

V The form of value

This section on the form of value begins with the simple value form and ends with the money-form. The path of this development leads us straight to the ultimate expression of value: money, whose determinations are further developed in the second and third chapters of *Capital*. The grasp of money as value with all that implies is of vital importance in the current crisis. There must be no obfuscation but only clarity about the role money plays in the current counterattack with which capital is responding during this period. It is not just that capital is trying to take money away from us directly, through layoffs and wage reductions, and indirectly, through higher prices (for food, clothing, transportation, etc.) and through reductions in the quantities and qualities of the services we obtain in return for our taxes (fire, health protection, etc.), but this crisis has also involved fundamental changes in the entire monetary system. The most dramatic of these changes have been the systematic devaluation of domestic money through inflation and the reorganization of the international monetary system of institutional agreements between capitalist nation-states on monetary matters. To even begin to interpret what is going on we must understand what money is all about.

What is money in capital? What roles does it play in the class struggle? Are these roles the same today as they were in Marx's time? These questions are not answered in *Capital*, of course, but we are given some fundamental insights into the nature of money and its place in capital which, for the most part, are as true today as when Marx wrote. With these insights it is easier to begin to understand what is going on today, that is, the way capital is using money as a weapon against us.

To illustrate the concept of money being used against the working class we do not have to wait for the exploration of Marx's analysis of the form of value; we can

immediately draw on the writing of bourgeois economists. One of the most important post-World War II roles of inflation, and one which shows how important it can be in class struggle, is the case of capital using inflation in the Third World with the explicit, calculated, and rationalized aim of indirectly transferring real income from the working class to capital. Such policies of development via inflation call for artificially inflating prices via government fiscal, or monetary, policy. This depreciation of the value of money results in a sharp decline in workers' real wages. Since capitalist assets rise in value with the inflation, this strategy achieves a transfer of value from the working class to capital. As a rationale for this attack on the working class, bourgeois development economists, such as W. A. Lewis, trotted out the same 'abstinence theory' that Marx debunked in Section 3 of Chapter 24 of Volume I a century ago.¹ Capitalists got that way, they said, because they had a greater propensity to save and invest their income than did the prodigal working class. Therefore, such 'development economists' argued, a transfer of real income from the irresponsible working class to the wise, forward-looking capitalists would lead directly to increased savings and increased investment. In other words, through a calculated, continuous devaluation of the money in the hands of the working class, capital sought to enrich itself and facilitate more rapid accumulation. This is indeed capital using money as a weapon. Today inflation, although generated by different methods, is again stripping workers of their real income with a vengeance and on a world scale.

Despite such flagrant examples of money being used as a weapon, the Left in general and Marxist economists in particular have had little to say about the form of value, the money-form, or money itself in capital. One might be tempted to simply attribute this to an intellectual error — the general tendency to treat the circulation of commodities as a 'surface' phenomenon which reacts to changes in the 'underlying' production relations. Value is 'created' in production and only 'realized' in the circulation of commodities. In these circumstances the substance of value is taken as that which is really important — the essential and independent reality of value. The form of value is viewed as something external and indifferent to its content, as a mere unessential formality. Changes in the form, such as the devaluation of money in inflation, are taken as uncontrollable derivatives of changes in production. In other words, because circulation is seen as only a reflection of struggles in and around production, money and commodities are not seen as important elements in the struggle itself. But we should not attribute the politics of the Left's unconcern with the form of value and money simply to an underlying intellectual misunderstanding — about the relation between circulation and production, or about anything else. Rather we must explain the inverse: why the politics of the Left has led repeatedly to such a neglect of the form of value.

One critical period in this development was that of the Second International. I have already mentioned the debates of that time over party/trade unions/parliament and economics/politics. In a certain measure these debates concerned form — the

¹W. A. Lewis, 'Economic Development with Unlimited Supplies of Labor,' *Manchester School*, May 1954: 139–191.

form of working-class organization. The social democrats, on the one hand, argued for organizational forms they felt appropriate to the struggles over the length, intensity, and wages of the workday — trade unions and parliament. The Bolsheviks, on the other hand, argued for the rejection of these forms and for another — the Leninist party. Their rejection of social democratic forms was not simply due to the preference for another but concerned the immediate centrality of the basic content of the class struggle — the overthrow of capitalism. For Lenin and others, this meant struggle for the seizure of state power in the midst of other, well-organized, nonworking-class political groups. The Bolshevik success in carrying out such a seizure of power in Russia in 1917 guaranteed the ascendancy of the focus on ‘content’ (overthrow of the state) within a given form (party) and ended orthodox Marxist discussion of organizational form for decades. Henceforth non-party organization and a whole series of struggles were branded as secondary and unessential.

With the Party in control, the fundamental form of class control well established, it was argued that other problems could be handled. Sometimes Lenin recognized that the reimposition of bourgeois forms of production organization (i.e. wage hierarchies) were steps backward. Sometimes he was simply blind to the relations between form and class content. We can see this, for example, in his views on the Taylor system cited in the last chapter. This tendency to separate form and content (to ignore or distort the class content of forms) grew steadily as ‘development’ and the accumulation of capital became the overriding aims of the Party. The Party’s opposition to other forms of organization can be seen in its negative attitude toward the ‘workers’ councils’ experiences in Western Europe after World War I and its crushing of the ‘soviets’ in Russia itself. Perhaps the most dramatic instance of the obfuscation of form and content was the representation of the forced-labour camps of the Gulag, not as a form of controlling the working class but as a form appropriate to revolutionary aims of defending the working class.

While the tremendous problems of the time — for example, peasant/worker relations, foreign intervention, and the low level of industrial development — certainly make these trends more understandable, they have wrongly been treated by the Left as exterior to the question of the form of struggle and organization. Instead of seeing both how the old formula of Party dominance was historically determined and how it was involved in the failure of the Russian Revolution, the orthodox Left quite ahistorically takes that formula as given for all time — a form rigidified for all eternity.² ‘Join the party and smash the state’ has become its slogan — whatever party and whatever state.

And for afterward? Once again the discussions of ‘socialist’ development, by confusing the questions of form and content, hide the class character of the proposed ‘development’. They hide the aim of putting one and all back to work to increase accumulation. Only here the emphasis is reversed. In discussing ‘socialism’ the Left speaks only of form (the organization of production) and never of content (the imposition of work). Behind the masks of working-class party, or even of workers’ control, lies the

² On the changing relation between organization and class composition, see Bologna, ‘Class Composition and the Theory of the Party’.

promise of that continuing paradox of capital which Marx so often attacked: a rising productivity which, rather than freeing the working class from work — and thus from its nature as working class — will result in ever more work and ever more accumulation.

