

The Production of Exchange Value: Say, Proudhon, Marx, and Social Subjectivity

Clark Everling

To the labour of [wo]man alone [Adam Smith] ascribes the power of producing values. This is an error. A more exact analysis demonstrates...that all values are derived from the operation of labour, or rather from the industry of [wo]man, combined with the operation of those agents which nature and capital furnish him[her].
Jean-Baptiste Say, *A Treatise on Political Economy* (xl)

My purpose in beginning with this quotation from J. B. Say is to illustrate Marx's critique of Feuerbach. Say, in criticizing Smith for seeing labor rather than industry as the source of value, makes exactly the error that Marx points to in his "Theses on Feuerbach." Say fails to see that the objects (labor, industry) are, simultaneously, subjects. Say is taking these phenomena as abstract identities in language and as social categories for formal investigation rather than seeing them, as they primarily are, subjectively. Labor and industry are the activities of human subjects.

Labor as subjective activity is productive activity which becomes more and more individual in its exercise in human history. Marx examines the evolution of labor as a concept and meaning within practical activity:

Labour seems to be a very simple category. The notion of labour in this universal form, as labour in general, is also as old as the hills. Nevertheless, considered economically in this simplicity, "labour" is just as modern a category as the relations which give rise to this simple abstraction. The monetary system, for example, still posits wealth quite objectively, as a thing existing independently in the form of money. Compared to this standpoint, it was a great advance when the manufacturing or mercantile system transferred the source of wealth from the object to subjective activity—mercantile or manufacturing labour—but it still considered that only this circumscribed activity itself produced money. In contrast to this system, the Physiocrats posit one definite form of labour—agriculture—as wealth-producing, and the object itself, no longer in the guise of money, but as a product in general, as the universal result of labour....

It was an immense advance when Adam Smith discarded any definiteness of wealth-producing activity—for him it was labour as such,

neither manufacturing, nor mercantile, nor agricultural labour, but all types of labour....The fact that the particular kind of labour is irrelevant corresponds to a form of society in which individuals easily pass from one kind of labor to another, the particular kind of labour being accidental to them and therefore indifferent. Labour, not only as category, but in reality, has become here a means to create wealth in general, and has ceased as a determination to be tied with the individuals in any particularity. This state of affairs is most pronounced in the most modern form of bourgeois society, the United States. It is only there that the abstract category "labour", "labour as such", labour *sans phrase*, the point of departure of modern [political] economy, is first seen to be true in practice (1986a: 40-1).

Industry, as Marx makes clear in *Capital*, is combined labor activity. Industry comes about through the combination of individual labor activity through the centralization of the workplace, cooperation, and, then, the transfer of human actions to machines. Use value, exchange value, commodities, socially necessary labor time, money, and capital are best understood as the objects for individual subjects within capitalist social relations. These are the conditions and requirements by which subjects within capitalism can be subjects. As they have each of these as object for their subjective activities, they are subject for private property in some form. That form corresponds to their place within a division of labor and to the extent of social development. That is, as capitalism develops as a relationship of exchange value, it develops simultaneously according to the forms of private property that are required by subjects in order to produce exchange value in production. For example, the combination of industry creates industrial space within urban areas as an area of both production and residence. The more developed industry and technology become, the more the city becomes an area of shared social space and existence.

It is this dual character of existence between use value and exchange value that I want to develop here. This involves understanding that human subjects are simultaneously developing themselves as social beings with use values appropriate to their existence as human subjects as that existence is both pushed forward and held

back by the premises for existence within capitalism.

Humans within capitalism are subject for labor as their own individual labor activity, their own existence as subjects. Every product that they produce has a use value because it has some place and purpose within human activity. It has a use value within a relationship among human subjects. Every act of labor is useful labor that is carried on according to socially necessary labor time.

