HISTORY AND THE LAW OF VALUE:
IN DEFENSE OF ENGELS AGAINST JOHN WEEKS

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INTRODUCTION

John Weeks argues, in his 1981 book, *Capital and Exploitation*, that there is a need to place "value theory at the center of the analysis of capitalism." (Weeks, p. 6) He approaches the analysis of value by means of a criticism of the writings of Frederick Engels, Karl Marx's lifelong collaborator. As Weeks puts it: "Engels completely misconstrued Marx's value theory." (Weeks, p. 8)

The task of dividing Engels from Marx extends through the first two chapters of Weeks's book, and continues in an appendix to the second chapter. In that appendix Weeks claims, "our purpose in this appendix is to reach into the work of Marx and Engels to demonstrate that their views on fundamental issues differed diametrically." (Weeks, p. 50)

The intent of the present paper is to refute Weeks's assertion that Marx and Engels differed in their fundamental views. It is hoped that, in the course of the arguments presented, it will be demonstrated that it is Weeks, and not Engels, who misconstrues the ideas of Marx—ideas that were developed, in large part, through the joint work of Marx and Engels.

In Weeks's attempt to conjure up an anti-Marxian Engels, he completely sets aside the biographical data of the two men's lives, and the richly-documented record of their practical and theoretical unity. The record provides no evidence of public or private quarreling between Marx and Engels on any substantive political or theoretical questions. To the contrary, they succeeded in arriving at complete accord on fundamental questions very early in their collaborative efforts.

Throughout a lifetime of struggle to develop the scientific foundation of the class struggle of the modern proletariat, and to take the first steps in constructing a leadership party for that class, Marx was accompanied and aided by Engels every step of the way. Together they formed a bond that constituted an irreplaceable nucleus for the gathering of revolutionary forces in the construction of a workers' leadership organization. Their collaboration in the Communist League and in the German revolution of 1848, and later in the International Working Men's Association, represents the highlights of their joint political work.

Their theoretical collaboration, which dates from their meeting in 1844, initially produced just works as *The Holy Family* and *The German Ideology*. Later, in the 1850s and 1860s, as Marx worked through the elaboration of his economic ideas, Engels communicated constantly with him and provided considerable assistance, both financial and literary. After Marx's death in 1883 Engels continued the work on *Capital*, editing and publishing the second and third volumes, and contributing, where necessary, to the text of the work. In his own works, such as *Anti-Duhring* (which Marx read and approved prior to publication) and *Origin of the Family, Private Property and the State*, Engels developed and defended ideas, which the two men shared.

This assessment of the practical and theoretical unity of Marx and Engels is chronicled and explained in a number of biographies, among them *Karl Marx and Friedrich Engels: an Introduction to Their Lives and Work*, by David Riazanov, and *Karl Marx: Man and Fighter*, by Boris Nicolaievsky and Otto Maenchen-Helfen. Weeks, of course, acknowledges the historical record, saying,

> In beginning this way, we immediately encounter the work of Marx's closest friend and repeated collaborator, Friedrich Engels. Engels was a towering figure in the world communist movement, a brilliant theoretician himself and responsible for the publication of Volumes II and III of *Capital*, which were left in various degrees of completion when Marx died. Every person who picks up either of the last two volumes of *Capital* owes a debt to Friedrich Engels. (Weeks, p. 8)

How is it possible then, for Weeks to claim that their "views on fundamental issues differed diametrically?" Weeks offers no hypothesis to explain this remarkable assertion, nor does he attempt to review the historical record looking for divergences. Rather, he relies entirely on an analysis of Engels's essay, "Law of Value and Rate of Profit," which is printed as an appendix to the third volume of *Capital*, and was written in 1895 just prior to its publication (although at one point Weeks draws on Engels's book *Anti-Duhring* as well). And it is in this essay that Weeks encounters views, which he believes, are strikingly at odds with those of Marx. Let's examine Engels's essay and Weeks's criticism of it. And as we proceed it will become clear who diverges from whom.

ENGELS AND SOMBART

Engels begins "Law of Value and Rate of Profit" by responding to some of the early commentary on Marx's third volume from eminent European intellectuals, among them Werner Sombart. Sombart had written a review of Marx's ideas for a German periodical. Engels does not provide any direct quotations from Sombart's review, but paraphrases him as saying,

> Value is not manifest in the exchange relation of capitalistically produced commodities; it does not live in the consciousness of the agents of capitalist production; it is not an empirical, but a mental, a logical fact . . . (Engels, 1962, p. 871)

The definition of value provided by Sombart here, and rendered in Engels's words, appears rather unclear, but represents an attempt by a sympathetic intellectual to paraphrase Marx's definition of value. Weeks begins his attack on Engels in the following way:

> In his defense of Marx, Engels begins by considering the interpretation of Marx's theory of value by Sombart, a nineteenth-century German economist who argued that value is not an empirical, but a mental construct. (Weeks, p. 13)

Here Weeks has substituted the word "construct" for "fact." (And he indicates in a footnote that his source for Sombart's definition is Engels's paraphrase, not the Sombart original.) By making this substitution, he then feels justified in indicating that Sombart held an idealist view of value, and that Engels, in agreeing with Sombart, did also. But a "construct" is not a "fact." A "construct" might well be thought of as the opposite of a "fact." Sombart had said that value was a "fact," albeit a "mental" one.

Weeks continues, interpreting Sombart's meaning,

> That is, in a capitalist economy, value is not something of the real world, does not exist independently of one's conceiving it, but is a concept that one creates in order to explain reality. Engels agreed with this view, but objected that it was incomplete . . . (Weeks, p. 14)

In saying, "Engels agreed with this view," Weeks is accusing Engels of adapting to an idealist philosophical standpoint, even if only in this one passage. In making this assessment, it would have been better had Weeks expanded upon it a bit to clarify whether he views Engels as an idealist in general.

Now it should be admitted at this point that, lacking access to Sombart's review, it is difficult to make any definitive interpretation of the definition of value contained in it. But in any case, Sombart's supposed idealism is not the issue; Engels's is. But for the sake of argument, let's consider for a moment what justification there might be for saying that value is "a mental, a logical fact."

Marx characterized value as follows:

> Not an atom of matter enters into the objectivity of commodities as values; in this it is the direct opposite of the coarsely sensuous objectivity of commodities as physical objects. . . . let us remember that commodities possess an objective character as values only in so far as they are all expressions of an identical social substance, human labor, that their objective character as values is therefore purely social. (Marx, 1977, p. 138)

Later, Marx uses other descriptive terms to characterize the non-materiality of value:

> The price or money-form of commodities is, like their form of value generally, quite distinct from their palpable and real bodily form; it is therefore a purely ideal or notional form. (Marx, 1977, p. 189)

If Marx says that value is "purely ideal," "notional," then isn't Sombart more or less on the right track if he says that value is a "mental, a logical fact"? If value is a "social substance" its objective reality can only be determined and measured on a social scale, but since society is made up of individuals, the registration of this social reality takes effect through the activities of individuals in association with others, which then becomes reflected in their consciousness (although not in a rational way). The social relations can only become real to the extent that corresponding ideas take shape in the minds of all the participating individuals. But this does not mean that individual mental processes are the determinants of social relations. The immediate determinants are social, but individual minds absorb and reflect these social processes and facilitate the social interactions of economic life. It is in this sense that, "individuals are now ruled by abstractions, whereas earlier they depended on one another." (Marx, 1973, p. 164)

Thus Marx can say that value takes "a purely ideal or notional form" in the minds of individuals. And of course, the recognition of value as social or "mental" does not in the least detract from its objective existence. It is "of the real world," because, under certain circumstances, it forms the social framework within which definite acts of production and distribution are carried out, and thus it can be judged by its results, which are objective, verifiable facts. Social relations are not the same as physical objects, but they are no less a part of the objective world.

Sombart undoubtedly did not progress very far in his attempt to understand Marx's theory of value. Yet he made an effort, and Engels wanted to encourage him. Thus after paraphrasing Sombart's interpretation of Marx a bit further, Engels concludes,

> . . . it cannot be said that this conception of the significance of the law of value for the capitalist form of production is wrong. [thus Weeks says, "Engels agreed"] But it does seem to me to be too broad, and susceptible of a narrower, more precise formulation. . . (Engels, 1962, p. 871)

We have seen in what sense Sombart's formula ("a mental, a logical fact") can be regarded as congruent with Marx. Weeks substitutes the word "construct" for "fact" in this formula, thus making Sombart into an idealist, and making Engels, in agreeing with Sombart, an idealist by association. But even if it were true that Engels overlooked an idealist expression in Sombart's words, and merely attempted to focus on what was positive or promising, that in itself would not make an idealist of Engels. One would have to examine Engels's own works as evidence.