These political tendencies were reflected in the debates of Marxist political economists about value which have arisen from time to time during the last sixty years. In the United States today, the legacy of the last generation of Marxism in the area of value theory is very much in this tradition. For example, both Paul Sweezy and Ronald Meek, two widely read and influential Marxist economists, focus on the substance and measure of value to the almost total exclusion of the form. Sweezy's 'qualitative value problem' concerns only the qualities of abstract labour and socially necessary labour time and ignores form completely.³ Meek's commentary on Chapter One devotes fifteen pages to the quantitative reduction problem and only one very short paragraph to the form of value (to which Marx devotes 24 pages).⁴ Despite the fact that Marxists like Baran and Sweezy recognized the Keynesian period as a new one — and even adopted some of Keynes' tools — they failed to understand or focus on the role of money *per se* in the Keynesian melding of state and economy. Despite the fact that they saw that the struggles of blacks, students, and women were the major struggles of the 1960s, they failed to understand them as the struggles of the unwaged part of the working class and hence to see the importance of money in those struggles, or to anticipate the importance of money in capital's counterattack. In this period in which money is being used as an instrument of the capitalist state against the working class, in a crisis in which capital's attack is partially characterized by the devaluation of the working class's money through administered pricing of food and energy, we cannot accept any theoretical/political discussion that ignores these elements.

Nor can we accept discussions of working-class organization that attempt to restrict our options to old formulas. The social democratic preoccupation with the forms of parliamentary democracy that ignore their bourgeois content, and thus their limited usefulness to the working class, and the Left's preoccupation with the substance of the class struggle, which reduces the form of that struggle to the party, are two political directions that seek to bind the working class within capital. For the social democrats, recourse to extralegal actions are undemocratic and antisocial(ist). For the Left, after the seizure of state power (i.e. within socialist countries), struggles over the length of the working day or over wages are counterrevolutionary and seditious. In both cases the use of state police force is supported to protect capital and discipline the working class. Watts and Budapest, Detroit and Prague, the analogies come easily to mind.

But the working-class struggles have repeatedly burst beyond both of these attempted restraints. In both bourgeois and socialist democracies the working class continues to refuse capital's 'legal' limits by actions that range from direct appropriation to wildcat strikes to armed struggle. From the coalfields and cities of the

³ Sweezy, *The Theory of Capitalist Development*: 23–40.

⁴ Ronald Meek, *Studies in the Labour Theory of Value*: 173–174. A. Leontiev gives about four pages to the form of value in his *Political Economy*: 64–67, and I. I. Rubin in his *Essays on Marx's Theory of Value*: 115–123, does only a little better.

United States to the wheatfields of Russia and the factories of southern China, working-class struggle continues. One of the notable factors in the present world crisis is the emergence of *a multiplicity of forms of struggle by the working class*. As a basis for understanding these forms and developing even stronger organization, we must grasp the most fundamental form of the class struggle itself. Several aspects of this form are brought out in Marx's analysis of the form of value.

His analysis of exchange-value as form, or of the form of value, is divided into four sections (see Figure 2, page 93):

1. Simple, or elementary, form
2. Expanded form
3. General form
4. Money-form

These sections are analytical ones and deal with four stages in the determination of the value form. Marx moves from the simplest form he can identify: the relation between two singular exchangeable commodities: $xA = yB$, to the fully developed form $xA = y\$$. At each stage the form of value receives a more complete determination as a distinct element of the commodity. Marx shows us how, just as use-value receives an expression and existence in the bodily form of the commodity, so too does value receive an independent expression and existence in the form of money. The progress through the stages is a progress in expressing value phenomenally in an ever more general way — beginning with an accidentally chosen single other commodity, then a variety of commodities, then any given commodity which is universally exchangeable with all others, and finally a given commodity fixed by social custom: money. We thus discover not only the fully developed expression of value but also, at the same time, exactly the defining characteristic of money in a capitalist economy. In the *Grundrisse*, before Marx had worked out the mode of presentation used in *Capital*, it is obvious that the understanding of money was a central concern of his studies of value and abstract labour. In the notebooks comprising the 'chapter on money' a great many of the determinations of Chapter One are discussed, not as abstract qualities of commodities in general, but directly as determinations of money, and money appears directly as the ultimate commodity.

Elementary, accidental, or simple form of value

'The simplest commodity-form,' Marx wrote to Engels in 1867, 'contains the whole secret of the money-form and with it in embryo, of all the bourgeois forms of the product of labour.'⁵ In Section 3 of Chapter One, Marx thus begins with that simplest commodity-form: an exchange of any two singular commodities of given amounts:

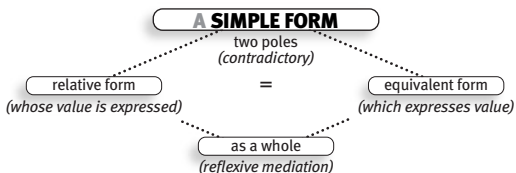
x commodity A = y commodity B
(is worth)

What he shows is fairly simple, namely how it is that through this exchange the value

⁵ Marx to Engels, June 22, 1867, *Marx–Engels Selected Correspondence*: 177.

of commodity *A* finds independent expression and concrete manifestation in commodity *B*. This simple, or elementary, exchange relation is called accidental because it is accidental which commodity expresses the value of the other. This relationship, although pictured above in the form of an equation, is not a mathematical, reversible equation. Marx is careful to explain that the equals sign is short for 'is worth'. The expression 'is worth' is not reversible. As it is written, this expression says that xA is worth yB . This is not the same as yB is worth xA . If xA is worth yB then *B* expresses the value of *A*. If yB is worth xA then *A* expresses the value of *B*. Most of the analysis of this part consists of analysing the workings and meanings of this nonreversible relation.

Marx first deals with the qualitative aspects of this relation, ignoring the quantitative constants x and y . He formalizes the unsymmetrical nature of the expression by analysing the forms within the form.



Commodity *A* is the relative value form because its value is expressed in, and relative to, commodity *B*. Commodity *B* is the equivalent form because it serves as the material equivalent for the value of commodity *A*. In other words, commodity *A* has the role of getting its value expressed, while (the corporeal use-value of) commodity *B* plays the role of providing a phenomenal form of appearance for the value of *A*. This is why the exchange-value is the form of value, because it is the form of appearance, or manifestation, of value. This is also why, in order to express the value of commodity *B*, it is necessary to reverse the equation to yB is worth xA . Then *B* has the relative form and *A* the equivalent form.

Once again, we find that we have both an opposition and a unity. We have an opposition because the relative value form and the equivalent form are exactly the opposite of each other and form two opposed, contradictory poles. We have unity because each pole is a partial expression of the simple form of exchange-value as a whole. Together they are 'mutually dependent and inseparable'. *A* cannot have the relative form unless it has an equivalent *B*, and vice versa. We find again that 'unity of opposites' we found in the case of use-value an exchange-value in the commodity. The two partial expressions of value represent the two sides of the actual exchange process. When a good is brought to market the owner finds out what it 'is worth' by exchanging it. What is acquired is the expression of its value. Formally speaking, to find out whether the owner got a 'fair' deal the equivalent would have to be sold again to see if what it 'is worth' was expressed by an equivalent equal to the original good. This unity of opposites, like that between use- and exchange-value, has the form of

the class struggle: two opposed perspectives and forces united in one contradictory totality. This is obvious in the case where the 'good' brought to market is the labour-power of the working-class. When labour-power is sold to capital, it has the relative form and the value received (via the wage or other income) has the equivalent form. An examination of each of these forms will further clarify the relation.

The relative form of value

Why is it value that is being expressed by *B* and not something else? Because the only thing that the other commodity has in common with *A* is value. This is guaranteed by their being different use-values. If they were not different, but the same — for example, twenty yards of linen is worth twenty yards of linen — then the expression could be expressing all the many common characteristics of the two quantities of linen. It would not be a value form and would largely be meaningless, as meaningless as any other expression of the form *A* equals *A*, taken by itself. Because the only thing in common is value, it is the only aspect of commodity *A* that can be expressed by the different bodily form of commodity *B*.