Use value and useful labor are always relative to the subject, as the subject has these as object for her or his activity. For example, labor activity within capitalism is primarily the exchange of labor power for wages. Human subjectivity is limited to the object of labor. The point of this exchange of labor power for wages is the production of exchange values. This exchange and that production are class relationships which return the worker to worker and the capitalist to capitalist. Use values necessary to the production of existence for individual human subjects have as their object the production of labor power. Industry is collective labor activity, social production. But the access to that social production, its employment and labor activity, are only through exchange value and labor power. Labor produces use values. But those use values are realized only through exchange value. The use values necessary to individual subjectivity—the exercise of labor as the activity of individual subjects—are limited to the use values which can be realized through exchange value. Labor is socially useful labor and industry is collective social labor, the combined activities of human subjects. But social production has its objects only through exchange value.

Each subject is an individual for the exercise of labor activity. Each subject is subject for the exchange of labor activity, for the “labor in general” among individuals that Marx defines. Each is subject for the reproduction of that labor power through wages, employment, and consumption. But each is subject only to the limits of particular employment. Each is subject for the particular forms of consumption that are particular to that labor activity. Each subject is an individual within social production as industry is

combined forms of individual labor activity. Industry is social production as the combined labor activity of individuals in relation to one another. But industry exists as the concentration and centralization of socially necessary labor time through exchange value and the concentration and centralization of capital through exchange. Each subject is subject for her or his labor activity as they exercise particular forms of labor activity and participate in particular divisions of labor as they have relation to industry and, therefore, to other individuals through the concentration and centralization of capital. Each is subject as they have a particular form of labor activity for themselves as subject. And each has a particular form of labor activity as they have a relationship to other subjects through capital.

This is *ad hominem*. Social relations are always particular to subjects for themselves and as they have that subjectivity as a relation to other subjects. An individual is subject within a particular division of labor and they have that division of labor and certain forms of property as the objects for their subjectivity, as they have relation to capital.

The weapon of criticism cannot, of course, replace criticism by weapons, material force must be overthrown by material force; but theory becomes material force when it has gripped the masses. Theory is capable of gripping the masses as soon as it demonstrates *ad hominem*, and it demonstrates *ad hominem* as soon as it becomes radical. To be radical is to grasp the root of the matter. But the root is man [woman] him[her]self. The evident proof of the radicalism of German theory, and hence its practical energy, is that it proceeds from a resolute *positive* abolition of religion. The criticism of religion ends with the teaching that *[wo]man is the highest being for [wo]man*, hence with the *categorical imperative to overthrow all relations* in which [wo]man is debased, enslaved, forsaken, despicable being, relations which cannot be better described than by the exclamation of a Frenchman when it was planned to introduce a tax on dogs: Poor dogs! They want to treat you like human beings! (1975:182, his emphases)

Human subjects develop as individuals through the internalization of their labor activity. But, as they do, they develop as they are object for exchange. Private

production requires private exchange. Exchange is the alienation of labor activity. And, as relations among individuals within private production are almost always private exchange, exchange relations appear as simply as the “natural” premise and result of individual subjective activity. The goal of exchange relations is to meet in the completion of transactions. The meeting of supply and demand in economic theory is a projection of this goal. There would appear to be no point to exchange were this not the case. Moreover, and more importantly, the equivalence of commodities of equal socially necessary labor time meet in exchange and establish the appearance of social equivalence. But the relative value of commodities leads on to the highest and latest forms of value and the concentration and centralization of production and wealth.

Exchange is essentially the reproduction of individuals and because of relative value in exchange, it is essentially the unequal reproduction of individuals. This inequality develops the class bases of capitalist society, viz., individuals develop as a particular class as they are posited as individuals with the object of exchange, i.e., what they have to exchange. The ruling class is in an ever more powerful position to objectify the rest of society as subjects for exchange and, thus, from this point, as individual exchange relations are defined as class relations, exchange has a material social universality. The power of the ruling class is also very much built through international connections to exchange which capital establishes from its inception.