And as far as the present essay is concerned, we do not have to wait long for Engels to make his standpoint clear. After his comments on Sombart, Engels deals with an article on the same topic by Conrad Schmidt. Schmidt had written in a letter to Engels that he believed "the law of value within the capitalist form of production to be a pure, although theoretically necessary, fiction." (Engels, 1962, p. 872) Engels rejects this view, saying,

> Sombart, as well as Schmidt . . . does not make sufficient allowance for the fact that we are dealing here not only with a purely logical process, but with a historical process and its explanatory reflection in thought, the logical pursuance of its inner connections. (Engels, 1962, p. 872)

This is a clear materialist formulation, but Weeks overlooks it. He has advanced the notion that Engels might be an idealist, but doesn't carry through with an attempt to prove the point.

ENGELS'S APPROACH TO THE LAW OF VALUE

A good deal of supposed evidence for Weeks's claim that the fundamental views of Marx and Engels "differed diametrically" is found in a four-page section of the essay by Engels currently under consideration. In this section Engels analyzes particular aspects of the history of economic relations, showing how the law of value took shape and evolved over the centuries. For the purposes of this paper, it will be useful to summarize Engels's sketch and reproduce here the key passages, which Weeks finds so un-Marxist.

In introducing his theme that, in precapitalist exchange, commodities tended to exchange according to the amount of labor required for their production, Engels quotes Marx as saying,

> The exchange of commodities at their values, or approximately at their values, thus requires a much lower stage than their exchange at their prices of production, which requires a definite level of capitalist development. . . .
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> Apart from the domination of prices and price movement by the law of value, it is quite appropriate to regard the values of commodities as not only theoretically but also historically prius to the prices of production. This applies to conditions in which the laborer owns his means of production, and this is the condition of the landowning farmer living off his own labor and the craftsman, in the ancient as well as in the modern world. This agrees also with the view we expressed previously, that the evolution of products into commodities arises through exchange between different communities, not between members of the same community. It holds not only for this primitive condition, but also for subsequent conditions, based on slavery and serfdom, and for the guild organization of handicrafts, so long as the means of production involved in each branch of production can be transferred from one sphere to another only with difficulty and therefore the various spheres of production are related to one another, within certain limits, as foreign countries or communist communities. (Cited by Engels, 1962, p. 873; from Marx, 1962, p. 174)

Engels then gives an example of an early form of exchange through which the law of value expressed its development. He points to the barter that was carried on by medieval peasants, a form of exchange in which "the labor time required for the manufacture of the articles obtained . . . in barter" was "fairly accurately" known by the exchanging peasants, since the labor processes involved were easily observable locally. (Engels, 1962, p. 874) In this barter, Engels maintains that,

> Not only was the labor time spent on these products the only suitable measure for the quantitative determination of the values to be exchanged; no other was at all possible. Or is it to be believed that the peasant and the artisan

> were so stupid as to give up the product of ten hours' labor of one person for that of a single hour's labor of another? (p. 874)

At this point, Engels is only concerned with barter. Later he contemplates the introduction of money into the bartering communities:

> From the moment money penetrates into this mode of economy, the tendency towards adaptation to the law of value (in the Marxian formulation, nota bene!) grows more pronounced on the one hand, while on the other it is already interrupted by the interference of usurers' capital and fleecing by taxation; the periods for which prices, on the average, approach to within a negligible margin of values begin to grow longer. (p. 874)
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> But how, in this barter on the basis of quantity of labor, was the latter to be calculated, even if only indirectly and relatively, for products requiring longer labor, interrupted at irregular intervals, and uncertain in yield—e.g. grain or cattle? And among people, to boot, who could not calculate? Obviously, only by means of a lengthy process of zigzag approximation, often feeling the way here and there in the dark, and, as is usual, learning only through mistakes. But each one's necessity for covering his outlay on the whole always helped to return to the right direction; and the small number of kinds of articles in circulation, as well as the often century-long stable nature of their production, facilitated the attaining of this goal. (p. 875)
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> From the practical point of view, money became the decisive measure of value, all the more as the commodities entering trade became more varied, the more they came from distant countries and the less, therefore, the labor time necessary for their production could be checked. . . . partly their own consciousness of the value-measuring property of labor had been fairly well dimmed by the habit of reckoning with money; in the popular mind money began to represent absolute value. (p. 876)
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> In a word: the Marxian law of value holds generally, as far as economic laws are valid at all, for the whole period of simple commodity production, that is, up to the time when the latter suffers a modification through the appearance of the capitalist form of production. Up to that time prices gravitate towards the values fixed according to the Marxian law and oscillate around these values, so that the more fully simple commodity production develops, the more the average prices over long periods uninterrupted by external violent disturbances coincide with values within a negligible margin. Thus the Marxian law of value has general economic validity for a period lasting from the beginning of exchange, which transforms products into commodities, down to the 15th century of the present era. But the exchange of commodities dates from a time before all written history, which in Egypt goes back to at least 2,500 B.C., and perhaps 5,000 B.C., and in Babylon to 4,000 B.C., perhaps 6,000

> B.C.; thus the law of value has prevailed during a period of from five to seven thousand years. (p. 876)

WEEKS VS. ENGELS ON BARTER AND MONEY

On the topic of medieval peasant barter, Weeks objects to Engels's assertion that the peasants were able rely on their knowledge of local conditions of production to enter into barter relations involving the exchange of products representing equal amounts of labor. Initially, what concerns Weeks is not so much the question of whether or not the peasants consciously used labor time as a standard of measuring values, but that it doesn't seem to him likely that they would abandon the labor-time standard once money is brought into the local economy. Weeks argues:

> . . . it is not obvious why money should play an obfuscating role. If peasants and artisans have direct knowledge of the concrete labor time expended in production of commodities, and exchange is based on this knowledge, the introduction of money merely requires the seller to keep in mind how much of his labor time is exchanged against a given quantity of the money commodity when he becomes a buyer of a commodity whose embodied labor time he knows. In other words, if labor times are known, they are known whether exchanges involve money or not. (Weeks, p. 18)

Engels had said that the tendency toward adaptation to the Marxian law of value grew more pronounced with the penetration of money into the local economy. But the introduction of money only initiated a process of change in the habits and thinking of the peasants. Engels argued that their consciousness of labor time became "fairly well dimmed" by the use of money—implying that the transition to money exchange extended over many generations. Of course, the time period of the transition from barter to money exchange varied at different historical periods where this process occurred in different parts of the world. But it could not have taken place in an overnight fashion as Weeks assumes. One must also take into account the growth of market relations, so that the products offered for exchange in each locality increasingly came from more remote areas.

In terms of the historical transition to commodity exchange with money as medium of exchange, Marx, like Engels, was of the view that money played an "obfuscating role." As he explained,

> It is not at all apparent on its face that its character of being money is merely the result of social processes; it is money. This is all the more difficult since its immediate use value for the living individual stands in no relation whatever to this role, and because, in general, the memory of use value, as distinct from exchange value, has become entirely extinguished in this incarnation of pure exchange value. (Marx, 1973, p. 239)

Further, the idea that barter was based on labor time would not have seemed strange to Marx. He maintained,

> Since labor is motion, time is its natural measure. Barter in its crudest form presupposes labor as substance and labor time as measure of commodities; this then emerges as soon as it becomes regularized, continuous, as soon as it contains within itself the reciprocal requirements for its renewal. [Regarding barter, Marx adds that] if it should happen to continue, to become a continuing act which contains within itself the means of its renewal, then little by little, from the outside and likewise by chance, regulation of reciprocal exchange arises by means of regulation of reciprocal production, and the costs of production, which ultimately resolve into labor time, would thus become the measure of exchange. (Marx, 1973, p. 205)

The meaning of "regulation of reciprocal exchange by means of regulation of reciprocal production," is captured in Engels's phrase, "each one's necessity for covering his outlay on the whole always helped to return to the right direction." (Engels, 1962, p. 875) In other words, long term bartering of the same goods must be able to correct its own tendency toward unequal exchange. Otherwise, one side is always losing, the other side always gaining, and there would be a tendency for the perpetually disadvantaged party to opt out of the bartering. The long-term stability of barter relations depends on the capacity of the parties to correct inequalities over the long run, generally by trial and error. (This assumes that the bartering parties stand in a voluntary relation of equality to one another, so that one cannot impose its will upon the other.)

