Comments on Chris
Tony Smith

This is a very stimulating paper that takes your already thoughts about money to a further level of sophistication. I thought your defense of the role of non-commodity money in Marxian theory was completely convincing. The discussion of the three different sorts of measure illuminates not just why Marx was mistaken, but why he went down a mistaken path in the first place. You warnings about talk of “substance” in the theory of value are very well taken, as are your misgivings regarding the notion of the “redistribution” of surplus value. I liked the analogies between money and kings (p. 5) and between the notion of time in value theory and relativity theory (p. 19) very much. I also found the distinctions between "immanent measure" and "immanent determinant," and between "producing" and "positing" extremely helpful (p. 14).

I think my main question about the paper has less to do with your views than with whether certain formulations adequately capture the complexity of those views. For me a crucial passage is found on p. 10: “Marx distinguished value from exchange value on the one hand, and labour on the other… Marx has a 3-place concept of value.” I think this is exactly right. Numerous other passages reaffirm this in the course of the paper, for example, your reference to the "ideal fact" that "the product is socially cognized as value and its source cognized as abstract labour. Insofar as the very aim of production was to achieve valorization one could prioritise abstract labour, but the movement from this to its conceptual correlate, value, is not an activity of production but an objective logical movement: that of positing value" (p. 14) So too the statement later on the same page that "labour is socially presented through the mediation of the commodity form" and the statement on p. 15 that "Labour is not literally abstract but is posited as such by the practice of exchange, the commodity is posited as a value likewise…the objectivity of value …is the objective social recognition of the result of labour qua result."

But we also find other passages such as this one:

"Value has a purely social reality, and it emerges from commodity relations. This means that the universal side of a commodity is not to be found by looking into it, but by locating a suitable relation it has to others outside it."

This sounds very close to Costas’s position, according to which we can examine the value and the value form in terms of relations among commodities. In other words, it sounds like a 2-place concept of value, with labor put in brackets, an account of generalized commodity exchange apart from generalized commodity production. It seems to be that the passage on p. 10 suggests that the purely social reality of value cannot be adequately comprehended without noting how the value dimension is the common property of all commodities produced by privately undertaken labor that has proven to be socially necessary. This too forms the "universal side of a commodity," not just its relations to other commodities.

Another example: “It is our practice of pricing commodities that creates this value dimensional ideally.” (p. 9) The practice of pricing is but a moment of a set of practices, inseparably connected with those defining the way labor is socially (dis)organized in
generalized commodity production. The practice of pricing does not create the value dimension in and of itself. To think so is to reduce a 3-place concept to a 2-place concept. The formulation here suggests that reduction. So too does the later statement that "money is the condition of such a value to obtain, insofar as it sets up the form of universal equivalent and therewith provides a framework wherein commodities may be commensurated" (p. 16, italics added). To say that money is "the" condition rather than "a" condition occludes the fact that the manner in which labor is socially (dis)organized in generalized commodity production is the crucial matter, when all is said and done, however much capitalist money is required for this social (dis)organization. Further, money doesn't "provide" the framework for commensuration apart from a specific type of production relations.

Even worse, in my view, is the following assertion: "Only given the value form can a labour theory of value determination later be addressed." (p. 13) We read again on p. 17 that in your view "Marx unwisely treats the determinant of value in the context of the forms of simple circulation; he should have postponed the issue until the turn to production is situated in the context of the capital relation." It seems to me that these passage are inconsistent with your own insistence that "Marx has a 3-place concept of value" and that “the objectivity of value …is the objective social recognition of the result of labour qua result." The social (dis)organization of collective social labor, the value dimension of commodities, and the value form are all moments of the same whole. To accept that value is a 3-place concept of value implies, I think, all three moments must be taken into account on any level of abstraction. (Of course expositions are linear, which means that on any level of abstraction you can't talk about all three simultaneously. But I don't think that was your point; I take you to be saying here that the labor theory of value determination follows later in a systematic sense.) Of course this doesn’t mean that we can say everything there is to say about the labour theory of value determination on the most abstract levels with which the theory begins. But it does mean that we can’t examine the value form on even the most abstract levels without saying something about the labour theory of value determination.

