foreign firms) that is benefiting off of the global demand and is saddling the Chinese environment with the pollution from mining and processing the resource to be exported.

I can relate to those that interpret this limiting of supply by China as a way to drive prices skyward, but I think that the rare earth used at the cost of a toxic mining process polluting the source environment does not address the root need of improving global environmental conditions.

Any other opinions on stringent rare earth export limitations from China?

Message [\[144\]](#) referenced by [\[206\]](#). Next Message by Res is [\[163\]](#).

[145] Barn: I've heard the statement made that in modern history many nations were influenced and even converted to new forms of governments by way of so called Marxist regimes. What is the meaning behind this? Two of the greats being China and Russia, but China is Communist and Russia was Socialist. They were definitely influenced by Marxian philosophies and principles. Have the poor found increased wealth? Was it merely an evolutionary happening of the industrial revolution with Marxism as a catalyst?

I was working upon problem 217 looking for modern situations where people found that they could not buy things with their monies. Well amongst other caused I've heard that many people could not use their money after the nation they're from nationalizes (usually the banks). Searching for modern examples I stumbled upon the State or country of Venezuela under the president Hugo Chavez. He began a crusade of nationalizing in 1999. Most of the noise about the major oil producing nations (OPEC) has been the Arab producers not necessarily those in south America. The oil industry was evidently the first thing he

nationalized. I am totally in the dark as to whom owned and controlled the industry in Venezuela, but it must have created quite a U.N. hot spot.

We are beginning our study of Marx's *Capital* and I hope to gain an increased ability of deciphering some of these happenings.

Next Message by Barn is [234].

[151] Hans: Love and Capital: Karl and Jenny Marx and the Birth of a Revolution.
September 12, 2011

<http://bnreview.barnesandnoble.com/t5/Reviews-Essays/Love-and-Capital-Karl-and-Jenny-Marx-and-the-Birth-of-a/ba-p/5655>

Love and Capital: Karl and Jenny Marx and the Birth of a Revolution

By MARY GABRIEL

Reviewed by Troy Jollimore

Karl Marx did not know what we know: he did not know that he was Karl Marx. Had this knowledge been available to him, it would have consoled him during the many moments when he wondered whether his life's work would matter to anyone, whether the sacrifices he and his family endured in the process of constructing the edifice of his thought would ultimately be justified by his role in history. Perhaps even we, with the benefit of hindsight, still cannot answer that question: whether the effects of his work have been good or bad, on the whole, is an impossible question to answer, given the impossibility of imagining a Marx-less twentieth century. It cannot be doubted, though, that Marx had a profound and radical impact on that century and will continue to matter for the foreseeable future. The man who sometimes expressed skepticism about the power of ideas to alter reality and who famously wrote, "Philosophers have tried to describe the world—the point is to change it," could not possibly have known the extent to which his ideas would alter the course of world events.

The influence of Marx's ideas has been so momentous that at this point the name Karl Marx hardly even seems to attach to a person. It is easy to forget that a human being stands behind those voluminous and forbidding books, and the even more forbidding system of thought those books express. As Mary Gabriel's new biography of the Marx family, *Love and Capital*, makes clear, though, Marx was indeed human: a philosopher and revolutionary thinker, yes, but also a husband and father who loved his family and who experienced a tremendous anxiety over his failure to provide for them.

Marx's more human aspects have been played down by both his detractors and his supporters. Some Marxists, Gabriel notes, went so far as to try to suppress knowledge not only of certain scandalous aspects of their idol's history and conduct (the fact, for instance, that he fathered an illegitimate son with the family's housekeeper while his wife was in Europe pleading with her relatives for financial assistance) but also of such innocuous facts as that Karl had a nickname (his close friends and relatives called him "Mohr").

But the attempt to cleanse Marx's profile of human elements is both silly and misleading. The idea that "the personal is political" has become commonplace if not a cliché, but

it is nevertheless true, and Karl Marx's life and thought provide a quite compelling example of their inseparability. One cannot fully understand the radical elements in Marx's thought without being acquainted with the details of his life. To take an obvious example, the fact that he witnessed the political persecution of family members and their associates at an early age surely contributed to his resistance to the authority of the state, and his awareness of the variety of ways in which that authority could be used as a means for limiting human liberty and maintaining the status quo. "Freedom," he wrote in 1875, "consists in converting the state from an organ superimposed upon society into one completely subordinate to it"—a statement that clearly indicates the distance between his own views and many of the programs that were eventually implemented in his name.

More broadly, it surely helps us understand the overall meaning and intent of Marx's economic critiques to know that he and Jenny, his wife, spent the majority of their life together in considerable and frequently miserable poverty, relying on contributions from supportive friends (most reliably Friedrich Engels, Marx's lifelong intellectual companion and coauthor of *The Communist Manifesto*). "The man who wrote *Capital*," writes Gabriel, "was an extraordinary philosopher, economist, classicist, social scientist, and writer, but he was also someone intimately acquainted with the slow death of the spirit suffered by those condemned to poverty while surrounded by a world of wealth."

If this was hard on Marx, it was surely harder still on Jenny. Born in Prussia in 1814, four years before her future husband, Jenny von Westphalen was raised in an aristocratic family but inherited her father's relatively radical political views. Though she knew that in uniting with the young Karl she was turning her back on a life of comfortable privilege, she could not possibly have predicted just how uncomfortable and impoverished her life with Marx would prove to be. Karl Marx's journalistic writings earned him little, his philosophical writings nothing at all. Both he and Jenny lived in the expectation that his masterwork, *Capital*, would earn enough capital to relieve their debts and render them financially secure. But the book took far longer than expected to write—Marx missed the publisher's deadline by sixteen years—and when the first royalty check arrived, sixteen years after that, it had to be delivered to his children because both he and Jenny had died some years before.

The tardiness of *Capital*, while extreme, was characteristic of Marx. More than once in his life he promised some publisher a brief pamphlet on some topic or other, only to turn in, months or years past the deadline, a work of several hundred pages. Gabriel writes of Marx:

[He] never met a deadline, adhered to length limits, or completed an assignment in the manner requested it (the sole exception to this last was *The Communist Manifesto*). The problem was not lack of initiative but his inquisitive mind. Marx simply could not set aside research and begin writing; he was enthralled by the unknown and felt he could not commit his theories to paper until he understood every angle of his ever-evolving subject. But that, of course, was impossible—the halls of knowledge are infinite and mutable, and though he would have been happy to wander through them for the rest of his days, a contract required that he stop.

Moreover, Marx's intellectual curiosity was far from his only distraction. His political activities drew the attention of authorities wherever he went, and his family spent several years

relocating from one European country to another before finally finding a home—London—they would not be expelled from. He spent much of his life in poor health and constant pain as a result of various ailments. (One particularly humanizing moment has him writing to Engels that he had had to give up going to the British Museum Reading Room on account of his hemorrhoids, which “afflicted me more grievously than the French Revolution.”) And there were other, profounder sufferings: four of the couple’s seven children—including all three sons—died before reaching adolescence. Perhaps the most poignant moment in *Love and Capital* has Marx at the funeral of his second son, the eight-year old Edgar, or “Muschi,” shouting at those who attempted to comfort him, “You cannot give me back my boy!”

A good deal of *Love and Capital* is devoted to the three surviving Marx daughters. Like their father, they tended to be intellectually adventurous and possessed a zeal for social reform. And like their father, they lived lives plagued by personal difficulties—indeed, two of the three ended up dying by their own hand. It is hard not to feel compassion, and at times admiration, for these women and for their mother, all of whom ended up living, in more than one sense, in Marx’s shadow. Yet one ends the book still feeling somewhat remote from them—as one does, despite Gabriel’s efforts, from Marx himself. *Love and Capital* is well researched and does a fine job of relaying historical facts, but it will leave at least some readers longing for a deeper delving into the daily texture of its subjects’ lives, an intimate portrait rather than a deftly sketched big picture.

Perhaps to some degree this is due to the nature of its primary subject, who, Gabriel writes, was “often fiercely argumentative, intellectually arrogant, and notoriously impatient with anyone who disagreed with him. His frequent drinking episodes... often devolved into verbal if not physical fights. He had little time for niceties; for someone so conceptually fascinated by the alienation of man, Marx routinely alienated those who encountered him.” Yet on the same page she notes that “in private Marx was warm, loving, kind, and generally described as excellent company when he was not plagued by sleepless nights or stricken by disease, both due to anxiety over his work.” Many visitors to the Marx home, indeed, remarked with surprise on how warm, hospitable, and charming the great theoretician turned out to be.

Some of the book’s most touching moments center not on Marx’s relations with his wife and daughters but on his friendships; it is here, perhaps, that he managed to be most fully human. Following Marx’s death, Engels took it on himself to go through his voluminous papers, trying to assemble the later volumes of *Capital* that his friend had so often claimed were near completion. At one point he wrote to an acquaintance, “For the past few days I have been sorting letters from 1842-62. As I watched the old times pass before my eyes they really came to life again, as did all the fun we used to have at our adversaries’ expense. Many of our early doings made me weep with laughter; they didn’t after all ever succeed in banishing our sense of humor.” A long-dead figure’s sense of humor, and other such subtleties of character, are tremendously difficult for the biographer to capture. But in this and other passages we get hints of another Marx, a shadow Marx who has somehow contrived to escape even the re-humanized depiction Mary Gabriel has given us.

Message [151] referenced by [270]. Next Message by Hans is [155].

[155] Hans: The ailing euro is part of a wider crisis. Our capitalist system is near meltdown. <http://www.guardian.co.uk/commentisfree/2011/sep/18/euro-crisis-recession-europe>

The Observer 18 September 2011

The ailing euro is part of a wider crisis. Our capitalist system is near meltdown

A 1930s-style crash threatens us and our financial partners. Collective action is the only solution

Will Hutton

Eighty years ago, faced with today's economic events, nobody would have been in any doubt: we would obviously be living through a crisis in capitalism. Instead, there is a collective unwillingness to call a spade a spade. This is variously a crisis of the European Union, a crisis of the euro, a debt crisis or a crisis of political will. It is all those things, but they are subplots of a much bigger story: the way capitalism has been conceived and practised for the last 30 years has hit the buffers. Unless and until that is recognised, western economies will be locked in stagnation which could even transmute into a major economic disaster.

Simply put, the world has trillions upon trillions of excessive private debt financed by too many different currencies whose risk is allegedly mitigated by even more trillions of financial bets which in aggregate do not minimise the systemic risk one iota. This entire financial edifice, underwritten by tiny amounts of capital, has been created over three decades backed by the theory that markets do not make mistakes. Capitalism is best conceived and practised, runs the theory, by hunter-gatherer bankers and entrepreneurs owing no allegiance to the state or society.

This is nonsense. Business and the state co-generate wealth in a system of complex mutual dependence. Markets are beset by mood swings and uncertainty which, if not offset by government action, lead to violent oscillations. Capitalism without responsibility or proportionality degrades into racketeering and exploitation. The prospect of limitless pay is an open invitation to bad, or even criminal, behaviour. Good capitalism cannot happen without referees to blow the whistle or robust frameworks in which markets can function; neither is reliably created by capitalism itself, hence the role of democratic government. Yet the world is trying to solve the legacy of the last 30 years as if none of this were true and, instead, that the practice and theories that created the mess are still valid.

US treasury secretary Tim Geithner, joining EU finance ministers in Poland as again they pondered how best to end the ongoing euro crisis, was at least recognising today's interdependencies between countries when he urged his fellow ministers to stop bickering because the markets were terrified by the threat of a catastrophic event—with all the risk that posed the US.

George Osborne was also right to declare that a strong euro was in Britain's interests. But worrying about how a failed euro might impact on yourself is old speak. What the markets need to hear is that western politicians—whether in the eurozone or not—see the euro as part of the potential solution to capitalism's current crisis, not its cause, and that they are

prepared to do all in their power to support the reforms necessary to make the euro survive and take other measures vital to make the world financial system functional again. Geithner and Osborne must put some money where their mouths are.

The euro's critics, endlessly emphasising that it is a monetary straitjacket and that the best reform now would be its break-up, miss the point. It was not this so-called straitjacket that is the cause of today's euro crisis. It is the interaction of the euro system with a once-in-a-century crisis of capitalism that its designers and supporters, like its critics, never anticipated. Yes, what the crisis has exposed is that the eurozone needed a EUR 1 trillion-plus fund to recapitalise bust banks and underwrite sovereign debt write-downs; this was not written into the original treaty. And that the investment and retail banking arms of the EU's universal banks need to be ringfenced or formally separated, as Sir John Vickers's banking commission proposes for Britain—if they are to be remotely safe. But neither notion was a battle cry of the eurosceptics over the last 10 years.

In fact, the existence of the euro has, until now, been a bulwark against disaster. Suppose it had not been created and that the financial crisis in 2008 had broken over a Europe with multiple floating exchange rates and no European central bank—the eurosceptic utopia. The Irish, Portuguese, Greek, Spanish, Italian and French banking systems would have stood alone and they would have collapsed in a domino effect, interacting with the mega-crisis in Britain and the US. Even some German banks would not have been immune. There would have been a 1930s-scale slump, the break up of the EU and a rise in beggar-my-neighbour devaluations and trade protection.

We have not yet escaped that prospect. If the euro breaks up, the cascade of subsequent bank failures and debt write-downs will be no less threatening and Britain will be pulled into the vortex. The EU has created a “financial stabilisation facility” to try to hold the line. But there is no urgency in launching it; it is still not a proper fund but, rather, a stop-gap provider of borrowing facilities and it is too small. As bad, the German and French governments are wedded to collective European austerity; they want to impose long-term balanced budgets not only on themselves but chilling austerity on the unfortunate states which have to borrow to support their banks and bond markets.

An entire continent is to be blighted by lack of demand in the midst of a capitalist crisis, compounded by Britain's scorched earth, deficit-reduction plans. Already, many European banks are technically insolvent, recognised by Christine Lagarde, the IMF's new managing director, if not by the banks themselves.

Last week, the Bank of England joined the US Federal Reserve, the Bank of Japan and the Swiss central bank in promising Europe's banks vital liquidity in dollars, easing the crisis for a while. Time has been bought; we are pitching in to save ourselves. But the outside world needs to go much further. Europe's stabilisation facility must become a fund with a capacity to lend and intervene to see off speculators: Britain, the US, Switzerland and Japan, along with China and oil-rich Arab states, need to contribute alongside Germany.

In return for coming to the relief of the German taxpayer, we should demand two key concessions: one, that Europe sets about ringfencing its universal banks' investment banking operations to make them less vulnerable; and second, that no international cash is forthcoming unless the EU commits to a formal plan for growth in which its stronger countries, notably Germany, promise to stimulate their economies. As part of the package, Britain should agree to defer its own deficit-reduction plans and to issue bonds denominated in euros to contribute to the new euro fund.

We are living through the most dangerous confluence of economic circumstances in modern times. Trying to pretend the interdependencies do not exist or that the collapse of the euro is the answer can only make matters worse. It is a straight choice: we do all we can to help each other or risk going down in what could be the worst economic contraction for a century.

Next Message by Hans is [175].

[161] Cheeto: Anthropology Book. Recently I took a basic 1010 anthropology class and I was amazed of the subtle Marxist references made by the author. Throughout the book the author made several references of classless, money-less, communal tribes, which still exist today. They have a "bigman", but he has no actual authority over others. They would base his status off the premises of his accomplishments and his ability to lead by example and negotiate with other tribes. Women had all but equal right, although different roles in the society, and education children was of utmost importance. Often times, these societies would be in the thousands and live completely within their environmental means and still have flourishing economies. The author continued to state that the establishment of religion so to give the previous "bigman" a divine status was one of the first steps to creating the state. The state's main purpose was to enforce the "bigmans" status, who was, by now, receiving large amounts of tribute and creating social classes in what were previously class free. This transition eventually brought about private property, social classes, and even the modern, monogamous and segregated, family to an extent. People progressively became part of a society which was dictated by a economic machine, rather than a society dictated by human intention. Homelessness, famine (due to prices, not scarcity), illiteracy, and civil rights issues appeared rapidly in the societies undergoing such transitions. Moving forward through time, the author concluded with American Capitalism. The author brings in studies of massive and sudden health transitions occurred after the means of production were taken away from a community. For example, a small Italian community in the northeast that made its living spinning cotton, which it received from the southern states, had sudden jumps in heart attacks and lowering in the standards of living after a large corporation bought out its factory for refining cotton and began to control how the workers did the job that their community had been doing for decades before. Going further, the author discusses scarcity and investors like how Strawberries are brought to market from abroad not because the community which created the strawberries wanted to send strawberries to a given market, but was done to satisfy stock holders and increase profits of a business. I found all of this to be very interesting in that there may indeed be a very different and more humanitarian way of managing an economy. I would love to see some different perspectives on this from the class! Also, if anyone is interested, Engels wrote a great book regarding this subject titled, "The Origin of the Family, Private Property, and the State". I recommend.

Next Message by Cheeto is [164].

[206] Bikeman: Response to Res (China and Rare Earth Metals). Thank you Res for bringing this topic [144] into the conversation. I had read a little bit about Rare Earth Metals a few months ago and found it rather interesting. I just wanted to add some more info to the mix. These so-called Rare Earth Metals are, for the most part, actually quite abundant in the earth's crust but they do not occur in concentrations large enough to make extraction economically feasible in most cases. There was pressure on the mining industry in the U.S. to clean up the process which caused the price of these minerals to increase domestically. As a result, the rare earth extraction in China began to pick up and because of looser regulation they steadily increased their market share to 95-97% in recent years. More and more, these minerals are used in Green Energy technologies, lasers, camera lenses, PET scan detectors and most notably in the Aerospace Industry. Because of the use in aerospace, it has become an issue for U.S. defense strategy especially as the Chinese begin to constrict the supply. There are domestic supplies available in the U.S. and there are mines that have reopened over the last few years. Not only will these new mines loosen the hold the Chinese companies have over the supply, but it will also provide the necessary minerals for industry in the U.S. Obviously, the cost of restarting these mining operations domestically will have some environmental and social costs that will have to be addressed as well.

Next Message by Bikeman is [320].

[208] Skiingforlunch: Response on China and Rare Earth Metals. This is actually a topic I have researched in great detail as well as it was part of my undergraduate thesis. The United States used to be the global leader in this industry but in international trading China aggressively took control of this market and pushed US firms out of the market. One of the largest rare earth mines in the world is located in California and has finally began operating once again. This has been a major factor causing the slowing growth of environmental substitutes for energy. In a global perspective, China has been using their strength in this industry to continue to raise prices for the materials and even using them for diplomacy. China has restricted exports of these metals to Japan as a result of Japanese conflict over sovereign powers of coastal island between the two nations. This is a serious global issue and it is important for the US to position themselves to create independence from China to use this resource as imports and also to develop a short term and successful resolution to cleaner power.

Next Message by Skiingforlunch is [213].

[249] Rajon: Fixity of commodity Prices. I agree wholeheartedly with submission of the student "Marx" in his answer to question 304 about the supposed "inconsistency" of Marx in talking about the "fixity" of commodity prices while saying that they fluctuate constantly. I just wanted to add a little bit to the conversation about this because it is based in the real Marx's use of terminology, which is also the cause of confusion in many other questions.

"Marx" correctly notes that there is no inconsistency here. A perceived inconsistency comes from a lack of understanding of what Marx is saying in using the term "fixity". The commodities achieve a fixity through the process of competing to lower labor costs until they arrive at a fixity of prices for the commodities based on a continual reduction of labor that goes into producing them. The process of ever-changing prices is what leads to the balancing act of fixity.

I just thought this was interesting, because it seems like the answers to almost all of the questions in this class necessitate a correct understanding of the terms used, such as “value”, “use-value”, “exchange-value”, “mysterious”, etc. The student “Marx” understands the term “fixity” and thus is able to answer the question correctly - there is no inconsistency. However, there are numerous other example of other students not understanding the meaning of other terms, as the real Marx used them. This leads to the creation of these questions. If everyone understood the terminology the same, there would not be any of these problems.

This lack of understanding of terms exists everywhere in our world, but particularly in the political debates that we see on cable news networks and other places. Oftentimes, it seems like people on opposing sides aren't even debating the same thing, because of the difference in terms that they use. This is ridiculous. If we could just come to some universal understanding of terminology, I think a lot of the misunderstandings in the world would be resolved. However, I'm not hopeful this will happen anytime soon.

Next Message by Rajon is [\[437\]](#).

[253] CameronCottle: Ending Capitalism. Going along with our discussion in class today I just wanted to address some of the ideas that Hans mentioned. I do agree with Hans in regards to the current situation of our system and that a change needs to happen. The problem is that it is far too easy to point and say what is wrong with the system but it is far harder to actually come up with a resolution to the issues. In reading Marx's ideas on capitalism and hearing Hans state that capitalism is irrational, I would agree. The problem is that society is not rational, people are naturally selfish. They naturally care more for their own kin; their own children, their own spouses, etc. . . far more then they care for the advancement of the whole of society. Of course this is an issue and it needs to be addressed before we can ever hope to have actual growth within society without overwhelming the carrying capacity of Earth.

So it is not just an issue of economics but an issue of society in general. For capitalism to be ended and for us to achieve what Hans was talking about, a radical reformation of the way people function and the core of who we are as individuals has to be changed so that we begin to see the value in caring for more than just ourselves. There are so many issues here though it's hard to decide where to start and how to begin. We can talk about it in theory all we want and just say look at the logic and all the good that could come from changing but it's not as simple as that. Actually achieving what Hans discussed requires an actual plan of action, a feasible, obtainable, clear and precise step by step plan that will move us from a capitalistic world built on debt to a world built on the desire to advance humanity as whole.

In many ways it's an idealistic view that a vast majority of the population would support, except for those who are already wealthy. One cannot approach it from an idealistic view and one has to realize that it would take years to obtain and that those who are wealthy would never support it unless they gained form it. Asking all these people; who have dedicated their entire lives to learning this one system and basing everything on that knowledge, just to give it all up on a dime is not just irrational, it's insane. A few would see the value of doing so but the vast majority would not and they would not care for any logical or rational reason for them to do so. The only way to sway them would to convince them that they at the least

would not be worse off in the new system and perhaps better off. People who have gained wealth do not want to lose it.

Also we have the issue that the entire basis of our society has been built on capitalism. An immediate and radical change would result in the complete collapse of society. All the brightest minds of our generation are not being taught science, mathematics, literature, philosophy but instead business, capitalist economics, banking, etc... Their entire education has been invested into a system that is failing and only once it has failed and they have nothing left to gain from it will they be willing to change. All these bright and brilliant minds have been taught by the higher education system something; that if we changed, would be useless.

All the debt they incurred, all the time they spent, all the effort they put into it would be useless.

So I disagree with Hans in this regard, it's not our generation that needs to make the change, it's every generation. Any and every living person has to stand up and be willing to encourage the change and make the sacrifice that will be required. It will not happen without a proper plan and if we allow it to continue down the present path, it will not end well. Without a plan or a rational idea how to achieve changing society, it will just result in violence like what we see in the Middle East. People will just grow so tired of being taken advantage of and won't have any reason not to revolt which will only result in protests and the complete shutdown of production capabilities for an extended period of time. That's a step back not a step forward as that would cripple any society that decided revolting was the only way to change.

So the best way to make the change would be to somehow encourage the vast majority of the population to desire a change and to encourage a change in focus of academics and the use of labor. We would have to have a moment away from a debt based society and move to a society that functions within its means and things that we do actually have value. Essentially we need to move away from services and more to actual production of commodities that have value to society. There has to be encouragement for young brilliant minds to pursue careers in the sciences and research so that we can start having growth without actually expanding how much we take from the earth. It's not about working harder but smarter.

We need to find ways to use our limited resources in a more efficient way that does not harm society or nature. This cannot be obtained if the focus of higher education is in training people to be capitalists. Higher education also has to move away from standardized tests as means of evaluating a person's intelligence. Critical thinking is an undervalued skill in undergraduate studies and one that cannot be demonstrated through a multiple choice exam. If we want to have people in society who are able to address problems and then find solutions to them, we have to encourage it in their education. This cannot be done with exams but instead has to be done by teachers who challenge their students to contemplate what is being said and then encouraging them to draw their own ideas from that. In real life there is hardly ever just on right one answer so it seems rather irrational to me for the system that is supposed to be preparing us for that world to only ever encourage that one answer idea.

It's great to read about Marx and hear his ideas on capitalism or to read any philosopher or economist but just because they were bright and made great points, it does not mean that they are right. It doesn't mean that we should continue following what older generations said because the system they designed is failing so obviously they weren't right. Because of that we have to build our own system off of the knowledge they have provided in their mistakes. Learn from their mistakes and take their knowledge but then expand on it. People too often these days only read the textbook and take it as fact and never question if they could make it better and that's because that will never be on the exam.

We want to make change; it has to start with how we train the young adults who will be running this world.

Message [253] referenced by [284]. Next Message by CameronCottle is [339].

[270] **Hans: 707 page book about Karl Marx's personal life.** Here is another book review of the same book as in [151]

<http://www.nytimes.com/2011/09/25/books/review/love-and-capital-by-mary-gabriel-book-review.html>

NY Times September 23, 2011

At Home With Karl Marx

By SIMON SEBAG MONTEFIORE

LOVE AND CAPITAL

Karl and Jenny Marx and the Birth of a Revolution

By Mary Gabriel

Illustrated. 707 pp. Little, Brown and Company. \$35.

"I first encountered the Marx family story in the back of a London magazine," Mary Gabriel writes in the opening line of her intimate account of Karl Marx and his family. It is not a reassuring start for the reader, particularly when the publisher promises a book that uncovers "the unyielding love that bound together a man and woman in the midst of history's whirlwind." Gabriel should try to have whoever came up with that one fired.

The history of Marx the man, father, husband and journalist is dramatic enough to require no overwriting, and indeed "Love and Capital" is a huge, often gripping book. It gives an entertaining and balanced portrait of Marx, Engels, their colorful milieu of exiles, freaks and revolutionaries, and the little-known Marx family, dominated by Karl's political obsession. It also details illicit love affairs, the deaths of children and financial struggles, all based on vast research and narrated with empathetic passion. At the same time, it is too long by 200 pages and often undermined by flagrantly purple throbings, minor mistakes and portentous overegging.

In the prologue we learn that London "signaled like a beacon in the black and roiling North Sea waters"; for us English pedants, the city stands on the Thames. One sentence ploddingly reads: "In rooms throughout England, men of vision were similarly hard at work." Marx is described as "a man-child," whose mind is "as hard and brilliant as a diamond."