"PERCEPTION" OF LABOR TIME

Thus far we have only commented on Weeks's opinion that the introduction of money into an economy based on bartering would not cause the exchanging groups or individuals to lose track of labor times, if they had been accustomed to use these as standards of exchange. But his criticism goes further. He believes that Engels has advanced a theory of value based on the direct perception of labor time, and the exchange of products based on this observed time. In this view, Engels, failing to learn from Marx, simply repeated the errors of Proudhon, Boisguillebert and others. Weeks states:

> Marx could have been commenting on 'Law of Value and Rate of Profit' when he wrote, 'Boisguillebert's work proves that it is possible to regard labor time as the measure of value of commodities, while confusing the labor which is materialized in the exchange value of commodities and measured in time units with the direct physical activity of individuals.' (Weeks, p. 28) Later, Weeks claims:
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> This is Engels's argument: each buyer measures labor time in production by observation, then exchange reflects this assessment. (Weeks, p. 56)

But the reference to Boisguillebert (and a later, similar, reference to Proudhon) is a distraction. In pointing to "the mistake of Engels's stress on perception of labor time . . .," (p. 28) Weeks should have more closely examined Engels's words.

When Engels discussed the "perception" of labor time, he did not refer to observation of the labor time taken up by the producer of the particular article in question, only that the peasant "knew fairly accurately the labor time required for the manufacture of the articles obtained by him in barter." It is important to keep in mind that when labor time becomes the basis for measuring the quantities of goods to be exchanged, the labor-time measurement is based on social averages, established by generations of experience, and not on direct observation of the laboring activities of one person by another for each particular product. And this applies whether the exchange system involves conscious recognition of labor time or not.

As we have seen, when Engels discusses medieval peasant barter, he refers to the peasants' knowledge about labor time as a necessary element in determining exchange ratios of some (though not all) locally-produced goods. He then adds, "from the moment money penetrates into this mode of economy, the tendency towards adaptation to law of value (in the Marxian formulation, nota bene!) grows more pronounced . . .". (p. 874) Note here that there is a distinction in Engels's mind between labor-time barter, on the one hand, and the law of value, on the other.

There was an economy of labor time in the middle ages. Feudal services were often determined by the length of time required to perform the task, i.e., the obligation was defined by so many days or hours of such-and-such a kind of work.

Marx points to why, in his view, there was a tendency toward conscious recognition of labor time as a basis for the regulation of economic activity in precapitalist societies. Speaking of "patriarchal rural industry of a peasant family . . .," Marx comments,

> The distribution of labor within the family and the labor time expended by the individual members of the family, are regulated by differences of sex and age as well as by seasonal variations in the natural conditions of labor. The fact that the expenditure of the individual labor powers is measured by duration appears here, by its very nature, as a social characteristic of labor itself, because the individual labor powers, by their very nature, act only as instruments of the joint labor power of the family. (Marx, 1977, p. 171)

Regarding labor-time accounting in feudal societies, Ernest Mandel notes,

> In Japan there were in the eighth century A.D. two kinds of non-agricultural obligatory labor, called *cho* and *yo*. The statute of Taiho fixed the amount of these two obligations both in length of labor time (ten days), in quantity of cloth (26 *shaku*, i.e. approximately 10 yards) and in quantity of corn (1 *to*, i.e. approximately two bushels). Thus, among the producers in a society of this kind, the length of time needed to produce a given commodity was quite clear. (Mandel, p. 62)

Undoubtedly, barter by labor-time accounting occurred historically, as Engels claimed, and Weeks does not dispute this. Also, it must be kept in mind that Engels also called attention to another form of barter in cases where the labor time was either not known or difficult to calculate, that of "zigzag approximation." In any case, these forms of barter were at some point superseded by money exchange, either through the necessary evolution of bartering itself, or by the penetration of developed exchange from the outside. And, Engels noted, it is the introduction of money that promotes the adaptation of the natural exchange systems to the law of value.

THE SOCIAL CONTEXT OF PRECAPITALIST EXCHANGE

As we have seen, in his brief sketch Engels focuses on the development of exchange in precapitalist societies, leaving aside any analysis of the dominant modes of production that predated capitalism. This apparent lapse on Engels's part—to omit from this section any description of feudalism, bondage, slavery, etc.—gives Weeks the opportunity to accuse Engels of painting a picture of a precapitalist society exclusively composed of petty commodity producers for five to seven thousand years.

Here is how Weeks develops this theme:

> As the argument develops, we begin to get a picture of the society being considered, which presumably endured for five to seven thousand years: a society of independent, exchanging producers ("working peasants . . . with . . . their own farmsteads"), specializing within a social division of labor, and with property rights to the entire product of their labor. It is unclear how such a society allows for exploitation and classes, since the basis of class society is the appropriation of the surplus product of the direct producers, but this anticipates the critique of Engels's argument. (Weeks, p. 16)

For an exposition of Engels's views of the development of class society, readers are urged to take a look at his book, *The Origin of the Family, Private Property and the State*, which is only one text in which his views on the subject are set out. In the essay under consideration, however, his task was not to recapitulate what he had written elsewhere, but to say what was relevant to his theme. That he omits reference to the relationship between commodity production and exchange, on the one hand, and the major modes of production, which existed before the rise of capitalism, on the other, in no way detracts from the validity of his analysis.

Throughout the history of civilization, a variety of precapitalist modes of production rose and fell, some of them polarizing society into exploited and exploiting classes. At the same time, alongside these class-divided forms, and partly intertwined with them, there developed a sphere of production for exchange, commodity production, production for others mediated by exchange. As Marx explained,

> No matter what the basis on which products are produced, which are thrown into circulation as commodities—whether the basis of the primitive community, of slave production, of small peasant and petty bourgeois, or the capitalist basis, the character of products as commodities is not altered, and as commodities they must pass through the process of exchange and its attendant changes of form. (Marx, 1962, p. 320)

EQUALITY IN EXCHANGE

Weeks continues summarizing Engels,

> Explicit here is a view that those in the exchange process meet each other in the marketplace as equals—'the peasants, as well as the people from whom they bought, were themselves workers; the exchanged products were each one's own products'. We must keep in mind that Engels is not describing a class society in which the surplus products are appropriated and exchanged by the ruling class, but a society of equals, exchanging the products of their labor. (Weeks, p. 16)

Here Weeks casts doubt on the idea that independent small commodity owners—peasants and artisans—met as equals in the precapitalist market, exchanging the products of their own, or their family's, labor. It is true that the ruling classes of the middle ages, in certain instances, exchanged the products appropriated from the peasants or serfs, as, e.g. in the cases of the medieval wool trade, wineries, etc. But at the same time the historical record shows peasants and artisans meeting as equals in village markets, fairs, etc., to exchange the products of their labor.

As commodity exchange develops, however, the principle of equality between commodity owners—however these products may have been obtained—asserts itself the more this exchange is institutionalized. The equal status of those engaging in exchange is a necessary basis for the evolution of the law of value. (And this principle applies whether the exchangers are peasants, artisans, merchants or aristocrats.) Marx maintained,

> Indeed, in so far as the commodity or labor is conceived of only as exchange value, and the relation in which the various commodities are brought into connection with one another is conceived as the exchange of these exchange values with one another, as their equation, then the individuals, the subjects between whom this process goes on, are simply and only conceived of as exchangers. . . . Each of the subjects is an exchanger; i.e. each has the same social relation towards the other that the other has towards him. As subjects of exchange, their relation is therefore that of equality. . . . Furthermore, the commodities which they exchange are, as exchange values, equivalent, or at least count as such. (Marx, 1973, p. 241)

The principle of equality of exchangers was recognized in the legal system of ancient Rome. Marx pointed out, referring to this system,

> . . . in so far as it was developed in a limited sphere, it was able to develop the attributes of the juridical person, precisely of the individual engaged in exchange, and thus anticipate (in its basic aspects) the legal relations of industrial society, and in particular the right which rising bourgeois society had necessarily to assert against medieval society. (Marx, 1973, p. 246)

HISTORICAL ORIGINS OF EXCHANGE

Weeks restricts his discussion of value to its form of expression in capitalist society. His statements indicate a certain skeptical attitude toward "forms of value" that he thinks probably did not exist prior to the rise of capitalism in Europe, although he does not make a definite statement on this point. He leaves out of consideration the analysis of precapitalist trade and commodity production that was developed by Marx and Engels. As Weeks explains in his introduction,

> We begin with three chapters on value theory and its implications, in which it is demonstrated that the general production of useful objects ('use values,' Marx called them) for exchange ('exchange values') necessarily implies a capitalist society, which is a society based on exploitation (the appropriation by the capitalist class of unpaid labor performed by the working class). (Weeks, p. 5)

It is true that only under the capitalist mode of production do the vast majority of the products of labor take the form of commodities. The commodity form occupies a relatively modest niche in precapitalist societies. But where does capitalism come from? It doesn't appear out of nowhere. Capitalism arrives on the scene, historically, as a result of a concurrence of economic and social developments, the most important of which, from the economic point of view, is that the production and exchange of the products of labor as commodities has reached a high level, as a result of a lengthy process of development. And the history of commodity production, as Engels points out, goes back five to seven thousand years.