The social objectification of the whole society by the owners of production, which is increasingly social production, means that society, as alienated production and exchange, makes human subjects the object for individual and social development as the extension of exchange and capital. But this is one-sided development. Each extension of exchange is equally social degeneration because of the limits of exchange as a relation to each individual. Exchange is reproduction of particular individuals. And their objectification of society for exchange is essentially the reproduction of those individuals as a ruling class and the compulsion of the rest of society to serve this

relation in subordinate ways. Compulsion and exchange move in and through one another, including as colonialism, the police, and military. The one-sided extension of early capitalist exchange internationally and militarily was simultaneously the imposition of capital punishment for the theft of food and almost innumerable petty crimes.

The social objectification of the classes is the alienation of subjects, their externalization of their subjectivity with their own individuality as object. The more individuals are socially developed as a relation to exchange values, the more they simultaneously have available use values for individual subjects. *These use values are derived from exchange as object as they are use values for subjects in exchange.* The more exchange relations are extended and developed, the more they have only their own individualism, their own private selves, as object. For example, the production of labor power is the production of individuals who have exchange for wages as their object. But the social production of labor power is also, simultaneously, the production of use values required by individuals. Individuals have access to those use values only through exchange. The use values are, nevertheless, the products of social production and the cooperative labor of human subjects. Exchange value and use value develop as opposites. Use values for individuals develop the more that labor power becomes the exercise of social individuals. But social individuals have access to those use values for their subjective activities only insofar as they can produce objects for exchange. Social production and social existence are limited to the production of exchange value and, consequently, the reproduction of social classes. But exchange value exists only as a relation among subjects to themselves and to one another in this form. Exchange value is the condition for their subjective activities.

The ruling class always leads the way in the development of use values. It is their needs that determine the forms for subjectivity. As with luxury goods in early exchange through the forms of development of the city as residential space, the use values for subjectivity of the ruling class are then extended to the rest of the population on the

basis of their ability to exchange. Individuals are object for exchange values according to the use values that they possess and need for their subjectivity. In developed capitalist social production, for example, fiscal and monetary policies are restraint as well as social extension, compulsion as well as exchange.

Exchange and use value are a logical-historical relation to subjective development. Individual subjects have use values as they are object for exchange. The working class both originates and evolves through the sale of labor power. The working class is extended socially and collectively as industrial labor, and then, through working class housing, when social labor requires housing as well as use value for its subjectivity. Exchange makes this mass social labor because exchange value is concentrated as industry. Industrial and urban concentration makes themselves the objects for production as these exist as use values for the subjects within shared urban social space and existence.

The development of exchange value is not a secular movement, but is the mutual objectification of subjects through exchange value. Housing as a use value for the ruling class is realizable only as housing is extended to the working class. For example, fire as a danger which can destroy the whole urban area means that both ruling class and workers' housing must be protected.

Exchange value becomes the basis for the mutual objectification of subjects in all of their activities. Exchange value is the universal basis for social relations. Marx says that exchange always requires the production of a product (1986a: 214). Consequently, exchange becomes the basis for human subjective interactions, even at the most personal and intimate levels. Marx agrees, also, that exchange as object is social alienation. In calling "national debt is the alienation of the state, the entire society," Marx is only recognizing that national debt is a developed social relationship to exchange, where exchange relations have become a determinative object within the nation state (1986b, vol.I: 706). And, use values, as I discuss above, can generally be

realized only through exchange.

Use value is always a product of social subjectivity. One is a social subject as one is made object for that subjectivity. Working class housing, for example, is a use value as one is made a social subject within urban space. Social production, as industry, objectifies residence as a social requirement within urban space and housing becomes a use value, in mass social forms, for the subjects within it. This appears as individual subjectivity and individual use value because one has housing as object only as exchange value and, therefore, only as individual exchange and individual use. Taken positively, from the perspective of the individual or from the point of view of exchange, use value becomes speculative. The object is separated from the subject. But a subject is subject only objectively and, therefore, as they are made object for that subjectivity through relation to other subjects. Use value is objectively both quantity and quality as a certain number of subjects have a use value as object in certain forms.