Thus commodity *A* has a representation of its value in *B* — its value achieves independent expression. But value is work and Marx points out that these relations between the two commodities necessarily represent the relations between the labour contained in them. It is through the equation of the two products of labour that we can see abstract labour separated from the useful labour which produced them as particular commodities. In other words, what we see is how the apparently fragmented exchange world of commodities nevertheless expresses the underlying social relations of capital and labour that gave it birth. The exchange equation expresses the reduction of the various kinds of useful labour to abstract labour that is accomplished by capital's social division and shifting of labour in the struggle with the working class. Just as the malleability and the shifting of labour implied the substitutability of one worker for another and hence the 'abstractness' of labour, so does exchange express the substitutability of embodied labour for embodied labour and hence value.

In his discussion of the quantitative aspect of the relative form of value, Marx makes two points. First, the only way magnitude can be expressed relatively is in terms of the same unit of quality. Once it has been established that the two commodities are alike in terms of value, then it is possible to see how the quantity of the value in one can be expressed by a quantity of use-value of the other. Second, he proceeds to show how the expression of value will vary with changes in the productivity of either commodity *A* or commodity *B*. Earlier, in Section 1, Marx discussed the impact of variations in productivity during the discussion of socially necessary labour time and in Section 2 he showed how this was grounded in relative changes in useful and abstract labour. It will be remembered, for example, that a rise of social productivity of some good will lower the per unit value, if the time and intensity of production are constant, because more use-value will embody the same total value. In this section he shows what the implications of this are for the simple form of value and the quantitative expression of the value of commodity *A*. This is fairly obvious. If the productivity of

commodity *A* rises so that its value falls, then there must be a decrease in the exchanged amount of commodity *B* as long as the productivity of *B* has not changed. If the productivity of the useful labour producing *B* rises, so that its value per unit falls, then there must be an increase in the amount of *B* expressing the value of *A*. If the productivity of both change, then the quantitative variation can be calculated by taking both effects into account. What this implies is exactly why the relative value form is called relative. Thus the relative value of commodity *A* can change (because of a change in the value of commodity *B*), although its value (in terms of abstract labour time) remains the same. Or, its relative value can remain the same, even if the value of *A* changes.

The equivalent form

As we have seen, the commodity in the equivalent form is one that expresses through its corporeal form, its use-value, the relative value of the other commodity. Let us examine this relation more closely. When we say that *B* expresses the value of *A*, we are speaking of a relation of mediation known as reflection. In this relation, commodity *A* is related to an aspect of itself (value) through another commodity, somewhat in the manner of persons who come to know their image through a mirror or their personality through the comments of others about it.⁶ In speaking of how the equivalent performs such a service, Marx says: 'In order to act as such a mirror of value, the labour of tailoring [producing commodity *B*] must *reflect* nothing besides its own abstract quality of being human labour generally.'⁷ In a footnote Marx notes that Hegel called this kind of relation 'reflex-categories'.⁸ In the first German edition of *Capital*, Marx wrote: 'Its [coat's] status as an equivalent is [so to speak] only a *reflexion-determination* of linen.'⁹ Also, 'the relative value-form of a commodity is *mediated*; namely through its relationship to another commodity'.¹⁰ In other words, commodity *A* can come explicitly into relation to itself as value only through the mediation of another commodity whose very otherness is *A*'s opposite or negative, and can thus express a single aspect of commodity *A*. In this way we can see how the

⁶ For a detailed analysis of this kind of relation, see the discussion of *l'Autrui* in Jean-Paul Sartre, *L'Être et le Néant*.

⁷ Marx, *Capital*, Volume I, Chapter 1, Section 3, part a, sub-section 3:58 [International Publishers edition].

⁸ *Ibid.*: 55n. This analysis by Marx is similar to Hegel's analysis of reflection in the *Logic*, and undoubtedly Marx drew on that discussion. Hegel's discussion appears fittingly in the Book of Essence, which is divided into three parts: essence, appearance, and actuality. For Hegel, essence is 'being coming into mediation with itself through the negativity of itself' (*A* related to its value through *B*). The metaphor of a mirror which Marx uses to discuss the revelation of essence through reflection is also used by Hegel: 'The word reflection is originally applied, when a ray of light in a straight line impinging upon the surface of a mirror is thrown back from it.' Or, 'reflection or light thrown into itself, constitutes the distinction between essence and immediate being, and is the peculiar characteristic of essence itself' (para. 112). In turn we discover that, for Hegel, appearance is the way in which essence 'shines forth' or expresses itself. Moreover, this expression is a real one that actually exists: 'Essence accordingly is not something beyond or behind appearance, but — just because it is the essence which exists — the existence is Appearance (Forth-shining).' This existence however must be grounded 'not in itself but on something else' (para. 131), not in commodity *A* but *B*. Marx's discussion is thus very close to Hegel's and the lecture of the latter can inform the analysis of the former. The fact that Hegel is indulging in an exercise in philosophy while Marx is analysing the commodity-form of the class struggle should not obscure this relationship. It should only keep us on our toes to be able to grasp not only the similarities but also the differences between the two. See *Hegel's Logic*, translated by William Wallace.

⁹ Marx, 'The Commodity' (Chapter 1 of the first German edition of *Capital*, Volume I).

¹⁰ In *Value: Studies by Karl Marx*, ed. Dragstedt: 60.

appearance, or phenomenal form (exchange-value), of value expresses its essence — value itself. We might represent this relation of reflective mediation as:



This relationship of reflection is an aspect of the commodity-form of the class relations themselves. We can now see more deeply than the simple polarity/unity discussed above. I noted that relative value form and equivalent form stand as opposite poles just as do the working class and capital. We can see now that just as the relative value form finds its meaning only in the equivalent form so it is that the working class recognizes itself as working class only through its relation to capital. Indeed, it is working class only within that relation. The relative form thus expresses the perspective of the working class. Destroy capital and there is no more working class as such. And, conversely, the refusal to function as working class (i.e. to work) acts to destroy capital. Put in the language above, the mass of workers have their joint condition as working class reflected to them through capital acting as a mirror which mediates this recognition. It is thus that the class gains both definition and self-recognition. This is true both in terms of class-in-itself, in which all workers exchange their labour-power for income, and in that of class-for-itself in which workers discover their unity through struggle. Capital's perspective is that of the equivalent form. The equivalent form brings out and expresses a unique quality in commodities — value, just as capital tries to enforce and express the common quality of people as workers — as labour-power. Like the working class, capital is capital only when it is juxtaposed to the working class, but the relation is not parallel. The working class seeks to break out of this reciprocal relationship with capital — to smash the mirror — while capital tries to maintain and expand people's identity as workers.