Marx pointed out that commodity production began first, in ancient times, in the relations between communities, beginning with gift exchange, proceeding to barter, and evolving into buying and selling.

> However, as soon as products have become commodities in the external relations of a community, they also, by reaction, become commodities in the internal life of the community. . . . The constant repetition of exchange makes it a normal social process. In the course of time, therefore, at least some part of the products must be produced intentionally for the purpose of exchange. From that moment the distinction between the usefulness of things for direct consumption and their usefulness in exchange becomes firmly established. Their use value becomes distinguished from their exchange value. On the other hand, the quantitative proportion in which things are exchangeable becomes dependent on their production itself. Custom fixes their values at definite magnitudes. (Marx, 1977, p. 182)

But though the products of labor may be produced in the form of commodities for thousands of years, this form of production remains subordinate to the non-commodity-producing social regimes in which it subsists as a subordinate, supplementary element. This persists until the sixteenth century in Britain, and later, on the continent of Europe, when the capitalist mode of production begins to take shape. But Weeks cannot accept that small-scale commodity production could endure such a long time without generating capitalism. He says,

> To argue that the law of value ruled for five to seven thousand years, as Engels does (and Meek for a more modest period), is to argue that exchange can occur among independent, self-employed producers without generating capitalism. That is, it posits a world of competing producers, exchanging their labor, without any contradictions that would give rise to the concentration and centralization of production. In short, implicit in the argument is that commodity exchange itself can be equal and socially egalitarian, and is characterized by exploitation only when it comes under the domination of capital. This view, commodity production and the competition among producers that it implies, treats exchange as intrinsically benign, capable of regulating and reproducing a society of equals. (Weeks, p. 45)

But commodity production did exist for thousands of years without giving rise to bourgeois production relations, arising first among primitive or barbarian communities, and later becoming regularized as a subordinate element within societies based on slave labor and tribute from conquered peoples that often were characterized by marked inequalities in wealth and social power. Capitalism could not be born until the historical preconditions for its existence had ripened. Marx explained it this way:

> One thing, however, is clear: nature does not produce on the one hand owners of money or commodities, and on the other hand men possessing nothing but their labor power. This relation has no basis in natural history, nor does it have a social basis common to all periods of human history. It is clearly the result of a past historical development, the product of many economic revolutions, of the extinction of a whole series of older formations of social production. . . .
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> The production and circulation of commodities can still take place even though the great mass of the objects produced are intended for the immediate requirements of their producers, and are not turned into commodities, so that the process of social production is as yet by no means dominated in its length and breadth by exchange value. The appearance of products as commodities requires a level of development of the division of labor within society such that the separation of use value from exchange value, a separation which first begins with barter, has already been completed. But such a degree of development is common to many economic formations of society, with the most diverse historical characteristics. . . .
>
> It is otherwise with capital. The historical conditions of its existence are by no means given with the mere circulation of money and commodities. It arises only when the owner of the means of production and subsistence finds the free worker available, on the market, as the seller of his own labor power. And this one historical precondition comprises a world's history." (Marx, 1977, p. 273, 274)

PROPERTY RIGHTS OF THE COMMODITY PRODUCER

Marx held that one historical precondition for the appearance of the capitalist mode of production was the separation of the producers from their means of production, so that free labor power could meet in the marketplace with capital. The existence of merchants' or usurers' capital in itself is not a sufficient condition for this transition. Marx explained:

> But the mere presence of monetary wealth, and even the achievement of a kind of supremacy on its part, is in no way sufficient for this dissolution into capital to happen. Or else ancient Rome, Byzantium etc., would have ended their history with free labor and capital, or rather begun a new history. . . . Capital does not create the objective conditions of labor. Rather, its original formation is that, through the historic process of the dissolution of the old mode of production, value existing as money wealth is enabled, on the one side, to buy the objective conditions of labor; on the other side, to exchange money for the living labor of the workers who have been set free. (Marx, 1973, p. 506)

One decisive factor that enabled this process of separation was the rise in the productivity of labor in the middle ages. It was this rise in productivity, particularly of agricultural labor, that allowed the freeing up of excess labor power in the countryside. As Marx claimed,

> It will likewise be found on closer observation that all the dissolved relations were possible only with a definite degree of development of the material (and hence also the intellectual) forces of production. (Marx, 1973, p. 502)

By the sixteenth century, in England at least, history had finished its labor of building the stage upon which moneyed wealth could at last begin to extend itself into artisan production and assume its role of industrial capital. It is at this point, however, that equality in exchange—equality between the exchangers of commodities—begins to be transformed into apparent equality, in the case of the exchange between capital and labor. Initially, capital and labor appear as equals in the labor market, each standing in relation to the other as "property owners" according to the tradition established by simple commodity production and exchange. The means of subsistence (property of one party), are exchanged for labor power (property of the other). But capital's monopoly over the conditions of production promotes the development of a fundamental inequality between the two classes, even while the appearance of equality persists.

This historical transition is problematical for Weeks, however, since he has not examined the development of precapitalist commodity production, and does not see how the law of value evolved in and through this historical process. This makes it difficult for him to appreciate the historical transition in the exchange relations that occurred with the rise of capital. Weeks argues:

> Engels begins with commodity exchange on the basis of equivalent exchange (commodities exchanging at their values) in a context in which each

producer has the right to his labor. Marx begins similarly, with no explicit statement as to the social relations of production involved. But from this starting point, the two distinct approaches emerge and the theoretical arguments go separate ways. In the former case, the presumption that individuals hold right to their labor is never questioned, but maintained throughout, and social relations of production are not considered at all, until it becomes necessary to deal with the historical reality of capitalism. In the latter case, the analysis reveals, step by step, that the assumption of individual private property is inconsistent with the actual operation of the law of value and must be discarded. For Marx, the right to one's labor was merely an assumption; for Engels it characterized an actual society. (Weeks, p. 41)

Weeks argues here that Marx discarded the assumption of individual private property because he considered it "inconsistent with the actual operation of the law of value." And that this "individual private property" in the product of one's own labor, or, "the right to one's labor," was "merely an assumption," and did not characterize an "actual society." Here Weeks seems to be saying that Marx first made an assumption, and then later discarded it, thinking it was wrong. He seems to believe that while Marx discarded this erroneous assumption, Engels did not.

Weeks buttresses his argument by using this quote from Marx:

> At first the rights of property seemed to us to be based on a man's own labor. At least, some such assumption was necessary since only commodity-owners with equal rights confronted each other." (Weeks, p. 42, taken from the 1970 Progress edition of *Capital*, Vol. I, p. 547. See Marx, 1977, p. 730)

But the assumption of the "right to one's labor" was based on an actual society, for Marx as well as for Engels. As Marx pointed out,

> The private property of the worker in his means of production is the foundation of small-scale industry, and small-scale industry is a necessary condition for the development of social production and of the free individuality of the worker himself. Of course, this mode of production also exists under slavery, serfdom and other situations of dependence. But it flourishes, unleashes the whole of its energy, attains its adequate classical form, only where the worker is the free proprietor of the conditions of his labor, and sets them in motion himself: where the peasant owns the land he cultivates, or the artisan owns the tool with which he is an accomplished performer. (Marx, 1977, p. 927)

Marx goes on to explain that as capitalism emerges and becomes dominant, the unity of the small producer with the means of production is annihilated, the scattered properties of the small producers are socially concentrated, that forcible means are used in this process, and then concludes,

> Private property which is personally earned, i.e. which is based, as it were, on the fusing together of the isolated, independent working individual with the conditions of his labor, is supplanted by capitalist private property, which rests on the exploitation of alien, but formally free labor. (Marx, 1977, p. 928)

THE HISTORICAL INVERSION OF PROPERTY RIGHTS

Yet when Weeks argues that for Marx, "the right to one's labor was merely an assumption," he is not completely wrong. Marx did argue, "at first the rights of property seemed to us to be based on a man's own labor. At least some such assumption was necessary. . .". How is it possible then, for Marx to say, in one place, that the property rights were an "assumption," and in another that "private property of the worker in his means of production is the foundation of small-scale industry"? Were there two Marxes? Was Marx self-contradictory?

The answer to this problem lies in the recognition that the commodity form contains within itself, potentially, all the contradictions of capitalist production and exchange. These contradictions must germinate for a period of time as potentials, in a latent or embryonic form; they cannot and do not emerge as overtly active phenomena as soon as commodity production begins. Further, the potential latent within the commodity form to express itself as the relation of labor to capital can only emerge as a concrete social reality by means of a negation of its prior form. But this process is, at the same time, a further logical development of its potential.