A subject is always subject within an objective social formation. The activity of the subject shows us how they are object for themselves. This is an objective subjectivity: the object is the subject. The objects for a subject represent several levels of determination. And these several levels of determination are themselves the product of an essential determination which creates the social whole as a relation among subjects and as relation to themselves. All levels of determination are the products of an essential determination and connection. Human sociality develops as direct physical reproduction (as in slavery), personal labor (as in feudalism), and dependence upon things (as in capitalism). Exchange exists because of being, the extension of human beings as individuals as they are object for each other through exchange for their use values as individuals. Wages are an example of this alienation. Wages exist as objects for individual subjects. But individuals are subject for wages not according to their individual subjectivity, but only by externalizing that subjectivity. Who they are as subject, their actual subjectivity and needs are irrelevant. This is why labor becomes

abstract universal labor and technology becomes homogeneous labor.

The essences here are individualism and exchange, but embedded in this is the fact of mutual levels of determination as the extension of human subjects. Workers are subject for wages, but that does not end the matter, does not end their development, their activity. They become subjects not only for wages but for all of the forms of urban social life as these develop. The notion of continuous activity and development illustrates again that the central question is always human subjectivity. Humans alienate and objectify their speech and language because their alienated existence is outside of themselves. The more socially developed humans become, the more their speech and language within alienated existence appears as completely outside of themselves. Derrida, for example, imagines speech and language as objects for humans and disconnected from our own subjectivity. Humans are virtually represented in his theory of language in the same way as we are in civil society.

One-sided development in all of these ways is alienation. Each new level of determination is a new level of alienation. Social relations within class society are not coordinated simply through workplace or certain state institutions. It is rather that workplace and state are the products of alienated subjects in the full range of their activities. But these alienated forms contradict access to what are actually use values developed through subjects' mutual interactions as conditions for one another. What is necessary to reverse this is to understand the requirements of individual subjects and the laws of their development as relations between subjects. Both subjectivity as use values and one-sided alienated development can exist only as a series of concrete material links.

Alienated activity is still the activity of subjects. They alienate themselves as subjects as they have objects for that alienation. They have these objects as they are made subject for those objects by other subjects. Classes are formed as one is object for self as a relation to other subjects, but the objects are objects of domination, not

cooperation. One can be subject only as an individual within capitalism because one has objects only through exchange. And individuals can exchange only as private individuals. Private exchange requires private production as well as vice versa. Use value is a very different concept and practice. Understanding exchange, as Marx shows, is understanding how to alienate products from oneself. Understanding use is understanding usefulness to oneself. The example of use value and no division of labor in the factory in the production of exchange value is a good one. Marx shows that different forms of labor in the factory do not amount to divisions of labor because their products are not exchanged. The products are essentially use values of one group of workers delivered to another in the production of a product. But the sum total of their labor produces exchange value because that product is ultimately given over to the capitalist for that purpose.

Alienation requires practical activity. But it is not a fully conscious process. The subject appears to themselves as they are object for their subjectivity. The process of alienation is as it appears an act of a subject. This is especially true of capitalism where time cannot be differentiated as exploitation. One can become conscious of their alienation only as they realize their own actual conditions for their subjectivity, the use values for themselves as subjects. Alienation requires an actual material object for alienation. Capitalism accomplishes this through the alienation of labor activity and exchange. And all developments within capitalism are derived from this essence.

The alienation of labor activity makes exchange possible because it is the production of exchange value. Exchange value then determines the use value of subjects in social production. Exchange value is a mutual relationship among individuals and thus the content of private individual's subjectivity as use values. This covers determinations from housing through neighborhoods and household products. And this is social production. Industry, industrial labor, shared social space, monopoly, the urban working class.