In the English edition of *Capital*, Marx discusses the equivalent form under the heading of three 'peculiarities'. *First*, in the equivalent form 'the use-value becomes the form of manifestation, the phenomenal form of its opposite, value'. Because the value of commodity *A* is expressed as something other than itself, through its relation to another use-value, the distinctiveness of value as a social relation is made apparent. 'This expression itself indicates that some social relation lies at the bottom of it.' This we have seen. *Second*, similarly, the concrete useful labour, which underlies value, manifests itself. This, too, we have examined in the discussion of the twofold character of labour. *Third*, the labour of what are ostensibly 'private' individuals, 'takes the form of its opposite, labour directly social in its form'. Aristotle, Marx notes, despite his recognition that the exchange of two goods must imply some equality between them, was unable to grasp just what that commensurability was (value) because he lived in a society based on slavery where there was no social equality between labour. Hence, he could not formulate a notion either of value-producing labour or of how private exchange could express such social labour. The notion of value, and the role of the equivalent form, could be grasped only when commodity production was no longer sporadic but universalized by capitalist society and the relationships between humans

reduced to those of owners of commodities. In the first German edition of *Capital*, Marx included a fourth peculiarity that he discussed at some length: ‘the way the fetishism of the commodity-form is more striking in the equivalent form than in the relative value form’.¹¹ In the third German edition, on which our present English translations are based, almost all discussion of the fetishism of the commodity-form (and that of its categories) is relegated to the fourth section. There remains only a passing reference to the ‘enigmatic character of the equivalent form which escapes the notice of the bourgeois political economists’. That ‘enigmatic character’ is the way in which the equivalent form seems to be naturally endowed with its property of being an equivalent, because it is its bodily, or natural, form, which expresses the value of the other commodity. *Capital*, too, sees itself as a ‘natural’ relationship in as much as it presents the work of all as a manifestation of human nature rather than as an activity which they are compelled to undertake.

The deficiencies of the elementary form and the transition to the expanded form

The discussion of the relative and equivalent forms should have given a grasp of how this elementary form of exchange-value expresses the value of a commodity in an independent and definite way. Marx has, in the process, shown us how both the substance and the measure of value necessarily come into play, and receive expression, in the form. We also see how the internal contradiction in each commodity between use-value and value (reflecting the class relation) is made evident (apparent) externally by the juxtaposition of the two commodities. In the expression xA equals yB , the analysis shows the way in which the bodily form of the equivalent B figures only as the value form of A , while the bodily form of A figures only as a use-value whose value is expressed in B . This, together with the fact that value, both quantitatively and qualitatively, is the basis of the equality expressed, shows us how all the elements which we have analysed so far — use-value, exchange-value, abstract labour, socially necessary labour time, and so on — are combined in their elementary interrelationships in this simple value form. In the expanded, general, and money forms which follow, we are shown how further determinations are taken into account to achieve a more complete and more complex expression of value.

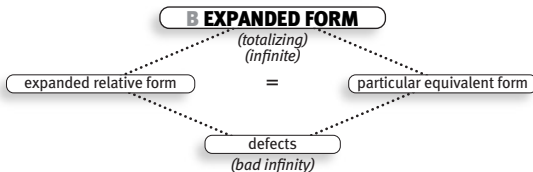
Marx’s subsequent discussion of the more developed value forms brings out a number of aspects of the commodity-form not included in the simple form, which as a result remains deficient. In the simple form the value of A is expressed in the form of B . But while this gives its value an independent expression, there is nevertheless a contradiction between this form and the nature of value. In speaking of this ‘deficiency’, Marx says that the elementary form is ‘far from expressing A ’s qualitative equality and quantitative proportionality, to *all* commodities’. This is obviously true, but why should it? The reason lies in the previous analysis of value. There, we saw that value expressed abstract labour. Abstract labour, we also saw, was the product of a mode of production (capitalist) in which labour was universally subject to the imposition of the commodity-form such that there was generalized commodity production.

¹¹ *Ibid.*: 59–60.

Moreover, we saw how the notion of socially necessary labour time was based on averages across the whole commodity-producing society. Now, if the substance and measure of value reflect his universality of the commodity-form, then so, obviously, must the phenomenal expression of value. The value form must represent these interconnections between all commodities. The development of the value form must involve progress in this direction. If, in the elementary form, *A* finds its expression in one other commodity, *B*, and if, furthermore, the *B* chosen is immaterial or accidental (and here we have another reason to call this the accidental form), then any commodity could be so chosen. 'In possibility,' Marx says, 'it has just as many different, simple, value-expressions as there exist commodities of a type differing from it.' This is why the second form of value, the expanded form of commodity *A*'s value, consists of a series, prolonged to any length, of the different elementary expressions of that value. In this way the immediate contradiction between the individual representation of *A*'s value and the multiplicity of commodities (universality of value) is resolved. This new form also has its contradictions, of course, which give rise to the succeeding form.

The expanded form of value

The discussion of the deficiencies of the elementary form has shown us why it does not express value in a complete way. Being accidental and confined to one-to-one relations between commodities, it fails to show the interconnections between each commodity and all the others. The obvious next step,



implied precisely by the accidental nature of the relation, we have seen to be the summation of all possible expressions of the value of a given commodity. This gives the familiar form of an endless sequence of simple value equations, for example:

$$\begin{aligned} xA &= yB \\ xA &= wC \\ xA &= zD \text{ etc.} \end{aligned}$$

or

$$xA = \begin{cases} yB \\ wC \\ zD \text{ etc.} \end{cases}$$

Each equation has the characteristics of the simple value form: the polarity between relative and equivalent forms, the unity of opposites, reflexivity, and so on. In this way the previous form is preserved within the more complete form which

contains all the former's relations to the class struggle.

This form is endless, in the sense that the number of equations is limited only by the number of commodities and the number of commodities is constantly being increased by capital. That is, one can always add on one more — there is no theoretical limit expressed directly in the form. *This endlessness expresses one of the most basic characteristics of capital — its quest for infinitude.* It seeks, and tends, to constantly expand itself — forever bringing more and more people, materials, and production under its control — endless growth, whose only aim is expanded social control. It is not immediately pertinent here to discuss the sources of that growth (some ideas were mentioned in the Introduction) but only to note how the expanded form expresses that tendency toward infinity. This infinity, of course, is capital's own perspective on itself. That of the working class is quite different. Although at times working-class activity may have the effect of developing capital, that very development ultimately puts it in a position to refuse capital's pretensions to infinity and to destroy it.

On the other hand, *the working class discovers through capital a different kind of infinity* — that of the potentially infinite possibilities for living. In the very movement whereby capital opens up a world of ever growing goods and activities, the working class is shown the vast potential of society beyond the barriers of tradition, which capital constantly revolutionizes, and beyond capital itself, which tries to restrict possibilities to those in its own interest.¹²

In this second form the summation means that the relation of reflection, by which the relative value of *A* is given independent expression through a particular equivalent, is now expanded. 'Every other commodity now becomes a mirror of linen's value.' This is why Marx calls the relative form 'expanded'. The equivalent form remains particular in the sense that, although there is an endless list of equivalents, each is a particular expression of *A*'s relative value. It is only in the next form that the equivalent form is generalized.

In this expanded form of value the commodity *A*, whose relative value is to be expressed, is random. We thus have a situation in which all commodities but one serve as the expression of value for all others. In this way the various kinds of useful labour that produced all these commodities are expressed as equal through the interrelation of the products.

The importance for Marx of this new form is related directly to its comprehensiveness. Because all commodities are involved systematically, accidentality disappears. The form is one of social totality; that is, it reflects a situation that encompasses the whole of society, and this better represents the totality of generalized commodity production under capitalism.