Emperor Napoleon III, a shrewd politician whose career may have ended in disaster but who managed to dominate France and to some extent Europe for 20 years, is said by Gabriel to have had “the placid face of a dimwit.”

Gabriel, the author of a biography of Victoria Woodhull, argues that Marx’s private life is especially relevant now, because in 2008 “as I moved from research to writing, belief in the infallibility” of capitalism “began to waver,” making Marx’s analysis seem “more prescient and compelling.” But this is surely an argument for a new work on Marxism, not on his private life. No one should disagree with Plutarch’s view that personality matters in history, but Gabriel writes in her introduction that without the women in Marx’s life, “there would have been no Karl Marx, and without Karl Marx the world would not be as we know it.” Is that really true? Did the Dickensian facts of Marx’s family life, no matter how delicious, change the world?

In fact, “Love and Capital” is enjoyable not so much because of any brisk analysis of Marxist theory that it provides or its endless catalog of political feuding, but because of the details of family life and family politics that Gabriel offers up—her vivid portrait of a struggling, obsessional bohemian intellectual in the capitals of mid-19th-century Europe.

Gabriel’s heroine is certainly Marx’s wife, a beautiful aristocrat. As the author puts it: “Jenny von Westphalen was the most desirable young woman in Trier,” so well connected that her brother later became Prussian interior minister even while Marx was planning the downfall of the reactionary kingdoms of Europe.

Jenny remains her own person as she copes with the mountainous selfishness and self-regard of her husband. When they have sex before they actually marry, she writes to him: “I can feel no regret. When I shut my eyes very tightly, I can see your blessed smiling eyes. . . . Oh Karl . . . I am happy and overjoyed. . . . Each happy hour I lived through again.” Marx may have been brooding, wild, intolerant and implacable in his political feuds, treating enemies with contempt, but as Gabriel describes him, he also loved dancing, luxury and gossip, and was attractive to women and men alike. Even when he was immersed in the interminable arcane economics of Marxism, he managed to maintain a quality of wisdom and modernity: he wisely commented that “children must bring up their parents,” and he valued Christianity—that opium of the people—because it taught adults to love children.

Jenny always supported him: “Do not suppose that I am bowed down by these petty sufferings. . . . I am among the happiest and most favored few in that my beloved husband, the mainstay of my life, is still at my side.” And so we follow the couple from Cologne to Paris to Brussels, back and forth until they find their final home in the attics of London and then immortal rest in Highgate Cemetery.

The marriage may have been happy and passionate, but it was cursed by the tragedies of infant mortality, financial despair and Marx’s infidelities. One of them was nonsexual: it was with Marx’s intellectual partner, the wealthy, irrepressibly promiscuous bon viveur, Friedrich Engels, who paid Marx a salary from the profits of his capitalist factories. Here is one of Gabriel’s typical descriptions: “His clear blue eyes sparkled at the prospect of adventure—whether it be revolutionary or, perhaps even better, sexual.” There is a priceless moment reminiscent of the recent Dominique Strauss-Kahn episode, when a fellow leftist,

Moses Hess, accuses the womanizer Engels of raping his mistress, Sibylle: “If, by the by, the jackass should persist in his preposterous lie about rape, I can provide him with enough . . . details to send him reeling,” Engels said. “Her rage with me is unrequited love.”

Between Marx’s lovers and his work, Jenny’s life was never easy: “While she pleaded with his family for assistance,” Gabriel writes, “he was having sex with Lenchen on Dean Street.” (At exactly the same time? How does she know where?) Lenchen was the family’s companion and housekeeper, Helene Demuth, with whom Marx fathered a child. Or as the author explains unnecessarily: “It isn’t known whether this was the first or the last time the two had intercourse.” Why this either-or? Surely it may have been the second or the 20th time—and, at the risk of challenging Gabriel’s eerily omniscient sexual-Marxist research, things worth doing once are often worth doing again. Either way, Lenchen gave birth to a son, Freddy. Engels pretended to be the father of the boy, who became one of the secrets of Marx’s biography: Stalin himself ordered it buried in the archives.

Gabriel’s story becomes heartbreaking with the deaths of four of the Marx children: when Franzisca, age 1, died, they lacked the money to buy a coffin. “Our three living children lay down by us, and we all wept for the little angel whose livid, lifeless body was in the next room,” Jenny wrote. When a son, Musch, died, Marx shouted, “You cannot give me back my boy,” and he told Engels, “I’ve already had my share of bad luck, but only now do I know what real unhappiness is. I feel—broken down.” His only consolation? “The hope that there is still something sensible for us to do together in the world.”

When Jenny died in 1881 and Karl in 1883, their surviving children, Tussy and Laura, and the men in their lives, became the leaders of the movement, especially after Engels left them a significant portion of his \$4.8 million estate. But it’s hard not to feel that somehow Karl’s obsessive mission destroyed those who came after: both daughters committed suicide, Tussy in 1897, driven to it by a callous partner; Laura in 1911, in a death pact with her—husband.

There is a key moment in 1910 when a Russian couple bicycle over to visit Laura when she is living in France. They are Lenin and his wife, Krupskaya, who mused, “Here I am with Marx’s daughter!” Yet the only one of the Marxes still alive to see Lenin and his Marxist Bolsheviks seize Russia was Karl’s secret illegitimate son, Freddy.

Simon Sebag Montefiore is the author of several books, including “Stalin: The Court of the Red Tsar” and “Jerusalem: The Biography,” which will be published in the United States next month.

Next Message by Hans is [\[273\]](#).

[285] Keynes: In keeping with current events, I read an article that ties to what we have been covering in chapter 1 of *Das Kapital*. In the economic times we face today, many people are faced with less spending power and have to find a different mean to satisfy their wants. In an article on CNN titled “No cash? No problem, if you barter”, the writer A. Pawloski discusses choices to barter one good for another without the exchange of money. Money, according to Marx, is the universal equivalent here. If we use section 3 in chapter 1, we can break down what is happening according to the article. By forgoing the use of money, person A is saying that their item is equivalent of person B’s. Person B is doing the same, but in reverse. Every exchange happening with bartering isn’t equal, and it depends

on each person's knowledge of both item's value, or their ability to change the other person's perception of value. The value in the exchange is also dependent on the use-value that each person has, e.g., I want to trade something that I don't want, for something that you have. You are trading with me because I have what I deem 'useless' to me is actually of value to you.

Just recently Foruvak made a contribution to free discussion by referencing Marx, "Although both parties freely agree to the exchange, the parties do not share a common goal. In certain acts of exchange, these goals diverge so much that the transaction is best considered an act of coercion". I would agree that after reading this article on bartering, that there is some coercion going on. It is interesting to take what Marx is saying and apply it to what is happening today, especially in realizing what each person in bartering is saying by the transaction. They make statements about value that they don't realize.

Next Message by Keynes is [286].

[303] Anil: In this free discussion, it is intended to illustrate evolution of definition of "Marxism" and political thoughts of Marx. In order to respond to Poptarts [54] and Danish [56] messages, definition of Marxism and its evolution must be clarified. The word "Marxist" originated from International Workingmen's Organization (1864—1876), which is best known as "First International". Political dispute between Marx and Bakunin paved the way for word "Marxist" which mainly defines supporters of Marx.

Let's put a comma here and illustrate the dispute between those intellectuals in order to understand Marx's political ideas. Dispute between Bakunin and Marx was mainly based upon the essence of state. Bakunin's thesis was constructed on repeal of state at all costs. Bakunin saw the primary matter as the state not "capital". For him the causality is from state to class society (and also capitalists). Consequently the repeal of state would lead to abolishment of class society. Marx's ideas about state during First International can be specified in four points:

- the essence of state was political power, which was the 'the official expression of the opposition of classes within bourgeois society',

- it would consequently cease to exist in communist society.

- in the present system it represented not a general interest of society but the interest of the ruling classes

- with the victory of proletariat it would not disappear immediately but, during the expected transition period take the temporary form of 'the proletariat as a ruling class'." (Hobswam, 1982)

As illustrated above, in Marx's understanding of state the causality is from class-society to state. According to aforementioned dispute, Bakunin blamed Marx for supporting totalitarian regimes and stressed the problem of "selfish servants of society" who would reproduce the states' coercive power and class society on another dimension. And Marx stressed the organizational problems in post-capitalism society (Marx called that society "communism" while Bakunin called "cooperative anarchism") and blamed Bakunin for subordinating the class struggle between capitalists and workers.

Aforementioned discussion shows that Marx underrates the Bakunin's ideas about state. But he also mentions the risk of state. For Marx workers must prevent themselves against their own representatives and avoid the transformation of the state and state organs from servants of society into its masters. (Hobsbawm, 1982) Marx with his scientist conscience shows risks of transitory period, which would eliminate the separation between the people and government, but that period is inevitable for proletariat with the aim of seizing the political power and establishing the classless society.

After mentioning Marx's political thoughts briefly, we can return to the evolution of definition of "Marxism". The word "Marxism" can be traced back to Kautsky. Kautsky and his intellectual comrades around the *Neue Zeit* developed Marxism as a science whose essential is material conception of history. (Haupt,1982) Lenin (1963) took that narrow definition of Marxism and extended it in his famous essay "The Three Component Parts of Marxism". For Lenin, Marxism is composed of three different sources which are "German Philosophy", "English Political Economy" and "French Socialism". Lenin stresses that the essential character of philosophy of Marxism is materialism.

Marx (1960) criticizes the Feuerbach's materialism for understanding the reality 'in the form of the object or contemplation; but not as sensuous human activity, as practice' (Marx, 1960) By this way Marx took the human activity from the realm of ideal and place it to the realm of material. And he incorporates that materialism into the Hegelian dialectic, which states that evolution in the ideas directs the movement of universe, and reversed it as; "the ideal is nothing but the material world reflected in the mind of man, and translated into forms of thought" (Ehrbar, 2011)

Second main component of Marxism, for Lenin, is "English Economic Philosophy". After Marx shows the material basis of human activity, he traces the concrete evidence of his materialism by investigating society which is erected on an economic system. Marx enhanced Ricardo's labor theory of value and showed that value of a commodity is determined by the quantity of socially necessary labor. Marx placed the human activity on that material basis and illustrated that the relations among people turned to relations among commodities. So labor theory of value plays a central role in his analysis of capitalist mode of production.

Third and last component of Marxism is "French Socialism". During Marx's lifetime France was the mainland of the revolutions and revolutionary ideas. But those revolutionary ideas were far away from being scientific (Engels and Marx called them "Utopian Socialism"), they were somewhat speculative. Utopian socialists did not intend to illustrate the scientific basis of revolution, but Marx did it. Marx investigated the scientific roots of socialism and found them in the contradictions of capitalist mode of production.

To sum up, Marxism is not a "realization of communism" it is a scientific program which investigates the scientific roots of communist revolution. But it must be avoided that scientific roots of revolution must not subordinate the power of politics. Marx just pictures out the contradictions of capitalist mode of production which would supply the material conditions of revolution, he does not read the runes. Revolution will be the final product of organized workers' action.

1.) Haupt, Georges “Marx and Marxism” in “The History of Marxism Volume One: Marxism in Marx’s Day” ed.Hobsbawm (1982)

2.) Hobsbawm, Eric J. “Marx, Engels and Politics” in “The History of Marxism Volume One: Marxism in Marx’s Day” ed.Hobsbawm (1982)

3.) Lenin, V.I. “The Three Component Parts of Marxism” in “Reader in Marxist Philosophy: From the Writings of Marx, Engels and Lenin” ed. Selsam, Howard and Martel, Harry (1963)

4.) Marx, Karl and Engels, Friedrich “The German Ideology” (1960)

5.) Ehrbar, Hans “Annotations to Karl Marx’s ‘Capital’ Class Edition” (2011)

Next Message by Anil is [412].

[328] Hitman: Term Paper Group. I am still looking for a Term Paper Group. Let me know if I can join your group. 801-860-6098

Next Message by Hitman is [473].

[331] Tvan: For my free response I’m going to respond the the question that Malibu posted, which is What is the Difference between “value of labor power” and “Wage”?

Before reading the text this question would not be very interesting but since Marx’s insight on the lazy worker this question is much more interesting. At first glance one would think that they are in fact the same thing, but this is false because some workers are more skilled then others or some lack the motivation. This difference is skill and motivation changes the value of different laborers. For example i work for the same hourly wage as those that i work with. Even though i have been working there over a year now and am much more efficient and am able to work faster then the newer employees. Since we all receive the same wage this does not reflect the value of our labors.

Next Message by Tvan is [411].

[332] Jaime: Free Discussion. My free discussion topic stems partially from a question on the mid term relating Christianity to commodities. Was Marx Christian or religious in general? It seems to me that, while there aren’t many statements linking him to atheism, everything he writes is based from a historical mechanism and economic fact, not a religious standpoint. If you add in any element that pertains to a higher power, his arguments would not have been as strong. He uses a scientific method for his reasoning, and science is inherently atheist, although there are many scientists who are religious. I am not personally convinced Marx was of no faith, but I thought this would be an interesting topic to get other’s thoughts.

Jaime

Message [332] referenced by [339], [348], [354], and [570]. Next Message by Jaime is [431].

[339] CameronCottle: Atheism is not Science. In response to Jaime [332], you bring up an interesting topic but I see some flaws in your assumptions. “He uses a scientific method for his reasoning, and science is inherently atheist, although there are many scientists who are religious.” There is an obvious flaw to this statement which you admit by stating that many scientists are religious. It is unfair to judge one’s writing, especially in the field of academics and to try to make assumptions of their religious beliefs off such a thing. The reason it is unfair is because the purpose of writing like Marx does is to go beyond their

bias and look at things from a rational perspective as if they had no self. Marx is doing this in his writings because his own personal values and beliefs have no value to be used in an academic discussion about economics. Now if it was a philosophical debate about the existence of god then his personal values would have some effect in the evidence he may use to support the existence of god or the lack thereof.

It is interesting to wonder about but we also have to distinguish here between atheism, belief, and religion. One can believe in god, a higher power or even Jesus and not be a part of an organized religion. For personal reasons one might see the values in belief itself and not in organized religion. Thusly they could be as rational and logical in all aspects of their life but in their personal belief (which anybody can attest to can go beyond logic or reason) be completely irrational. Faith and or religion function much like capitalism in that there is a mystery about them. They could all be simply the choice to believe in something higher than ourselves and life after death but it could be argued that people and society add to religion a higher dimension and a far more complicated value. They do this in placing value in things that otherwise really hold no value, like the creation of a church which like any building is just made of materials. It is through society though that these buildings become worth something more and it cannot be explained in the materials used to create the church.

This is the mystery of religion and one of those contradictions that Marx would say we need to investigate further. It is because Marx does not just ignore contradictions and so it could be argued because he believes in the value of such things that he could see the value to religion and or belief. My own personal idea is more along the lines of your own and that perhaps Marx was an atheist or agnostic but it really holds no value in his argument. Now I wanted to address one more thing you stated and that is; "science is inherently atheist", which is not true by any means.

Atheism is no more inherently connected to science as religion is. Atheism is at its core a belief as is any religion and it could be argued that an actual rational mind would never choose atheism because of the alternatives. One cannot neither disprove the notion nor prove the notion of the existence of god and so by completely refusing the existence of god without evidence is not rational or logical. Looking at this from a rational perspective one could say the logical choice is to believe in god at the least. The reason is that by choosing to not believe in god than if god exists then you're not allowed into heaven, go to hell, etc. . . . If he doesn't exist then you are right and no harm no foul. Now by choosing to believe in god then you don't have that risk and if there is no god, then you lose anyways so it doesn't matter. It is beneficial to the rational person to thusly believe in god.

Atheism is a belief in the disbelief of god. It is a judgment value and holds no more scientific value than that of any other religious belief. Also any atheist holds no more ability or skill than that of religious person to be a scientist. Now a fair amount of scientists are atheist and fair amount are religious. So being of a rational mind and following the scientific approach does not automatically disqualify the notion of somebody being religious. Basically the point here is that belief doesn't follow logic or reason and whatever your belief or Marx's belief is, you cannot derive that from an academic discussion.

Message [339] referenced by [348]. Next Message by CameronCottle is [349].

[348] Danish: Atheism is not Science. CameronCottle [339] has made some points about religion and atheism on which i want to shed some light in my limited sense of knowledge. There are two parts of CameronCottle's [339], i agree what he has said in response to Jaime's [332], i.e. we should not judge or bias Marx's writing by his opinions about religion. But with due respect i completely disagree with CameronCottle's [339] second part of the comment, in which he has tried to portray atheism as a irrational, and in some regard similar to the religion.

First of all "atheism" doesn't claim the absence of god, instead it rejects religion's claim about the existence of a god. For example, you are in a jury, when there is a trial in front of you, and you have to give verdict, then you don't say that accused person is innocent, instead you give a verdict that accused person is "Not guilty". Similarly when religion claims an existence of a "god or goddesses", atheism rejects this claim, atheism is not a religious doctrine, instead it is a scientific way of analyzing and approaching the life and universe. Being student of science, we do not claim that god does not exist, all we say is that there is not enough proof for the existence of a god.

Secondly, you used a metaphor of heaven and hell in relation with the concept of god. It is not rational to believe in god, because he might ended up existing, and then if you wouldn't have believed in him, he would have kept you in hell. On contrary, rational means, anything, which thrives itself on the base of reason, and not in terms of material benefits. All the religious doctrines claim origin of life and universe in very irrational way, while science on the other tries to explain origin of life and universe with the rational explanation and logic, although there can never be 100% certainty, which we have to accept. Thus in 21st century, it would be very non-scientific approach to believe in something which has no proof of existence.

Message [348] referenced by [349]. Next Message by Danish is [396].

[349] CameronCottle: Atheism is not Science. Just a quick rebuttal to Danish in [348] as I do not have much time to make a full response and I may not the rest of the evening. I understand what you are saying but again not all Atheists are scientists. Not all came to that conclusion off of a rational thought and or logic. That is the point I am trying to make here. I am not stating my own belief as that would be actually in parts contrary to what I posted here, I am just trying to play devil's advocate a little to encourage looking at the fact that not everybody thinks the same and not every person came to that conclusion off of the same thoughts or ideas. They might use logic to defend their belief but it may have been that what inspired that initial thought was not logic or reason but belief. A belief that nothing exists beyond what is and that we can only place value in what can be scientifically proven. God cannot be proven to exist therefore we cannot place any value in the existence of one. Again I am not stating that every atheist is this way just as I would not state that every religious person is a crazy nut that believes the world is only ten thousand years old. It is never a smart idea to lump a group of people into a single category based of the interactions with a few. So assertion that all atheists are the same and all came to their conclusion off the logic of science is a pretty hefty claim.

The other point I am trying to make is that logic and reason cannot be applied to belief. You can present all the facts in the world, all the logical reasons of why the belief in religion

is irrational and a religious person will not care. It is in this complete belief in logic and reason and simply passing off the existence of god that seems irrational because it is ignoring a very real thing. The existence of god could be one of those contradictions that Marx discusses and instead of just refuting it because we cannot prove god exists, perhaps we should look deeper into it. Again belief has a mystery quality about it and just because it does not exist in a scientific sense; it does not mean it does not exist. People's belief in it is real thus it makes it real, even if they only create it in their minds. It is reality for them and it may not be rational or logical but just because it is neither of these, it does not mean we should refute the value of it. Again I am playing devil's advocate here and trying to create a different way of looking at this issue.

Too often; which causes many of the problems in our society, people say; "This is so obvious, why can't they see it how I do," and never consider the perspective of the other person. They only see the logic and reason of what their own bias is able to see and then completely refute the value of the other person. This makes the other person feel the need to defend their ideas and then understanding can never happen. So by refuting the existence of god, an atheist is making a huge mistake because they are not accepting the value of belief which society has made into something real. They are looking at the argument from a very one sided perspective and putting value to only one thing and in doing so they are missing the big picture. It would be much simpler if everybody did think the same but the problem is they don't. By refuting the value of belief an atheist is making the same mistake a religious person is making by placing their value in belief. Besides this the refuting of and refusing the value of something that billions of the world's population believes is real only creates a stauncher belief in that idea. The more people point out and say that belief has no value, the more those who believe it do will fill the need to defend it.

It is too easy to simply say there is no way to prove the existence of god, therefore "not guilty". As a student of science, logic and reason, I am stating it is irrational to simply refute something because there is no proof at this time that it exists. I am no way arguing the existence of god but I am arguing that there is value to the belief in such a thing because society has given it value and to refute this value is as irrational as a religious person putting no value in science. This value may not be rational or logical, but it does exist because we make it so.

Whether this perspective is right or wrong, it is a perspective and any person is capable of thinking it thus making it something we cannot simply refute as irrational and then ignore. At one time all science was and is a belief or thought or idea. People looked at the stars and believed there was more to it. They had no proof, they had no evidence; all they had was an idea, a thought and then they set out through science to prove their idea correct. It is only through these men; who thought differently and went against what was accepted as logic and fact, that they were able to discover truth and reality. They had to prove that their thoughts were rational and logical and without that evidence they just would have been another insane person.

So Danish you are not wrong and your perspective is just one correct perspective. Thusly I do not disagree with you but instead agree with you and present another perspective that could also be considered true. Another piece to the bigger puzzle of understanding and

knowledge. Otherwise thank you for your response, I hope nothing I wrote here comes off as attacking. That is not my aim, I am simply trying to provoke thought and every rebuttal you come up with only strengthens my understanding. As far as I am concerned there is no right or wrong in this argument, only further understanding.

Next Message by CameronCottle is [393].

[354] Veb: Re: Atheism is not Science. I want to respond to the discussion while trying to give Jaime an answer to her questions about Marx in [332].

The example Cameron brings up about atheists “not accepting the value of belief which society has made into something real” being a mistake was interesting. Although I disagree with this statement (an atheist can not believe in god while at the very same time understand that religion is a powerful force; and by not believing in god, they don’t necessarily think that belief in general has no value), I think it kind of illustrates what we should be doing with the original question that Jaime asked – we are focusing on the particulars and not looking at why Marx said the things he did about religion.

I have no idea if Marx was religious or not. What he says in Capital is that Christianity “is the most fitting form of religion” [172:1/o] to capitalism. When considering value, the concrete labor is abstracted from (to become abstract human labor), Christianity does the same thing – humans must deny their earthly (bodily) tendencies and become pure souls. I think maybe an avenue to go down would be Marx’s thinking on the existence of an abstract human being (from the materialist perspective). This is just one example that Hans writes about, I’m sure there are many more parallels between Christianity and capitalism.

In other classes that have discussed Marx, the one thing common is the diagram of his understanding of society. There is an economic base (capitalism) and the superstructure (Christianity would be included in this, as well as our political system, etc.), which enforces the base. So I would interpret it this way: Christianity changes to reflect the “needs” (sorry I don’t have a better word) of capitalism. Think of a simple example: Aquinas was against usury (as was the majority of the church), today it is so accepted that there is no law against charging 500% at some of the payday loan businesses– capitalism didn’t change, religion did.

I think that Marx would have an unfavorable view of religion because it reinforces the economic system, which in the case of capitalism, I think he would find negative. And everyone knows the “opiate of the masses/people” quote – Christianity teaches people that if you work hard, toil, and lead a “good” life you will go to heaven, which will be awesome. In essence, this translates to: if your life sucks on earth, just accept it because you will be rewarded in the afterlife. It makes it acceptable for one’s life to suck, and if you consider the “it’s god’s will” aspect, then it even provides a reason for it. The other aspect of this quote is the fact that religion has an anesthetizing effect in that it creates an incentive to not question the social and especially the economic system. In Capital he calls religion part of “the mystical veil” (Hans, 200), which obscures people’s understanding of the social relations. As to whether he himself went to church, it may have been easier to escape than capitalism, as, although he didn’t like the system, he still had to participate in it.

Message [354] referenced by [400]. Next Message by Veb is [610].

[357] Skiingforlunch: The invisible hand in the economy. Keynes attributes market behavior to the actions and preferences of humans on the aggregate. This is very much the opposite Marx's view of the economy. Keynes's claim that humans act as if they were lead by an invisible hand which creates a social benefit to all consumers and producers in market transactions – exchanging utility for revenues. I find this conflict to be very interesting.

Marx seems as if to say there is not necessarily a benefit in the free market and this comes from his idea that consumers and producers are acting through their commodities (Marx does not say there is no benefit – but the producer and consumer do not share the same benefit Keynes describes). The market phenomenon is not an invisible hand in the economy but rather the social powers in the commodities. As producers and consumers equalize their labors in the market there is an ongoing struggle for all producers trying to create value and ultimately making their labor worthwhile in the marketplace. Furthermore the polarity between Keynes and Marx is very deep while looking into the actual production process.

Marx's year of death was the year of Keynes's birth. Keynes was well aware his arguments were conflicting to Marx's.

Next Message by Skiingforlunch is [\[362\]](#).

[364] Gonz: Free Discussion. I was just going to say that I find Marx's interpretations of 'value' a bit primitive. In today's world it is obvious that the value of a commodity is not so easily defined. I find that the value of a commodity can be associated with the price demanded for the commodity. Now, in a modern philosophical context, it is clear that supply and demand drive that price association, or else, for example, based off of Marx's reasoning, the Ipod would not be worth hundreds of dollars, and people would not continue to consume that commodity. Now in no way am I saying his reasoning is wrong, however, I am curious if other people feel he over-simplifies the general commodity too much. With that being said, also, I am curious if at that time, if there were certain commodities that could not be summed up so easily in terms of 'use-value' or 'exchange value'.

Next Message by Gonz is [\[394\]](#).

[366] SpookyKJC: In today's economy, some people are turning to procure gold instead of money. Even according to Ron Paul, our country should switch from paper money to gold (Fun fact- he mentioned it in The Colbert Report along with other presentations, articles, etc...) I was just wondering how Marx's take would be on the switch from money to gold in America, and the world?

In my opinion, it would take a lot of work to change to the gold standard. First, how would we make the switch from paper to money to gold? Just trade 1 dollar to 1 ounce of gold (I know it would be much less gold for a dollar but for example's sake)?

Also one of the other things to consider is how it would be controlled. Money can be printed which causes inflation and deflation depending on how much/little they print. What happens if there is a shortage of gold? All of a sudden, that gold becomes more powerful in value, but there is no way to make more gold....

Also, another point is the value system. Marx talks about the difference between having something symbolic to value, and having something of value itself. I think he would like to have the system changed because gold has value whereas if you look at the current monetary

policy, a dollar is made by a piece of fancy paper. A dollar is symbolic to value, but it doesn't have much value when you take away the symbolism.