Earlier Marx had written,

> As we have seen, in simple circulation as such (exchange value in its movement), the action of the individuals on one another is, in its content, only a reciprocal, self-interested satisfaction of their needs; in its form, it is exchange among equals (equivalents). Property, too, is still posited here only as the appropriation of the product of labor by labor, and of the product of alien labor by one's own labor, in so far as the product of one's own labor is bought by alien labor. Property in alien labor is mediated by the equivalent of one's own labor. This form of property—quite like freedom and equality—is posited in this simple relation. In the further development of exchange value this will be transformed, and it will ultimately be shown that private property in the product of one's own labor is identical with the separation of labor and property, so that labor will create alien property and property will command alien labor. (Marx, 1973, p. 238)

Initially, exchange served to satisfy the mutual needs of the producers who exchanged the products of their labor. But it is the private property in the product of one's own labor that is the basis for the claim on the property of the other. Initially, the exchange process serves the needs of the producers, but once a claim is established to the labor of another, and this claim is exercised by alienating private property, then the possibility arises that the products of labor offered in exchange may not be the products of one's own labor, but the products of the labor of others. Property becomes separated from labor. A merchant class arises, engaged exclusively in buying and selling the products of the labor of others. In a further step, merchant wealth buys the means of production from the direct producer, gaining command over the product of that producer's labor.

Returning now to the previous passage from *Capital*, Marx continues,

> Now, however, property turns out to be the right, on the part of the capitalist, to appropriate the unpaid labor of others or its product, and the impossibility, on the part of the worker, of appropriating his own product. The separation of property from labor thus becomes the necessary consequence of a law that apparently originated in their identity.
>
> Therefore, however much the capitalist mode of appropriation may seem to fly in the face of the original laws of commodity production, it nevertheless arises, not from a violation of these laws but, on the contrary, from their application. (Marx, 1977, p. 730)

Thus when Marx claims that, "at first the rights of property seemed to us to be based on a man's own labor. At least, some such assumption was necessary. . .", he is referring to the way in which the thinking mind traces the historical inversion of property rights in relation to the product of labor. The assumption is based on a condition that no longer holds sway in the exchange between labor and capital, but apparently still does. The reality of equal exchange of the products of labor has been replaced by exchange, which is seemingly equal, but conceals appropriation of unpaid labor. The assumption of property rights grounded in one's own labor is a necessary assumption because it reflects the actual relation of the earlier stage, has served as the basis for social custom and law, and now serves as the point of departure for the present stage. But as capital penetrates the productive sectors, equal exchange is undermined and overthrown by the natural evolution of exchange itself. But what persists is the assumption that the conditions of exchange are the same as always. This is an illusion—the illusion of equal exchange between capital and labor.

Almost from its inception, commodity production and exchange contain within it the potential to proceed from equal exchange between producers to unequal exchange between capital and labor. But this potential is hidden at first, and only expresses itself as capital becomes a social power, and this only occurs when the laborers are separated from their means of production. And this separation is promoted not by changes in the laws of private property, but by the evolution of commodity production itself. As Marx explained,

> The same rights remain in force both at the outset, when the product belongs to its producer, who, exchanging equivalent for equivalent, can enrich himself only by his own labor, and in the period of capitalism, when social wealth becomes to an ever-increasing degree the property of those who are in a position to appropriate the unpaid labor of others over and over again.
>
> The result becomes inevitable from the moment there is a free sale, by the worker himself, of labor power as a commodity. But it is also only from then onwards that commodity production is generalized and becomes the

> typical form of production; it is only from then onwards that every product is produced for sale from the outset and all wealth produced goes through the sphere of circulation. Only where wage labor is its basis does commodity production impose itself upon society as a whole; but it is also true that only there does it unfold all its hidden potentialities. (Marx, 1977, p. 733)

Weeks nevertheless insists,

> Marx's entire treatment of exchange in precapitalist society is based on the recognition that these societies were characterized by servile relations of production in which the direct producers, while united with the means of production, had no right of property. (Weeks, p. 53)

But Marx did write of the property rights of peasants and artisans in precapitalist society, as we have seen. Even if we recognize that the property rights of the direct producers were sharply curtailed, or even eliminated altogether in the servile relations of serfdom, we must also note that peasants in medieval Europe were affected in different ways, and to different degrees, by serfdom. Some of them remained outside the bounds of servility for extensive periods of history. The free peasantry never entirely disappeared even at the height of serfdom. Many serfs managed to win their emancipation, either individually or collectively. Eventually serfdom was overcome and all were freed from servile bonds. Serfdom disappeared, at least in England, well before the rise of capitalism. As Marx pointed out,

> In England, serfdom had disappeared in practice by the last part of the fourteenth century. The immense majority of the population consisted then, and to a still larger extent in the fifteenth century, of free peasant proprietors, however much the feudal trappings might disguise their absolute ownership. (Marx, 1977, p. 877)

Marx referred to the period roughly from 1350 to 1450 as, "a golden age for labor in the process of becoming emancipated." (Marx, 1973, p. 510) It is undoubtedly this period Marx was thinking of when he wrote, ". . . (small-scale production) attains its adequate classical form only where the worker is the free proprietor of the conditions of his labor. . ." (quoted above, Marx, 1977, p. 927)

MERCHANTS' CAPITAL AND THE TRANSITION TO CAPITALISM

The second part of Engels's essay now under consideration deals with merchants' capital in medieval society, and in particular the prevailing methods of determining the rate of merchants' profit. He discusses the penetration of merchant's capital into the sphere of industrial production, and how that process affected the determination of the rate of profit. Perhaps part of the reason why Engels appended this essay to the third volume of *Capital* is that it provides background material for the discussion on the transformation of values into prices of production (Chapters 9 and 10), as well as for the discussion of the penetration of merchants' capital into production (Chap. 20). Engels starts by commenting on the organizational methods of medieval merchant trading companies. He points out the pervasive influence of the communal tradition, descending from the Germanic mark association (originally a barbarian kinship-based social relation), seen in many medieval institutions. The hallmark of this form of association was the equal property rights of each participating member. Engels writes,

> All later productive associations, particularly the guilds in the cities, whose statutes were nothing but the application of the mark constitution to a craft privilege instead of to a restricted area of land, followed the pattern of the mark association. . . . The same holds true of the mine guilds. . . . And the same holds good in no less degree of the merchant companies, which initiated overseas trade. . . . The Venetians and the Genoese . . . formed complete trade associations; they were closed to competitors and customers; they sold at fixed prices among themselves; their commodities had a definite quality guaranteed by public inspection and often by a stamp; they deliberated in common on the prices to be paid by the natives for their products, etc. . . .
>
> Here for the first time we meet with a profit and a rate of profit. The merchant's efforts are deliberately and consciously aimed at making this rate of profit equal for all participants. . . . The equal rate of profit, which in its fully developed form is one of the final results of capitalist production, thus manifests itself here in its simplest form as one of the points from which capital started historically, as a direct offshoot in fact of the mark association, which in turn is a direct offshoot of primitive communism. (Engels, 1962, p. 877)

After further commentary on merchant's capital, Engels brings up the topic of the establishment of a connection between merchants' capital and the artisan producer, a connection that leads to the subordination of the producer to the merchant. Given the existence of an approximately equal rate of profit in trade, Engels asks, "now what could induce the merchant to take on the extra business of a contractor?" (Engels, p. 881) In other words, the objective was to establish a contractual relationship with an artisan (in this case, a weaver), to purchase the weaver's cloths at a definite price for a definite period, and supply the weaver with the yarn, also at a fixed price. Engels continues,

> Only one thing: the prospect of greater profit at the same selling price as the others. And he had this prospect. By taking the little master into his service, he broke through the traditional bonds of production within which the producer sold his finished product and nothing else. The merchant capitalist bought the labor power, which still owned its production instruments but no longer the raw material. By thus guaranteeing the weaver regular employment, he could depress the weaver's wage to such a degree that a part of the labor time furnished remained unpaid for. The contractor thus became an appropriator of surplus value over and above his commercial profit. (Engels, p. 881)

This scenario is unacceptable to Weeks. He raises three objections. First:

> Engels, then, hypothesizes that this basic change (the transition to capitalist production) is achieved essentially without force;" secondly, that "the explanation of the transition is situated at the individual level;" (Weeks, p.21) and third, that Engels characterizes this historic transition as "a sort of social contract in which one group chooses wage slavery and the other group greater profit. (p. 22)

Let's take the second objection first, that the explanation is "situated at the individual level." The transition to capitalism can be explained in different ways, depending on which aspect of the process is under consideration. It is useful to describe individual "cases" that typify the kinds of relations that are being built up on a broader scale, since these interactions among individuals of different classes—within limits—can be seen as the individual instances of the actual process by which capitalism comes into being. As Marx indicated,

> If, therefore, commodity production, or one of its associated processes, is to be judged according to its own economic laws, we must consider each act of exchange by itself, apart from any connection with the act of exchange preceding it and that following it. And since sales and purchases are negotiated solely between particular individuals, it is not admissible to look here for relations between whole social classes. (Marx, 1977, p. 733)