So far, we have noted the relation between this form and the expression of the substance of value. But the form is also related to the magnitude of quantity of value. In the elementary form we saw that the quantitative proportions *x* and *y* of the exchange $xA = yB$, although actualized in exchanges, were given by the amount of labour

¹² Marx, *Grundrisse*, Notebook IV: 408–409.

embodied in each. Yet one reason why this was also called the accidental form was because the proportion appeared to be random, or determined by chance. But in this expanded form, where accidentality and chance disappear, 'it now becomes plain, that it is not the exchange of commodities which regulates the magnitude of their value, but on the contrary, that it is the magnitude of their value which controls their exchange proportions'.

Deficiencies in the expanded form

Although this form gives us a more complete representation of value, by making manifest an aspect of the interrelationship among all commodities, Marx points out why even this form is inadequate. He lists its defects as three, seen first from the point of view of the relative value form:

1. The series of equations representing the relative expression of value is unfinished, or interminable.
2. The series is a pieced-together mosaic of independent expressions which, lacking links between each, falls asunder.
3. The relative value form of each commodity is different because the list is different. Thus, there is no common representation of value which would make the universality obvious.

And then from the point of view of the equivalent form:

1. Because we have particular equivalents, we have a series of unrelated, fragmentary equivalent forms.
2. The labour embodied in each equivalent thus appears only as particular not general, or abstract, labour.
3. Abstract labour is thus manifested only through the totality of its particular forms, but that totality is an ever incomplete series lacking internal unity.

In short, what Marx is saying is not only that an adequate expression of value must represent the interaction of all the (infinite) commodities of capital, but also that it must do so in a way that makes the theoretical interaction of them all explicit. The simple series of equations, of the sort we obtain in the expanded value relation, does not do this. Viewed from both sides of the equation, we have an unfinished, fragmented, and unlinked series. Because of this *the universal interaction that produces abstract labour remains unexpressed*. In the case of fragmentation, the problem is that in $xA = yB$, $xA = wC$, etc., B and C are unrelated and we have no unique or common expression for the value of A . In the case of the character of unfinishedness, the problem is that the addition of a new commodity in this form changes the expression of value. Since there will always be new commodities added (as long as capital manages to grow), the list of commodities will always be unfinished and a single representation of universal abstract labour is impossible. This critique by Marx of the expanded form is similar to Hegel's critique of the bad infinity — also an unlinked, interminable series.

How is this difficulty overcome? The answer is already contained in the form. If A

is exchanged against B, C, D , and so on, and the latter commodities express the value of the former, then it is also true that B, C, D , and so on are being exchanged for A . consequently, A , viewed as equivalent, expresses the value of B, C, D , and so on. In other words, we only have to change perspectives, to look at the exchange from the reverse point of view, to solve the problem. We already have seen this switch in perspective before — in the elementary value form: $xA = yB$. There we saw that the individual equations were nonreversible; that is, to reverse them changed their meaning. As it stands, $xA = yB$ expresses relative value of A in bodily form of B . To get an expression of value for B , we must change perspectives and write $yB = xA$. It is the same exchange taking place: of A for B and vice versa. Although the movement is the same, the consequences of changing perspective in the case of the expanded form is more far-reaching. Whereas, in the case of the simple form, after the reversal we get another simple form, here we pass from

$$xA = \left\{ \begin{array}{l} yB \\ wC \\ zD \text{ etc.} \end{array} \right.$$

to

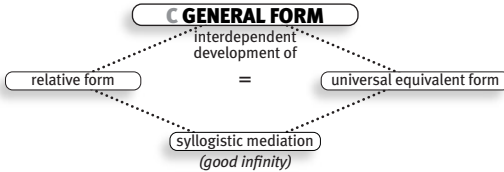
$$\left. \begin{array}{l} yB \\ wC \\ zD \text{ etc.} \end{array} \right\} = xA$$

It is more far-reaching because we now achieve that which we needed: a common expression for the value of all commodities, namely xA . We now have an infinite list, but one that is no longer fragmentary because each commodity is linked to each other through a common expression of value in A .

To sum up the characteristics of the value form (and hence of capital) which have been revealed by the analysis of the first two forms, we find that form to be *contradictory* — containing both the opposition and unity of two poles; *reflexive* — the poles, through their interaction, reveal the peculiar essence that unites them; *totalizing* — that essence is dependent on all elements and must be expressed by all; *infinite* — the commodity world of capital expands continuously. In Marx's discussion of the general form we find further refinement of these characteristics.

The general form of value

We now have seen how the general form arises. The expanded form was seen to be a natural extension of the simple form, since the equivalent chosen was arbitrary, and the general form, in turn, emerged from a change in perspective on the expanded form. We have moved from a simple, and accidental, partial expression of the relative value of different commodities to one which expresses value (of any commodity) in a single commodity. For each commodity the expression of its value takes place in a simple, or elementary, form (i.e. $yB = xA$), but, since the equivalent is the same for all, this form is also general and unified.



Value now has a single representative. By being equated to this single representative, the value of a commodity not only is distinguished from its bodily use-value, but also is, by the fact of the singularity of its representation, expressed as what is common to all commodities.

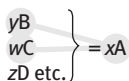
This form is general, or universal, in all its parts. The relative form of any given commodity is universal 'because it is the relative value-form of all other commodities at the same time'.¹³ That is, the relative value of all commodities is expressed the same way, in the same equivalent. The equivalent form is universal because the equivalent has become the unique form of appearance of value for all commodities. Because of this, the labour producing it counts as the universal form of realization of human labour, as universal labour, or abstract labour. The universal equivalent has thus become the symbol, or representative, of exactly that social situation we discussed earlier as giving rise to abstract labour and the world of commodities: capital and its class structure. Although this is called the general form, and we speak of the universal equivalent and the universal relative value form, this by no means implies that the internal contradictions characteristic of the earlier forms have disappeared in some kind of universal harmony, either in the form itself or in the world of commodities. Quite the contrary, they are preserved in new ways. There are still the irreversible and contradictory polarity and reflexiveness of the simple form, and there are still the totalizing and infinite aspects of the expanded form. But now there is a new aspect. By the very fact that the universal equivalent has acquired the character of direct exchangeability with every other commodity, all those others have lost that quality. They can no longer be directly exchanged for each other but must first be exchanged for the universal equivalent.

This observation highlights a fundamental aspect of the general form — namely, that at the same time the equivalent form becomes the universal expression for the value of all other commodities, it also becomes the universal mediator between them all. Earlier, we saw how individual commodities related to their own value through the mediation of an equivalent (through reflection). We now see how this, as a characteristic of the general form, is part of another relation, namely the different kind of mediation played by the universal equivalent: 'All commodities by mirroring themselves in one and the same commodity as quantities of value, reflect themselves reciprocally as quantities of value'.¹⁴ This reciprocity between any two commodities

¹³ Marx, 'The Commodity': 29.

¹⁴ Ibid.: 30.

