

Some preliminary thoughts on Martha Campbell's "Marx's explanation of money's functions: overturning the quantity theory" (ISMT-2003)

by Geert Reuten (19 July 2003)

I think we agree (Campbell and myself at least) that "quantity of money" plays no role in the measurement of value *überhaupt* (i.e. in abstraction from a standard). I think this is a main point of the paper [correct?]. ('It follows that everything to do with the actual existence of money – how its is created, how much there is of it – is irrelevant to the measure of value function' – page 6.)

Then in the end Marx does have a "quantity of money *circulation* theory of price" (the name quantity theory of money is confused anyway, since for the proponents it is a "quantity of money theory of price-level") – even if it is about an inverted reality (p.18), it has nevertheless real effect [is this a correct summary-statement? – if so, the reality might be somewhat more stressed in the paper].

When it comes to circulation I am confused about Marx's meaning of "money in circulation" (I have the impression that a money commodity notion lurks behind this in Marx – de-coining).¹ Crucial then is the (demand determined) velocity of the "total" amount of money (as it is for Keynes).

Generally I find Campbell's interpretation of the role of the QTM-critique in Marx's account very interesting and feasible (that is as one or the (?) *dominant* thread of Chapter 3 – this seems to be her suggestion – I have to think much more about it before being convinced – but that has also applied for me to Martha's previous papers!). Nevertheless I believe that Marx's commodity-money basis is unnecessarily somewhat brushed away (finally in Marx's account of world money, page 27; cf. the last sentence of §2.i.a on p. 17 about progressive ideality). This brushing makes the general argument less instead of more convincing.

I have one specific remark on "symbol" (page 3-4). A symbol is a symbol of something (symbol of value is quite different from symbol of money). Given the concept of money ('value has no way of being presented except in money' – p. 3) we can have various symbols of *money*.

I think (as current practice shows) that value can be measured qua standard by something purely nominal (an accounting system) – I would consider that a 'material shape', 'objective' as well as resulting in being object in the sense of aim ('objective' has a double meaning in English; its translated counterpart usually not); can we say (cf page 4) that 'value is embodied in the material shape' of accounting money (i.e. book-keeping entries)?

¹ Under the contemporary monetary regime (2003) it is difficult to understand what money "out of circulation" would mean – reserves of commercial banks imply circulating potential, i.e. of credit money).