As to Weeks's third complaint was that Engels envisioned the transition to capitalism as a "social contract;" but as Engels made clear, the relation between the merchant and the weaver is not a "social contract," but an economic, or business relation between individuals, conditioned by the economic opportunities available at a particular time and place. It begins as a relationship of equal exchange, but contains within itself the potential to become an exploitative relation. The appearance of equality, however, is maintained, even while the relationship evolves into one of unequal exchange, or exploitation. Marx commented on this process:

> The way in which money transforms itself into capital often shows itself quite tangibly in history; e.g. when the merchant induces a number of weavers and spinners, who until then wove and spun as a rural, secondary operation, to work for him, making their secondary into their chief occupation; but then has them in his power and has brought them under his command as wage laborers. . . . All that he has done is to restrict them little by little to one kind of work in which they become dependent on selling, on the buyer, the merchant, and ultimately produce only for and through him. He bought their labor originally only by buying their product; as soon as they restrict themselves to the production of this exchange value and thus must directly produce exchange values, must exchange their labor entirely for money in order to survive, then they come under his command, and at the end, even the illusion that they sold him products disappears. (Marx, 1973, p. 510)

The relationship between merchant and artisan does not necessarily begin as exploitation, and is certainly not viewed as such by the artisan. Thus when Weeks claims that, "Engels considers that the artisan willingly, voluntarily accepts the exploitation that that profit making requires. . ." (Weeks, p. 22), he misinterprets Engels. Engels said, "by thus guaranteeing the weaver regular employment, he could depress the weaver's wage. . .". The weaver has a motive for accepting the relation: "regular employment." Weeks, however, considers the idea that the merchant was able to guarantee permanent employment to the weaver "astounding." He argues,

> The idea that capitalists (and capitalism) can deliver 'regular employment' is in-and-of-itself a quite astounding idea, when one realizes that the capitalist mode of production is the first to generate idleness for a part of the laboring population as an endemic and systematic characteristic of its operation. (Weeks, p. 59)

Weeks seems to think that Engels believes that the merchant cleverly imposes the entire capitalist mode of production on the unsuspecting independent artisan in the course of an afternoon's bargaining. But it should be kept in mind here that the example Engels proposes is one in which the two parties enter into a commercial/legal contract. It is this contract (and not the entire capitalist system) which binds the merchant to buy a specific amount of the weaver's output at a stipulated price over a specified period of time. This could give such contracting weavers an advantage over their peers who did not have such a contract, if buyers for their goods were hard to come by.

The problem of unemployment is not restricted to the capitalist system, even though, as Weeks argues correctly, capitalism is the first mode of production to make it systematic. Unemployment occurred episodically in the middle ages, and at times became acute during the early years of capitalist development. As Pirenne writes of the fifteenth-century Flemish textile towns,

> The crowds of workers in the great industrial towns seemed to have lived in a condition very like that of the modern proletariat. Their existence was precarious, and at the mercy of crises and stoppages. When work failed, the workmen everywhere lost all means of subsistence, and bands of the unemployed spread through the country, begging the bread they could no longer gain by their labor. (Pirenne, p. 95)

Pirenne then describes the social relations of the small producers, consisting of masters and apprentices working in small shops. Merchants entered into exchange relations with the textile artisans, and he describes the character of these relations in the following way:

> As we have already seen in dealing with the trade in the necessaries of life, the economic liberty of the merchants was complete. Wholesale traffic in wool and cloth was as free from municipal restrictions, as industrial labor was subject to civic superintendence and control. The big merchants could buy and bring into the towns indefinite quantities of merchandise as they pleased; the

> associations which they formed among themselves brooked no control: no one laid down a maximum for the price they demanded of the buyer. . .". [As Engels pointed out, the merchant companies "sold at prices fixed among themselves." "They alone in their guilds or hansas, voluntary associations comparable to our syndicates and trusts, could impose respect for certain rules and methods."] (Pirenne, p. 99)

Given the unemployment problem, and the economic power of the merchants, is it wrong for Engels to assume that weavers could initially benefit by entering into contractual business relations with merchants? It is true that the growing power of the merchants eventually reduced the artisans to proletarians, but at first this power offered the artisans a guaranteed market for their goods.

Another writer, Clapham, speaks of the problem of unemployment in the Yorkshire textile industry in 1304, and attributes this, in part, to the tendency on the part of merchants to get their work done in the countryside, rather than going to the urban artisans' textile guilds (Clapham, p. 156). Note that Marx, in the quote above, referred to merchants contracting with rural producers.

Lipson writes about a great depression in the English woolen industry in 1620. By this time, a special branch of merchants had developed, called "clothiers," who contracted with, or exploited, large masses of weavers and spinners. Lipson writes that the Privy Council

> . . . summoned representatives of the clothiers to the capital, and issued a circular letter to the Justices of the clothing counties enjoining them to keep their workfolk in employment. The clothiers were not to be allowed to dismiss their artisans at pleasure, for, 'those who have gained in profitable times must now be content to lose for the public good till the decay of trade be remedied.' (Lipson, p. 109)

This circumstance suggests that there was some public acceptance of the idea that the clothiers were required to provide work or assistance to their artisans in times of distress. This was a reflection of medieval institutional social relationships. Of course, such social agreements deteriorated over time as the merchants gradually fought their way to the control of industrial production, and later, to state power, as industrial capitalists. Lipson takes note of this change as well.

As regards unemployment the Government, after the Revolution [of 1688—JM], no longer required the clothiers to keep their men employed in times of trade depression, but distress was now relieved through the machinery of the Poor Law. (Lipson, p. 116)

Weeks, who was "astounded" at Engels's idea that "capitalists (and capitalism) can deliver 'regular employment,'" finds it only "slightly less astonishing . . . that producers would willingly accept a lower standard of living, even if such security of employment were magically guaranteed." (Weeks, p. 60) Here Weeks disregards the social reality that unemployment in precapitalist social conditions often meant no income at all. This was at a time before Poor Law relief or unemployment compensation, and artisans who could find no buyers were faced with the prospect of begging or starving.

THE ROLE OF FORCE IN HISTORY

As mentioned above, Weeks had three objections to Engels's description of the transition to capitalism. We have responded to the second and third objections. Now the first one was that, according to Weeks, Engels does not understand or recognize that force played an important role in the rise of capitalism. He misquotes Engels (here from *Anti-Duhring*) as saying,

> The entire process [of the development of capitalism] is explained [Engels's text says, "can be explained"] by purely economic causes, without the necessity for recourse even in a single instance to robbery, the state, or political interference of any kind." (Weeks, p. 20; see Engels, 1987, p. 151)

Weeks then begins to recapitulate what he takes to be Engels's line of argument, saying that the "rural and urban producers had control or ownership of their tools and land," that, "under capitalist production relations it is the capitalist who monopolizes the means of production, with the result that the mass of the population must of necessity hire itself out to the capitalist." He concludes, "Engels, then, hypothesizes that this basic change is achieved essentially without force." (Weeks, p. 21)

Here he distorts Engels's meaning. Engels did not argue that force was not used, nor that the change was achieved "basically," "mainly," "essentially," or even "partially" without force. He was making a different point. He believed that force was irrelevant to explaining how capitalism arose. Engels argued that one did not need to have recourse to force as an explanatory mechanism; that the process could be explained by pointing to economic causes. Engels did not say that force was not used. But Weeks would have Engels saying that the basic change was "achieved essentially without force." By adding the qualifier "essentially," Weeks avoids accusing Engels of saying that the change was achieved "completely" without force, which would sound absurd to people familiar with Engels's writing on military affairs, but using the adjective "essentially" doesn't help all that much.

Further on Weeks returns to his argument that Engels belittled, or downplayed, the use of force in the rise of capitalism, stating:

> Marx devoted an entire section of Volume I of *Capital* to the forceable [sic] methods that accompanied the emergence of capitalism. Indeed the titles of the chapters in this section indicate his view of the role of violence. Chapters XXVI – XXXIII of Volume I represent almost a continuous analysis of the violence necessary for the emergence of the capitalist mode of production. (Weeks, p. 57)

He then quotes Marx saying that force is "an essential element of the so-called primitive accumulation," and that force is "the midwife of every old society pregnant with a new one." (Weeks, p. 57, 58. See Marx, 1977, p. 900, 916) But he does not indicate what he thinks about the relationship between force and economic processes.

Marx's metaphor of the "midwife" is a good one for clarifying this relationship. If one wants to understand the process of human reproduction (fertilization, embryology, etc.) then having recourse to the role of the midwife is not much use. It is better to study the facts of the reproduction process itself. The midwife only comes in after the fetus has fully developed and is ready to be born.