(all combinations), this mutual reflection of commodities through which they relate as values, resembles that interaction of individual commodity owners which characterizes commodity-producing society. But, this kind of reciprocal relation is mediated through the universal equivalent.¹⁵ Now, the equivalent is doubly a mediator: first, for the expression of value of each commodity; second, for the relation of each commodity to each other as values. This second form of mediation between two extremes resembles a syllogistic mediation. In the syllogism two extremes are united via a mediating middle term. In this case the universal equivalent mediates the relationship between any two commodities. To illustrate, note how the relation between yB and wC is mediated by their mutual relation to xA :



or

$$yB-xA-wC$$

What the universal mediator does is to bring out the particular characteristic of value of each individual commodity as the universal element which unites them. By so doing, the universal equivalent explicitly incorporates each individual into the universal value relation. Here, again, we can see how the general form achieves the union of the disparate elements of the series into a totality, no longer fragmented but grasped as a whole. The series of commodity equations remains growing and potentially infinite, but that infinity is no longer a tiresome addition of separate elements. The capitalist commodity world has now been expressed as an integrated and united infinity in which the appearance of a new commodity no longer means the creation of a new finite but the continuation of an infinite process grasped in its own activity.

This indeed is capital. Its extension is not random, nor does it come 'from the outside'. The world of capital is not 'added to' externally but generates its own self-expansion — one part of which is the expansion of the commodity world. It is infinite like an expanding universe — not like a shopping bag to which we add one commodity after another. Whether we are speaking of its expansion internationally, as different parts of the world are brought into the orbit of capital's imposition of social control through work, or of its expansion into all sectors of industrial production, or of its expansion into all aspects of the reproduction of labour power (the quest for the 24-hour workday), in each case the new 'areas' of control are not mere additions. Their control is an outgrowth of prior struggles and is intended by capital to serve in the overall organization. Colonialism brought raw materials to English factories. Control of textile production complemented control of clothing manufacture. Control of the bedroom is intended to help control labour supply, and so on.

¹⁵ This reciprocity between any two commodities is, in some ways, like that of Hegel's Civil Society. But the mediation of the reciprocal relation through a universal equivalent is different from Hegel's concept of reciprocity. Marx's introduction of the syllogistic mediation, which Hegel introduces in the Book of the Notion, makes it quite distinct.

The new form of mediation brought out in the general form, the mediation which ensures the interrelation of all the elements of the commodity (and capital's) world, is fundamental to the way capital organizes its control. The mediation of the universal equivalent between all elements certainly expresses capital's tendency to mediate all relations in the social factory. It intervenes everywhere: between commodity producers with money $C-M-C$, between managers and workers with wages and law, between parents and children with school, between men and women with marriage and contraceptives, between itself and whites with blacks, and so on.

But what does it mean to say that capital intervenes as a mediating force everywhere? In the examples just given, we find that the mediating entity which I am calling capital ranges from money to the state to groups of workers. This raises an issue discussed in the Introduction which must be re-emphasized here for such assertions to make sense, namely, that these mediating entities are all moments of capital itself. While seeing money as capital is perhaps not difficult (we will deal with that in the next section), seeing the state, or particular segments of the working class, as capital is more problematic. Earlier, I emphasized the point that the working class is part of capital, is capital, just as capital is not just one pole but includes, is, the working class — at least as long as the working class is functioning as labour-power, as long as it is working. Thus, one part of the working class can mediate as capital since in that role it is capital. For example, men mediate the relation between capital (industry or the state which pays the wage) and women in their role as housewives. Capital (K)—waged men (M)—unwaged women (W) — each of these three elements is a part of capital, but each plays a different role: capital imposes work (in exchange for income), men are waged workers in factory or office, women are unwaged workers in the home. Each of the elements mediates the other two in different ways. There is $K-M-W$, but there are also $K-W-M$ and $M-K-W$. The three elements make up a totality — a sub totality of capitalist society but a totality nevertheless. In the first case, $K-M-W$, men mediate capital's relation to their housewives by making them work to reproduce the men's labour-power (by cooking, washing, making love, etc.) and by absorbing the brunt of women's revolt against their condition. In the second case, $K-W-M$, women mediate men's relation to capital. One way is through shopping, in which the real equivalence of the money wage to the means of subsistence is made clear — women have to stretch the buck, and if they do it poorly (given prices, etc.) they are blamed instead of capital. In the third case, $M-K-W$, capital mediates the relation between men and wives through marriage laws, birth control, and so on. Here capital appears as the state with its laws and police force.

This same kind of mediation is widely used by capital in its division of other segments of the working class. Let us briefly examine two other well-known cases: the school and the use of immigrant labour. In the case of the school, capital may be represented by the administration (A), whose problem is to organize its relations with two groups of workers: students (S) and professors (P). The usual hierarchical organization of the school places professors in the middle, mediating between the students and the school administration $A-P-S$. This role is at least twofold. The

professor must receive the administration guidelines, rules, grading system, and such, and impose them on the students. On the other hand, teachers must absorb any student discontent with their 'education'. Sometimes, in the case of teacher strikes or periods of layoffs and job shortage, capital tries to use the students to discipline the professors: $A-S-P$. Or this may occur occasionally when students intervene to protect a popular teacher from dismissal. In general, the administration mediates the relations between students and professors ($P-A-S$) through its various institutional structures, from class structure to the use of police. In the case of immigrant labour, there is the well-known attempt by capital to pit immigrant workers (I) against local workers (L). Employers (E) try to use immigrant demands for jobs and income to weaken trade unions dominated by local workers ($E-I-L$). At the same time the local wage workers are placed between the income demands of the immigrants and capital ($E-L-I$). Of course, in all of this capital plays its own role — for example, by structuring the relations between immigrants and local workers in both factory and community — so we have $L-E-I$.

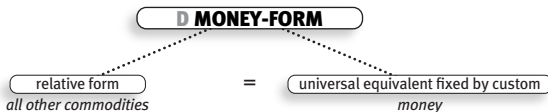
Understanding this kind of mediation in the class struggle not only helps make its complexity more understandable, but also brings out how working-class initiative and power can destroy this kind of determination and force a recomposition of the class relations. One way this happens is when the working class refuses the mediation and bypasses it. For example, when housewives demand a wage directly from capital, they are bypassing the mediation of men which capital tries to impose and establishing $K-W$ directly. Or, when students storm the administration building to demand an end to the war, or no budget cuts, they are bypassing the mediation of professors and establishing $A-S$, a direct confrontation between themselves and capital. Another way this can happen is when the mediations planned by capital result in such harsh conflict that part of society begins to break down or is forced into new forms. For example, take the school again. In the universities during the sixties, students generally carried their struggles directly to the administration or beyond. But in the high schools it was rare that the primary thrust of student refusal of discipline was directed against the administration. Instead, it was directed against other students or against teachers. Teachers were to serve as mediators, but under the constantly growing pressure of the students — their passive resistance, their refusal of discipline, their violence — teachers' jobs grew so difficult that it forced a change in their relation to capital. The refusal of students to sit quietly and work was a major contributing factor (along with inflation, etc.) to the new demands of teachers for less work and more money. The need for more discipline in a classroom is the equivalent of speed-up on an assembly line — it increases the intensity of the workday and the value of labour-power. In these circumstances, teachers have moved to form militant new unions, which have created a whole new alignment of power in education. Faced with teacher refusal to try to impose discipline in dangerous situations, that is, refusal to work, the school administrations and city governments have been forced to pay higher wages, to bring in police, and security guards and so on. These developments represent a major breakdown in capital's control over the creation of new labour-power. At the same

time, it raises serious problems for working-class strategy. How can this growing power of students and teachers be organized so that it is directed more against capital than against each other? The autonomous power of students forced the creation of a new level of autonomous organization and power among teachers — a recomposition of the class structure. But as long as the dynamic and direction of these developments are not understood, there is the danger of ultimate collapse and defeat. Even in the universities we saw a similar, though less dramatic, development in the sixties. The antiwar struggles of students forced a recomposition of the teaching staff that included a new generation of radicals — one which has contributed to recent organizing among teachers at the university level. It has led to a general breakdown in the ability of higher education to discipline, plan, and organize the supply of labour. Grade tracking has crumbled under student pressure and been replaced by a grade inflation, of such a degree that a Ph.D. degree is no longer any guarantee of employment whatever. All these developments have led to the current attempt by capital to reimpose work discipline in the schools through the fiscal crisis, and a nation-wide restructuring of education. Such a restructuring must necessarily involve attempts to find new kinds of mediation to replace those which working-class struggle is breaking apart.