Say, Proudhon, and Marx

Say's Law holds that the seller brings the buyer to market: "In commerce, every act of purchase is an act of consumption; and every act of re-sale, an act of reproduction." (1827: 354) Production and consumption thus form a perfect unity through exchange. Exchange is then said to be central to the economy since supply and demand are unified through correct prices. Say finds it possible to project supply and demand meeting because, as Marx observes, like the capitalist economy itself, Say begins from the perspective that relations of humans to one another are relations of property (Marx 1967: 60). And Say recognizes also that humans alienate their property in these circumstances out of necessity, need (Marx 1986b, vol. I: 160). This acknowledges, however implicitly and tacitly, that this is a relation of compulsion. But it is exactly because the exchange relation is made universal and abstract through the alienation of property that exchange relations are in disequilibrium and well as in equilibrium. Since supply and demand meet only as a consequence of the exchange of equivalent values and since individuals possess exchange value only as they possess labor power in their various respective forms or as they are excluded from production as part of the reserve army of unemployed or surplus population, equilibrium in exchange exists only as a relation among particular subjects. And disequilibrium is the equally the product of the lack of exchange values on the part of particular subjects. This appears, as it does to Keynes, as a problem of distribution. But, actually, it is a problem of production. It is the problem of the inability of capital to fully extend the productive forces to their full extent because this contradicts the valorization of capital. This, as I argue below, is central to understanding the falling tendency of the rate of profit.

Marx makes clear that equilibrium and disequilibrium are both present in exchange relations among subjects:

In the compensation of money and value of metal, as in his description of the cost of production as the only factor in determining value, Mill commits the mistake—like the school of Ricardo in general—of

stating the *abstract law* without the change or continual supersession of this law through which alone it comes into being. If it is a *constant law* that, for example, the cost of production in the last instance—or rather when demand and supply are in equilibrium which occurs sporadically, fortuitously—determines the price (value), it is just as much a *constant law* that they are not in equilibrium, and that therefore value and cost of production stand in no necessary relationship. Indeed, there is always only a momentary equilibrium of demand and supply owing to the previous fluctuation of demand and supply, owing to the disproportion between cost of production and exchange-value, just as this fluctuation and this disproportion likewise again follow the momentary state of equilibrium. This *real* movement, of which that law is only an abstract, fortuitous and one-sided factor, is made by recent political economy into something accidental and inessential. Why? Because in the acute and precise formulas to which they reduce political economy, law is determined by its opposite, absence of law. The true law of political economy is *chance*, from whose movement we, the scientific [wo]men, isolate certain factors arbitrarily in the form of laws (1975: 211).

Marx makes clear in the next paragraph that exchange relations are a process of alienation among subjects and that they accomplish this alienation through mediating objects like money:

Mill very well expresses the essence of the matter in the form of a concept by characterizing *money* as the *medium* of exchange. The essence of money is not, in the first place, that property is alienated in it, but that *mediating activity* or movement, the *human*, social act by which [hu]man's products mutually complement one another, is *estranged* from man and becomes the attribute of money, a *material thing* outside [the hu]man and above [the hu]man. Owing to this *alien mediator*—instead of [the hu]man [her]himself being the mediator for [the hu]man—[the hu]man regards [her] his will, [her] his activity and [her] his relation to other [wo]men as a power independent of [her] him and them. [Her] His slavery, therefore, reaches its peak. It is clear that this *mediator* now becomes the *real God*, for the mediator is the *real power* over what it mediates to me. Its cult becomes an end in itself. Objects separated from this mediator have lost their value. Hence the objects only have value insofar as *it* represented *them*. This reversal of the original relationship is inevitable. This *mediator* is therefore the lost, estranged *essence* of private property, private property which has become *alienated* external to itself, just as the *alienated* species-activity of [the hu]man, the *externalized mediation* between [the hu]man's production. All the qualities which arise in the course of this activity are, therefore, transferred to this mediator. Hence, [wo]man becomes the poorer as [wo]man, i.e., separated from this mediator, the *richer* this mediator becomes (1975: 212) .