Any other thoughts?

Next Message by SpookyKJC is [368].

[375] Jami: I wanted to reiterate a concept that has tripped me up in this class. It has to do with the distinction between the labor represented in the value of a product and the same labor manifest in its use-value. This has been a hard concept for me to wrap my head around, since my experience has only been with classical economics. Marxian economics looks at this in a completely different way.

Yes, the labor process represented to create products A and B are the same, but Marx is distinguishing between abstract labor and concrete labor. The abstract labor is responsible for the value of the product. The concrete labor is responsible for the use-value of the product. These two labors are also measured differently. Abstract labor is only measured in one way: time. Concrete labor is a lot more subjective and can be measured several ways, depending on what the labor is. For example, a baker could measure his labor in the form of total sales, taste test reviews, etc.

Feel free to comment, correct, or add to what I've said.

Next Message by Jami is [634].

[400] Danish: Atheism is not Science. In response to [354]:

Well Marx was not religious at all, he did not believe in any religion, instead it would not be wrong to call him an atheist, but Marx was more than just an atheist. Marx never denounces the importance of the religion in the lives of the oppressed people, and he acknowledged the fact that the some and in fact most of the working class people have religion is an integral part of their lives. But Marx was quick to point out the hypocrisy of the religion, especially he talked about Catholic Church as an ally of feudal landlords during industrial revolution in Europe, because the interests of the Church were connected with the survival of the feudalism. Marx argued that religion has been used by the ruling classes as an instrument and tool to subjugate and oppress the working class people. Marx did not consider religion as a primary source of conflict in the society, instead he related religion as a reflection of class nature of a society.

Thus being Marxist, when i claim myself to be an atheist, i am not undermining the importance of the religion in the lives of the millions of people around the world. Instead all i am saying is that religion is in contradiction with the scientific method and inquiry. The existence of a god is an important question in the paradigm of philosophy, but in terms of natural sciences, a biologist or physicist has no authority or interest in making inferences about the non-existence of a god, the ones who believe on god, has to prove its existence. I feel that we get along with science pretty well, as long it does not infer anything which might contradict with our religious believes, i think when it comes to science, the superiority of science has been proved by the fact that, most religions are trying to prove their arguments through the lens of science nowadays.

I think it would be very unfair to rank religion and atheism on same level, i am not saying that one is better than other, but all i am saying that they are two different things.

Atheism is based on scientific claims, while religion is based on belief and faith, it is like comparing apples and oranges. But then there is another fact that in most parts of the world, including United States, religion has been propagated by the State, and religion has been given an unfair advantage over atheism, if we consider them to be two probable options to be considered by the society. Religion demands exempt from criticism by saying, if you criticize this religion this might offend the feelings of millions of people etc, while atheism is open to all criticism. Interestingly in 2008 presidential elections, when the name of Barack Hussain Obama was made an issue by the right wing conservatives, as a muslim name, and by the way this shows the level and intellect of right wing criticism. But anyhow the point is that the survey done by CNN revealed that, Americans would prefer a muslim president over an atheist, i.e. an atheist is the least desired president by the American public. Thus all the islam-phobia that has been artificially created by the right wing conservatives against muslims has not yet overtaken a phobia of atheism in United States. Thus it shows that the atheism has been intentionally denounced by the ruling elites of our country, and religion has been given an upper hand by the ruling classes because it serves their interests.

Next Message by Danish is [550].

[429] Maniac: Financialization and the Marxian idea. I have been reading and hearing a lot in about global financialization and I have been trying to think about how the Marxian theory would fit in. There is some obvious abstract labor that goes into financilization but it uses the idea that money is the start capital and the end goal it views money as the measure of wealth. I think there is exchange value in financialization using Marx but I am having a hard time figuring out the use value. so any ideas would be great to hear about.

Next Message by Maniac is [433].

[483] Deiondrious: I find that Marx's interpretations of 'value' is very useful it is basically up to you what you find value to yourself. In today's world it is obvious that the value of a commodity is not so easily defined. I find that the value of a commodity can be associated with the price demanded for the commodity. I was reading an article on which is better having a gasoline car just uses gas and an electric car that is based off of electricity. I find that it is useful to use electric car. But some people might find it that using a gasoline car is better what would you prefer if you had to make a choice yourself??

Message [483] referenced by [509] and [547]. Next Message by Deiondrious is [571].

[509] SpookyKJC: I am commenting on what another student said. Deiondrious says in [483]:

"I find that Marx's interpretations of 'value' is very useful it is basically up to you what you find value to yourself. In today's world it is obvious that the value of a commodity is not so easily defined. I find that the value of a commodity can be associated with the price demanded for the commodity. I was reading an article on which is better having a gasoline car just uses gas and an electric car that is based off of electricity. I find that it is useful to use electric car. But some people might find it that using a gasoline car is better what would you prefer if you had to make a choice yourself??"

How do you value other commodities? If it is personal value, how come you pay other people's prices for them? I wish we could go into the store and state our price for a commodity and then buy it for the price. Unfortunately our "value" are at other people's "value's" whims. So really value isn't up to us, it is up to someone else when it comes down to paying for the commodities.

Message [509] referenced by [673]. First Message by SpookyKJC is [366].

[539] **Gv:** I recently read an article that claimed that countries who exhibited a, "large external surplus . . . and insufficient internal demand " are to blame for much of the woe of the recent economic crisis. An interesting aspect that this article brought up concerns the quasi-mercantilist practices such countries adopt in the current global trade sphere. Mercantilist perspective was concerned with accumulating wealth under the bullionistic paradigm. Such mentality is evident in the colonization efforts by the leading economies of the time. Thus it can be said that part of the effort of Great Britain, Spain or Portugal to establish colonies in the Americas or elsewhere was to establish a base of consumers who would buy from the mother country. In essence making the mother country richer, or allowing it to amass greater wealth. To tie this to Marx, I find it interesting to consider this under the general law of capitalist accumulation and specifically the notion that amassed wealth or accumulation of capital leads to extended domination and its effect on individuals. Sadly, it appears that part of human nature is for some to hoard access to that which is deemed or actually is essential to the rest: In the case of the Hawaiian Islands or the ancient Andean Incas, access to religion. Likewise, in the case of colonizing countries this is seen again in the access to wealth. Under Marx's critique of capitalism it is the accumulation of capital – defined as the modes or production.

Message [539] referenced by [843]. Next Message by Gv is [540].

[543] **Kitkat: Free Discussion: Book Recommendation.** I fee like a bit of an anomaly in our course as I am a graduate student in Communication, and I have very little background in the study of economics. Economics and Marx's work is interesting to me as each has been taken up by scholars to study issues that ostensibly appear more cultural than economic (as if the two could be separated). Communication scholars often draw from Marx's theory on ideology and political economy for cultural critique; some have examined labor movements (Dana Cloud), new media (Robert McChesney), and the rhetoric of free markets (James Aune). But this has not been done without considerable debate about how fitting Marx's theories still are, appropriate use (interpretation and application) of his theories, etc. Conversations in my own discipline still devolve into defending one's use of Marx, rather than more fruitful discussion of the issue(s) analyzed. Indeed, while a few contemporary scholars have taken up Marx once again, many scholars of the early 20th century (most notably the famous Frankfurt School of critical theorists) found Marx a bit of a failure in light of the rise of totalitarian states at the time. I imagine the scene isn't much different these days in other disciplines when current scholars try to take up Marx.

Terry Eagleton, Professor of English Literature at both the University of Lancaster (England) and Notre Dame (US), published a book earlier this year entitled: *Why Marx Was Right*. This is a pretty short book (less than 250 pages) considering the topics, texts, and criticisms that are discussed. Each chapter is devoted to a particular criticism of Marx; in fact, each chapter begins with an italicized paragraph summarizing a key criticism levied

against Marx's theories. For example, the first chapter deals with the view that "Marxism is finished. It might have conceivably have had some relevance to a world of factories and food riots. . . But it certainly has no bearing on the increasingly classless, socially mobile, postindustrial Western societies of the present" (p. 1). The rest of the chapter takes up the opposing position: "That there is life after Marxism is the whole point of Marxism" and that "as long as capitalism is still in business, Marxism must be as well" (p. 2). This particular chapter goes on to explain that radical changes in the world's economic system (what Marx would likely view as another transformation of historical forms of capital) brought with them "a creeping sense of political impotence" for Marxists (p. 6). Almost paradoxically, Eagleton explains, these same conditions made Marxist critique all the more relevant.

All in all, this book is an easy read. Again, the whole text is about 12 pages shy of 250, with each chapter at about 10-13 pages. These characteristics make the book accessible to a broad audience, especially those that may not be familiar with the intricacies of Marx's work and/or economic theory, as well as those from other disciplines who may (or wish to) draw from Marx (indeed, Eagleton himself is a professor of english lit). On the other hand, as might be expected from its length and accessibility, this book is not a scholarly analysis of scholarly critiques of Marx/Marxism. Eagleton speaks in generalities, sweeping across dynamic and complex views with phrases like "most critics contend," with a few references to Frederick Jameson, Engels, and others sprinkled in.

For those of you interested in Marx, but contemplating his current relevance, you may find this book interesting. As it was published just in the last year, Eagleton discusses Marx in relation to the current economic crisis, globalization, and development in the Global South. I find this book interesting and enlightening- at least Eagleton summarizes some key critiques of Marx and provides some pushback, even if this is done in broad strokes. While this book may not be particularly academic (I wouldn't necessarily site it in a paper), Eagleton may lead you to more scholarly sources on interesting topics.

Next Message by Kitkat is [\[605\]](#).

[547] George: In response to Deiondrious [\[483\]](#) I would have to say that both cars are useful right now. That could change if the oil reserves are diminished, then a gas car would lose most its value all together because it would no longer have the same use value of being a form of transportation. So while there are current pros and cons about certain products that differ in only a few simple characteristics. It is important to look long term and know the different prospective use values of each commodity that is being considered.

Next Message by George is [\[600\]](#).

[550] Danish: Pre-capitalism to socialism. In *Das Capital* Marx examines the capitalist mode of production, and Marx is arguing that the social and economic contradictions of capitalism are pushing society towards more egalitarian economic system, i.e. socialism and communism. Marx argues proletarians are the most revolutionary class in the society, thus they will going to play an important role in a revolutionary situation. But capitalism has unique attributes of keeping uneven development in the society, and especially due to dominance of imperialism, we still have some countries in our world which still have feudalism or remnants of feudalism, asiatic mode of production etc, and the capitalism hasn't completely conquer those societies. From the perspective of Marxian economics, do those societies have to go through the capitalist development before achieving socialist mode of

production? or those societies can surpass the capitalism, and develop socialism? It would be great if professor Hans shed some light on it too.

Next Message by Danish is [\[576\]](#).

[570] Kiwi: I would like to contribute to free discussion posted by Jaime [\[332\]](#). I don't think we can find out whether Marx is Christian or affiliated with any religion based on how he approaches these questions he is looking for. To come up with theories to explain his questions, he peels the layer one by one to find the evidence, he correct his previous theories and comes up with new theories to answer his questions. He does so in a scientific manner. This does not mean that he is an atheist because he approaches it in a scientific manner rather than from a religious standpoint, it just means that a scientific approach is the best approach to find these answers.

Next Message by Kiwi is [\[680\]](#).

[604] Jaime: While considering the longer-term conditions that have given rise to the global economic crisis currently taking place and having been initially started in the United States, my view is basically that the world economy has never actually fully recovered from the crisis of the 1970's; at least not in the way in which the destruction of capital through the year of the Great Depression and WWII led to the boom post-war. This is mainly due to a very relatable and altogether understandable fear of having a repeat of the Great Depression. Because of this, there has been somewhat of a partial recovery, which has been brought about from more than a few sources. First, the declining wages for most workers and the trickle-down effect the crisis has had on the under-developed countries of the third world. Also, these things have been muddled by the large amount of debt, be it from the government and corporations or on an individual basis from the people such as consumer and mortgage debt. This crisis will never end unless a sufficient capital is destroyed and investment is made profitable once again, or capitalism is replaced by a new, pure socialist society. I think Karl Marx would agree that these things need to happen in order to fix the crippled economic situation of the U.S., though he himself never fully recognized or made reference to an economic system which would fit well with American politics or otherwise be a cohesive idea for an entire civilization. Marx did not believe in the existence of any such organism called "the economy." What he believed, and what made him different from any previous theorist of dialectical or historical materialism was a sharp distinction between the forces and the relations of production. So this argument would have been unforeseeable to Marxist theory.

Message [\[604\]](#) referenced by [\[619\]](#). Next Message by Jaime is [\[703\]](#).

[607] Clavis: CMC for spiritual (non-material) commodity? Probably this is not directly related to our free discussion, but I have thought about 'non material' commodity. I do understand MCM or CMC process on material commodities, but I have hard time to understand whether non material commodities has this process as well or not. Can we say that teaching (value) turns to money, and turns to use-value for students? CMC process in material things, even if seller sells same commodity like before, that commodity is not the commodity of which he sold last time. But can we say that the knowledge of teacher is different from now and the past? And can we say that teacher produces 'new' commodity for students everytime he is teaching? or teaching is just transportation process?

Next Message by Clavis is [\[639\]](#).

[613] Deiondrious: When reading Marx about the M-C-M and C-M-C does the stock market, price sets, and bonds does the M-C-M and the C-M-C have any input on how the world market works in today's world?

Hans: You originally had "how the world market works in today's world" and I changed it into what I think you mean. Marx has written a lot about "finance capital" and stock markets, he does try to explain how they work.

Next Message by Deiondrious is [620].

[619] OBJ: In response to Jaime. I would like to argue against your idea in [604] that the global economy never fully recovered from the crisis of the 1970's. Certainly the U.S. did fully recover as from about 1982 until this crisis we are in economic conditions were great. New innovations such as cable TV, the internet, and also increased middle class participation in stock markets boosted the economy to rival the boom-times of 1950's. Countries like China, Taiwan, South Korea, Japan all saw tremendous growth since the 1970's as well. Most of the poor performing countries of the 80's 90's and earlier 2000's had poor performing economies the entire 20th century. I do agree that governments along with citizens took on too much debt, which was one of the main causes of our current crisis. I'm trying to understand what was meant by your saying, This crisis will not end unless sufficient capital is destroyed and investment is made profitable again. Do you want to increase the value of one unit of a country's currency?

Next Message by OBJ is [695].

[625] Maniac: Is playing the market M-C-M trading? The way that Marx defines M-C-M style of trade is starting with some money and trading to get a commodity then trading that for more money than you originally had. If you are into investing then you seek to do the same thing. You start with some money then buy stock in a company to create a commodity and then in the end you sell in hopes of making more money. In theory I believe that it is the M-C-M method of trading but I wonder if Marx would agree with me?

Next Message by Maniac is [626].

[663] Kendull: What are Marx's thoughts on commodities that are limited? What about appreciation and depreciation of commodities although they have no additional value-creating labor or exchange value expended in them? To apply this to the real world; although we have recently discovered "gushing" domestic oil reserves in Texas and North Dakota, what of the price of a valuable resource like oil?

Next Message by Kendull is [711].

[681] CImrg1: Value of education. I have been doing a lot of thinking about the rising cost of education in this country and if the return is worth the price. We live in an economy where most jobs are service based which tends to make education of some kind necessary if you are looking for a livable wage. However to get an education is time consuming and getting more expensive each year. I currently do not see that most people are getting the return to their investment in education. President Obama must also feel this way in some manner as he can see how many are struggling deeply with student loans because of job shortages and wages. I am under the personal belief that we should have state colleges that offer free or deeply discounted education. At that point I see the return being a lot higher on the investment of the time and commitment it takes to go to school. Under our current system I have a strong fear that I will not see a true return on all the money and time I am investing into my college degree. I see and hear that a lot of people feel this way. So it is interesting to me that society has not stepped up more to demand more affordable education.

Message [681] referenced by [683]. Next Message by Clmgrl is [684].

[683] Clavis: Value of education. As tuition goes up, the wall of higher status goes up. as Clmgrl [681] mentioned, now high education is important thing to get high wage, and this high wage can be translated to high social status in this capitalist system.

There are contradiction. capitalist system tells that we all have the chance to rank up through the education. but the thing is, only rich people can afford to tuition of high level education. even if person who is not rich got into high level education, it is really hard to only focus on the study.

And they publish the books about someone who graduated ivy-league school with no money and doing 3D jobs. of course they are great men, but capitalist society never mention that those kind of people are very few. they are merely genius or special lucky case.

In short, they trying to keep the people being imprisoned by illusion of 'hopless hope' and 'freedom to worthless effort'.

Next Message by Clavis is [706].

[706] Clavis: Ultimate Purpose. The goal of capitalistic economics is utility. but Marx-ian economics never told that. Marx talked about equality and freedom, but WHAT is the equality and freedom? is it really possible to get those kind of things, or to recognize whether we have or not?

Next Message by Clavis is [718].

[733] Cheeto: Marxism through Anthropological lens. There is a very interesting book that I would like to recommend that inadvertently brings many important concepts of Marxism to light through a anthropological lens and looks critically at the global economy. The book includes topics like private property and its effects with regards towards free trade, the creation of scarcity, "haves and have-nots," social consequences when the means of production are lost, and several other critical issues that many will find relative to both this class and other issues like the Occupy Wall Street protests. The best thing about the book is that its academic. You can source it and take the issues that it brings up seriously, if you choose.

Cultural Anthropology: Tribes States, and the Global System John H. Bodley

ISBN-13: 978-0759118669 ISBN-10: 0759118663

Next Message by Cheeto is [962].

[776] Badawn: Marx and the Shift to a Service-Based Economy. As looking into the archives and reading about what Marx and how machines play their role in a capital society. I sort of related this to the industrialized revolution when the US was a powerhouse for manufacturing goods. My question however is what do you think Marx opinion would be now that the US has moved from "manufacturing" and became more of a exporter of Service Based economic growth.

Message [776] referenced by [796]. Next Message by Badawn is [976].

[779] Jaime: Karl Marx vs. Adam Smith Though Marx and Smith differed in their political beliefs, their economic beliefs were similar. Both held the labor theory of value. Both believed that the number of labor hours put into a product created the value and therefore the worth of the object. Marx had great insights into the workings of an economy and thought

deeply into the mathematical part of economics. Marx's writings are valuable in respect to the specific aspects of an economic system. Regarding Smith, the idea of the laws of supply and demand and the invisible hand can be found in economic text books. Smith's economic and moral theories are respected and employed in teachings, analysis, and application of modern free trade economic systems today.

Next Message by Jaime is [\[935\]](#).

[781] Malibu: What does Marx mean by this statement? Anyone who knows anything of history knows that great social changes are impossible without feminine upheaval. Social progress can be measured exactly by the social position of the fair sex, the ugly ones included. Karl Marx

Next Message by Malibu is [\[1033\]](#).

[789] Gonz: Karl Marx is known for his critique of capitalism, and on a lot of points was fairly accurate. Marx considers that in the production process, the capitalist consumes the commodity of labor-power from the worker. So the capitalist must consider a worker making minimum wage as something not very valuable. The labor theory of value places value on the commodity through the embodied labor process. My question is, as someone who does not have a lot of work experience, how relevant in today's world, is the labor theory of value, and how do wages reflect the labor-power of the typical low-end job? Are people justly compensated when making minimum wage?

Next Message by Gonz is [\[797\]](#).

[796] Kitkat: Marx and the Shift to a Service-Based Economy. As my term paper group is completing a paper on Chapter 15 (which discusses the rise of large-scale industry and the use of machines), I thought I would post a response to Badawn's question [\[776\]](#). In Chapter 15, Marx explains that the rise of large scale industry had enormous effects on the division of labor, composition of the labor force, and family relationships. You can read a more detailed summary of the chapter in my group's term paper.

Since Marx wrote *Capital*, several things have changed. For example, in chapter 15, he discusses the Factory Acts that regulated child labor. Clearly, we now have very strict laws governing when individuals can procure paid work, the maximum number of weekly hours they may work, etc. But the shift of the American economy to a knowledge-based economy is interesting in light of chapter 15. With our shift away from manufacturing and large-scale industry (indicated by outsourcing and offshoring), we have seen a concomitant rise in undergraduate education rates. Children that, in the 1950s or 1960s, may have left high school or a trade school education now need an undergraduate education to make them competitive in the marketplace. We have also seen a greater emphasis on test scores—especially math and science as these are the types of knowledge that will procure the best service work. Thus, legislation like No Child Left Behind, introducing baseline test scores by state, have ushered in a (not unproblematic) shift in education practices. Indeed, many studies have shown that rather than fostering a “liberal arts” education for the sake of “good learning” and “well-roundness,” teachers now tailor curricula to state exams in order to achieve high test scores.

The shift from manufacturing to a knowledge economy (the “new” economy) has also further entrenched class struggle. I recommend reading Richard Florida's book, *The Rise of the Creative Class*—not because I'm valorizing his actual arguments (they only reify

the class struggle, in my opinion). Florida maps out the dimensions of the new “creative class” (the new capitalists who engage in service work)—charting their consumption habits, choice of cities to live in, etc. He explains that this rise leaves unskilled labor in a pinch; they occupy the positions that support the creative class (i.e. the janitors that cleans the offices of the service workers). Hence, the reification of the class struggle. But Florida does point out the dramatic social shifts that have occurred in response to the economic shift. And this is exactly the aim of Marx’s *Capital*.

Next Message by Kitkat is [863].

[817] Skiingforlunch: Patents = Protected Extra Surplus Values. My question is – does the capitalist have the right intentions?

Capitalists in modern society are highly regarded as entrepreneurs. They are considered to have a work ethic that is admirable and innovative ideas that are considered to benefit society. When capitalists decide to undertake their role as capitalists, do they come into the position with the right intentions? No industry has more commendable innovations than that of pharmaceutical companies. They save lives and play a crucial role in our society in terms of adding a form of welfare. Pharmaceutical companies develop products and once they have innovations they enter markets where the consumers are forced into a costly transaction that not only pays for the development of the product, but it’s production, and also it’s patent. “Capitalism does not guarantee survival”. Pharmaceutical companies reap long periods of protected extra surplus value for their innovations that are protected by the governments whom create property rights protecting these ideas and their reward in surplus values (a.k.a. patents). In 1952 Jonas Salk discovered a cure for polio, when asked who owned the patent he was quoted in saying “There is not patent. Could you patent the sun?”

This is indeed a appalling side effect of capital. That no one is guaranteed their survival; if they cannot afford to pay creators healthy extra surplus values for survival from disease then we have put commerce before our very selves. Mainstream economists commend patents as a form of improving long term innovation by promising long run profits. As a society there must be a better way to guarantee survival and still support innovators.

Message [817] referenced by [850]. Next Message by Skiingforlunch is [1099].

[850] BrotherThelonious: Re: Patents. In response to Skiingforlunch’s discussion [817], the question “does the capitalist have the right intentions” is a loaded one. Intentions are subject to opinion, and the ‘right’ intentions for the capitalist may very well be making as much money as possible. If you require morals to play a role in your definition of intentions, surely the capitalist could claim he’s providing jobs, providing people with commodities, and boosting the national wealth. Certainly those are justifiable intentions. However, I don’t know that many capitalists embark on their endeavors with social responsibility as their objective.

As far as the pharmaceutical industry goes, it’s definitely tricky ground. Is it moralistic to charge so much for something that could possibly save lives? Probably not. Would we have so many necessary drugs if there were no profit incentive in creating them? Probably not. And would there be so much profit in drugs if there weren’t patents protecting them? Again, probably not. Undoubtedly, huge profit are likely the main driving force behind pharmaceutical innovation. Should patents be suspended, allowing any producer to imitate and

gain from another company's research, the incentive to research and develop would dry up and innovation would grind to a halt. It's no coincidence that the U.S. has both the highest cost of prescriptions and leads the world in new drug creations. The real question is, is the innovation created enough to justify the high price of potentially life saving medication? I don't think so. While there are high costs in researching and developing new drugs, only a small portion of a drug company's budget goes to R&D; less than goes to marketing and less than is realized as profit. So, it's hard to argue that, if these companies had the right intentions, they couldn't cut back on advertising or payouts to share holders while maintaining their R&D budget and lowering the cost to the consumer, just as it's hard to argue that the patents that protect their profit need to be as extensive and lucrative as they are.

By the way, PBS Frontline's *The Other Drug War* (were much of my assertions are drawn from) is an interesting and worth while watch for anyone interested in the subject.

Next Message by BrotherThelonious is [\[851\]](#).

[861] Bikeman: Adding to [\[717\]](#), I have to agree that workers should receive compensation for their innovation. In a manufacturing environment, it's the process improvements undertaken by the worker who knows the task that make the biggest difference to the capitalist. New machines are purchased with the idea of increasing output based on the specifications of the machine. Initially, there is a marked increase in output because of the machine itself, but over time, it's the small improvements in the process of using the machine that lead to the biggest cost savings, which of course translates to profit. The knowledge of the process and of the workings of the machine belongs to the individual worker and is not easily transferrable. For this reason, the worker should and often does see additional compensation for his/her efforts in the form of profit sharing and bonuses. Goals are set at a high level and all workers, not just the machinists and engineers, have an active role in meeting the goal. This is a way for the capitalist to get the workers to share in the interests of the company.

Next Message by Bikeman is [\[862\]](#).

[888] Freshprince: Religion. On the topic of religion and belief in god, what is Marx implying when he says:

“Religion is the impotence of the human mind to deal with occurrences it cannot understand”

Message [\[888\]](#) referenced by [\[892\]](#). Next Message by Freshprince is [\[1034\]](#).

[892] Hayms: Religion. At Freshprince [\[888\]](#) on the quote, “Religion is the impotence of the human mind to deal with occurrences it cannot understand.” I believe that Marx takes a shot at people that are religious. He believes that people use religion when they are confused and/or fearful as a coping mechanism to help them understand and or believe something that they do not understand. It is a very interesting quote though, and I do believe to an extent that Marx does see the value of religion to help others but from what I have learned in this class it may not have been for him.

Message [\[892\]](#) referenced by [\[894\]](#). Next Message by Hayms is [\[893\]](#).

[894] Hans: Religion. Hayms [\[892\]](#) says: “I believe that Marx takes a shot at people that are religious.” To this I respond: Marx is critical of social relations, and he is also critical of those in the elite (capitalists and intellectuals) who promote and condone this system despite the obvious harm it does on people. But when talking about the masses he may regret what

they have to do trying to survive in this inhumane system, but he does not blame them. Marx's most famous passage about religion is:

“Religion is the sigh of the oppressed creature, the heart of a heartless world, and the soul of soulless conditions. It is the opium of the people.”