Ultimately, the class struggle is aimed at destroying the divisions which capital imposes on the working class. But while workers may seek unity of students and professors against the administration, or men and women against capital, or blacks and whites, nevertheless it is clear that the way to destroy the mediation is not so simple as ‘unite and fight’. As I have argued before, in the section on abstract labour, the divisions are real and hierarchical; they are power divisions, and unity requires a power struggle not only of different segments of the working class against capital but also, at times, between those segments. The problem of political organization is how to develop those intraclass struggles to strengthen the class and not weaken it. The analysis of mediation brought out by the general form of value shows us more about the character of such struggles. It is at least one step in their resolution.

The money form of value

The transition from the general form to the money-form is much simpler than were the previous transitions. The only difference between the two is that in the money-form the universal equivalent has become fixed by social custom into some one commodity. Once this happens that universal equivalent functions as money and we have the money-form.



Because this is where the whole analysis has been leading, it is useful to formulate the relation in the reverse fashion. Money is partly defined as a universal equivalent

(more determinations come in later chapters of *Capital*). The money-form is the total relationship

$$\left. \begin{array}{l} yB \\ wC \\ zD \text{ etc.} \end{array} \right\} = x \text{ gold}$$

and must be differentiated from money which, in this case, is gold. This money-form contains all the determinations of the prior forms. It has the contradictory unity and reflexive relations between the relative form and the equivalent form brought out in the simple form. It has the totality and infinitude brought out in the expanded form and welded together in the general form. And it has the mediated character discussed in the general form. Like capital, then, the money-form is contradictory, reflexive, totalizing, infinite, and mediated.

Money appears not as simply one element of this totality but as the expression of this totality in its role as universal equivalent. Money, at this point, is both one commodity among many and also the unique expression of their interactions as moments in the world of capital, that is, as value. Money, by expressing all commodities as values, expresses the domain of capital — the social relations which make all use-values into commodities. As a moment in the money-form, money is a part of capital and thus is capital. If capital is most basically the social relations of the commodity-form (of which the commodity world is a moment), then *money is the quintessential expression of the commodity-form itself*. In capitalist society, to have a coin in the hand is to have a golden drop of that society itself. Look deeply into that coin, as you might with a crystal ball, and behind its golden lustre, which has stopped many an eye, you discover the blood and sweat of the class struggle.

When we look back at the roles of the equivalent form in the various relations we have uncovered, we now know we were looking at the role of money. For example, money stands as equivalent in contradictory unity with labour-power. It does the same with all other commodities and, by so doing, shows them (through reflection) their character as values, and thus a part of capital. The tendency for capital to expand infinitely is partly the tendency to turn social relations into money relations, that is, to convert all use-values into values by setting them equal to money. Money becomes the magic wand by which new elements of the world are incorporated into capital.

To set an object equal to money is to give it a price. Thus the price-form is a subform of the money-form, in which any

$$yB = x \text{ gold}$$

But the price-form never stands alone. It is part of the money-form. *The commodity which is set equal to some quantity of money, that is, given a price, is instantly tied into the whole world of capital.*¹⁶ How? By setting a price, it is affirmed that this use-value,

¹⁶ Already in his analysis of the production and circulation of commodities, Marx saw how setting a price on a product incorporated it into capital, even when it was produced in noncapitalist modes of production (*Capital*, Volume II, Chapter 4: 109–111). Today, from the perspective of the social factory, in which so-called noncapitalist modes of production are understood as ways of organizing unwaged labor, this is even more true.

having been produced by useful labour of some sort, is only one special product of that universal tool of capital's control: work. To set an object equal to money is to set it equal to all other commodities, and that is to equate the labour which produced it to all other labour, to affirm its abstractness. (We ignore, as Marx does, cases where prices are set on things that are not the products of labour.) It makes no more difference whether the quantity of embodied labour is socially necessary or not — as we have seen earlier, this is often not the case. The qualitative equality of work has been affirmed and the quantity set socially. Money shows to the commodity that it is a product of abstract labour — a value.

Money not only equates all commodities as products of labour but also stands as the universal mediator between all these different elements of capital. When labour-power is set equal to money, that money mediates its relation to capital. The money wage (M) is one way in which capital (K) mediates its relation to the working class (LP): ($K-M-LP$). There are many others, as we saw in the preceding section, but the money wage is the most fundamental and, because it is, this establishes the importance of the unwaged relation to capital. As we have seen, unwaged relations may be mediated in a variety of ways — for example, men mediating the relation of their unwaged wives to capital. For all workers it is a case of work being exchanged for means of subsistence, but it is not always done directly for a wage. Children work for capital to the extent that they produce their labour-power for future roles as workers (waged and unwaged), but they are not directly waged. They, like housewives, are supported by the resources (money) obtained by their waged father or mother. The relation with capital is mediated directly for the father by the money wage, but for the children and housewives there is also the father/husband. In these circumstances the fact that children and women in the family work for capital is hidden by their condition of wagelessness. They appear to stand only in some private relation to the male wage earner but not to capital.

This brings out an important consideration about money that is often overlooked — namely, that in order for money to play the role of mediator or universal equivalent, there must be many relations where it does not mediate directly. The place in *Capital* where Marx makes this clearest is with the discussion of the waged and unwaged. In order for capital to be able to use the money wage to mediate its relation to the working class as wage-workers, it must maintain itself. But to say that under capital there must always be the unwaged is to say that money is the universal mediator in a peculiar way. Ultimately, everyone must get commodities to survive, but not necessarily through the wage. Money, however, remains the universal mediator because it even defines its absence. The unwaged are defined with deference to the waged — defined by their lack of control over some money. Children may not receive money, but they receive what money buys — what they lack is control, but the money which supports them, which buys their food, circulates nevertheless. This is exactly why the struggle of the unwaged is for wages, not because they want to expand capital's dominion — they already suffer that — but in order to gain power, power to destroy it.