By not seeing that exchange has its own history, which is a history of individuals developed relations to one another and to themselves, Proudhon imagines that exchange is between and among individuals. This makes exchange appear simply in general, without regard to its own developed forms, and as an idea which is made object as idea by individuals, who are equally abstracted from their own history and who are themselves, in this abstract form, now only idea. The individuals themselves lack any historical concreteness and thus become simply individuals as thought concept who are simply subject and object for one another in general through exchange (Marx 1967: 39).

Proudhon, in fact, imagines the exchange relation as essentially dialogic, discursive. Men, he says, propose their functions to other men. They establish exchange and make a distinction between ordinary value and exchange value. If individuals are imagined only abstractly and lacking any historical definition with regard to their production and consumption and the social relations which arise from these, then they must also imagine their relations as simply discursive (Marx 1967: 33). Language then plays the role of material object and proof of discourse as determination. Social categories are then taken positively as word categories. Neo-Kantianism and pragmatism are built upon these and are not embarrassed that their philosophical roots go no deeper than Comte. But then the cleanliness of the Kantian concept, the highest bourgeois expression, is only achieved practically by Comte.

Marx summarizes the intimacy with which humans are subject and object for one another in the social relations of capitalist exchange. "Finally, there came a time when everything that men had considered as inalienable became an object of exchange, of traffic, and could be alienated. This is the time when the very things which till then had been communicated, but never bought---virtue, love, conviction, knowledge, conscience, etc.---when everything, in short, passed into commerce." (1967: 34) Each of these is also very intimate and personal forms of property and labor.

Buying and selling, in Proudhon's abstract formulation, depends upon free will. This is an illusory free will that arises from the individual being in and for self only as an individual within exchange relations. The problem is not free will, as Proudhon imagines, but the exchange value relation itself and its suppression of use values (Marx 1967: 39).

Proudhon achieves harmony between supply and demand by inverting the law of value. When supply and demand are evenly balanced, the relative value of a product is accurately determined by the quantity of labor embodied in it. In other words, relative values then express proportional relations to one another. Proudhon wants to begin by measuring the quantity of labor in each commodity and supply and demand will then balance one another. Production will then correspond to consumption and prices will express the true value. In other words, he denies the dynamic relations of relative values and the movements of capital. He imagines a steady-state society in which discursive agreements as to labor-time can be used to balance exchange relations (Marx 1967: 60). This preserves bourgeois social forms and "liberty" while creating a society based upon ideas. Of course, his whole illusion that production and investment do not move but simply balance one another is theoretical only. Marx understands this, rather, as a relation of human subjects to one another and their own use values: "In a future society, in which class antagonism will have ceased, in which there will no longer be any classes, use will no longer be determined by the minimum time of production; but the time of production devoted to different articles will be determined by the degree of utility." (1967: 63; his emphasis) Human access to use values will in this case be determined by the needs of human subjects rather than by their relationships to exchange and the accumulation of capital.

"In other words: because equality is M. Proudhon's ideal. He imagines that the division of labor, credit, the workshop,---all economic relations---were invented merely for the benefit of equality, and yet they always ended up by turning against it." (Marx

1967: 119) What is needed, in Proudhon's view, is to get rid of the bad side, the bad idea (Ibid.). Exchange as free will is, for Proudhon, also equality. Equality is established through exchange and free and equal exchange will permit free and equal individuals.

Economic categories in this view become only positivistic, thought categories. Marx contrasts this to actual human historical development. For example, pre-capitalist divisions of labor and the time they took three centuries as the division between town and country in Germany (Marx 1967: 128).

Exchange Relations as Concrete Human Subjectivity

Each of the classes within capitalism is given its objective form as it is subject for commodity production and exchange. Capital and workers are the opposite sides of commodity production. The petty bourgeoisie are subject and object for commodity exchange and thus the essence of capitalist sociality. These are essentially productive relations as classes are produced by one another. Production is the production of subjects. This is the necessity for the human content in productive work and why surplus value is realized as absolute and relative surplus value by human labor. In other words, the capitalist class is produced by the labor activity of workers who are made object for their exchange of their labor activity as the condition for their existence. Wages reproduce workers as workers while denying them control of the means of production. Labor power is the only source of value in production because it is only through production in this form, by other human beings, that capitalists and workers are produced by each other as social subjects. Technology is derived from these social relations and can have no existence, within capitalism, outside of them. It is exactly because technology threatens to assume that kind of autonomy, to replace human labor within production, that the falling tendency of the rate of profit appears.