This is a critique of our (social) world for being heartless and soulless, not a critique of the religious people. Opium at Marx's time was used as a pain killer. Marx knew that it was futile to abolish religion; instead he wanted to abolish the conditions which drive people to find those things in religion which they are missing in the real world.

Does this mean there will be no religion in socialism? What I am saying now is my view of things, not Marx's. My source for this is Lovelock's Gaia Theory. We see today a rise not of specific religions but of spirituality. In my mind, this shows the recognition that we humans are not living in a dead world but that we are part of an interdependent self-regulating biosphere. Respect for living nature is part of a long tradition which was lost temporarily in the enlightenment orgy where humans thought they could use science to master nature and themselves be gods. It is clear by now that we disrespect other living beings at our peril. We are just beginning to understand the web of relations which keeps us alive. Our industrialized world is unsustainable. We have a long way to go until our technology has the sophistication of the natural processes such as photosynthesis which do not draw down resources and pile up garbage.

There is a long term paper about Marx and religion in [2003fa:315], other places are [2010fa:1135] and [1997WI:152].

Next Message by Hans is [919].

[913] OBJ: MILO. This is OBJ. Anyone in group MILO. Please meet after class on Friday Dec 2nd. We then can exchange e-mail addresses and get started on a term paper. The last day term papers are accepted is Thursday Dec 8th.

Next Message by OBJ is [982].

[914] Bikeman: Anti-Immigration laws. I recently read an editorial in the New York Times about the damage that Alabama has inflicted upon itself with its new immigration law. For a state with low employment and little to generate a healthy economy, they have passed a law that is sure to cause a loss in productivity and perpetuate their image of racial intolerance. What industry would relocate to a state where prejudice rules over common sense? The existing agricultural sector is also suffering because there is nobody to harvest the crops. The idea that large numbers of unemployed Americans are going to work in the heat and dirt all day in place of the undocumented workers is ridiculous. The result so far is that farmers are facing bankruptcy and millions of dollars worth of crops are spoiling in the fields. From a purely economic standpoint, Alabama's immigration law is shortsighted and damaging to businesses of all kinds. It looks like Utah may be headed in the same direction with similar legislation. I know that illegal immigration has to be dealt with, but I'm not sure Alabama has the right answer. Any thoughts?

Next Message by Bikeman is [965].

[986] Maniac: NBA Lockout and the economy. The past year has brought to the sporting world some highs and lows but some of the lows with the NBA lock out coming to an end I have thought about the importance of entertainment in our world today and how capitalists

can lose some of their power. The NBA players are laborers while the owners are capitalists in a very simple version of the economy the owners are trying to exploit the players so that they can pull maximum profits. My question is who is the winner after the lockout? Both sides gave some and both sides gained some. From the Marxist view as I understand it would come to conclude that the owners are the winners. While both sides lost some money without games being played but in the end the capitalists are still billionaires and the players are millionaires the capitalists are still in charge and pulling the strings to say who plays and where so that they can pad their pocket books a little more every year. The capitalists lost a little now but stand to gain over the next 10 years of this CBA so once again Capitalists are the winners and the laborers are the losers and it shows in the income discrepancy that stands between them.

First Message by Maniac is [\[228\]](#).

[992] Msj: I just made a post for question 858 regarding whether it is the capitalist's choice to expand the business or use the profit for personal consumption. This is a very interesting topic especially thinking about the major companies over the past several years who have had to file bankruptcy. With today's recent news of American Airlines filing for chapter 11, it raises the question once again. If the companies were being run smarter financially could they survive the unstable economy? There has been a lot of heartache over the loss of these business and it still remains unknown whether the personal wealth the executives of these companies could have been better used to save the business. It is alarming to read reports that a company has lost x% and the CEO is still awarded with a 7 and sometimes 8 figure bonus. Something is broken with this mindset as thousands and thousands are left without jobs while the companies are being run into the ground.

Message [\[992\]](#) referenced by [\[1054\]](#). Next Message by Msj is [\[1122\]](#).

[1016] Syd: In response to Maniac's free discussion regarding the NBA lockout, i agree with his main argument. The media coverage and hoopla surrounding the lock out created large amounts of controversy regarding the CBA agreement. In regards to the lock out, as Maniac has reiterated the owners are the capitalists and the players are the laborers. Many fans and media during the lock out seemed to forget that the capitalists (owners) were locking out the laborers (players) and not the other way around. The players did not go to strike, but instead were turned away from practices from the owners. The NBA lock out has some of the same correlations with the capitalist system and the exploitation of the labor. The owners are simply providing the capital, which in this situation would be the arenas, advertisements, etc. While the players are the individuals who are actually the form of entertainment. Although the players are providing the labor, in this situation the capitalists are still well in control of the players. Although the owners have made some concessions, in my opinion the owners have come out on top in this 2011-2012 lockouts.

Next Message by Syd is [\[1122\]](#).

[1043] Freshprince: Free Discussion. If Marx were alive during the recent Economy crisis, what would be his advice for the rebuilding process of the U.S Economy and how would he react ?

Next Message by Freshprince is [\[1110\]](#).

[1052] Res: NBA Lockout Discussion Continued. I was really pleased to see this discussion come up the other night between Maniac and Syd. Personally, I followed the lockout proceedings very closely and tried to apply a Marxian point of view to the negotiations. The

first conclusion I came to about the NBA was that it has an incredibly unique and defective business model. Even before the new collective bargaining agreement, the more successful luxury tax teams shared profits with the less profitable teams. No consideration was given to the business practices of the less profitable teams, they were just given a cut of the luxury tax regardless. And the smaller market teams still lost roughly \$350 million dollars last season. A recent article quoted the current owner of the Utah Jazz stating that the difference between a profitable year and financial losses was the Jazz making the playoffs under the previous CBA. It should be noted the Utah Jazz is one of the most financially responsible franchises in the NBA.

Clearly, the NBA had and continues to have serious economic problems. From a Capitalist point of view, handing over 57% of Basketball related income to the players/laborers is unsustainable unless you are one of the most profitable teams in the league (Chicago, Miami, Los Angeles, etc.) and does not provide sufficient exploitation of the players/workers. It is also interesting to think of the players as capital with their guaranteed contracts and ability to transfer in between teams. If a player is guaranteed \$8 million over one season and encounters a season ending injury, the player is still guaranteed the full salary even if no labor power is expended during the majority of the games that season. This provides significant financial risks to franchises/owners. Another large boundary to successful exploitation of the players by the owners is player movement. Players such as LeBron James, and Carmelo Anthony displayed the inability of the Capitalist owners to secure long term control over their most exploitable athletes/capital which some franchises hinge on to generate the majority of their surplus value. The comparative advantage that the larger market teams held, and still hold, over the small market teams in attracting the most economically valuable players/capital sufficiently startled the majority of the owners which played a large part in causing this lockout. However, the owners of the teams have created unrealistic expectation of consistent profitability in a industry that requires the most savvy business practices to be successful.

The new CBA definitely should be seen as a win for the owners, however, the players only lost 7% of their share of basketball related income to a new share of roughly 50%. Considering that there are roughly 450 players in the league and 50% of BRI last season would account for nearly \$2 billion, the average salary of an NBA player is \$4.44 million. That makes them the highest paid players in professional sports and they still hold the majority of control over their own movement between teams. The owners will be able to exploit the labor of the players more effectively under this new CBA, but the players still stand in a league of their own in terms of salary.

Next Message by Res is [\[1115\]](#).

[1053] TKOberle: With the current issue of people discussing CEO compensation, and how people think that CEO's are overpaid. It can be closely related to what we have been studying. CEO's pay themselves massive salaries while leaving many employees just enough to pay their cost of living. It seems as though some CEO's may also hide their salaries so that employees are oblivious to the fact they are being exploited. I ask you fellow classmates, what you think about this issue and if you think its fair that CEO's are payed such high salaries. Also whether CEO's salaries should be published publicly so that employees can realize that distribution of wealth is not being executed.

Next Message by TKOberle is [1069].

[1054] Bikeman: Free Discussion. Response to Msj [992]: The question of whether American Airlines' bankruptcy was a result of it being poorly run is an interesting one. Over the last several years we have seen most of the "legacy carriers" in the U.S. declare bankruptcy; United in 2002, U.S. Airways in 2002 and again in 2004, Northwest and Delta in 2005 and Continental in the late 1990's. In recent years, there have been a series of mergers; Delta/Northwest, United/Continental, U.S. Air/America West. Until this week, only American had managed to avoid a merger or bankruptcy. In American's case, they just postponed the inevitable longer than the rest. All of the noted airlines may be poorly run, but I think the business model may be tougher than most industries as far as turning a profit. Over the last several years, fuel prices have hit all of us but the airlines are uniquely exposed to market fluctuations. Most of the major airlines have not turned a profit since the 9-11 terrorist attacks. So, it seems the health of the industry was based entirely on cheap fuel and without it they struggle. American has been pushing the pilot's union to accept some cuts and they have been unwilling so far. Many older pilots could see the writing on the wall and retired earlier this year by the hundreds putting a strain on the flight schedules. When the bankruptcy is settled, the pilots will lose most of their pensions, ramp and flight staff will be laid off and routes cut. The planned purchase of the new Boeing 737MAX aircraft with newer, more fuel efficient engines will still be purchased to replace older, gas guzzling planes and the airline will continue on. For people who are fed up with CEO's running their companies into the ground and walking away with millions, it looks like the out-going CEO, Gerard Arpey will not be getting his multi-million dollar severance as a result of the chapter 11 filing.

Next Message by Bikeman is [1062].

[1056] Marx: Response to TKOberle about CEO pay. For the most part I think they are published. Check out the following two links. Look at the CEO of Google in particular.

<http://online.wsj.com/public/resources/documents/info-payPerks07-sort.html>

http://www.forbes.com/lists/2008/12/lead_bestbosses08_CEO-Compensation_Rank.ht

Also, the following link has some interesting graphs on CEO pay compared to worker pay.

http://www.faireconomy.org/news/ceo_pay_charts

Next Message by Marx is [1062].

[1057] Gv: C'e la vie. I think it is human nature to manipulate the environment for gain. Proof is abundant in that our species has been able to thrive in any environment. Human ability to manipulate the environment is even evidenced in the workings of capitalism as defined by Marx. A related tendency is for power to be exponential on the accumulation of wealth. In the case of the Hawaiian Islands, it was the monopoly on religious rites that allowed a ruling elite to gain their power. In Europe, in the feudal era, perhaps it was the notion that land ownership rested with the Monarch that was a source of power. Even in the modern United States, it is interesting to ponder that the legal system established to preserve the immutable values fundamental in the Constitution are not accessible to all—seems like only the rich can afford to hire their own lawyers. Thus, it is interesting to see how the rich and famous

seem to be above the law for the most part. Recently, I received what I am convinced was an unfair speeding ticket. However, hiring a lawyer to abate the punitive measures related to the alleged infraction is beyond my current financial situation. Furthermore, even the ability to represent myself in court is limited by operating hours, traveling distances, work schedules, and bosses' expectations. The concentration of wealth results in power. I read an article where the author (a sociology professor) ponders on the issue of what happens when Wall Street breaks the law. He concludes that nothing much happens. Amitai Etzioni details how companies involved in mortgage fraud hired people to forge signatures. He names well know Fortune 500 companies.

Yet, investigations by the SEC result in only nominal fines and a meaningless promise by the perpetrators that they will not engage in any further fraudulent behaviors. In part, the minimal punitive measures that are levied on companies involved in fraud instead of deterring criminal behaviors rather push companies to engage in further fraudulent behaviors despite their promises because the costs of acting in this manner are lower than the benefits derived. Etzioni writes that, "The rest of the media paid much more mind to the latest person accusing Herman Cain of sexual misconduct than to new revelations about common corporate crime and how corporations get away with it. The White House seemed not to have noticed. We heard nothing from the Department of Justice. Democratic leaders in Congress did not express any outrage, let alone order a new investigation". I take this to be further evidence that accumulation of wealth results in increased power, and in increased opportunities to manipulate the environment for gain. And, by environment I am mean much more than just that in the ecological sphere. Increase of power because of accumulated wealth allows one to change the legal, political, and even social environments.

Message [\[1057\]](#) referenced by [\[1134\]](#). Next Message by Gv is [\[1205\]](#).

[1063] Tvan: For my free discussion i would like to talk about the NBA lockout and pose a question. The players in the NBA receive huge salaries by the owners of the teams that they play for. The owners obviously are willing pay the players this because they have the opportunity to make money off the players that they hire. Even with the huge salaries that players make how long does it take for them to pay for their wage or how much is the necessary labor time? And how much surplus labor do the owners get out of them?

Message [\[1063\]](#) referenced by [\[1080\]](#). Next Message by Tvan is [\[1140\]](#).

[1064] Slamo: TKOberle makes many good points in his free discussion but he leaves out the fact that real wages are not rising for the workers. CEO's are overpaid and they do exploit workers. Distribution of wealth for the lower paid workers need happen in order for them to be compensated fairly. Real wages have not risen since the mid 70s and the cost of living is on a steady rise. To me it seems like the rich are getting richer and the poor are getting poorer. Something needs to happen in order to change this economic cycle. The capitalist system is failing the United States.

Next Message by Slamo is [\[1072\]](#).

[1073] Sk: After i took this class, i think more about Marx' thought. i would like to discuss Hong Kong capitalist. Hong Kong is a financial center in the world. a lot money flow in and out everyday. a beautiful shopping city. but there is a big disparity between the rich and the poor there. rich people-capitalist control the whole market. those great and rich capitalist stay their business around 1960, they earn their money from the labor with small

factory. they use the surplus value to earn more money. after they collect more capital then they start buying land and build apartment and building in Hong Kong. the capitalist invest their capital every area in the whole market in Hong Kong. so people live there everyday is working for those big capitalist and then spend their salary to buy the things from the capitalist. what they buy, what they wear, what they eat, what job they work, where they live, a lot of their days life they spend the money is a recycle system to those rich capitalist. finally, those capitalist is The biggest beneficiaries. people work there just like a free labor for those capitalist. the capitalist earning the biggest money. right now, the teenager in there have education and want to develop their career, do they really have a lot of space and opportunity to develop? some people have education and get a pretty good job in Hong Kong but they also is a free labor for those capitalist because a lot good jobs behind the big boss still is those few rich capitalist. the people have a good job get more paid, of course they will buy better thing than the poor. the money they spend more also will go to capitalist's pocket. The monopoly capitalists power is too big, they control a lot of career area. those capitalist is greedy, they wont stop their investment step to wait for you but they will open their pocket waiting for you to put money to them. that make why the poor become more poor, rich more rich.

Next Message by Sk is [1091].

[1080] Vegas: Twan [1063] is an interesting question especially with the NBA where the players are more the product than anything else. I don't have any sure fire answers on the quantitative aspect of your question, but the players themselves are indeed underpaid. This may seem amazing to some but the NBA is basically a monopoly and can also exercise a decent amount of monopsony power over the players. A 6'10" super athlete is hard to come by, but those athletes have very few options to play basketball professionally. Sure they can play outside the USA, but the NBA is where the real money is and this ability to treat players as property allows teams to drive down their salaries. If basketball players had several different leagues to choose from their salaries would actually be higher, so I'm sure it doesn't take long for the owners after revenue sharing, ticket sales, sponsorships, concessions, tax loop holes, and merchandise sales to break even with player payroll, which for the Utah Jazz is \$55 million.

Next Message by Vegas is [1129].

[1085] George: nba. During the lockout I was always on the side of the owners. Not because I thought they deserved a bigger share of the pie but because it was going to help to be a fairer system for the league. Now that the lockout is over I realize now how much the players are being exploited, because not only are they the laborer they are the product. The owners are at their mercy to make money with their NBA franchises. The NBA could have used replacement players but that product would be sub par and the owner would for sure not receive the same returns as they will now.

Next Message by George is [1087].

[1089] Malibu: Marx was quoted as saying "The production of too many useful things results in too many useless people"—Karl Marx.

What do you you think the meaning is behind that statment? Could all these products we have in our life today in reality hold us back from personal growth? What would Marx's statement be if he saw our world today?

Gv: I think Marx would reiterate his statement if he were to see modern times. Maybe even more emphatically. In the Unites States, in particular, I think people are numbed by the availability of consumer goods. It seems things are perceived to be more important than people.

Hans: Both Malibu and Gv read this Marx quote as a critique of modern consumerism, that modern consumption goods are more important than the people consuming them. Clavis [1098] interprets this quote differently: capitalists get things which they do not deserve. My own take on this quote is that the useless people are not the capitalists but the unemployed. My response to Clavis says “although production should be serving people, capitalist overproduction makes people useless, i.e., deprives them of their livelihood.”

Message [1089] referenced by [1098], [1157], and [1200]. Next Message by Malibu is [1125].

[1094] KKondo: Why should we read Marx to this day? For anyone interested in ideas, being a college student or not, it is patently clear that Marx is and will remain one of the great philosophical minds, a major economic analyst of the nineteenth century, and its highest expression, a master of passionate prose. It is also important to read Marx because the world we live today can not be understood without taking into account the influence that the writings of this man had on the twentieth century. And finally, should be read because, as he wrote, the world can not be processed effectively if it is not understood. Marx remains a superb thinker to understand the world and the problems we face.

Message [1094] referenced by [1112]. Next Message by KKondo is [1191].

[1098] Clavis: I think [1089] means capitalists (useless people) gets useful things (profit, value). In reality, as Hans pointed out, all of surplus value is being made for capitalists. As we read A-B'-B-C line which was explained by Marx. especially, Relative surplus value lane BB', is explained by capitalist as 'extra (instant) surplus value', but it is constant because improvement on technology can make necessary labor shorter forever.

Hans: You guessed wrong. Marx would never give a blanket condemnation of capitalists as useless people. He is critical of the social role of the capitalist, and he is critical of specific especially greedy or narrow-minded capitalists, but he always keeps the door open that capitalists, as humans, rise above their social role. The “useless” people are the unemployed. Although production should be serving people, capitalist overproduction makes people useless, i.e., deprives them of their livelihood.

Message [1098] referenced by [1089]. Next Message by Clavis is [1130].

[1101] Keynes: <http://edition.cnn.com/2011/10/29/opinion/gabriel-karl-marx/index.html>

In this article, author Mary Gabriel discusses the mystery surrounding Karl Marx and how his name is used to incite fear to the public. We don't realize that free education is one of his ideas, yet we have it and see it as a necessary thing in our society. We are also scared away from policies that would actually benefit the majority of us. She argues that people should understand who he is and what he actually stood for before drawing such quick conclusions. I agree with her, especially after this class. How would you go about educating the population about someone they have been told is bad their whole life?

Message [1101] referenced by [1108]. Next Message by Keynes is [1104].

[1103] DO: Marx Quote. Marx once said, “The country that is more developed industrially only shows, to the less developed, the image of its own future.” I was just wondering if anybody has any opinions on this quote, and if you do in fact agree with the quote.

Message [1103] referenced by [1104]. Next Message by DO is [1126].

[1104] Keynes: Response to DO. The logic of the quote in [1103] seems right to me. I would take that by “image of its own future” he is meaning the exploitation of workers by capitalists. I would use real world examples and see if it stacks up. China in the 70s versus

where it is today. Has it become more like the United States? In some ways it has. It has morphed into an autocratic capitalist society, but not fully democratic and free market like the U.S. There is probably some way to go, perhaps only 5 to 10 years, but I think we can all see the image of Shanghai today matching relatively close that of New York, London, or Tokyo.

Next Message by Keynes is [\[1105\]](#).

[1108] GrouchoMarxist: Free Discussion. I was actually rather surprised at the responses that I received from friends and family over the course of this class. As Mary Gabriel stated in the article [\[1101\]](#), Marx is almost as demonized as he is misunderstood. Simply explaining that *Das Kapital* was an analysis of the modes and methods of the Capitalist system became difficult as my audience often confused Marx's other works with the viewpoints expressed in *The Communist Manifesto* (to which they were also often acquainted). At the very least I've taken away one thing from Econ 5080 and that is Marx's unique perspective on basic social interactions that we so often take for granted.

Next Message by GrouchoMarxist is [\[1129\]](#).

[1109] Hunter: The American Dream. "They call it the 'American Dream' because you have to be asleep to believe it." George Carlin May 12, 1937 - June 22, 2008

I have heard many times over the last few years that the American Dream no longer exists, but, I also see large amounts of success around me. When I say success I don't mean overnight wealth or even money. But, I see people supporting themselves doing what they really have a passion for. It often time takes sustained effort and at times many failures before any success, but I still like to believe there is opportunity to excel through hard work. So, is the 'American Dream' still alive or must we be asleep to really believe it?

Next Message by Hunter is [\[1125\]](#).

[1112] Cheeto: Why should we read Marx to this day? I would like to further KKondo's writing [\[1094\]](#) about why we should read Karl Marx, even during these modern times where his philosophies have been regarded as "wrong" or "irrelevant." Currently, the world is experiencing some of the greatest crises known to man, if not the planet along with all the other living organisms on it for the ride. These crises range in severity, not to suggest that they are not going to have extreme impacts on our lives, and longevity. Global climate change, energy crisis, economic stagnation, currency crises, debt problems, and human misery (physical and emotional) are all very real and are all related to one another.

Many people see these issues and try to solve them one at a time while not attempting to take a few more steps back to see the larger picture that these issues are caused by the relentless pursuit of capital gains by the economic system we live inside of and, naively, advocate. People have lost sight of what the economy is and what it is supposed to do (enrich human lives) but instead have taken on an ideal that glorifies and pursues profits as its main priority, seeing all other things as unfortunate, irrelevant events. The sad truth is that all of these problems are upon us and are making the younger generations feel cheated out of healthy, fulfilling futures.

The greatest irony, however, is that over a hundred years ago a very isolated, intelligent man, Karl Marx, wrote a series of books that discussed deeply the nature of these problems, why they are problems, and the social relationships that cause these problems. For those

of us who have taken the time to read this (these) book(s) and understand Marx's ideas of capitalism and class division, we have been granted a pair of lenses that allow us to see that it's not dark clouds in the horizon, but a freight train powered by social contradictions and reckless irresponsibility powering straight for us and everything that we were taught to be true.

If it is still possible to stop this train in time is the greatest question. Many now see the pending, disastrous problems coming down on us and are trying to stop them, but, again, they only see each problem as independent issues that have no relationship between one another. However, for those of us who do see the issues at hand and why they are related to one another, because of Marx, it is now our moral responsibility and obligation to try and stop this train before it destroys everything and set in motion a new system of human enrichment.

How this is done can vary greatly and, in my opinion, non-violently. What system we adopt can also vary greatly. The first step, nonetheless, is stopping this exploitative, irresponsible system that we currently have. In sum, Karl Marx is still relevant and should be read because he tried to look at the machine as a whole; from the outside. Whereas everyone else sits in the middle of the machine and shines a flashlight around attempting to make sense of what they see, not what they may be sitting in. Because of Karl Marx's explanation of this machine we can now try to change it to meet our needs. This is why Marx should still be read, even today.

Next Message by Cheeto is [1133].

[1141] Tvan: in Response to Hunter. The American dream is the idea that if you work hard enough you are able to become rich and successful. James truslow Adams said in 1931 that, "life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement." I do believe that it is true that there is opportunity out there for everyone to realize this dream. But i do not necessarily believe that the harder you work at a certain job the richer you will become. hans said that the only way for out for a minority is to save and become a capitalist. He is referring to the fact that in order to become rich and live the "American dream" is to purchase means of production and not work for the other guy. So not everyone can become a capitalist, because they need people that will work for them and they will be able to exploit them by the wages they pay.

First Message by Tvan is [331].

[1147] Hans: On the new US Cold War with China. Nation of Change Op-Ed: Playing With Fire

<http://www.nationofchange.org/playing-fire-1323189402>

By securing naval dominance of the South China Sea and adjacent waters, the Obama administration evidently aims to acquire the twenty-first century energy equivalent of twentieth-century nuclear blackmail. Push us too far, the policy implies, and we'll bring your economy to its knees by blocking your flow of vital energy supplies. There is ample evidence that the Chinese are deeply worried about the risk—as indicated, for example, by their frantic efforts to build staggeringly expensive pipelines across the entire expanse of Asia to the Caspian Sea basin.

Michael T. Klare

When it comes to China policy, is the Obama administration leaping from the frying pan directly into the fire? In an attempt to turn the page on two disastrous wars in the Greater Middle East, it may have just launched a new Cold War in Asia—once again, viewing oil as the key to global supremacy.

The new policy was signaled by President Obama himself on November 17th in an address to the Australian Parliament

<http://www.whitehouse.gov/the-press-office/2011/11/17/remarks-president-obama-australian-parliament>

in which he laid out an audacious—and extremely dangerous—geopolitical vision. Instead of focusing on the Greater Middle East, as has been the case for the last decade, the United States will now concentrate its power in Asia and the Pacific. “My guidance is clear,” he declared in Canberra. “As we plan and budget for the future, we will allocate the resources necessary to maintain our strong military presence in this region.” While administration officials insist that this new policy is not aimed specifically at China, the implication is clear enough: from now on, the primary focus of American military strategy will not be counterterrorism, but the containment of that economically booming land—at whatever risk or cost.

The Planet’s New Center of Gravity

The new emphasis on Asia and the containment of China is necessary, top officials insist, because the Asia-Pacific region now constitutes the “center of gravity”

<http://www.state.gov/secretary/rm/2011/11/176999.htm>

of world economic activity. While the United States was bogged down in Iraq and Afghanistan, the argument goes, China had the leeway to expand its influence in the region. For the first time since the end of World War II, Washington is no longer the dominant economic actor there. If the United States is to retain its title as the world’s paramount power, it must, this thinking goes, restore its primacy in the region and roll back Chinese influence. In the coming decades, no foreign policy task will, it is claimed, be more important than this.

In line with its new strategy, the administration has undertaken a number of moves intended to bolster American power in Asia, and so put China on the defensive. These include a decision to deploy

<http://online.wsj.com/article/SB10001424052970203537304577028490161890480.htm>

an initial 250 U.S. Marines—someday to be upped to 2,500—to an Australian air base in Darwin on that country’s north coast, and the adoption on November 18th of “the Manila Declaration,”

<http://www.state.gov/r/pa/prs/ps/2011/11/177226.htm>

a pledge of closer U.S. military ties with the Philippines.