Likewise if one wants to know how and why the embryo of bourgeois society was conceived and germinated in the womb of feudal society, then any reference to the role of the "midwife" of force would be out of place. This was the point that Engels made in the passage quoted above. While force was used in many ways during the rise of capital, and this process was described and analyzed by Engels and Marx, force can't explain why this rise occurred. Marx referred to this relationship in Chapter 27 of *Capital*, Vol. I, in his discussion of the forcible separation of peasants from their land:

> We leave on one side here the purely economic driving forces behind the agricultural revolution. We deal only with the violent means employed. (Marx, 1977, p. 883)

Marx and Engels set out their views on the role of force in history in their joint work, *The German Ideology*, where they explain that the economic evolution of the productive forces is the determining element in the history of human society, and that class struggles, wars, conquests, etc., merely determine which class or which nation will benefit from, or control, these productive forces. (See Marx and Engels, 1976, V. 5, p. 84)

THE LAW OF VALUE IN HISTORY

As indicated above, Weeks does not feel entirely comfortable with the idea that the law of value existed at all prior to the rise of capitalism. But he is not clear or consistent on this question. At one point he argues,

> The recognition that the law of value first became operative under capitalism and not before is a scientific insight of considerable political importance. . . . (Weeks, p. 45)

But this statement implies the possibility that the law of value *existed* prior to the rise of capitalism, but that it did not become *operative* until then. If this is Weeks' meaning, it would then have to be explained. Earlier Weeks had stated:

> It is important not to get caught up in a semantical argument. As value has been defined here, it regulates price only under capitalist relations and can be used as a tool of analysis only in capitalist society. Obviously, value reaches its full development as a historical process. Fine, whose analysis of value and the law of value is essentially in agreement with the argument of this chapter,

> refers to 'lower forms of value' which exist in precapitalist society. Certainly this is a legitimate use of terms, though it has the danger of opening the door to confusion and misinterpretation. The essential point to be made, whatever terms are used, is that only under capitalism is concrete labor in general metamorphosed into abstract labor, and only under capitalism is this necessary in order to bring about the reproduction of class relations. (Weeks, p. 38)

Indeed, "lower forms of value" existed in history, and Marx and Engels analyzed them extensively, as we have already seen. Perhaps in doing so they "opened the door to confusion and misinterpretation," but isn't that true of all genuinely scientific creative activity? Opening the door to confusion and misinterpretation is unquestionably the byproduct of every scientific discovery. But such discoveries also open the door to the future.

Regarding "lower forms of value," Marx pointed out,

> Hence, within the system of bourgeois society, capital follows immediately after money. In history, other systems came before, and they form the material basis of a less complete development of value. (Marx, 1973, p. 252)

Not wanting to accept the law of value as the law which expresses the logical development of the categories of commodity production, Weeks comes finally to the conclusion that there were other laws that governed the process of commodity production and exchange before the rise of the law of value in its *operational* form. Since Marx did not speak of the existence of such laws, Weeks, naturally, must step forward as the pioneer enunciator of these laws. There are two such laws, he claims: "the law of subsistence," and "the law of monetary costs and subsistence." As he explains,

> "While not wishing to coin a phrase, we might say that, when exchange is infrequent and the means of production unmonetized, it is ruled, for direct producers, by the 'law of subsistence'. (Weeks, p. 39)

In his formulation of the "law of subsistence," Weeks is concerned with the quantitative aspect of the exchange of the products of labor, which comes down to prices, and how prices are regulated. He envisions an environment in which the means of production are home-made by the small peasant producers, and only a portion of their products are marketed. In this situation the prices they receive for these products are ruled by "the condition that the exchange of use values cannot be on terms so unfavorable to the exchanging parties that it leaves those on one side of the exchange unable to satisfy their subsistence needs." (Weeks, p. 39)

Once the level of exchange, and production for exchange, advances to the point that a market exists for the buying and selling of the means of production among the petty agrarian producers, a new law takes the place of the old, according to Weeks.

This is the "law of monetary costs and subsistence," because now the peasants have to take into account their costs of production. Weeks wants to make it clear that these two laws are not at all the same thing as the "law of value," and are counterposed to it. Thus he maintains,

> As long as labor power is not monetized, it is not possible to speak of value, except as an externally, idealistically imposed benchmark; it would be an anachronism to do so. When labor power becomes a commodity, under capitalist relations of production, it first becomes possible to apply the concept of value, and the indeterminacy of exchange disappears. (Weeks, p. 40)

To say that value can only be regarded as an "externally, idealistically imposed benchmark" in precapitalist societies, is to say that it did not exist as a functioning social reality there. But Marx and Engels recognized and explained that the form of value which prevails in capitalist society is the result of a long series of prior forms of expression of value. To analyze the history of these previous forms is to trace the history of the law of value. In this way it can be seen that there is a continuity of development, and that capitalism did not suddenly come out of nowhere, with its own completely new and unprecedented "law of value." And further, this view corresponds to Engels's claim that the "law of value has prevailed during a period of from five to seven thousand years." (Engels, 1962, p. 876)

THE QUANTITATIVE SIDE OF THE LAW OF VALUE

But Weeks's claim that the law of value does not prevail in precapitalist societies is rooted in the quantitative aspect of the law of value. He feels that in order for value to really exist, products must exchange in the market at an exchange rate that fluctuates around their value in labor time, or, at a higher stage, their prices of production. If these conditions do not obtain, Weeks believes, then value does not rule the exchange of commodities, and if it does not rule it is not operative, and therefore, in his view does not exist. Let's see how he develops this line of reasoning.

Weeks strives to obtain confirmation from the pages of Marx's writings for his view of value as something that could not really exist in precapitalist commodity exchange. He seems to find it in the following passage from *Capital*, Vol. III, in which Marx discusses a case of commodities selling consistently below their values:

> For the peasant owning a parcel, the limit of exploitation [lower limit] is not set by the average profit of capital, in so far as he is a small capitalist; nor, on the other hand, by the necessity of rent, in so far as he is a landlord. The absolute limit for him as a small capitalist is no more than the wages he pays to himself, after deducting costs. So long as the price of the product covers these wages, he will cultivate his land and often at wages down to a physical minimum." (Weeks, p. 37. See Marx, 1962, p. 785)

Marx is referring here to a circumstance in which the product of the peasant proprietor is sold at a price which covers the expenses of production and provides a meager subsistence to the peasant. Because of the economic conditions which affect this form of production (which are not explained here), the peasant cannot sell the products at their value. Does this mean that the law of value does not operate here? Weeks thinks so. He says,

> This, of course, implies that exchange is not ruled by value, even if the peasant exchanges in a society that is predominantly capitalist." (Weeks, p. 37)

What Weeks ignores here is that the law of value is not an iron-clad regulator of prices, even in capitalist society where it develops to its fullest extent. Rather, it operates as a tendency, having a more or less pronounced influence on prices depending on circumstances. In the chapter from which this passage is taken, Marx explains why the peasant proprietors are unable to sell their products, on average, at prices that approximate their values. The markets for the products of these small producers reflect the underdeveloped conditions of commodity production, which limit the extent to which the law of value can affect prices. As Marx explained,

> For the peasant parcel holder to cultivate his land, or to buy land for cultivation, it is therefore not necessary, as under the normal capitalist mode of production, that the market price of the agricultural products rise high enough to afford him the average profit, and still less a fixed excess above this average profit in the form of rent. It is not necessary, therefore, that the market price rise, either up to the value or the price of production of his product. (Marx, 1962, p. 786)

But this does not mean that the law of value does not exist, nor that it does not operate, in these conditions. The law of value, in its quantitative aspect, implies that prices oscillate around a level that represents the quantity of socially-necessary labor, measured by the hour, day or week, required for the production of these commodities. The peasants, many of them subsistence farmers who only market the surplus above their needs, sell on a market which has established customary prices, however much these prices may fluctuate due to the varying conditions of supply and demand, crop failures, etc. These customary prices reflect a distorted and immature expression of their labor values. This is why Marx, in the above passage, can refer to the "value or the price of production of his product" as an underlying quantitative potential, to which the market price does not rise.

This is a fluid situation in which the law of value gains strength as commodity production develops more fully, and the precapitalist restraints on this development are progressively overcome. This requires the fuller development of trade, of world markets, of the circulation of money, of the growth of money rent, the buying and selling of land, etc. From the standpoint of the development of the law of value, all these trends point towards the birth of a new mode of production which is founded on the full generalization of commodity production across all branches of production.

As capitalist production develops, a turning point is reached in which a decisively predominant fraction of the total social product takes the form of commodities, and it is this which allows the law of value to determine more completely the prices of commodities. At the same time we must remember that the form of expression of the law of value changes as market prices come to be determined by the *prices of production*, which are modified expressions of value under the capitalist form of production. But even in this form, the law of value never achieves complete dominance over prices. There are many kinds of monopoly which restrict the full development of equality of all buyers and sellers who compete in the market, and therefore interfere with the full expression of the law of value.

