The Role of Commodity Money in Marx’s Theory
Money as the Measure of Value

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There is a tension throughout *Capital* between commodity and bank money, particularly in connection with money in its capacity as measure of value. The theory of money as universal equivalent does not depend on money being a commodity. Neither does Marx’s case that money must be embodied (or cannot be purely ideal). It is only in connection with money’s function as measure of value that Marx asserts that symbols of the money commodity are insufficient. Yet this is the one function that requires no real money or that can be performed by ideal money. Moreover, Marx makes this assertion at an early stage in the argument of *Capital*, where money is treated in the form that is given to capitalism by precapitalist modes of production. This form of money is later shown to be inadequate by Marx’s argument that capital internalizes money, creating bank money as its own form of money.

This tension (together with Marx’s incomplete account of the credit system) leaves the conception of money as measure of value open to a wide variety of interpretations (ranging from arguments over how the value of gold is determined to the proposition that the credit system involves a new kind of game unrelated to labor values). Proposed interpretations of money as measure of value will be linked to the conceptions of labor as the substance of value that underlie them and to the conclusions regarding the determination of value magnitude that they seek to support. The paper aims in addition, to evaluate the status of Marx’s assumption, throughout *Capital*, that the value of money is constant (which is especially problematic for the view that money is value, but is also questionable simply because the value of money can have no expression).