At the same time, the White House announced the sale of 24 F-16 fighter jets

<http://thehill.com/blogs/defcon-hill/policy-and-strategy/194629-us-to-deliver-two-dozen-f-16s-to-indonesia>

to Indonesia and a visit by Hillary Clinton to isolated Burma, long a Chinese ally—the first there by a secretary of state in 56 years. Clinton has also spoken

<http://www.state.gov/secretary/rm/2011/11/176999.htm>

of increased diplomatic and military ties with Singapore, Thailand, and Vietnam—all countries surrounding China or overlooking key trade routes that China relies on for importing raw materials and exporting manufactured goods.

As portrayed by administration officials, such moves are intended to maximize America's advantages in the diplomatic and military realm at a time when China dominates the economic realm regionally. In a recent article

http://www.foreignpolicy.com/articles/2011/10/11/americas_pacific_century

in *Foreign Policy* magazine, Clinton revealingly suggested that an economically weakened United States can no longer hope to prevail in multiple regions simultaneously. It must choose its battlefields carefully and deploy its limited assets—most of them of a military nature—to maximum advantage. Given Asia's strategic centrality to global power, this means concentrating resources there.

“Over the last 10 years,” she writes, “we have allocated immense resources to [Iraq and Afghanistan]. In the next 10 years, we need to be smart and systematic about where we invest time and energy, so that we put ourselves in the best position to sustain our leadership [and] secure our interests. . . . One of the most important tasks of American statecraft over the next decade will therefore be to lock in a substantially increased investment—diplomatic, economic, strategic, and otherwise—in the Asia-Pacific region.”

Such thinking, with its distinctly military focus, appears dangerously provocative. The steps announced entail an increased military presence in waters bordering China and enhanced military ties with that country's neighbors—moves certain to arouse alarm

[http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews\[tt_news\]=38715&tx_tt](http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews[tt_news]=38715&tx_tt)

in Beijing and strengthen the hand of those in the ruling circle (especially in the Chinese military leadership) who favor a more activist, militarized response to U.S. incursions. Whatever forms that takes, one thing is certain: the leadership of the globe's number two economic power is not going to let itself appear weak and indecisive in the face of an American buildup on the periphery of its country. This, in turn, means that we may be sowing the seeds of a new Cold War in Asia in 2011.

The U.S. military buildup and the potential for a powerful Chinese counter-thrust have already been the subject of discussion in the American and Asian press. But one crucial dimension of this incipient struggle has received no attention at all: the degree to which Washington's sudden moves have been dictated by a fresh analysis of the global energy

equation, revealing (as the Obama administration sees it) increased vulnerabilities for the Chinese side and new advantages for Washington.

The New Energy Equation

For decades, the United States has been heavily dependent on imported oil, much of it obtained from the Middle East and Africa, while China was largely self-sufficient in oil output. In 2001, the United States consumed 19.6 million barrels of oil per day, while producing only nine million barrels itself. The dependency on foreign suppliers for that 10.6 million-barrel shortfall proved a source of enormous concern for Washington policymakers. They responded by forging ever closer, more militarized ties with Middle Eastern oil producers and going to war on occasion to ensure the safety of U.S. supply lines.

In 2001, China, on the other hand, consumed only five million barrels per day and so, with a domestic output of 3.3 million barrels, needed to import only 1.7 million barrels. Those cold, hard numbers made its leadership far less concerned about the reliability of the country's major overseas providers—and so it did not need to duplicate the same sort of foreign policy entanglements that Washington had long been involved in.

Now, so the Obama administration has concluded, the tables are beginning to turn. As a result of China's booming economy and the emergence of a sizeable and growing middle class (many of whom have already bought their first cars), the country's oil consumption is exploding. Running at about 7.8 million barrels per day in 2008, it will, according to recent projections

<http://www.eia.gov/forecasts/ieo/>

by the U.S. Department of Energy, reach 13.6 million barrels in 2020, and 16.9 million in 2035. Domestic oil production, on the other hand, is expected to grow from 4.0 million barrels per day in 2008 to 5.3 million in 2035. Not surprisingly, then, Chinese imports are expected to skyrocket from 3.8 million barrels per day in 2008 to a projected 11.6 million in 2035—at which time they will exceed those of the United States.

The U.S., meanwhile, can look forward to an improved energy situation. Thanks to increased production in “tough oil” areas

http://www.tomdispatch.com/post/175249/Michael_Klare_the_oil_rush_to_hell

of the United States, including the Arctic seas off Alaska, the deep waters of the Gulf of Mexico, and shale formations in Montana, North Dakota, and Texas, future imports are expected to decline, even as energy consumption rises. In addition, more oil is likely to be available from the Western Hemisphere

<http://www.nytimes.com/2011/09/20/world/americas/recent-discoveries-put-americas-back-in-oil-companies-sights.html>

rather than the Middle East or Africa. Again, this will be thanks to the exploitation of yet more “tough oil” areas, including the Athabasca tar sands of Canada, Brazilian oil fields in the deep Atlantic, and increasingly pacified energy-rich regions of previously war-torn Colombia. According to the Department of Energy, combined production in the United

States, Canada, and Brazil is expected to climb by 10.6 million barrels per day between 2009 and 2035—an enormous jump, considering that most areas of the world are expecting declining output.

Whose Sea Lanes Are These Anyway?

From a geopolitical perspective, all this seems to confer a genuine advantage on the United States, even as China becomes ever more vulnerable to the vagaries of events in, or along, the sea lanes to distant lands. It means Washington will be able to contemplate a gradual loosening of its military and political ties to the Middle Eastern oil states that have dominated its foreign policy for so long and have led to those costly, devastating wars.

Indeed, as President Obama said in Canberra, the U.S. is now in a position to begin to refocus its military capabilities elsewhere. “After a decade in which we fought two wars that cost us dearly,” he declared, “the United States is turning our attention to the vast potential of the Asia-Pacific region.”

For China, all this spells potential strategic impairment. Although some of China’s imported oil will travel overland through pipelines from Kazakhstan and Russia, the great majority of it will still come by tanker from the Middle East, Africa, and Latin America over sea lanes policed by the U.S. Navy. Indeed, almost every tanker bringing oil to China travels across the South China Sea, a body of water the Obama administration is now seeking to place

<http://www.nytimes.com/2011/10/25/world/asia/united-states-pivots-eastward-to-reassure-allies-on-china.html>

under effective naval control.

By securing naval dominance of the South China Sea and adjacent waters, the Obama administration evidently aims to acquire the twenty-first century energy equivalent of twentieth-century nuclear blackmail. Push us too far, the policy implies, and we’ll bring your economy to its knees by blocking your flow of vital energy supplies. Of course, nothing like this will ever be said in public, but it is inconceivable that senior administration officials are not thinking along just these lines, and there is ample evidence that the Chinese are deeply worried about the risk—as indicated, for example, by their frantic efforts to build

<http://www.eia.gov/countries/cab.cfm?fips=CH>

staggeringly expensive pipelines across the entire expanse of Asia to the Caspian Sea basin.

As the underlying nature of the new Obama strategic blueprint becomes clearer, there can be no question that the Chinese leadership will, in response, take steps

[http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews\[tt_news\]=38715&tx_tt](http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews[tt_news]=38715&tx_tt)

to ensure the safety of China’s energy lifelines. Some of these moves will undoubtedly be economic and diplomatic, including, for example, efforts to court regional players like

Vietnam and Indonesia as well as major oil suppliers like Angola, Nigeria, and Saudi Arabia. Make no mistake, however: others will be of a military nature. A significant buildup

<http://online.wsj.com/article/SB10001424053111903918104576499423267407488.htm>

of the Chinese navy—still small and backward when compared to the fleets of the United States and its principal allies—would seem all but inevitable. Likewise, closer military ties between China and Russia, as well as with the Central Asian member states of the Shanghai Cooperation Organization

[http://www.jamestown.org/single/?no_cache=1&tx_ttnews\[swords\]=8fd5893941d69d](http://www.jamestown.org/single/?no_cache=1&tx_ttnews[swords]=8fd5893941d69d)

(Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan), are assured.

In addition, Washington could now be sparking the beginnings of a genuine Cold-War-style arms race in Asia, which neither country can, in the long run, afford. All of this is likely to lead to greater tension and a heightened risk of inadvertent escalation arising out of future incidents involving U.S., Chinese, and allied vessels—like the one that occurred in March 2009 when a flotilla of Chinese naval vessels surrounded

[http://en.wikipedia.org/wiki/USNS_Impeccable_\(T-AGOS-23\)](http://en.wikipedia.org/wiki/USNS_Impeccable_(T-AGOS-23))

a U.S. anti-submarine warfare surveillance ship, the *Impeccable*, and almost precipitated a shooting incident. As more warships circulate through these waters in an increasingly provocative fashion, the risk that such an incident will result in something far more explosive can only grow.

Nor will the potential risks and costs of such a military-first policy aimed at China be restricted to Asia. In the drive to promote greater U.S. self-sufficiency in energy output, the Obama administration is giving its approval to production techniques—Arctic drilling, deep-offshore drilling, and hydraulic fracturing—that are guaranteed to lead to further *Deepwater Horizon*-style

http://en.wikipedia.org/wiki/Deepwater_Horizon_oil_spill

environmental catastrophe at home. Greater reliance on Canadian tar sands, the “dirtiest”

http://www.tomdispatch.com/archive/175468/bill_mckibben_puncturing_the_pipeline

of energies, will result in increased greenhouse gas emissions and a multitude of other environmental hazards, while deep Atlantic oil production off the Brazilian coast and elsewhere has its own set of grim dangers

http://www.tomdispatch.com/blog/175264/michael_klare_the_coming_era_of_energy_d

All of this ensures that, environmentally, militarily, and economically, we will find ourselves in a more, not less, perilous world. The desire to turn away from disastrous land wars in the Greater Middle East to deal with key issues now simmering in Asia is understandable, but choosing a strategy that puts such an emphasis on military dominance and provocation is bound to provoke a response in kind. It is hardly a prudent path to head down, nor will it, in the long run, advance America’s interests at a time when global economic cooperation is

crucial. Sacrificing the environment to achieve greater energy independence makes no more sense.

A new Cold War in Asia and a hemispheric energy policy that could endanger the planet: it's a fatal brew that should be reconsidered before the slide toward confrontation and environmental disaster becomes irreversible. You don't have to be a seer to know that this is not the definition of good statesmanship, but of the march of folly.

See Tom Engelhardt's response here:

http://www.tomdispatch.com/blog/175476/tomgram:_michael_klare,_a_new_cold_war_in.

Next Message by Hans is [1188].

[1157] SSroy: Useful things, useless people. I assume in the quote [1089] Marx is talking about the situation when people have access to tools of convenience, they are naturally inclined to take them for granted and rely on them at the expense of understanding the labor that went into that tool or the responsibility and care with which it should be used. Take cell phones, for example; I'm sure each of us have heard or said the following: "How could anyone have survived without a cell phone?". We are so far removed from the experiences of people in the past that we cannot fathom the difficulty of regularly contacting people via letter, payphone, or even an actual face to face visit. Cell phones indicate a general trend toward easy communication, however, I see a tremendous downside to the age of communication in which we now live. Unintelligent remarks, facetious internet trolling, and even blanketed anonymous death threats (often religiously inclined) permeate the internet. It's difficult to find a solid review, article, video, or news report that doesn't include at least several comments that fall into these categories, reflecting a lack of internet user responsibility. As the usefulness of communication becomes more accessible, it seems that either people are more inclined to be useless, or useless people are more inclined to come out of the woodwork.

Message [1157] referenced by [1200]. First Message by SSroy is [209].

[1168] Msj: Gas Prices. We recently got a new car and started thinking about gas prices again. As we all experienced over the years as gas prices doubled and tripled in some areas the economy, the economy has a major downturn. It is interesting to have this perspective as a capitalist, but is even more interesting to consider the frame of mind of a Marxist relating gas prices. At what point is the capitalist not only exploiting, but overexploiting the worker to produce such outrageous prices. The labor power should be level across the board, however as the overall price of petroleum can fluctuate from week to week, you can't help but wonder why the increase? The increase isn't because the labor power is so much more vital from week to week, but that the capitalist has rigged a way to make even more money off a necessary resource. Anyone have any thoughts on a Marxist's point of view relative to outrageous gas prices?

Next Message by Msj is [1169].

[1172] Skiingforlunch: Capitalist Control. Demand for democracy is increasing globally and it is coming with the ideal that a "free market" must be included. Democracy comes with great benefits in which society can elect leaders based on preferences and ideals. The free market enterprise associated with democracy we have seen has brought great oppression and a divided society. In free markets no longer are we treated as equal but we are

often treated as a reflection of our value to society. Capitalists in society see a great benefit in they gain abilities to influence officials in lobbying and only spurring corruption. The very ideals associated with democracy become corrupted in the face of capitalist wealth. The mass population of workers is prevented from mobilizing against the status quo and capitalism therefore persists at the hand of the affluent. Workers remain divided and the division strengthens as power concentrates with the wealthy. There is inherent inequality among equals and without a renovation of social structures the inequality will continue.

First Message by Skiingforlunch is [\[88\]](#).

[1173] OBJ: Reply to MSJ on oil prices. I can't help but agree with you MSJ. Oil prices go down, yet the price at the pump stays the same. Labor power used to get the fuel to the consumer did not change, yet the consumer must use more labor power to purchase the fuel which was no different than the lower cost fuel he/she bought previously. The capitalist system rewards itself by seizing the difference in labor value. Marx says that technology improvements increase the exploitation of the worker. Maybe this is the method the capitalist is using to seize the worker's or laborer's money.

Next Message by OBJ is [\[1176\]](#).

[1179] Freshprince: What is Marx trying to say here by this famous quote ?

“Reason has always existed, but not always in a reasonable form.”

Next Message by Freshprince is [\[1203\]](#).

[1180] Badawn: As I did research in the archives as well as online about Marx I found something I thought might make a good free discussion. Marx talks about the “alienation” of a worker. he says that this is typical in a capitalistic society I was curious to know what peoples thoughts were if they agree or no?

First Message by Badawn is [\[75\]](#).

[1181] Msj: Reply to Badawn's Alienation. The workers certainly do get alienated. When I was younger I worked in a warehouse and the workers in the backroom always cracked jokes about the “Suits” in the front. The workers in the back definitely felt alienated as there were separate entrances, separate parties, lunch rooms and certainly a large discrepancy in pay. It's probably very common for the worker to feel alienated from the corporate capitalists, not only because of wages, but because of the capitalistic structure of a lot of organizations.

Next Message by Msj is [\[1187\]](#).

[1182] TKOberle: In response to Freshprince's question below I have added a comment.

What is Marx trying to say here by this famous quote ?

“Reason has always existed, but not always in a reasonable form.”

Reason has not always been in the most favorable form and for the well being of the wage worker and society as a whole. Workers have been used and exploited by the raging capitalists.

First Message by TKOberle is [\[140\]](#).

[1190] Clmrgl: Labor Theory of Value. I have been thinking a lot about the labor theory of value and trying to understand why it is not applied more into modern economics. I find it more logical to assign the value to the labor that is put into a commodity rather than basing the value on demand and supply. This seems to make more sense to me because

I know a lot of self-employed people who base the value of their commodities or services based mostly on the labor that they have to expend into producing it. This tends to be the way that most people think when they go to sell something they have created or a service.

I can see where the difficulty of doing this comes from because of capitalism. Capitalists have no interest in trying to ensure that workers are paid their full worth as this would lessen their surplus. Capitalists only think about profit maximization. I have however also met capitalists that do believe they are not exploiting their workers and are truly paying a fair wage based on the labor they put into their products.

I am wondering if a hybrid of valuation, meaning one that is based on demand and supply as well as the labor theory of value, could exist in capitalism. Would this be possible?

First Message by Clmrgrl is [221].

[1192] Blossom: It seems that in an economy where the means and direction of production is owned by each individual, each person would have a direct link with the state of the environment, because their actions would more directly effect it through their productive activities. They would be more educated on their own waste output, because it is not being released indirectly through a larger entity (corporation), thus they would make better decisions on the amount they produce, and the method they use to produce.

Since this is not the way our economy is structured, it is hard for people to really calculate how much waste they release into the environment. This is because pollution is calculated and observed by companies as a whole, and these companies are not typically concerned for the amount they release as they are about profit. If people owned the means to their production there would be less pollution released, because they would see their direct impact on the environment, and adjust accordingly.

One way that capitalism has attempted to correct this fault is by offering pollution rights to companies, and the ability of those rights to be traded. These rights are given so that companies have incentive to reduce their pollution, and keep it below the rights that they are allowed. If they keep the amounts of pollution they release below the quota they are allowed, they can sell what they don't use, and that goes towards profits. This method makes use of profits, what companies are in business for and what drives them to action, to promote environmental interests.

First Message by Blossom is [241].

[1197] OBJ: I dont want to be in the reserve army. "Surplus population is an effect of capitalism. But it is also one of its levers, even conditions, since it functions as a reserve army." (Marxian Economics) How do I escape becoming a member of the reserve army. Since I live in a capitalist country. If the country does continue to act in this capitalist fashion my choices are either: to attempt to become the capitalist, fight the system likely to lose, or just become a member of the "reserve army." Are there any other options for me?

First Message by OBJ is [138].

[1200] Lukas: In response to Malibu's [1089], I have to agree with SSroy's [1157]. We live in a society that is so concerned with solving all of our problems and difficulties, that in turn society on the whole becomes more and more useless. I am not saying that I am ungrateful for the advancements I have witnessed in my lifetime, but I have noticed how they have made me more useless in some ways. I have noticed that as more gadgets are

made to make my life easier, my ability to solve problems or think creatively has decreased. We have cell phones, and as SSroy said, many people can not believe that they lived without one. What would you do if your car broke down and you didn't have your cell phone with you? Before cell phones (or Onstar), you would have to be creative and come up with a way to fix it or find someone who could. Now all we have to do is push a button, and let someone else work out all the details for us. As I said earlier, I am grateful for this technology, but I know that I have become weaker in solving my own problems as a result of it. I think that it is good to have useful things being produced, but it is also an opportunity for farther reaching exploitation of the working class. The more products are produced, the more workers are exploited in the production process.

Message [1200] referenced by [1201]. First Message by Lukas is [173].

[1201] Hayms: Response to Lukas and Malibu. I would have to agree with Lukas [1200], it is very interesting, that as we have made advancements in technology and standards of living, we have become more lazy. In my last question [1137] I talked about how technological advancements have helped to continue to give us jobs. Although we continue to lose jobs, we gain jobs through technology. These jobs though they are jobs, they have helped us to continue to be like Lukas said, "more useless." I would agree that we need to be able to work so that we can continue be more like capitalists like in the time of Marx. That would help stimulate the economy and a lot more people to be more active in their careers and pursue those capitalist ideals.

Next Message by Hayms is [1202].

[1206] Hans: Mailing Lists about Marxism. Free discussion under question number 888 is still possible. It will remain open until the discussion peters out, and will also send an announcement when the grades are posted. (But you no longer get participation points for your comments.) If you don't want to get more emails, you may unsubscribe yourself at

<http://marx.economics.utah.edu/mailman/listinfo/das-kapital>

The reply boxes in the archives are still working right now but they are going to disappear soon. If I asked you a question about your submissions in the remarks I made on the web, This is your last chance to answer them.

If you are interested in a mailing list where activists discuss current struggles I can recommend the Marxism mailing list

<http://greenhouse.economics.utah.edu/mailman/listinfo/marxism>

This list has around 1500 subscribers from all over the world, many of them active in the struggles going on, and their discussion is highly informative.

A mailing list about some of the philosophical issues is

<http://greenhouse.economics.utah.edu/mailman/listinfo/critical-realism>

I still have to give some grades, this will be done this weekend, and I hope to post the final grades some time next week.

Thank you for an interesting discussion!

Hans

Next Message by Hans is [\[1213\]](#).

[1213] Hans: Discrepancy between Tuesday and Friday Class. When submitting the grades yesterday, I noticed a big difference between the Tuesday evening and the Friday morning classes. The Tuesday class got many more A and also more A- grades. Does anybody have an idea why this might be the case? I don't think my oral Tuesday sermons were better than the Friday sermons, if anything they were worse because sometimes I am quite tired on Tuesdays. I'd like to think that the Tuesday class has more participants with jobs and families, who are more open to theories which have low reputation academically but which conform more to their life experiences, while the Friday participants are full-time students who thought they could cram in another course and underestimated how much work it would be to become familiar with a completely different mindset than what seems to work for them in school?

This is what I wish the explanation would be, but perhaps there are other reasons? Anyone?

Hans

Tuesday Friday

A 9 1

A- 7 5

B+ 5 7

B 1 8

B- 1 2

C+ 0 4

C 1 2

C- 3 4

D+ 1 1

D 0 2

D- 1 1

E 0 0

EU 3 4

First Message by Hans is [\[7\]](#).

[1214] CameronCottle: Grade differences. Hans I think you hit it on the head with the experience difference between the Tuesday and Friday class. Those in the Friday class may be younger and full time students who have not yet had the full experience and wisdom of those in the Tuesday class.

I know that this class was very different than any other economics class I have ever taken but it also answered some of the questions and issues I have with what is taught in all the

other classes. It raises a lot more questions as well but I hope to answer those in time. I think for students who have spent their entire education career learning one style and have yet to experience anything else, it's hard to visualize something that it is different than that.

Again also going back to wisdom and experience. For those who are undergrads; like myself, have gotten into a certain learning style that probably works for most other classes but does not prepare one to critically evaluate like this class required. For somebody who has gone out and worked, their skills in critical thinking have been developed further and allow them to do better in such situations like this class that require the use of critical thinking. So I don't think it's a lack of ability or understand but instead the lack of proper experience and know how to properly deliver that knowledge.

Message [1214] referenced by [1215]. Next Message by CameronCottle is [1216].

[1215] Malibu: Grade differences. Re: [1214] I think ridiculous for someone to say that working people who take night classes are more wise. I think you could make the argument that since they are returning students that they may be more focused because. I don't think the Tuesday class has any advantage on their ability to critically think, if anything they're not as open minded as the Friday students. And lastly I think those in the Tuesday have less of a social life because they're taking night classes and probably don't have as much going on so they put more time into Marx homework

First Message by Malibu is [169].

[1216] CameronCottle: Grade Differences. Malibu,

I didn't not mean any offense to anybody. I am in the Friday class as well and so it's not like I am trying to toot my own horn here. I am not trying to say one is better than the other, either.

Wisdom comes with experience and it's not a shame to admit that those returning students may have more wisdom. Also because people take a night class it does not mean they do not have a social life. They may have a lot of responsibilities like work and families which requires a lot of attention so evenings are the only time they have available. It is not an offense to those Friday students that the Tuesday students may have more experience in time managing due to those responsibilities.

It's also an individuals choice to place what they believe is more important; a social life, night classes, homework, etc. You say they have no advantage but by the results of the class, it's obvious that they do. It's to our benefit to know why so that in the future everybody can get a better grade. It's not about whose better or worse, it's just about finding out how we can all do better. Just interesting to see that those in the Tuesday class did better and again I am in the Friday class.

First Message by CameronCottle is [24].

889 is **889** in 2007SP, **889** in 2008SP, **889** in 2009fa, and **889** in 2012fa:

889 *Course Evaluation Econ 5080/6080*

[1204] George: Before taking this class I didn't think I agreed with most of Marx's principles on economic. I know now a lot of that was pure ignorance. I have come to learn that I do agree with many of his principles and has forced me to think about our capitalist

system. I know there are many things I still disagree with, I was wondering if there was anybody that has changed their current views on the economic world we live in since we started the class.

Message [1204] referenced by [1205]. First Message by George is [42].

[1205] Gv: In response to George [1204], I too was a little hesitant, but plenty curious before starting this class. Reading through the syllabus I stumbled upon Hans' warning that Marxism is an "embattled" theory and that many Marxist classes could hurt future employment. Initially I had a quasi "red scare" attitude towards the class. However, after reading and analyzing Das Capital I also agree with some of Marx's ideas. At least, his reasoning and arguments are very convincing and well thought out. I can see why his theories are seen as being revolutionary—that is that they may promote a revolution. His ideas promote the uprising of the workers against the capitalists. Interestingly, it is the same perceived unfairness that fuels some of the occupy movements today. If anything else, this class was excellent at presenting new ideas and promoting critical thinking, reading and writing. I have a new respect and admiration for Marx. He was certainly a genius. The power and appeal of his arguments continue to be relevant to this day. Conversely, this class also instills in me a desire to read some of the original writings of Ricardo or Smith for comparative purposes.

First Message by Gv is [52].

Question 896 is **559** in 2001fa, **727** in 2007fa, **756** in 2008SP, **761** in 2008fa, **794** in 2009fa, **863** in 2010fa, and **949** in 2013fa:

Question 896 *What is the right answer to the question: "How has the worker" (and not only the worker but mankind as a whole) "been able to pass from being the master of capital—as its creator—to being its slave?"*

[1102] Hov: The main reason why the worker has moved on from being the creator of capital to becoming its slave is because the worker is no longer the owner of capital. One of the central criticisms Marx believes about capitalism is that the worker has no access to the means of production. If laborers controlled the capital they used to produce, then the balance of power between labor and capital would be more equal. Instead, capital has been dispossessed from the laborer and placed under control of the capitalist, leaving the worker at the capitalist's mercy who controls the capital. The laborer must now serve the capital and its owner, if not they will have no ability to produce.

Hans: You are using the word "capital" synonymously to "means of production." This is just as much a breach as using "commodity" synonymously to "product" or "value" synonymously to "use-value." It confuses things with social relations.

Message [1102] referenced by [1188]. First Message by Hov is [18].

[1113] SSroy: The transition from master to slave of capital is a long, historical one. This past week, a family member was laid off from his employer of almost two years, very surprisingly. With a solid work ethic and technical degree from the U, he most certainly didn't belong in the category of deadweight, or unjustified expense, to the firm. Yet the system we all subscribe to and upon which we rely, capitalism, allows this typical scenario to unfold on a daily basis. Instead of hearing about these situations and questioning the 'American Dream', where hard work is the only determinant in monetary success, we blame the government, our educational system, or other external forces. We have indeed become slaves

to our socio-economic system. What we spend our time doing, how we decide what to purchase, and what sources of information we use, has already been decided for us. I challenge my classmates to think of the last time spontaneity or original thought persuaded a big decision we've made. There is a consistent voice in our minds that goes something like this, "what would *blank* do in this situation?" or "how would others perceive my actions?" or even "would this character from 'tv show/movie' do this?". Never does it cross our minds that perhaps there isn't anyone who has a better idea or advice for my particular circumstance, therefore it is solely my own responsibility to decide and deal with the consequences, be it positive or negative. The weight of personal responsibility has been replaced by the subtle guidance being provided by corporate advertising and media. Our concepts of happiness and fulfillment are dictated by commodities, not ideas and actions. Yet this system in which we engage has no recourse for injustices like high unemployment or a tremendous wealth gap. Instead of being individual creators of capital and relying upon brilliance and innovation to determine success, we allow a plutocracy to rule and decide who succeeds and who fails, while the rest of us are victims. Moreover, we are witnessing an increasing transition of decision makers to victims.