However, Marx also pointed out that capitalist development was not necessary for the law of value to have a strong influence on prices. As he argued,

> The exchange of commodities at their values, or approximately at their values, thus requires a much lower stage than their exchange at their prices of production, which requires a definite level of capitalist development.
>
> Whatever the manner in which the prices of various commodities are first mutually fixed or regulated, their movements are always governed by the law of value. If the labor time required for their production happens to shrink, prices fall; if it increases, prices rise, provided other conditions remain the same. (Marx, 1962, p. 174)

The flaw in Weeks' understanding of the development of the law of value resides in his one-sided fixation on the quantitative side of the law, and in overlooking its qualitative meaning as a historical fact. Because his thinking is formalistic instead of dialectical, he does not recognize the partial, limited, embryonic expression of the law in precapitalist conditions, and feels that unless prices correspond closely to labor values or prices of production, the law of value does not operate and therefore does not exist. In the absence of the law of value in precapitalist conditions, Weeks believes it is necessary to introduce alternative laws, the "law of subsistence" and the "law of monetary costs and subsistence," to explain price phenomena.

In explaining the operation of these laws, Weeks focuses on what he calls the "determinacy" of prices. By this he seems to mean their stability or predictability. Prices that are highly "indeterminate" are prices that are relatively unaffected by market forces. He believes that in precapitalist societies, when the means of production are not "monetized," there is "considerable indeterminacy in exchange ratios." This stage corresponds to the operation of the "law of subsistence." (Weeks, p. 39) Later, with the development of the monetization of the means of production, the "law of monetary costs and subsistence" comes into operation, since the producers are now buying their productive equipment, and must cover their production costs out of the sale of their products. This reduces the "indeterminacy" of prices. Finally, with capitalism, the law of value comes into operation and the price "indeterminacy" disappears.

> As value has been defined here, it regulates price only under capitalist relations and can be used as a tool of analysis only in capitalist society. (Weeks, p. 38)

> When labor power becomes a commodity, under capitalist relations of production, it first becomes possible to apply the concept of value, and the indeterminacy of exchange disappears." (Weeks, p. 40)

Thus Weeks puts himself in the position of asserting the historical existence of money and prices before "value" itself arises. But the origin of money can only be explained as a step in the evolution of the law of value. Money came into existence thousands of years ago as a result of regularized and systematic bartering, which increasingly posited the need for a universal equivalent. As Marx explained,

> The universal equivalent form comes and goes with the momentary social contacts which call it into existence. It is transiently attached to this or that commodity in alternation. But with the development of exchange it fixes itself firmly and exclusively onto particular kinds of commodity, i.e. it crystallizes out into the money-form. ... Nomadic peoples are the first to develop the money-form, because all their worldly possessions are in a moveable and therefore directly alienable form, and because their mode of life, by continually bringing them into contact with foreign communities, encourages the exchange of products. (Marx, 1977, p. 183)

THE LAW OF VALUE -— QUALITY AND QUANTITY

The law of value is the logic of the development of value as a social form, from its beginnings in barter to its highest expression in capital. But the early appearance of the value form, stemming from regularized exchange and production for exchange, occurs in societies that are dominated by social relations that do not depend on commodity production. Because of this, the law of value cannot be fully developed. Commodity production is confined to a limited space within these precapitalist modes of production. And because it is thus confined, the potential contained within the value form cannot spread into the main spheres of productive labor. Further, the value form, enmeshed as it is within social forms that are alien to it, is distorted and contaminated by them. Only when commodity production is generalized, and the commodity becomes the dominant form taken by the products of labor, can the law of value reveal its full potential in daily life.

Regularized commodity exchange in ancient societies gives rise to the money-form, which eventually becomes attached to precious metals, and in the higher stages, to silver and gold. Buying and selling commodities among the precapitalist communities, money dealing and money changing, develop as separate activities taken on by groups of people who specialize in exchange. Thus the value form becomes the basis for a way of life in the ancient world. Independent wealth, in the form of stocks of commodities and money, is built up by the merchant peoples or classes, and later becomes one of the starting points for the rise of the capitalist mode of production.

On the quantitative side, the exchange ratios of commodities produced for the market are determined most fundamentally by labor time, however much that determination fails to fully express itself in early commodity exchange. As Marx wrote,

> Since labor is motion, time is its natural measure. Barter in its crudest form presupposes labor as substance and labor time as measure of commodities; this then emerges as soon as it becomes regularized, continuous, as soon as it contains within itself the reciprocal requirements for its renewal. (Marx, 1973, p. 205)

When commodity production subsists as a marginal activity, embedded within societies based on natural economies (barbarism, slavery, serfdom), the law of value is immature, overwhelmed by alien forces, and its operation is weak. But in spite of this weakness, it forms the basis for prices. The deviations of prices from their labor-time values, resulting from external pressures, reflect this backwardness. But when commodity production develops more strongly as a separate sphere, especially with the rise of the towns in the Middle Ages, prices more closely approximate values. As Engels explained in the essay under consideration,

> In a word: the Marxian law of value holds generally, as far as economic laws are valid at all, for the whole period of simple commodity production, that is, up to the time when the latter suffers a modification through the appearance of the capitalist form of production. Up to that time prices gravitate towards the values fixed according to the Marxian law and oscillate around those values, so that the more fully simple commodity production develops, the more the average prices over long periods uninterrupted by external violent disturbances coincide with values within a negligible margin. (Engels, 1962, p. 876)

CONCLUSION

We have seen how John Weeks set out to separate Marx from Engels, to show that their "views on fundamental issues differed diametrically." We have seen how Weeks based his arguments on a misreading of the main source that he used, Engels's essay, "Law of Value and Rate of Profit." Beginning by misinterpreting a phrase of Engels, Weeks accuses him of philosophical idealism. He then charges Engels with developing a theory of value based on direct perception of labor time, when Engels was referring to peasant barter in which social experience provided knowledge of the average labor time needed for certain tasks.

Weeks misinterprets Engels again, and has him painting a picture of a society entirely made up of equal exchangers of commodities, instead of a precapitalist society of class exploitation. Here he fails to recognize the history of a sphere of commodity production in precapitalist societies, which existed as a subordinate element. Thus he cannot analyze value as a category which developed through history, implying instead that value did not exist prior to capitalism.

Since he does not analyze value historically, he cannot recognize the facts about property relations that developed out of commodity exchange. He does not believe that a sector of small property-holders, who exchanged their products on the market as equals, emerged out of the decline of feudalism in the later middle ages, even though Marx analyzed this as part of the prehistory of capitalism.

Not appreciating how commodity production helped create the conditions for the rise of capitalism, Weeks does not see how merchants' capital penetrated into the commodity-producing sector, forming the initial precursors of industrial capital. He sharply criticizes Engels for describing this transition as a process that took place in accordance with economic laws. For Weeks, force, and not economics, serves to explain why capitalism arose, yet he says nothing about how that might have happened. He tries to accuse Engels of denying that force was used, when Engels only explained that force cannot be used to explain historical changes that are brought about by economic causes.

An indication of Weeks's view that value did not exist before capitalism is his conclusion that it is necessary to invent alternative laws to fill the gap: the "law of subsistence," and the "law of monetary costs and subsistence." But here he only illustrates how far he has strayed from the views of Marx. In the course of setting out these ideas, Weeks forgets entirely the relation between money and value, bringing money onto the scene historically before value, and not explaining what he thinks money is or how it arose. Without realizing it, Weeks implies that money has no value.

As Weeks develops his theme, that Engels and Marx are at odds with each other, he relies on his own views to attack Engels. He affirms that his own views are derived from Marx's writings, or are inspired by Marx. But it has been shown here how far removed he is from the two. Weeks, in disagreeing with Engels, actually disagrees with Marx as well. At least, it is clear that he disagrees with Marx's analysis of precapitalist commodity production and exchange, and the historical development of the law of value.

When Engels wrote “Law of Value and Rate of Profit,” he was defending views which he shared with Marx. Although Marx led the way in developing these ideas, Engels assisted in the work and assimilated the methods and conclusions of Marx into his own outlook. Weeks has nothing to say about the record of the relationship between the two great revolutionists. In fact, he has very little interest in the relationship between the two revolutionists. Instead of demonstrating a divergence between Engels and Marx, he offers extensive evidence of his own disagreement with Marx and Engels. A basic element of this essay has been to provide many passages from the writings of Marx and Engels which are so necessary to understand Marx's views on the topic. At the same time, these quotations amply illustrate how far Weeks remains from the ideas shared by the two great proletarian leaders.

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