Within human activities, the object is for the subject as the subject is to the object. The object is for the subject as a relation to the subject's activities. And the subject is to the object as a relation to other subjects. Use value is for the subject as the

subject's own activities, as the subject most essentially is. And use value is to the subject as the subject is. That is, use value is available to the subject, accessible to the subject for his or her own activity. A healthful meal or cooperative labor are examples. There is much everyday individual activity that is simply use value.

Exchange value is the reverse of this. The subject exists for self only as the subject makes him or herself the object for others. This is the suppression and distortion of the subject. This is self-objectification: the subject is subject only as object for others. And the subject is object for others only as they have need of that object. This is the denial and exclusion of subjects, wealth, for example, as the production of poverty.

Use value is defined by Marx as utility and this is utility both as object and as to the subject. Use values are always the basis, the premise of subjectivity. Exchange value within human history is ever more decisively a relation of private appropriation, the exploitation of others.

In use value, the object exists for the activities of the subject. The object is determined by subjective requirements. The object exists for the subject. In exchange value, the subject is the object. The object is for exchange. The object is the alienation of the subject. The subject has an object for self only as one is subject for exchange with others. The object comes to the subject externally, from others.

Value is a mutual determination of subjects by each other. Value is exchange value between and among subjects as to what they have to exchange and the socially necessary labor time of its production. All else within capitalism is subordinate to this. Technology is the extension of labor activity and presupposes it. Technology and constant capital have value only so long as one can imagine their value in exchange. Depreciated with relation to relative value, they lose value. Technology and constant capital are dead labor. They are for use in exchange and production with living labor. Capital appears to be a system of exchange, but it is a system of production: the production of human subjects as subject and object for themselves and one another

through exchange.

Marx's protest against Say's claim that the seller brings the buyer to the market is that each subject is to themselves as subjects for exchange. Say is imagining subjects for exchange in their objective forms and not as they are made subjects for those objective forms (Marx 1986b: 160). *Each is subject for self only as they have exchange as their object.* Capital (money), ownership of the means of production, private production are the positive forms of capital. Labor power, wages, social labor within social production are the positive forms for labor. It is in these positive forms that social subjects appear and carry on these relations.

Each is subject for exchange only as they are object for the other. These are the subjects' negative forms: use and exchange value, commodities, labor time, money, and capital. Mutual objectification is sameness because each of these identities is a universal identity which is formed only through these subjects' relations to one another. And each of these opposing identities is negative because each subject is for self only through what they are not. For example, for workers use values exist only as exchange and exchange value is the alienation of their own labor. Both their products and their own labor power are commodities. And socially necessary labor time, money, and capital evolve only as relations to the relative value of commodities and, therefore, the latest and highest forms of value creation displace the use values and labor times of previous social determinations.

These are the twin and opposing logics of use and exchange value. Capitalist society consists of individuals and of forms of social production and social existence that are the extensions of those individuals. But individualism and social development proceed only as individuals are subject for use value, exchange value, commodities, socially necessary labor time, money, and capital. Only as they are made subjects by being object for others through these relations and, thus, as they possess these in some form as objects for their subjectivity. In either case, we are dealing with concrete

universality as a relation of subjects to one another and concrete subjectivity as subjects are object for themselves in their own activities.

The Valorization of Capital

The valorization of capital is achieved at all times as a relation to the latest and most efficient socially necessary labor times among competing capitals. This is specific to labor power in the creation of the highest values because it is only through labor power that a class is reproduced which can, in turn, produce new values. Absolute and relative surplus value are specific groups of workers who have the characteristics required for these forms. Value is a relation specific to capital and labor, a purely social relation.