Hans: Your last sentence sparked my interest. Do you mean Obama? Are you saying that even the POTUS thinks he is powerless with respect to the economic forces?

Message [1113] referenced by [1188]. Next Message by SSroy is [1114].

[1188] Hans: Some thoughts how now to answer this question. This is an important question, and it is not trivial to answer. [1102] says it comes from the workers' lack of control over their means of production. This answer is too general. In every class society, some class other than the working class has control over the means of production. But no other class society has the social relations as mystified and hidden as the capitalist society. The whole issue discussed by Marx as the fetish-like character of the commodity plays an important role for answering this question.

[1113] puts the blame on the individuals. None of us is perfect, we are only humans. But I don't think this can explain the horrors of capitalism.

I don't think there is a good answer to this question in the archives. You may look at [2009fa:1140].

That's all for now.

KKondo: The nature of humans is what transformed mankind from being the creator of capital to become its slave. And don't blame the capitalists for it, because it wasn't just them. We are all part of it. Capitalism is a "virus" that by its nature attacks consumers' weaknesses and at the same time are fed by it. With capitalism comes consumerism and greed. Our society creates the need for products that we can't afford so capitalists find a way to make that happen, creating ethical and social problems. We are slaves of capital because we need capital to fill our needs.

Hans: I like your virus analogy. The nature of humans enters only in so far as we are susceptible to this virus, you call this the consumers' weaknesses. I agree with this too. I still would not say capitalism is anchored in human nature because I think it is possible to live without this virus.

Next Message by Hans is [1206].

Question 899 is **435** in 1999SP, **530** in 2000fa, **561** in 2001fa, **603** in 2002fa, **627** in 2003fa, **761** in 2007SP, **730** in 2007fa, **759** in 2008SP, **764** in 2008fa, **797** in 2009fa, **866** in 2010fa, **929** in 2012fa, and **952** in 2013fa:

Question 899 *In 773:1, Marx discusses an empirical phenomenon in which technical progress “expresses” itself. Which phenomenon is that? Why does Marx speak here of an expression?*

[1154] Badawn: graded C- What Marx means by this “phenomenon” is what technology has brought to the labor force and production. Meaning that goods are being continuously produced through machinery and less and less through physical labor. This means that labor is based more on technical processes rather than physical labor. Marx speaks of this as a “change in composition of capital” as new technologies enter the laborer market so is need to measure the change in composition of capital

Hans: This is a paraphrase of [2009fa:1217] without much evidence that you understand the question asked or the answer.

Next Message by Badawn is [1174].

Question 900 is **412** in 1998WI, **562** in 2001fa, **628** in 2003fa, **798** in 2009fa, and **930** in 2012fa:

Question 900 *Often it has been argued that yes, technical composition increases, but productive powers of labor increase so fast that the increased machinery and materials represent less labor than before, i.e., the organic composition decreases. Was this a possibility which Marx had overlooked?*

[1174] Badawn: graded C+ To answer this questions we have to understand a few basic concepts. The first is organic composition which simply put is the ratio of constant vs variable capital. Constant capital refers to the cost of a worker they are constant because they are hired on a hourly wage. Variable capital would be the cost of the new machines or new advanced technology, as well as the cost of raw materials etc. The variable price changes more often than not. Now to answer the question that we know and (Marx knows) that technology increases and does not decrease the ratio of constant vs variable capital. This is due to the fact that a labor can be more productive and produce more, this does not mean you have more mass laborers in fact you need less people due to the increased production of machinery.

Hans: Wrong definitions of constant and variable capital. I don't see how what you write addresses the objection to the law of rising organic composition formulated in the question.

Next Message by Badawn is [1175].

Question 904 is **343** in 1997WI, **440** in 1999SP, **566** in 2001fa, **608** in 2002fa, **632** in 2003fa, **691** in 2004fa, **638** in 2005fa, **766** in 2007SP, **802** in 2009fa, **871** in 2010fa, **934** in 2012fa, and **957** in 2013fa:

Question 904 *Accumulation increases productive powers of labor and higher productive powers of labor increase accumulation. One might think that accumulation of capital and the productive powers of labor go together really well—or is there a hair in the soup, i.e., are there ways in which technical progress also obstructs capital accumulation?*

[1185] Bu: The answer to this question is yes. It is possible for technical progress to obstruct capital accumulation. If a capitalist is able to be more efficient through technology advancement the capitalist will do so, however a problem arises. The capitalist will increase surplus-value through more efficient means of production but we must keep in mind that the rate of profits will begin to decline. As I stated surplus value will increase which appears

to be exactly what you want but if you don't examine closely you will miss that now you must sell more to get the same amount of profit. This could possibly dilute the market by increasing production if it decreases demand.

First Message by Bu is [103].

Question 905 is **609** in 2002fa, **633** in 2003fa, **692** in 2004fa, **767** in 2007SP, **736** in 2007fa, **770** in 2008fa, and **872** in 2010fa:

Question 905 *Describe the mechanisms of repulsion and attraction of individual capitals in the course of accumulation.*

[1142] Bikeman: Repulsion and Attraction. During the course of accumulation, there are two mechanisms present. Attraction is defined by Marx as the concentration of existing capital, the lack of independence amongst capitalists and the expropriation of one capitalist by other capitalists leading to the collection of many small capitals into a few larger ones.

Repulsion is defined as the negation of concentration as the new capitalists separate themselves for the old ones. Offshoots of old capital function independently and begin to accumulate more capital so that the number of capitalists increases.

Hans: Concentration is the growth of firms without repulsion or attraction, simply by reinvesting their own profits. Repulsion is defined as negation of concentration, it is the formation of small new firms in the process of accumulation. Attraction is the negation of repulsion, it is mergers of already existing capitals.

You have tried to define the concepts of repulsion and attraction, but you are not describing the mechanisms how capitals repel and attract each other.

First Message by Bikeman is [10].

[1148] Jami: Repulsion and Attraction. Marx discusses two mechanisms when talking about repulsion and attraction: competition and inheritance. Competition results in the attraction of different forms of capitals and inheritance results in the repulsion of forms or capital. On a small scale, I see this fact observed in my everyday business life.

I work in the extremely cutthroat industry of commercial real estate. When a new corporate tenant comes to this market there is a lot of competition to secure the representation of that tenant to help them find office space.

Once the tenant is announced and a few successful agents decide to compete for their business, it almost starts a frenzy for the other agents. Now everyone wants a chance to compete for this tenant's business. Conversely, when an office building has been on the market for quite some time and has not had much success leasing the vacant space, the listing agent will decide to stop working on this particular building and attempt to "give the business back". Once that has happened, it almost stigmatizes the building as one that you don't want to waste your time working on. If one agent doesn't want it, why would another one? There must be something wrong with it, otherwise it would have leased by now.

The agent listing the building can't even hand off the business to another agent. The fact that these mechanisms can be observed in current markets is evidence that Marx was correct: Inheritance drives capital away and competition attracts capital.

Hans: By inheritance as a mechanism for the repulsion of capital, Marx meant the splitting up of a family business when the founder dies and the business is passed on to several heirs.

The inheritance you are talking about, the stigma of having to market an office building which one “inherited” from an agent who was unsuccessful with this building, keeps customers away but it does not lead to the splitting-up of firms.

First Message by Jami is [104].

[1162] Sk: Marx discusses the mechanisms of repulsion and attraction of individual capitals is competition and inheritance. Marx thinks only competition product the modern inheritance, in fact, from the history, model competition grown in the inheritance soil. Competition is a mechanism for attraction and inheritance is the mechanism for repulsion. For example, my friend and I start a business together, one day, he make more money than me and he want his own company so he use some dirty skill lie to me and use a lower than the market price to buy me out of the company, it is a good example to explain inheritance take the capital away and competition attract the capital in. The centralization is the consequence of competition in which “the larger capital beat the smaller.” for example, economic growth causes market competition. Walmart is a big firm, when it get into the market, a lot of small grocery store get eaten by Walmar. Small businesses are absorbed by big ones. Walmart takes away their market and increase the profit by concentration and absorbtion.

Hans: If a capitalist uses his profits not for reinvestment in the business but for buying out his business partners or buying back stock, this is indeed a repulsion of capital, but it does not have much to do with inheritance.

Next Message by Sk is [1163].

[1175] Badawn: content A form 90% The Repulsion and attraction of capitalist is, put simply, the splitting up of companies and formation of new ones and the combining of companies. This takes place because of the competition of capital. If you can make it and produce it for cheaper then that gives you power to grow and overcome other firms. This will cause smaller firms to combine to be able to compete with larger firms. This improves labor productivity which causes firms to adapt or fail. Some mechanism of capital would be when capitals split, new offshoots are formed. Also as capital grows it leaves room for new capital to start as well, this is a form of repulsion.

Hans: You give some good facts, but you do not explain them well enough. There was also careless spelling and interpunction, which I tried to fix in the archives.

Next Message by Badawn is [1177].

Question 907 is **611** in 2002fa, **635** in 2003fa, **694** in 2004fa, **641** in 2005fa, **769** in 2007SP, **738** in 2007fa, **767** in 2008SP, **772** in 2008fa, **805** in 2009fa, **874** in 2010fa, and **937** in 2012fa:

Question 907 *How do competition and credit help in the process of centralization?*

[1150] CRC: Competition and Credit, and Their Part in Centralization. Both competition and credit play an important role in the squeezing out of small businesses by larger businesses and the redistributing of capital into a smaller number of individuals’ possession, thus the centralization of capital.

Competition: Large businesses are able, unlike their smaller counterparts, to employ a large scale of production. The outcome of this is an increased productivity of labor, and, Marx argues, the ability to increase the cheapness of commodities being produced. This is essentially the definition of efficiency in industry, and, it is easily understood that the more efficient business will outlast the less efficient. It is in this way that large businesses, by way

of competition with small businesses, win. Upon this victory of the large business in question, a percentage of the capital previously possessed by the now failed small business flows into the possession of the victorious large business; the other part vanishes. The outcome of this entire process is a centralization of large businesses which possess increasingly large amounts of capital, and the phasing out of small businesses altogether.

Credit: Upon the development of the Capitalist system, the credit system comes into existence. Credit lends toward centralization in two distinct ways: 1. Credit is utilized as an effective, offensive method by the larger businesses against the smaller businesses in the ongoing process of competition previously discussed.—2. In bypassing the option of using credit as a weapon in competition, and thus bypassing the necessity to effectively kill the smaller competition, large capital possessing businesses may elect to use credit to pool together the collective “disposable money” into the hands of individual or confederated capitalists/businesses, thus further centralizing capital and delivering it to a smaller number of possessors.

Message [1150] referenced by [1177]. Next Message by CRC is [1152].

[1177] Badawn: graded A– Marx is clear when he states that Competition and credit are the two biggest levers of centralization, but how? first off competition. The whole idea of competition is to cheapen the commodity as much as you can. This will eliminate the weak who cannot compete and thus drive the price down even farther. These capital firms that are weak go bankrupt or are bought up and absorbed into the strong. This causes the centralizations. As for credit this is a powerful tool in competition. It allows firms to raise capital quickly and become strong vs. the standard method of raising capital through production. Credit also allows the investor to put capital in one centralized location. Meaning that they are able to invest into one firm vs the masses that are spread out.

Hans: As CRC says in [1150], credit promotes centralization in two ways. First, credit is a powerful tool in competition and since competition leads to centralization, credit indirectly promotes centralization. Secondly, credit also is a direct means of centralization. You say that “credit is a powerful tool in competition,” but instead of showing how credit can be used for competition you then give examples where credit helps centralization directly, without competition.

Next Message by Badawn is [1178].

[1195] Siman: Marx calls competition and credit “the two most powerful levers of centralization.” He states that “the battle of competition is fought by the cheapening of commodities” and that cheapness of commodities depends on the scale of production. In the competitive market, large producers raise the minimum size of capital required to be competitive thus squeezing them into “murderous competition amongst themselves”. As for credit, “it draws the disposable money, scattered in larger or smaller masses over the surface of society, into the hands of individuals or associated capitalists. It is the specific machine for the centralization of capitals.” What Marx is saying is that credit is a means of gathering resources from multiple investors for a centralized purpose.

Focusing on the role of credit and how it helps in the process of centralization can be more challenging. It is clear that without the credit system it would be next to impossible to become a capitalist, as one could only become a powerful capitalist by waiting for the accumulation of his resources and wealth before he can use it to become powerful. But with the credit system used as a resource, mutual parties can unite in gathering their wealth in order to become a powerful capitalist, and thus, the effort of capital centralization is achieved.

The process of starting small is completely avoided. Marx referred to this as “the specific machine for the centralization of capitals.” A good comparison of this would be the production of automobiles. It is impossible to start an automobile production company or factory and consider yourself to be competitive without wealth pooling. So credit accomplishes its purpose by creating the possibility for capitalists to become bigger faster, thus aiding the process of centralization.

Hans: Your first paragraph is from [2008fa:1220] and your second paragraph is from [2007SP:1356].

Next Message by Siman is [1196].

Question 909 is **418** in 1998WI, **442** in 1999SP, **568** in 2001fa, **612** in 2002fa, **636** in 2003fa, **695** in 2004fa, **642** in 2005fa, **770** in 2007SP, **739** in 2007fa, **774** in 2008fa, and **807** in 2009fa:

Question 909 *What is the centralization of capital? Show how accumulation leads to centralization. Which effects of accumulation are enhanced by centralization?*

[1163] Sk: centralization of capital is a process where many small capitals merge into a large capital, a form that single capital to expand the total. The reason for centralization of capital is the capital of surplus value and the pursuit of profit. Marx’s analysis the capital chasing the bigger profit in two basic ways, the production of absolute surplus value and the relative surplus value. It mean the capital want to catch the bigger profit, or it want to expand the production scale, then increase labor productivity and decrease labor capital. Marx emphasized the division and economics of scale. he think the more internal division of a larger workers, the machine also greater, but the product cost decrease, labor would be more efficient. it is good for the capitalist but bad for the worker. between the various capitalists to reallocation and portfolio, so that a single capital increase, does not increase the total amount of social capital. Centralization of capital is the inevitable result of capitalist development, so that capitalism can be a huge concentration of capital in the short term. the small capital of the inability to build a big business, such as railway, large-scale water resources, aviation, aerospace and atomic energy utilization.

Hans: Centralization comes from competition and credit.

First Message by Sk is [884].

Question 913 is **417** in 1997sp, **646** in 2005fa, **774** in 2007SP, **743** in 2007fa, **778** in 2008fa, **880** in 2010fa, **943** in 2012fa, and **966** in 2013fa:

Question 913 *Does the surplus-population arise from capital’s inability to keep pace with the growth of the population?*

[1164] Clmrgrl: Surplus population. Surplus population does not come from capital’s inability to keep pace with the population but rather it comes from capital having technological advances and increases in centralization which leads for the need to have less workers involved in the production process. This leads to more workers seeking employment creating a surplus population. So capital in effect produces the surplus population.

Message [1164] referenced by [2012fa:1571]. Next Message by Clmrgrl is [1165].

[1167] Kendull: The increase in the growth of capital results in a progressive fall in the demand for labor. The working population produces the accumulation of capital for the

capitalist and as a result, creates the means by which the proletariat is made superfluous, or a surplus population.

The question asks if the surplus population arises from a capitalist's inability to keep pace with the growth of the population. This is incorrect in many ways. The surplus population is created by itself, by producing enough to maintain a growth and surplus of capital for the capitalist. While capitalist accumulation of capital increases, the demand for labor falls. It is not the capitalist's inability to keep pace with population growth, but rather the capitalists ability to stay ahead. Marx stated that the surplus population is "a population which is superfluous to capital's average requirements for its own valorization." Or in other words an "industrial reserve army" created for the capitalist to support and maintain the accumulation of capital.

Hans: You say an increase in capital creates a fall in the demand for labor. This needs some explanation, since one should expect an increase in capital to create an increase in the demand for labor.

First Message by Kendull is [15].

Question 915 is **424** in 1998WI, **448** in 1999SP, **619** in 2002fa, **643** in 2003fa, **702** in 2004fa, **648** in 2005fa, **776** in 2007SP, **745** in 2007fa, **780** in 2008fa, and **813** in 2009fa:

Question 915 *What does capital need this surplus-population for? (How come it produces exactly what it needs?)*

[1178] Badawn: graded C+ The reason why capital needs a surplus population. To answer this I will quote from Makeit [2004fa:615]: "...uses capital as a reserve by self-valorization" Basically what this means is that the surplus population is self driven in a sense. To put this in short as technology grows there is a increase for laborers but at a decreased rate. This Change in capital firm causes the decrease which leads to the surplus.

Hans: You are explaining how capital creates the surplus-population, not what function this surplus-population has for capital and how capital knows how to produce something which it needs.

Next Message by Badawn is [1180].

Exam Question 917 is **450** in 1999SP, **576** in 2001fa, **621** in 2002fa, **645** in 2003fa, **704** in 2004fa, **815** in 2009fa, **884** in 2010fa, and **947** in 2012fa:

Exam Question 917 *Why is the surplus-population created under capitalism called "relative"?*

[1176] OBJ: Marx first uses the the phrase "relatively redundant working population" in the paragraph "But in fact it is capitalist accumulation itself that constantly produces, and produces indeed in direct relation with its own energy and extent, a relatively redundant working population, ie. a population which is superfluous to capital's average requirements for its own valorization, and is therefore a surplus population." That is a great paragraph. He is saying the capitalist is preparing a population that is only there to serve the needs of the capitalist. To labor and create labor value that he, the capitalist can take advantage of in the future. Later Marx describes how it is the working population accumulation of capital that makes themselves relatively superfluous. Engels states "Demand (for labor) will rise... not in proportion to the accumulation of the general capital. ..." I think this describes what Marx

meant by “relative” when referring to the surplus-population. Some of the population will be relative to the capitalist system, but most will not.

Hans: The “relative” is a qualifier of “surplus,” not of “population.” It is a relative surplus, not an absolute surplus. Marx means that there are not absolutely too many people, only too many for the average needs of capitalist accumulation.

Next Message by OBJ is [1197].

Question 926 is **787** in 2007SP, **893** in 2010fa, and **979** in 2013fa:

Question 926 *Why does the link between variable capital, employment, and labor performed become weaker as accumulation proceeds?*

[1202] Hayms: The link between Variable Capital and Labor Performed become weaker because, as one progresses in accumulation of more capital, one is able to proceed without hiring more workers. As Marx says in **788:5**, “a variable capital of the same magnitude sets in motion more labor with the same mass of labor-power; and, finally a great number of inferior labor-powers is set in motion by the displacement of more skilled labor powers.” This shows us that as the relative surplus population that is produced is faster than technological innovations would suggest.

This being said as accumulation proceeds, the advancement of machinery and technology has decreased the amount of more skilled laborers, and replaced them with unskilled laborers that are paid less. Machinery and technology are able to perform better labor that is more organized, and faster becoming more constant capital. Therefore the link between labor, variable capital, and employment are weaker because it allows the capitalist to get more labor without having to increase employment and or variable capital.

Final Grading Note by Hans: Your answers are always thoughtful and stimulating. I think you should have used more time trying to understand the Annotations, rather than browsing the archives. I know the Annotations are difficult, but you have what it takes to read them. Perhaps it is a generational thing: I always think today’s youth (especially those in the US) are not taking their homeworks seriously enough. My ideal would be that someone who participates the way you do comes out of this class with a good understanding of Marx’s theories. But the discussion in the archives is still far from this, that’s why we still need the Annotations.

Message [1202] referenced by [2013fa:1259]. First Message by Hayms is [313].

Question 933 is **440** in 1998WI, **635** in 2002fa, **718** in 2004fa, **664** in 2005fa, **793** in 2007SP, **797** in 2008fa, and **963** in 2012fa:

Question 933 *Which actions should the workers undertake in order to break the despotism of capital? (Also indicate which aspect of the theory calls for which action.)*

[1139] Marx: graded A How to break the despotism. In 792:1 Marx writes, “The relative surplus population is therefore the background against which the law of the demand and supply of labor does its work.” Many of the previous answers in the archives mention unions as a way to break the despotism. The law of supply and demand of labor gives the capitalists the upper hand though. They always have those reserves ready to come and work if the union workers won’t. Something such as a union is a good first step, but this is not the final solution. Unions don’t hold enough power to create equality and obliterate exploitation, because unions can be broken. The simple story of the air traffic controllers in the 1980s all getting fired is good proof of that. It is very simple for the capitalists to bring in the reserves to take the place of the former employees.

This is why Marx makes a very straight forward suggestion. Marx continues later in 792:1 and says, “organize planned co-operation between the employed and the unemployed in order to obviate or to weaken the ruinous effects of this natural law of capitalist production on their class.” Basically, the whole of the labor force needs to band together and push back. This means not only the employed, but the unemployed. When the whole of the labor force is one unified voice, the capitalists lose their power. Who will work for them? It is at that point that the exploitation will decrease and we will come closer to equality.

Hans: Maybe this is the reason why Marx made his detailed analysis of the layers of the surplus-population of his time: to lay the groundwork for the political question whether and how to organize them.

Message [1139] referenced by [2012fa:1548]. Next Message by Marx is [1207].

Question 935 is **466** in 1999SP, **592** in 2001fa, **661** in 2003fa, **720** in 2004fa, **764** in 2007fa, **832** in 2009fa, **965** in 2012fa, and **988** in 2013fa:

Question 935 *How can the accumulation of capital decrease instead of increase the demand for labor? How can a rise in unemployment increase the supply of labor instead of just changing the composition of the given supply?*

[1184] Poptarts: The accumulation of capital could decrease labor rather than increasing it depending on what type of capital you are talking about. If you are accumulating capital such as machinery, for example in the automobile industry, most of the machinery is semi-automated and requires less labor/laborers to run, thus an increase in capital could indeed decrease the demand for labor.

Hans: You are not talking about accumulation of new capital but the replacement of already existing capital by more mechanized machinery. How is this replacement triggered by the accumulation of new capital? Marx mentions two mechanisms.

(1) The machinery is first introduced by new capital accumulation, and then already existing firms have to introduce it too, which leads to “setting free” the laborers which they originally employed.

(2) The accumulation of new capital leads to labor shortage and therefore higher wages, and these higher wages and/or labor unrest incentivize the capitalists to introduce machines replacing laborers.

You did not answer the second part of the question.

First Message by Poptarts is [54].

Question 939 is **596** in 2001fa, **641** in 2002fa, **665** in 2003fa, **724** in 2004fa, **670** in 2005fa, **799** in 2007SP, **803** in 2008fa, and **906** in 2010fa:

Question 939 *Which parts of the surplus population do these people belong to: A housewife looking for a job, someone employed part time (or with several part time jobs) looking for a full time job with benefits, high school graduates who don't find jobs, someone unemployed actively looking for work, someone unemployed waiting until the unemployment compensation has run out, discouraged workers on welfare, someone who has a lower-paying job because her skills are outdated.*

[1145] Vegas: Surplus Population Groups. A house wife looking for a job is latent because they're hidden from the labor market, but could be summoned when needed. Someone with multiple part time jobs is stagnant because they probably don't have a designated skill set are merely waiting labor power. High school graduates that can't find jobs would be stagnant because they're unemployed and might not have the skills necessary yet to be a valuable worker. Someone unemployed actively looking for work would be flowing because

they were working and are merely waiting to transition into their next job. Unemployed waiting for their unemployment package to run out would be latent, because they're simply waiting to enter the job market. Discouraged workers on welfare and someone who has a low paying job because their skills are outdated are both stagnant.

Next Message by Vegas is [1146].

[1155] Kitkat: Surplus Populations. Marx discusses three categories of relative surplus populations: flowing, latent, and stagnant. Marx gives examples of each in chapter 25. A housewife looking for a job is latent surplus population. Hans uses this example explicitly in his annotations on page 730. Latent surplus population cannot be readily seen, but becomes visible for its effects. For example, Jet Blue was once a highly successful company (and redefined air travel customer service in many ways) because its main employment demographic was stay-at-home mothers. Someone employed part time but looking for a full time job with benefits is considered part of the flowing population. While this person has a part time job, I would simply not put them in the stagnant population just for this reason. If they are looking for a full time job with benefits, this could indicate that they still have capabilities that can be re-absorbed by the market and they will flow from the part time job to the full time one. High school graduates unable to find jobs are in the stagnant category. As explained in the annotations, the stagnant population is plagued by irregular employment, outdated skills, employment, or dead-end part time jobs (p. 731). Someone unemployed actively looking for work would be in the flowing category, for the same reason as the person currently holding a part time job but looking for more hours and benefits. Per Marx's example of the flowing population, this person has recently lost their job, but should be re-absorbed into the market soon as long as they are still capable. The unemployed person waiting until their benefits run out is stagnant as there is no indication that they are even seeking to be reabsorbed by the market. They are quite literally stagnant—just sitting and waiting. Discouraged workers on welfare would be a latent population. Not unlike immigrants or migrant workers, welfare recipients often work under the table and don't declare informal income so they may retain government assistance. Thus, we must infer the existence of their labor by their effects- we infer the existence of illegally compensated immigrant workers when we see those jobs unfulfilled once immigrants are deported. Similarly, welfare recipients' work is often hidden. Finally, the person with a low-paying job with outdated skills belongs in the stagnant category. Their employment is impeded and backed up as their lack of skills hinders their ability to flow through the market. This happened recently to textile workers in my home state, North Carolina. Workers in the giant textile mills had no other skills than those necessary for that industry and were left stagnant when the plants were forced to close down.

Next Message by Kitkat is [1183].

Question 941 is **472** in 1999SP, **643** in 2002fa, **726** in 2004fa, **672** in 2005fa, **801** in 2007SP, **800** in 2008SP, **805** in 2008fa, **838** in 2009fa, and **908** in 2010fa:

Question 941 *What is pauperism?*

What is its relationship to the relative surplus population?