There are a multiplicity of ways in which the maintenance of nonmonied, or unwaged, relations are important to capital. The image of the milling crowd at the factory gates

is one traditional but limited vision. We have often discussed the cases of unwaged students, women, and ghetto dwellers in the developed world. But, as we saw in the discussion of primitive accumulation, the case of the Third World was even more dramatic. Capital created and maintained vast, partially self-supporting reserves of labour-power which were unwaged. This was one of the main aims of colonialism — the creation of a world-wide reserve army. And poverty continues to be the tool by which vast millions are kept alive but (it is hoped) easily available when it suits capital's purpose. These reserves are then drawn upon either for immigration into areas where their cheap labour can be used to hold down the wage demands of more powerful workers (e.g. Mexican and Caribbean labour drawn into the U.S.; workers from Mediterranean countries brought into northern Europe) or for employment in their own areas when runaway shops seek out their cheap labour locally. Of course, time and again things have not worked out so well and the struggles of the unwaged have made them unfit for capital's factories.

We can thus see that the waged/unwaged division is a fundamental aspect of the money-form. It is a subdivision between some commodities (some person's labour-power) and money. It brings out the basic division between the direct presence of the money-form and its indirect presence, or the necessary coexistence of monied and nonmonied relations in capital.

The fact that money is a mediator — is interposed between capital and the working class — means two things. First, from the working-class point of view, the attack on capital must both use and refuse this mediation, exactly as women and students have used and bypassed men and professors, respectively. Strikes are already cases of this tendency in capital as workers refuse the wage mediation and attack capital directly with refusal of work, sabotage, factory seizure, and so on. Another way the class struggle refuses the mediation of money is the refusal of price. This is the essence of direct appropriation and includes not only the price of labour-power but also the prices of other commodities. It involves self-reduction of utilities or housing prices, changing labels in a supermarket, using 15-cent slugs instead of 50-cent tokens in the subway, or total elimination of price through shoplifting, employee theft, or Black Christmases where commodities are seized. This refusal of price is a refusal of capital's rules of the game. The refusal to accept the role of money is the refusal to accept everything we have seen going into the determination of money — the whole set of value relations. This is the working-class perspective with a vengeance.

Second is the meaning for capital. Because money is a universal mediator, in all those cases where it is interposed between the working class and capital, it is the possible subject of manipulation. When the wage struggles of the working class put a stop to capital's traditional methods of manipulating the money wage in the United States and in Europe in the 1930s, it was only natural that capital, through the thinking of Keynes and others, sought new ways to use money in the class struggle. Keynesian ideas were basically about how to use state regulation through monetary and fiscal manipulation of the direction and amount of money flow to control the working class. As ideology, of course, it was presented differently. Monetary and fiscal policies were pictured as tools to guarantee growth and full employment. But 'growth' really meant

capital accumulation, and 'full employment' meant the imposition of work with the maintenance of the minimal necessary reserve army through the fine tuning of the economy. The Keynesian strategy uses money to judiciously stimulate the economy, or to 'cool it off'. This means managing working-class demand through recession or inflation. We are back to the example cited at the beginning of this section: the use of inflation to undercut the wage struggles of the working class and transfer value to capital. Now that we have seen what money is, and looked at it as the form of value incorporating its substance and measure, as mediator, this should make more sense. Inflation means rising prices due, not to increases in labour input, but to monetary deflation. Prices are the money equivalents of the value of commodities which are expressed in the price form. To raise prices means to increase the amount of money (gold or paper) being exchanged for goods. If the amount of money the working class holds is fixed, then the amount it can buy decreases accordingly. In this way, the amount of value the working class receives for its labour-power is reduced, and the amount of surplus value that capital gets is increased.

The only question one might ask is whether it makes any difference that today the working class does not get gold but paper money. Marx shows in Chapter Three that it does not. When money acts as means of circulation (as universal mediator), it need not exist in any corporeal form at all, neither as gold nor even as paper. And, in fact, the money which the working class receives is, as often as not, not even paper money but checking account balances which are then transferred back to capital bit by bit in exchange for commodities. Money in this case is simply money of account which keeps 'account' of the flow of value (in work and in commodities) but which need not exist at all. Moreover, the fact that money is paper, when it does exist, means that the value which it represents is easily manipulated. When $xB=y$ gold, then to raise the price would mean either raising the labour input into B , or lowering the labour input into gold production. But with paper, the cost of production is zero for all practical purposes and the paper only represents a certain amount of value. In these circumstances it is easy to raise prices simply by circulating more paper so that a given quantity of commodities, being represented by an increased quantity of paper, has higher prices (assuming velocity of money constant, etc.). This was just the idea of Keynes, then Lewis and others. The state could print more money, or expand money via the credit system, and thus raise prices, which would decrease the value of each unit of money and thus undercut working-class wages. This undercutting could be done whether working-class wages were constant or increasing. In the latter case there would be a natural tendency for capitalists to raise prices to offset increases in costs, but this would have to be accompanied by an adequate expansion of the money supply — which the state could guarantee.

In the current inflation this kind of manipulation of money has been joined by another — the administered increases in the prices of oil and food that have been achieved by restricting the availability of those basic commodities to back up the price increase, in the case of oil, and to produce it, in the case of food. This has been occurring not just in one or more countries, due to the action of the state, but throughout

the world, due to the combined action of multinational corporations and a number of states. In the case of oil we have OPEC, the seven sisters, and both Western and Eastern governments. In the case of food grains, we have producers, grain traders, and the United States and USSR. The resultant price increases, that is, the increase in the amount of money required to obtain a given amount of commodity value, have acted to undercut working-class wages all over the world and are part of a world-wide counteroffensive by capital to stem the wage offensive. The management of the capital flows produced by this inflation has increasingly been turned over by capital to its international state institutions like the World Bank and the International Monetary Fund.¹⁷

However the manipulation of money is achieved, whether through corporations, national governments, or international agreement, it should now be clear that the object of the manipulations is the value relation between the working class and capital. We have seen the complex way money expresses this class relation and the complex role it has at the heart of that relation. There are many roles and institutions of money which are not brought out in Chapter One of *Capital*, but the analysis of the universal equivalent in the money-form and the price-form has given us some fundamental and basic insights into the role of money as medium of circulation and as mediator between the classes. It permits us to see, if not the details, at least the basic character of money control and inflation in the current period of class struggle.

As with the other categories of this chapter, we have seen how going behind the 'fetishism' to the underlying class relations makes possible the discovery of at least some of the political roles of money. Money appears as a mediator for capital, which hides its control over work — the unwaged work in the factory and without. It is a tool for controlling the amount of value or wealth achieved by the working class. When working-class power rises to the point of being able to stop capital's direct manipulation of the money wage (to eliminate wage reductions), capital seeks to use money indirectly by altering value relations through inflation, which attacks the working-class wage in a roundabout fashion. This becomes increasingly important as the struggle by the unwaged for wages has brought the unwaged work out from behind the wage curtain. Similarly, the tendency of the working class to demand more money with less work, to sever the relationship between value produced and value received, has also made it imperative for capital to try to use new forms of the manipulation of money to overcome this. In the cycle of struggles of the 1960s, working-class struggle increasingly broke down capital's determinations of value and money/price relations and shifted them in its own interests. That put the very basis of capital in question — its control over work — and was the source of the present crisis for capital. Given the difficulty which capital is currently experiencing in restructuring relationships in its own interest, the problem of the day is that of making our struggles more efficient on the new terrain of continuing crisis.

¹⁷ On the expanding role of the International Monetary Fund in managing capital's use of money as a weapon against the working class, see Marazzi, 'Money in the World Crisis': 104–106.