Regarding this same point you write, "we do not know how actual labour time translates into socially necessary labour time until after the commensuration through the value-form is effected." True enough. But this has to do with the order of our knowledge (epistemology), not the order of being (ontology). In my view, the order in which we come to know things doesn't change the fact that the translations into socially necessary labour time and the commensuration through the value-form are two moments of a single process (which can be examined on different levels of abstraction), not two distinct levels of determinations falling on different systematic levels of abstraction.

After stating on p. 17 that Marx would have been wise to postpone the consideration of labor, the determinant of value, until a later level in the systematic ordering, after the value form has been introduced and production is situated in the capital relation, you continue, "As it stands Marx's exposition gives rise to the mistaken view that the value form, and such associated categories as abstract labour, result from the abstraction carried through in exchange alone, as if production were a purely asocial material process."
People have indeed read Marx this way. But not all misreadings should be blamed on an author's exposition. Is there anything in Marx's presentation at the beginning that logically implies "a dichotomy of production and exchange"? I don't think so. Is there anything in Chapter One that warns the reader against accepting such a dichotomy? I think so. We don’t need to make explicit that units of production are units of capital subject to both intra-branch and inter-branch competition to introduce the distinction between "labor time" and "socially necessary labor time." Marx initially introduces this all-important distinction on the same systematic level as that in which the value form is deduced, the level of Chapter One. I think that was entirely proper. And so I am not convinced that Marx's exposition is to be blamed for the mistaken view that there is a fundamental dichotomy of production and exchange. Of course he then goes on to develop the distinction between labor and socially necessary labor along the lines you sketch so illuminatingly as he moves to more concrete theoretical levels. But the need to do that does not justify the assertion that it was unwise for Marx to treat the determinant of value at the beginning of his theory. If value is a 3-place concept, that is exactly what he should have done, and "postponing the issue" would have been the mistake.

At the end of the paper you contrast your position with one that grants labor values ontological priority over money. (p. 19) My view is that the latter is indeed mistaken. But granting ontological priority to money over the social division of labor is equally mistaken. The insistence that value is a 3-place concept gets the balance just right. My question is whether you think there is a tension in the paper between that view and the quite different claim that money should be derived at the beginning of the theory solely from relations of commodities among themselves, postponing the discussion of labor and production to a later systematic level.

Other matters:

On p. 2 you write regarding the notion of an intrinsic value that Marx's "results are somewhat inconsistent." I'm not sure you ever state why you think this. You make a strong case that his account is confusing due to the way he mixed up the investigation of form and magnitudes (p. 13). But a confusing presentation isn't the same as an inconsistency. The failure to distinguish different forms of measurement is also not an inconsistency. What do you have in mind here?

I also can't quite grasp the difference between Marx's reading of the price-list backwards and your assertion that "what money expresses in its relations with other commodities is its purchasing power." (p. 4) Why does the former lead to "losing the peculiar status of immediate exchangeability it has as money"? And if it does lose this, why doesn't the latter as well?

Why is Marx’s analogy between the value dimension and the spatial dimension a "naturalistic paradigm" rather than a mere analogy? (p.8) You define “naturalistic paradigm” later at the end of the same page as the inverse of the thesis that value forms are purely social. I don’t see how Marx’s analogy commits him to any naturalistic paradigm in this or any other sense. In the polemic against Bailey in TSV where the
analogy with Newton is made, Marx consistently insists that the value dimension emerges from the particular way labor is socially (dis)organized in generalized commodity production. And so it should be clear enough that the value dimension isn't simply "there" in nature like absolute space was for Newton. The spatial framework and the value framework are analogous qua frameworks, and not qua instances of the naturalistically given.

p. 9: “prior to more developed forms it [money] perforce must be incarnated in metal.” Shells, to take one example, have functioned as less developed forms of money in many historical contexts, including extensive trade between capitalist and non-capitalist regions. Are you saying here that it is logically impossible for non-metal commodities to function as money in capitalism? Another question is raised by this passage as well. Do you think it logically impossible for non-commodity money to operate as less developed forms of money?