Discuss contemporary forms of pauperism.

Which political actions can one expect from paupers and why?

[1170] Skiingforlunch: graded B Paupers. A Pauper is defined as a “very poor person”. They are the outcasts in our society who have accepted a character mask to which they are marginal in capitalist societies. They are the “deepest fallout from the relative surplus population”. There are three main sources of paupers defined by Marx. The first of the three forms of paupers are those able to work, in times of economic booms and profitable businesses, these paupers are called upon to join the reserve army for labor. Second there are pauper children and orphans, which can be called upon to join the reserve army when demand for labor is extremely high. Finally the third form is the disabled and those who are incapable of work. The third form of paupers is typically immobile or elderly members of society who are likely to never join the working army again.

Marx acknowledges another social class which society has come to recognize as the deviants. Today the three forms of paupers can be classified as follows;

1) Unskilled laborers with unproductive tendencies moving in and out of welfare with business cycles – typically remaining unemployed for long durations

2) Children are less common in today’s workplace, but immigrants today have filled the role of children. Immigrants are called upon in times of prosperity to join the working class when demand for labor is extremely high

3) The final form are those unable for rehabilitation or chronically ill with drug abuse, disease, or impairment

The class of deviants remains similar in our society as criminals and prostitutes.

Paupers can commonly be found in capitalist societies creating movements for welfare reforms and also demanding sanctions on capitalist workers. One might view the unemployed members of the occupy wall street protests as a form of the first class of paupers . The demand for reform ha

Hans: Marx would not consider paupers as people who have accepted a character mask. They have been destroyed by the system, this was not their choice. Since political organization needs high commitment and organizational skills, this is very difficult for a person who can barely survive. And it is easy for the police to recruit informers if there is any organization. Most welfare rights are fought for not by the paupers themselves but by community organizations etc. on behalf of the paupers. But the Black Panthers in the US and the organization of the barrios in Venezuela show that despite all odds such organization is possible. The homeless have not been the carriers of the occupy movements, but it was an additional challenge for the organizers of these movements to run not only a tent village of political activists but at the same time an outdoor homeless shelter.

Next Message by Skiingforlunch is [\[1172\]](#).

Question 942 is [473](#) in 1999SP, [599](#) in 2001fa, [644](#) in 2002fa, [668](#) in 2003fa, [727](#) in 2004fa, [673](#) in 2005fa, [802](#) in 2007SP, [771](#) in 2007fa, [801](#) in 2008SP, [806](#) in 2008fa, [839](#) in 2009fa, [909](#) in 2010fa, [972](#) in 2012fa, and [996](#) in 2013fa:

Question 942 *What is worse: the misery of idle impoverishment or the torture of work?*

[1144] Karl: graded A Work or Impoverished. Choosing the torture of work or being poor is a tough decision. If my actions only affected me I would choose poverty, if others were dependent on me working I would choose work. If I was single and being poor only affected me I would choose poverty. I would rather be poor than have someone exploit me. For me that’s not the case. I am married and I feel a social obligation to provide for my

family and attempt to not be impoverished. By working I am hoping that my wage helps my family to not be impoverished. I have no guarantees that this will be the case but I hope it is.

Hans: Making it dependent on whether you have a family or not makes a lot of sense, and I don't remember if anyone in the archives ever made this simple point. If you find someone, please let me know so that I can link to it. Message [1144] referenced by [1165], [2012fa:1593], [2013fa:1232], and [2013fa:1233]. First Message by Karl is [79].

[1165] Clmrgl: Tortured for a paycheck. While I agree with parts of Karl's [1144] assessment that the answer to this question is relative to the life circumstances you are currently living with I think that it needs to be explored further.

I would say that the torture of work is worse. There are a couple of reasons for this assessment. 1) It robs people of freedom. Freedom of time. Time to invest in leisure time and time to invest in possibly being able to gain higher education or training for more fulfilling work. It also robs people the freedom to explore other avenues to make a better wage. 2) To me the torture of work is a precursor to idle impoverishment. It would seem that you can not have idle impoverishment without the torture of work.

Hans: I don't get your second point. The reserve army cannot be eliminated but not everyone is in it. Many people work very hard all their lives without getting ahead, but they are not unemployed.

Clmrgl: Upon looking at my second point again I agree it does not make sense. Originally I was thinking that idle impoverishment could not exist without work because there is not enough work for everyone. In essence because work exists and there are many who do work there are equally many who live in idle impoverishment from lack of access to work. My thinking on this is still a bit confused.

I am not sure what idle means in this situation. As you pointed out workers can endure the torture of work and still be impoverished. Does idle in this sense mean only those in the reserve army or can it also mean the worker who endures the torture of work but still lives in impoverishment but can be considered idle in a manner because the worker is not working to fight for better wages and rights?

Hans: Ok now I see what you mean with the sentence "you can not have idle impoverishment without the torture of work." I guess I was thrown off by the "you" and thought you mean that the same person cannot have one without the other. Marx would agree with you that they are connected, but not because there is not enough labor to go around, but because the capitalists use the unemployed to put pressure on the employed.

Your interpretation of "idle" as "not fighting for better wages and rights" is interesting to me. I can easily imagine that lots of people think something is wrong and they ought to fight for a more just society, but it is just too much bother and they don't really know where to begin, therefore they stay "idle." If enough people think this way, then a movement like the occupy movements or whatever it is going to morph into might be successful.

Next Message by Clmrgl is [1166].

[1187] Msj: Impoverished vs. Tortuous. My understanding of Marx's statement regarding the impoverished vs. tortuous labor is the same whether you are an exploited employee or an unemployed employee. I disagree with this statement, especially during the current economic climate. I'm sure many of the unemployed would gladly take a "tortuous" labor position so he/she can put food on the table for his family. In [2004fa:603] Hans makes reference that "even if work is not 'tortuous' per se, it still uses up your time and forces you to do things over which you have little control, which are often not very meaningful, and your efforts are not fairly compensated." I agree with Hans because many times jobs can feel so tortuous because there are unwanted tasks that need to be done or even opportunity costs that await you if you were not at work. For example a laborer may want to go back to school to become more educated and leave his low wage job; however he can't leave because he needs the minimal wage he is receiving. It's a catch 22 for the employee that would create a "tortuous" mindset throughout his daily labors.

Hans: You are right, people are willing to put up with unreasonable workloads and low wages during recessions. Strikes are most frequent in the early recovery when the capitalists make money again without giving back to the workers what they sacrificed.

First Message by Msj is [225].

[1196] Siman: It is certain that idleness and impoverishment are worse than the torture of work.

Whether the misery of the idle impoverishment or the torture of work is worse depends on the form the pauper fits into. The majority of us are ingrained with the idea that working hard all our lives is the appropriate way to exist, and so we endure the “torture of work” to avoid the “misery of idle impoverishment”.

For the worker of the proletarian class, work means exploitation. The harder she works, the more she enriches the capitalist and decreases her own economic power. She endures a lifetime of progressively harder work at stagnant wages.

The disposable laborer also suffers exploitation. Capitalists use her when it benefits their accumulation of capital, and then subject her to a state of desperate idleness when her labor is not required. However, this forced intermittent idleness creates an unstable and insecure existence that is far worse than the fate of the continuously employed worker.

Hans: Your second paragraph is copied from [2005fa:1836] and the rest is copied from [2007SP:1405], both without attribution. I cannot give credit for this.

First Message by Siman is [480].

[1203] Freshprince: The answer for me would be misery of idle impoverishment for many reasons. I believe that almost all human beings are happier when they feel like they have accomplished things and are productive. When basing this question off of the affect of quality of life, an idle impoverishment is much worse. Not being able to provide for your loved ones must be the worst feeling in the world. A sense of being trapped and helplessness.

Torture of work is in no way fun or pleasing, but it is work and there is an income involved which leads to the necessities of life. Impoverishment does not. In most cases, torturous work at least has some sort of reward in the end. Perhaps an earned raise, more allotted vacation time, or even a promotion within the company. The most important part to the question is when does one draw the line ? exactly how torturous is the work ? If we’re talking 20 hour a day grueling manual labor shifts, 7 days a week, holidays included and no vacation time. Then yes this would clearly be a slavery-type scenario which would undoubtedly be worse than “misery of idle impoverishment”. An Interesting topic of discussion.

Final Grading Note by Hans: For your homeworks you picked the philosophical questions which did not need specific knowledge of Marx, and you got better grades for those than for the exams. When you had to answer questions where you didn’t have a choice, such as in [1034] and [1037], you don’t seem to know the difference between Marx and mainstream economics. You didn’t answer my specific clarification questions in [171] and [1037]. You passed up an opportunity to learn by answering some of the more specific questions and reading my feedback. I wish you good luck but I am convinced that an emphasis on learning it the better long run strategy than an emphasis on grades.

First Message by Freshprince is [171].

Question 944 is **446** in 1999SP, **617** in 2002fa, **641** in 2003fa, **700** in 2004fa, **674** in 2005fa, **804** in 2007SP, **773** in 2007fa, **803** in 2008SP, **808** in 2008fa, and **841** in 2009fa:

Question 944 *The only way the worker can improve his lot in society is to increase the productive powers of his labor. Right or wrong?*

[1140] Tvan: I think that it is wrong. When a worker increases the productive power of his labor this will please the capitalist and the worker may receive a raise in his wages but eventually the capitalist will be able to replace the worker for another worker at a his initial wage at the same productivity. As Hans said in his remarks to 798:3 that, “instead of being a way out of the drudgery of labor, higher productive powers are, under capitalism, turned against the laborer.” so if a worker increases the productive power of his labor then it will not improve his lot in society. It may end up, in the long run, making his lot worse. I agree with skitramp [2004fa:569] that there are two ways for the worker to improve his lot in society: 1. the first is if he/she unionizes with his fellow worker. 2. the worker has to save money until he is able to purchase some means of production.

Message [1140] referenced by [1186]. Next Message by Tvan is [1141].

[1171] Msj: Improve Lot in Society. The worker can improve his lot in society in many different ways. One way this is done is through unions which allow workers to stand up together against the capitalists. Of course at times this can backfire on the workers, however we have all heard of the analogy of match sticks. . . it is easier to break one than break a stack of them. Unions provide this leverage for workers to improve their lot.

Although unions offer strength in numbers, a worker has the ability to improve his/her labor power and prove to the capitalist through experience that their work is worth more than the other employees. This is more on an individual basis. . . survival of the fittest in the work place. The top performer usually gets the longest lunches, longest vacation time, etc.

Any form of education or certifications also add to the ability of an employee making them much more valuable to the company which typically results in higher wages.

Another item is being educated. We live in a society where a graduate degree is slowly becoming the norm and in order to keep up with the market value rate or even to exceed the market value rate is to become educated enough to be an expert in your line of work. This way the worker stands out, earns more wages and then is able to improve their lot in society.

Message [1171] referenced by [1186]. Next Message by Msj is [1181].

[1186] Clnmgrl: Improve Lot in Society. The statement that the only way a worker can improve his lot in society is through productive powers of labor is wrong. Marx states that as more capital is produced the worse it will become for the worker.

Msj [1171] states that workers can improve their lot through unions. This is a true statement but there are difficulties with unions. Slade [2009fa:1216] points us to the fact that not only is a union needed but the entire industry would have to be unionized and that if some in the industry refused to participate in the union or in strikes then the whole system would fail. This is an important point to take note of.

A worker does also have the choice to try to work harder with the hopes of breaking out of the working class and becoming a capitalist themselves. Although this is possible the Marx has explained many different reasons why this is almost impossible for anyone in the working class to be able to do.

Tvan [1140] and Msj [1171] also pointed to education as a way to break free. While I agree that education can help improve status it should be mentioned that higher education is becoming something that is increasingly harder for the average person in the working class to afford. It is not easily attainable for most people. So while it is something they can do it may not be a viable option.

Next Message by Clmrgrl is [1190].

Question 946 is **475** in 1999SP, **601** in 2001fa, **729** in 2004fa, **806** in 2007SP, **775** in 2007fa, **805** in 2008SP, **810** in 2008fa, and **913** in 2010fa:

Question 946 *Define and discuss the law of the absolute impoverishment of the working class. Does it apply today?*

[1156] GrouchoMarxist: As the capitalist system is allowed to progress the surplus-value produced by the laborers begins to accumulate and compound. As the capitalist reinvests the laborers' surplus-value the system continues to grow and the capitalist gains more access to resources and greater sway over the working class. It is in the best interest of the capitalist to continue the cycle of exploitation via the continued repression of the laborer. As the capitalist gains more and more power, and the working class is deprived of resources and leverage wages are inevitably reduced and working hours are increased to generate maximum value for the capitalist. In the absence of intervention or regulation by a superior authority on behalf of the worker this trend of wage cutting will continue until the laborer earns the amount of money required for basic subsistence. Historically this is the point at which the vast majority of working class children must enter the labor market to support their families. At this point the capitalist has effectively established a standard of absolute impoverishment. The laborer has neither the means nor the know-how to improve his condition, and must continuously submit himself to the capitalist in order to survive. By forcing working-class children to enter the labor market the capitalist is effectively depriving each generation of the ability to attend school and alleviate their impoverished condition. The law of the absolute impoverishment of the working class is seen as much today as it was one hundred years ago. In many developing countries this state has already been achieved. In the developed world the absolute impoverishment of the working class has been temporarily avoided by the fossil fuel bonanza of the last century. As the ultimate limiting factor in any transaction or process is inevitably energy, the virtual glutton of cheap fuel that has powered the developed world since the advent of the internal combustion engine has allowed the development of the modern middle class. As oil becomes more expensive and inexpensive access to it is eliminated wages will trend the same way as they always have under the capitalist's yoke.

First Message by GrouchoMarxist is [98].

Question 948 is **383** in 1997WI, **648** in 2002fa, **672** in 2003fa, **731** in 2004fa, **678** in 2005fa, **808** in 2007SP, **777** in 2007fa, **807** in 2008SP, **812** in 2008fa, **845** in 2009fa, and **915** in 2010fa:

Question 948 *"The poor and idle are a necessary consequence of the rich and active." Right or wrong?*

[1194] DO: graded A When I think about whether or not the poor and idle are a necessary a consequence of the rich and active I tend to agree with this. The words "idle" and "active"

immediately catches my attention and makes me believe that because they are idle or active, may very well be the reason that they are poor or rich. Someone who is active is a lot more likely to be successful than somebody who is idle and really doesn't do too much with their lives. Therefore, has a much greater chance to be successful and become rich. I believe that this statement is in fact correct and that the poor and idle are a consequence of the rich and active because being rich has for a very long time had a direct correlation with being proactive and doing something with one's life. Due to this, the society has almost had it drilled into us as a society's heads that if one wants to be rich, being active and doing something about it is pretty much the only way this is going to happen. Being idle is the exact opposite of what somebody should do who wants to become rich and successful.

Message [1194] referenced by [1199]. First Message by DO is [238].

[1199] Lukas: In response to DO's [1194], I have to agree with his idea that in our society, the main message is "if you want something, go and get it" or "there's no such thing as a free lunch". I believe those messages are for the most part true. When I have complained about not having the amount of money that I desire, I have had to do more with my time or my abilities by working more or finding a different job. I believe there is a lot of truth to the idea of reaping what you sow. In our society, we can see professional athletes that are paid millions of dollars a year, who have had to put in a lot of hard work training themselves to be the best at what they do. They have had to make numerous sacrifices of time, laziness, and excuses to get to where they are. I think the same can be said of doctors, lawyers, most politicians, many successful entrepreneurs, and most other successful people in our society. That being said, however, I don't know if DO completely gave the answer that the question was looking for.

I think the answer to the question, from my understanding of Marx's ideas, should discuss the idea that if the capitalist didn't accumulate all the surplus labor for himself, there would not be such a class as the "poor and idle". In 798:4/o, Marx reiterates the idea "that all means for the development of production undergo a dialectical inversion so that they become means of domination and exploitation of the producers". He then goes on to say that the worker is "distort(ed)... into a fragment of a man", and transformed into an "appendage of a machine". In this way they are poor and idle. Poor since they are only given monetary compensation to afford the necessities of life while the capitalist enjoys the life of luxury that comes at the workers expense. The worker is idle, not in the sense of being lazy, but more so in the definition of idle: "lacking worth or basis"(www.merriam-webster.com). They are no longer acknowledged as having worth as a human being, but are thought of more as "an appendage of a machine". They are given these two labels as a result of selling their labor power to the capitalist, and in that way these labels become the consequence of capitalist exploitation.

Next Message by Lukas is [1200].

Question 951 is **386** in 1997WI, **456** in 1998WI, **480** in 1999SP, **734** in 2004fa, **681** in 2005fa, **780** in 2007fa, **810** in 2008SP, **815** in 2008fa, **848** in 2009fa, **918** in 2010fa, and **1007** in 2013fa:

Question 951 *What is the General Law of Capitalist Accumulation?*

[1193] KKondo: This General Law of Capitalist Accumulation consists on the fact that the higher the social product, the ability to generate wealth and productivity at work are, the higher the rates of poverty, poverty and unemployment will be. Like Hans said “growth of wealth is accompanied by growth of poverty.” This occurs because, under capitalism, the goal of production is not the satisfaction of human needs, but the profit. Thus, companies compete to offer the best product at the best price that can deliver the highest possible profit. This competition takes the form of technical progress, which substantially increases the productivity of human labor, so that each worker produces an increasing volume of products. Thus it reduces the need for workforce to meet a given level of demand. Therefore, the faster the productive capacity system grow the fewer workers are required to do so. As a result, the lower the number of people with payment capacity to consume. This is one of the reasons why capitalism does not work without credit and without crisis.

Hans: If the capitalists were dependent, for their accumulation, on the demand for the final products from the working class, then the general law of accumulation as formulated by Marx would not hold. Marx says that the capitalists can always re-arrange output so that they are not dependent on the working class demand. They can find markets in exports, luxury consumption, investment, and in unproductive consumption (military expenditure etc).

KKondo: Professor, could you give me examples of “markets in exports, luxury consumption, investment, and in unproductive consumption (military expenditure etc.)” in today’s society? And is it possible that capitalists create a “need” inside those markets to then explore them?

Hans: The schoolbook example is the Chinese economy. They have low final demand from wages, but astronomical rates of investment and export. In the US, the gap in final demand created by low wages is filled by military expenditures, a bloated healthcare sector, and luxury consumption. This demand is created by US foreign policy and a broken healthcare system which funnels surplus-value into the healthcare industry, and the tax breaks for the rich. An increasing part of final demand is going into reconstruction after natural disasters. One might say the “need” for this last market it created by the capitalists’ decades-long refusal to do climate mitigation, see the Durban talks again this year. Energy is playing an increasing role in final demand. A good part of final demand in Canada goes into tar sands investment; in Japan into the reconstruction after the Tsunami and Fukushima cleanup. Investment in fracking, tar sands, and the cleanup after the Gulf Oil spill in the US belongs in the same category. This final demand is created by the capitalists’ reckless pursuit of expensive and risky fossil and nuclear energy. In Germany and Denmark, investment into renewable energy is an important part of final demand.

First Message by KKondo is [153].

Term Paper 953 is **786** in 2007fa, **811** in 2008SP, **816** in 2008fa, **849** in 2009fa, **920** in 2010fa, **983** in 2012fa, and **1009** in 2013fa:

Term Paper 953 *Term Paper on the Externalities of Capitalism, i.e., on the positive and negative local and global impacts of production in the name of profits.*

[1100] Alex and Skiingforlunch: graded A Published in 1867, Karl Marx’s Capital reveals many negative, as well as some positive, externalities to capitalist economic system that are still extremely relevant today. While many of Marx’s socialist views are often dismissed as radical, some of his critiques of capitalism are very accurate – especially in today’s economic climate. Capitalism has gained a position of notoriety in society, sometimes more as a result of political movements than actual economic principles. For example, the nearly worldwide crusade against socialism has painted Marx in a harsh light, while capitalism gets linked with democracy and is seen as the savior of many nations.

Despite Marx’s valid critiques of capitalism, in the more than 100 years since Capital was published we have seen capitalism not only endure, but also actually proliferate on a large

scale. Even though Marx tended to highlight the negative aspects of capitalism, he also acknowledged a few positive externalities associated with this system. The accumulation of capital leads to increased productivity of labor. Higher productivity leads to faster accumulation and increased creation of surplus-value. Marx noted that large-scale production can really only be achieved in capitalist form. Individual laborers generally do not have access to the means of production. As such, capitalism allows them to sell their own labor-power to those who do have access to these means of production. In theory, this allows the individual worker to capitalize on his skills in a way he may not have been able to otherwise. Capitalism provides an opportunity to gain wealth and live comfortably. It is not guaranteed, but the possibility is there.

One of capitalism's strongest inherent traits is its ability to create entirely new industries. Capitalism creates profits that capitalists in turn invest in themselves, which leads to innovative new modes of production. Development in pharmaceuticals and technology industries are examples of this phenomenon in today's economy.

While capitalism definitely has its positive qualities, Marx focused much of his attention on the negative aspects of the system. As noted in the Annotations, capitalism does not guarantee survival. One of the main negative externalities of the capitalist system is unemployment. Capitalists see a benefit to keeping unemployment in the economy, because they see such laborers as a reserve army.

This reserve army benefits the capitalist in a couple of ways. It allows them to depress the wages of the employed. Also the capitalists need this reserve army for times when accumulation suddenly expands, which requires them to have additional labor ready to employ. Though it has benefits to the capitalist, unemployment is inherently a bad phenomenon for laborers. It creates social and economical divides in a society. One particularly harsh type of unemployment is known as pauperism, which is essentially the result of capitalism turning the employed into unemployed, and the unemployed into paupers. This leads to an extremely poor social class, one typically filled with those unable to provide for themselves, orphans, and criminals.

Capitalists strive to expand their productivity and accumulate wealth. However, increases in total amount of wealth and capital lead to bigger firms. The increased concentration of wealth in the hands of capitalists leads to a broader base of large-scale production, which in turn extends the reach of capitalist methods of productions. In a sense, capitalism can be self-fulfilling. As a result of wealth becoming concentrated in the form of large firms, credit emerges as a tool in the competitive battle amongst capitalists. In this competition war, small firms are often left to cannibalize each other, with many small capitalists going under. This results in some of their capital be subsumed by the surviving small firms, while the rest of the capital disappears completely.

Business cycles are another negative trait of capitalism. Credit is often seen as the cause of business cycles, but Marx pointed out that business cycles are actually usually caused by the capitalists' shift in commodity production in their pursuit of greater wealth. This is tied into unemployment, as the capitalist needs to draw on that reserve army in order

to exploit an opportunity for expansion. Capitalists both need unemployment and generate unemployment, which greatly relates to the swings in business cycles seen in capitalism.

Even capitalism's apparent positive traits can actually be seen in a negative light, depending on from which perspective an issue is looked at. The higher productivity achieved in the capitalist process does indeed lead to increased wealth, but the capitalist, and not the laborer typically largely enjoy it. The growth in labor-power is mostly captured by the capitalists for their own gain. The relationship between capital and labor is generally not a truly mutually beneficial one – the capitalist tends to benefit much more than the laborer. The accumulation of capital and wealth is basically always contained amongst the capitalists themselves. Rarely does this mass accumulation trickle down to the laborers.

In spite of fairly clear evidence of the negative externalities of capitalism greatly outweighing the positive externalities, capitalism has survived and even thrived worldwide since Marx's death. It is so engrained in today's society that even when capitalism's shortcomings are painfully apparent, the typical response does nothing to change the imbalance caused by capitalism. Indeed, the clear intent of most policy makers is to hasten the spread of capitalism, often in spite of its negative effects. The recent financial crisis is a tragic example of how capitalism can run amok. Now would seem to be a perfect time to take another look at some of Marx's principles and try to implement some of the stronger aspects into our current system.

Hans: You see it as a good thing that capitalism allows workers to gain access to the means of production by selling their labor-power to the capitalists. By the same reasoning you can say slavery is good because the slave owner gives tools to the slaves. Workers and means of production have to be brought together somehow in every society, the question is on what terms. A Marxist would say that selling one's labor power and working for others is deeply alienating, comparable to prostitution.

I am a little surprised that you don't mention the destruction of the environment, which in my mind is the most compelling and most urgent reason why capitalism has to go.

First Message by Alex is [216] and Next Message by Skiingforlunch is [1170].

Term Paper 955 is **835** in 2003fa and **835** in 2004fa:

Term Paper 955 *Essay about Current Struggles against Exploitation.*

[1129] CRC, GrouchoMarxist, and Vegas: Capitalism is a seductive and enigmatic mistress. Over the course of the last 250 years it has emerged as the dominant force in the international marketplace. The capitalist system appears to be almost unstoppable in its spread to new locales and in its adaptation to new systems. It produces previously unimaginable output and generates staggering wealth. In the eyes of some it is the epitome of freedom, almost a deity unto itself. This raises the question, how is capitalism possible, and at what cost?

Capitalism has a history as dark and immoral as the hidden nature it has done so well to conceal. It is a system by which the few reap the benefits that are sowed by the many, and that possesses the unique ability to continually maintain and regrow itself even in the face of stark popular opposition. The frequent and systematic exploitation of the working class is often done secretly never allowing even the slightest hint of foul play to the laborers that make the system possible.

By extracting surplus value the capitalist is able to benefit at the expense of the many, and by extracting willpower and skill from “his” workers the capitalist is able to continue the cycle of exploitation for his own gains. Although more prevalent at its roots, the exploitation of the capitalist system is present even today and can be witnessed in both public and private life the world over. By supplying those who do not wish to work the means and by denying those who do their needs capitalism is and will continue to be a philosophy rife with dependence and abuse.

In accord with two of Marx’s theories put forth in the first volume of *Capital*, the desire of the Capitalist to increase the rate of accumulation of surplus value by way of continued squeezing of laborers’ wages and the existence of a perpetuating cycle in capitalist societies that serves to suppress the working class’ abilities to challenge the system that continually abuses them, Wisconsin’s Republican controlled legislature and Republican Governor, Scott Walker, in February 2011, introduced a package of bills that were specifically designed to place the burden of a failed budget onto the working class, and weaken their already feeble voice, all the while concealing its true intent with popular Conservative rhetoric.

A hallmark of Capitalism is the capitalists desire to increase Surplus Value, most often times at any cost to the laborers employed by the individual Capitalist. Marx, throughout *Capital*, explains various methods employed by the Capitalist class to extort laborers. Most pertinent to this discussion will be the method of increasing Surplus Value by way of decreasing real wages, and making cuts to benefits. As an example of this, examine the recent attempts by the Wisconsin legislature to embolden the Capitalist class and legislate abuse. Included in the bills proposed in February is the demand that laborers must contribute an increased percentage to their pension and health care packages, amounting to an 8% decrease in take-home pay. While this exploitation was veiled in trendy, Conservative idiom, touting the responsibility of the state government to tackle an overstretched budget, the reality is quite simply that this measure was a direct attack upon the working class and a levying of responsibility for the budget gap onto the backs of the working class while the Capitalist’s government officials remain protected from wage cuts and the robbing of their promised benefits. However, most importantly, this is an example of government interceding on behalf of the Capitalist class and not only allowing them to employ unscrupulous methods against their laborers to increase Surplus Value, but legislating that laborers cannot legally voice their opinions of dissent on the issue. It is often times in this very manner that government is complicit in the maltreatment of the working class.

Second, Marx argues for the existence of a cycle that is perpetuated in Capitalist societies with the intent of maintaining the working class’ subservience to their Capitalist peers and their collective inability to challenge the system that binds them to a life of struggle. Important here will be the manner in which an outright assault is conducted against education in Capitalist societies. The suppression of quality education is perpetrated in such a way that the working class, largely unable to afford private schooling, is subject to continued cuts in education funding, and exposed to a system where it is increasingly easy for a student to drop out before obtaining a diploma, and thus be forced into the job market prematurely, and most often times without any means for demanding anything more than a minimum wage. For example, the collection of bills proposed in Wisconsin in February included a

\$1.5 billion cut to public school funding and local government, and was falsely justified by the Republicans in the state as a necessary cut for balancing the budget, although tax increases on the wealthy, corporations, and businesses, were strictly kept off of the table as options for addressing the budget gap.

The industrial revolution in Europe and the United States was fraught with exploitation and examples of dangerous and unsafe working conditions. As a country begins the maturation process from an agriculturally, to an industrially based economy certain liberties are consistently and inarguably taken by the capitalist at the expense of the working class. Although the western world's industrial hey-day is long since passed this tradition of extreme exploitation is continued in the developing economies of Africa and East Asia. In 2007 The New York Times published an article on the conditions that India's working class endures in the production of New York manhole covers. The article which focused on Shakti Industries, first and foremost described the abominable working conditions of the foundry's laborers. Safety glasses were infrequent; most workers performed their jobs barefoot (including the pouring of 2500 degree molten iron), and the majority of the workers went bare from the waist up. The products that the workers made were then sold to the US at between 20%-60% below domestic rates at a quantity of approximately 2750 units annually (NYC alone).

The case of India's working class is addressed by two of Marx's main arguments against capitalist exploitation. The price of a product consists primarily of the material that goes into making the product and the labor required to manufacture it. As material costs remain approximately the same in India and the US this means that the 20%-60% savings is being taken out of the value that is created via the labor process. The workers' surplus value is not only being directly garnered by the capitalist, but the capitalist is removing a further, and much larger portion of the surplus-value to make his products more appealing to foreign consumers. Marx argues that the value created by the worker that is reinvested in the business is the property of the worker as he is the source of value in the enterprise. The failure to reinvest the workers' surplus-value into the business and the resultant working conditions is merely a further denial of the workers' right to reap the benefit of their labor-power.

Marx states that it is in the capitalist's best interest to maintain his relationship to his workers. In 2006 the World Socialist Web Site published a report on the conditions that many of India's children face on a daily basis. Reports of poor conditions, long hours, low pay, and sexual abuse are consistent in one primary regard. By denying working-class children access to education and healthcare resources the Indian capitalist is successfully removing the threat of a middleclass before it is quite literally able to mature. Some sources predict that one half or approximately 100 million children in India are out of school and working. Three quarters of that number are girls who would otherwise compete for jobs and status which they historically have not had access to. By denying the working class access to education though miserably low piece wages (parents have been reported to earn as little as \$2 a day with children earning as low as \$1 a week.) and poorly supported public programs, the capitalist is removing the threat of competition and rebellion in generations to come. This prolonging of the cycle of exploitation has traditionally grown less intense with time, but can only completely disappear when the current system is no longer in place. The

capitalist, be he Indian or American, old wealth or new, will always seek to gain benefit at the expense of the working class and to continue his cycle of usury, abuse and petty theft.

Hans: Very good characterization of capitalism, just three points:

You are not describing current struggles *against* exploitation but you are describing class struggle from above.

Although you say that capitalist is “often done secretly never allowing even the slightest hint of foul play;” your examples do not illustrate this but seem very blatant examples of exploitation to me.

It would have been good to give references.

Next Message by CRC is [1134], Next Message by GrouchoMarxist is [1156], and Next Message by Vegas is [1145].

[1130] Clavis, OBJ, and Clmrgrl: In capitalism Marx states that exploitation is a result of the capitalists working to create surplus value. Workers are being required to work beyond what is the necessary labor in order to earn their daily wage.

We see this happening in modern society in many forms and it increases with advances in technology in production and workers becoming more skilled. Hans states in the annotations 683 that with increases in productivity the reaction is perverse and rather than providing more wealth to everyone it actually leads to higher unemployment and lower wages.

Currently in the United States the unemployment rate is very high. Yet workers are being more productive especially with the advances of technology. This is indicative of high exploitation of the workers that do have jobs. Capitalists currently are working hard to keep unemployment high. They have worked hard to suppress unions, have shown refusal to hire more employees, and suppress wages. This is making laborers work harder to create more but they are increasingly taking home less and take this because of the fear of unemployment.

Capitalists have created higher exploitation through neo-liberalization, which includes deregulation and flexibility of labor. Deregulation has made the financial sector more profitable and this has made capitalists have higher focus on financial profits rather than increasing output or productivity. With flexibility of labor capitalists are able to keep wages low. This has been to the detriment of the workers.

Workers are becoming more aware of this exploitation. This has been shown in many forms this past year. The Occupy Wall Street movement has been working hard to show how much workers are being exploited and the need to fight capitalists for a fair share of surplus value and for better regulation. They are doing this through many means. They have staged protests and have put forth a list of demands to get fair treatment and equality for the working class.

In February in Wisconsin teachers saw that their wages were going to be suppressed further so they took to the capital to fight for fair and higher wages. Although they fought for fair treatment and wages the strike was unsuccessful and as a consequence approximately 40% of teachers lost their jobs.

Another way that the working class is unknowingly fighting exploitation is through a decline in the birth rate. The birth rate has been on steady decline as workers are not able to afford and sustain children easily. This is bad for the capitalists. Marx states in 784:1/o “A surplus population of workers is a necessary product of accumulation of the development of wealth on a capitalist basis. However this surplus population also becomes, conversely, the lever of capitalist accumulation, and indeed a condition for the very existence of the

capitalist mode of production. It constitutes a disposable industrial reserve army, which belongs to capital just as absolutely as if the latter had bred it at its own cost. It creates a mass of human material always ready for exploitation by capital, according to capital's own changing valorization requirements, independently of the limits of the actual population increase."

Workers will continue to have struggles with exploitation as the exploitation limits their free time and ability to push for better treatment. While there have been movements this current year the working class still has a long way to go in order to achieve more equality.

Hans: A Marxist would never say that workers fight for a fair share of the surplus-value. In the Marxist view, the wage labor system is inherently unfair. Workers should have democratic control over their work life. But this authoritarian structure is not Marx's only grievance. Marx has coined the word "alienation" for the poisonous condition of having to work for someone whose interests are diametrically opposed to your own.

First Message by Hans is [0].

Question 957 is **851** in 2009fa, **921** in 2010fa, **987** in 2012fa, and **1013** in 2013fa:

Question 957 *If capitalism is as bad as Marx says, why isn't there an open rebellion against it?*

[1146] Vegas: Open Rebellion Against Capitalism. I feel there are two intertwining reasons why there isn't an open rebellion against capitalism. Firstly, as I've read Marx I've come to the conclusion that capitalism is fueled by greed. If one wishes to succeed in capitalism they must be greedy and that not only are the capitalists in our society greedy, but the workers being exploited are as well. Having something that is good enough, will never be good enough for people in a capitalist society. I have an iphone, not because my last phone didn't work or wasn't good enough but because I wanted the latest and the greatest. It's these wants taking precedence over needs that allow capitalists to blind the general population and perpetuate the system of capitalism. The second point is an addition to this point in that capitalists must veil the faces of the exploited. By using these dynamic material things, capitalists can keep a metaphorical carrot in front of people's faces in order to continue their accumulating.

Hans: Capitalism is a greedy person's dream come true, but Marx's analysis should not be summarized as "capitalism is fueled by greed." Marx does not explain capitalism by the motivations of individuals. It is a historic phase in the development of the social production process which was originally progressive but which has become an obstacle to further progress and even lethal for the continued existence of our civilization.

Message [1146] referenced by [1166] and [2012fa:1572]. First Message by Vegas is [243].

[1166] Clmrgrl: Open Rebellion Against Capitalism. Currently this past year we have been seeing more open rebellions towards capitalism world wide. We have seen this through the occupy wall street movement, the riots of the working class in London, and the long continued fights for labor unions rights and ability to exist.

However it has been shown that it is extremely difficult to bring these revolts to a large enough scale to initiate any major changes. This is happening for a few reasons:

1) Most of the working class is already struggling to make it day to day. It takes extra time and energy to invest in fighting for better rights. By the time most get home from their day of work the only thought is to spend time unwinding and preparing for the next work day. Most of the working class simply feels they do not have time to invest in a revolt.

2) Vegas [1146] is right that the workers are greedy as well. The working class here in America loves to consume and consumption becomes more important at times than worrying about being exploited.

3) Most of the population knows they are being exploited when they work but they are not truly aware of what extent they are being exploited. It is not apparent at the surface.

3) Capitalists have a lot of power. They control the means to production which also means the only way for the working class to get wages. They also have control of the surplus value. The surplus value is able to purchase a lot of things including controls and regulations that are of a benefit to the capitalist and of detriment to the working class.

In order for a true revolt to happen the population would need to become better educated as to what is happening to them and to have more freedom of time so they have the capacity to start to fight back and demand more. This would also have to include the surplus population to agree and being willing to fight so that the capitalists can not pull from that labor supply either.

Message [1166] referenced by [2012fa:1572]. Next Message by Clmrgirl is [1186].

Question 968 *If the difference between C-M-C and M-C-M is real and as important as Marx says it is, it should show up in real life. Do you know real-life situations where this distinction is relevant?*

[577] Hayms: I am very interested in hearing what the class has to say about M-C-M in our daily society. What are your opinions on M-C-M and do you think it is only the form of merchant capitalism, or do you agree that it is the basic general form of capitalism? How does this affect our society?

Message [577] referenced by [594]. Next Message by Hayms is [656].

[594] Hans: M-C-M in daily life. M-C-M in daily life, as suggested by Hayms [577], is a great issue. If the distinction between C-M-C and M-C-M is real and as important as Marx says it is, then it has to play a role in real life. I think it shows up in the difference between linear time and cyclical time made by Mackenzie Wark's in his book *Beach Beneath the Street*. Think of linear time as moving on a bicycle, and cyclical time as moving on a treadmill.

Here is a posting which Alan P. Rudy, Assistant Professor for Sociology, Anthropology and Social Work at Central Michigan University, made yesterday (Oct 27) on Doug Henwood's LBO-Talk mailing list. The quoted text is from Charles Turner, and the unquoted text from Alan Rudy:

Well, from Mackenzie Wark's new book *Beach Beneath the Street*:

"Two kinds of time meet and mingle in the everyday. One is a linear time, the time of credit and investment. The other is a cyclical time, of wages paid and bills due. This is how class makes itself felt in everyday life. Linear temporality is ruling-class time; cyclical temporality is working class time."

I don't know this literature, would I be right to see these as M-C-M' time vs C-M-C time

“The everyday also has a third kind of temporality, the time of adventure, which is perhaps a remnant of aristocratic time. A notable characteristic of the Letterist International, which persists in the Situationist International, is a longing for the time of adventure.”

“Adventure is nothing if not the practical refutation of boredom.”

Similarly, the life of adventure is then the life of the socially self-reflexive production and pursuit of use-values as the means and ends of species being? And boredom is the asocial, commodified and alienated/anomic life of modern capitalism writ large?

“What could the everyday become? ‘Could it be some sort of grand game without any precise objective?’ The colonization of everyday life by the commodity form diminishes the role of collective experience, yet groups persist.”

Message [594] referenced by [598]. Next Message by Hans is [595].

[598] **SSroy: M-C-M vs C-M-C.** This most recent email from Hans [594] regarding Alan P. Rudy’s commentary regarding cyclical time and linear time presents an interesting concept on which I will briefly comment. If I am understanding what Professor Rudy is saying, he is suggesting a fundamental difference between a person who works for a wage and a typical capitalist’s perception of time. Time is a progressing linear movement that has remained constant from the beginning of human understanding. Second after second, minute after minute, time has continued and will unquestionably continue uninterrupted. There are perhaps no other natural laws as consistent as this. So why would there be any difference in how it is perceived? I see the concept of M-C-M time vs C-M-C time as valid and applicable in this case. A person who sells their labor-power on the market has certain expectations: the wage they deserve, a limit of physical requirements, certain days off, non-monetary benefits, etc. They also then expected to complete the tasks they are assigned. The levels of difficulty and variety of tasks may differ, but the most basic input in wage labor is of course, time. This is important because a person’s time spent in wage labor is also time sacrificed in pursuit of other endeavors which may produce more beneficial results than simply the ability to purchase commodities, (often overpriced or overvalued by marketing). When a person has the ability to dictate what they are able to spend their time doing, as opposed to the requirement of wage labor for near subsistence living, they can pursue endeavors which may produce benefits that far exceed those of any available commodity. The capitalist has this option. Instead of viewing time as a means of accomplishing the necessity of paying bills, it is an open frontier with endless possibilities. Without the stress of being at work at a certain time each day, they are free to set their own agenda and have greater opportunity to pursue arguably every persons life goal, fulfillment. With billionaire Steve Jobs’ recent passing I have caught myself often reflecting what I would spend my time doing if I had no financial worries and few limits on what I could pursue. As I drift back to reality I ask the question; if every person understands the finite characteristic of their life, why not spend the maximum amount of time in pursuit of fulfillment? I think Marx has something to say about that.

Next Message by SSroy is [689].

969 *Discussion of the Occupy Wall Street Movement*

[556] BrotherThelonious: With everything that's gone on in the economic landscape over the past few years, it's a really interesting time to be taking this course. The collapse of the economy has led to really relevant things lately. I'm thinking particularly of the Union issues in Wisconsin a year or so ago which was very much a matter of Governor Scott Walker taking power away from and exploiting the workers. Now, we have all of the Occupy Wall Street protests that are quickly spreading across the globe. We seem on the breach of a global economic revolution where the workers are sick of being exploited by the owners of capital. Where will this lead? Is there a chance that these movements are effective at all? Is there any way this leads to some sort of shift that puts some of the power back in the hands of "the 99%"? What do you think?

Message [556] referenced by [562] and [588]. Next Message by BrotherThelonious is [636].

[562] Syd: In response to BrotherThelonious free discussion [556] regarding the occupy wall street protests and the shift in the economic landscape. In my opinion the working class or 99% are unhappy and voicing their discontent with the elite and corporations that they believe controls the nation's wealth. The occupy wall street protests started in New York City and eventually spread to every major city in the United States. They have now expanded even further with protests around the world. In my opinion the 'occupy' movement has spread globally due to social media and also the globalization of world markets. The great recession that started here in the United States resulted in a spill over effect which hit several of the major global markets. The frustration felt by workers against the owners of capital is a world wild movement. Although I have a clear understanding of the 'occupy' movement's main message towards the 1%, I do not have a clear understanding of their proposed solutions to these issues. The movement obviously has a large amount of individuals frustrated about the current economic situation. The main question I have, is what solutions do the individuals of this social movement have? Do they have a clear set of principles they would like enacted? Does the movement have a clear set of objectives they would enact to actually produce a real change? What do you think about this 'Occupy' movement that has spread around the world?

Next Message by Syd is [584].

[588] Badawn: Brother Thelonius, it is an interesting topic that you bring up in [556]. I don't know if all the power is going to go back to 99% of people being exploited by capital owners. I do not think that we will see much of a change. After all American capitalism hasn't had a large drastic shift from the capitalistic mindset in a very long time. My thoughts lean more to long slow change so I do not believe that we will see much change from these current events.

Message [588] referenced by [591]. Next Message by Badawn is [675].

[591] Cheeto: Capitalism Teetering on Verge of Meltdown. Badawn [588] states that she/he predicts that changes to the American mindset of capitalism will be slow and that there may be little to no shift to the 99% of society. I think in some ways he is correct, however, I cannot help but feel that he/she may have completely overlooked the current status of capitalism right now. Currently, the system is teetering on the verge of complete meltdown. The 99% feel left out, abandoned, and overlooked while Wall Street has declared that all is well due to the stock market coming to life again, but overlook the financial

crisis in Europe, political gridlock in the United States, the trickle of capital due to toxic, artificial assets, and angered masses across the world who feel as though their futures have been disposed of so to save the 1%, or better yet, the “job creators”. This is not a good combination if this system wishes to sustain itself and I know that I have not listed all of the issues facing the system at the moment. These issues, however, have inspired thought with many people that we need to rethink things. That a system that is more inclusive, less exploitive, and more humanistic is needed, where people of all statuses can reach the potential that they want and will no longer be marginalized or be another victim to a society currently in the middle of a culture war.

I want to end this with a question so to see others opinion on this subject, however. Despite the issues that currently face the worldwide capitalist system, there is one issue that has sparked my attention. What many do not think about is that this system is HEAVILY dependent on cheap energy, which is almost exclusively fossil fuels. Unfortunately, this energy is not infinite and is part of the supply and demand process, which means as supply lowers, its price must rise; creating massive shocks to a economic process which relies almost exclusively on it in order to function. Furthermore, this energy has evidence supporting that it is causing massive environmental issues, both in the use and abstraction from the earth. Do others have any thoughts on this contradiction of basing an entire economy on the assumption that energy will be cheap and powerful, but the energy used is detrimental to the environment that the economy functions on and that it is not infinite?

Message [591] referenced by [603]. Next Message by Cheeto is [611].

[606] Gonz: Occupy Wall Street. I understand there have been brief discussion on the ‘occupy wall street’ movement, but I wanted to get some insight from people who might understand the situation a little better than I do on what exactly is trying to be accomplished with these movements. I understand it is political in agenda, however, these movements are exploiting economic deficiencies in the capitalistic system. And I think that is relevant subject matter that pertains not only to this class but our lives.

That being said, I understand that these protests are in response to the enormous gap between the wealthiest 1% and the rest of the 99% of citizens. Now it is unlikely that these protests will accomplish anything, I find it interesting that there is such a movement towards equality in terms of financial structure among Americans. At the same time, I wonder if closing that gap is a plausible prospect. And if so, how would that affect, negatively or positively, the economic structure?

Next Message by Gonz is [630].

[608] Blossom: I’ve read from some of my other classmates in their discussions on the Occupy Wall Street movement, that “this movement is the result of capitalists owning the means to production explicitly, and exploiting the labor of the working class”. I don’t think this is correct, because in order for capitalists to exploit laborers, the laborers have to be working. But there is a shortage of working capital in this country, thus all of the unemployed individuals.

So, Occupy Wall Street has not come about due to people being forced to work for means to surviving, but as a lack of this work as a result of capital being exported. On the other hand, Occupy Wall Street has come about as a result of deregulation of the financial markets,

which has led to collapse of many businesses, a shrinkage of credit and loss of personal assets such as homes, and common stock.

Next Message by Blossom is [769].

[610] Web: Re: Occupy Wall Street. I have heard many interpretations of what the Occupy Wall Street Movement wants. They hold signs about being the 99% (referencing the wealth gap in the US), about corporate greed, about the role of corporations in politics, about the wars we are involved in, and many other issues. The most comprehensive explanation I have heard is that they are arguing for participatory democracy. In the way they make their voices heard and sort through pragmatic issues among themselves, this is what is occurring—everyone gets a vote, everyone can speak their minds, bring up issues, and be heard.

As far as what the movement may be doing unconsciously (or consciously for some perhaps) is bringing the class struggle to the forefront. I think this movement is relevant to the class we are taking, in that some may see parts of the system that they are forced into and are beginning to fight back. They see the ruling classes and their representatives (the elites, capitalists, politicians, corporations, the affluent, the “job creators,” whatever you want to call them) as creating policies which have nothing to do with their own interests. To say class struggle in America immediately in the minds of some puts you into a left-wing, radical box and is a way to temper any further discussion about our realities. For the past 40 years wages have stagnated and the wealth of the top 20% has increased. Whether you phrase it in any certain terms, class is a huge issue in America today.

In response to Gonz’s second paragraph, I have heard different solutions put forward, such as participatory economics, but whether or not this movement will make any real change, I doubt as well as Gonz. As to whether the gap can be closed, we hear in neoclassical economics that equality is a negative—it decreases incentives to work hard, which would slow or stop growth (horrors), but too much inequality is also a negative. I also think it would be useful to set a time frame to discuss this in (for example: will there be an international communist uprising in the next year. . . solid “no.” Will there be an internationally communist uprising in the next thousand years? Possibly. . . we humans haven’t wiped ourselves out by then). So in 30 years can the gap be closed? We have to get rid of the idea of the American Dream. . . as harsh as that may sound, I think the myth of social mobility in this country is a hindrance to the sort of equality some may like to see. If we believe that everyone can make it if they just work harder, this makes the system seem fair. And I think even the O.W.S. people probably believe that the system is fair—it is just corrupt politicians and greedy businessmen who have screwed things up. So why change an entire system which appears to be fair, and seems to at least afford equality of opportunity?

Another aspect, I think relates also to what others were saying about the dirty (but cheap) energy. We may espouse every few years that we want to end our addiction to oil, and change to clean energy, etc., but every time, economics will trump the environment. What I mean is, think of what closing that gap would mean. Massive redistribution, possible planned economy—in my opinion capitalism is not set up for that type of equality—and that would mean complete crises (I just am doubtful there would be any way to make a smooth transition). . . people would probably migrate to other countries, businesses would close or

move as well. And I doubt anyone would be willing to make that type of sacrifice, same as trying to sacrifice cheap fossil fuels for more expensive (initially) green energy.

Just my opinion.

Message [610] referenced by [614]. Next Message by Veb is [617].

[614] CameronCottle: Occupy Wall Street. This goes along with Veb [610]. I have to agree that the “Occupy Wall Street Movements” have shed some light on what many American’s are feeling in these hard financial times. I believe it is great to act on the rights guaranteed to us by our constitution and let it known the anger that some feel at the obvious inequality of wealth distribution in the United States. So I agree with much of the cause but I question the effectiveness of it.

From all that I have read and watched about the movements, they seem to lack formal organization and leadership. So there cause is good but I do not how effective it will actually be if all they do is camp out in parks and hold picket signs. From all the interviews it is very clear what their problem is but it is not clear to what their solution would be. As pointed out by Veb, there are many ideas on what a resolution could be but not a consensus.

It seems that the movement is great at pointing out what is wrong but really does not have the formal leadership to lead the movement to finding an actual solution in the form of a constitution amendment or other solution like that. As long as it does not have a clear and precise goal for the entire movement to work towards, then it’s effectiveness in inspiring actual change will sadly be lessened.

Now also In response to Cheeto [611], I think the ideas brought up about cheap energy are very relevant to this discussion. Because what we have to realize is that compared to most of the world we are like the 1% in the United States. When we look at other developing nations, how many of us are willing to give up what we have so that they can have more? It’s a hard moral question to answer because in truth it could result in your children having less than you had so that the world can have more.

The point Hans brings up about the degradation of the environment in third world countries is a great point. The issue is that in most developed countries environmental destruction has already reached a very high level. For example look at the bread basket of the United States and other places in the United States that use to be covered in woods or plains. We already destroyed many of those ecosystems in our development and it is only now once we have reached being one of the developed countries have we become aware and have the economic ability to be both clean and productive.

Most of the developing countries are going through the same and the world’s worst environmental destructions happen in such countries. This is something that we will have to face in the next century and somehow work to overcome.

Message [614] referenced by [635]. Next Message by CameronCottle is [627].

[635] Jami: Marx and OWS. In response to CameronCottle [614], I wonder what Marx would think about the Occupy Wall Street Movement. I read a quote from Joseph Stiglitz, Nobel Economics Prize winner and former president of the World Bank. Addressing the Occupy Wall Street occupiers, he said, “You are right to be indignant. The fact is that the system is not working right. It is not right that we have so many people without jobs when

we have so many needs that we have to fulfill. It's not right that we are throwing people out of their houses when we have so many homeless people. Our financial markets have an important role to play. They're supposed to allocate capital, manage risks. We are bearing the costs of their misdeeds. There's a system where we've socialized losses and privatized gains. That's not capitalism; that's not a market economy. That's a distorted economy, and if we continue with that we won't succeed in growing and we won't succeed in creating a just society."

Marxian economics is so dramatically different from mainstream economics that I wouldn't dare to venture a guess on what Marx would think about it. Does anyone care to comment on this? I would be interested to see what Hans says.

Next Message by Jami is [1049].

[646] Syd: This free discussion is regarding the Occupy Wall street Protests. This may be a bit off topic, but the protests lately have seen in increase in resistance from the police. With a larger portion of the population participating in these sort of protests, what sort of stance will the police-government take in resisting the protesters. Recently there has been plenty of media attention on police brutality against protestors in Oakland, New York, and recently Atlanta. In my opinion, the manner in which the police-government react to the protesters may play a big role in whether the O.W.S. movement is something that can build some longevity, or is it merely a movement that will die down with in the next couple months. Recently in Oakland the police force was noted as using pepper spray and tear gas against the protestors. The way i see these protests continuing, the harsher the backlash from the police-government towards these protesters, the greater the anger, intensity, and passion the protesters will have towards the movement. This passion towards the O.W.S movement could intensify and the movement could possibly expand. Recently this last spring citizens participated in the Arab spring which effected the political landscape of those countries. What intensified the Arab spring was the reactions the government/military in those countries had towards the citizens. Although it may be a bit early to relate the Arab spring to the O.W.S. movement here in the United States, i do see a few direct parallels between the two movements. Specifically the backlash from the government/ police.

Next Message by Syd is [824].

Compiled by **Hans G. Ehrbar** 2014-09-17 17:05:46.