Valorization is the basis for private appropriation and operates in opposition to the socialization of production. Just as relative value moves capital and commodities within a social formation, so the falling tendency of the rate of profit shows up as a relation to the technical composition of capital. But this tendency is also a law because the technical contradiction is actually a social contradiction.

The *real barrier* of capitalist production is *capital itself*. It is that capital and its self-expansion appear as the starting point and closing point, the motive and purpose of production; that production is only production for *capital* and not vice versa, the means of production are not the mere means for a constant expansion of the living process of the *society* of producers. The limits within which the preservation and self-expansion of the value of capital resting on the expropriation and pauperisation of the great mass of producers can alone move—these limits come continually into conflict with the methods of production employed by capital for its purposes, which drive towards unlimited extension of production, towards production as an end in itself, towards unconditional development of social productivity of labour. The means—unconditional development of the productive forces of society—comes continually into conflict with the limited purpose, the self-expansion of existing capital. The capitalist mode of production is, for this reason, a historical means of developing the material forces of production and creating an appropriate world-market and is, at the same time, a continual conflict between this its historical task and its own corresponding relations of social production (1986b, vol. III: 250).

Production versus Exchange in Marxist Theory

The law of the falling tendency of the rate of profit is a problem of production rather than exchange. It is a tendency with relation to the technical composition of capital. It is a law with relation to the socialization of production and the inability of capital to expand social production. This means that capital becomes ever more concentrated and centralized in its forms, ever more one-sided in its development, and ever more extensively degenerative in its effects. This is especially true with global capitalism where the world is posited for development according to premises that are industrial and urban only to have these processes dominated by transnational corporations and banks and international agencies of imperialist development. This means that the international working class struggles on a world scale against the limits to urban and industrial development. Part of the problem of this struggle rests with the dominant social democratic and trade union movements of the leading capitalist states which have betrayed the international working class, and especially their own, throughout the 20th century, especially since World War I.

But the difficulty also rests with Marxist theory in the West during the 20th century and its shift of focus from production to exchange in understanding capital's contradictions. Focus on the contradictions of capital as overproduction/underconsumption makes the problems of capital those of exchange and distribution. This seems to harmonize nicely with Keynes. Marxists "one-up" Keynes, so to speak, by saying that distribution and exchange are class problems. But the fundamental class problems of the opposition between private appropriation and the socialization of production go unnoticed in this. Moreover, the class struggle is said to be centered in the trade union movement. The betrayals of the trade union movement in the leading capitalist countries are then turned doubly against the working class when, as Baran and Sweezy conclude in the mid-1960s, these are taken as evidence, to the exclusion of other forms of class struggle, of a lack of working class opposition to

capitalism (1966: 156-7). Similarly, theories of working class exploitation come to enter into Marxist theories of exchange, as it were, through the back door. Exploitation and class struggle are then said to reside with the balance of class forces as defined by incomes. But incomes are always a step removed from the contradictions of production and human subjectivity.

The essential contradiction within capitalism which Marx defines as the opposition between private appropriation and the socialization of production are not exchange relations, but the production of human subjects. Exchange is human objectification which is class specific. To the working class, wages are made object for production. Forms of production and workers' social subjectivities are then wage specific as their wages and use values correspond to their respective divisions of labor.

I have posed in this paper certain contrasts between viewing the working class through exchange relationships versus viewing the working class as a relation to production. I have argued that the productive view of the working class has its roots in Marx, while the view of the working class as exchange relations has its roots in Proudhon and, thus, in Say, upon whom Proudhon relies.

Works Cited:

Baran, Paul and Sweezy, Paul (1966), *Monopoly Capital*, New York: Monthly Review.

Marx, Karl (1967) *The Poverty of Philosophy*, New York: International.

_____ (1975) Karl Marx and Frederick Engels, *Collected Works* (Vol. 3), New York: International.

_____ (1986a) *Collected Works* (Vol. 28), New York: International.

_____ (1986b) *Capital*, Moscow: Progress.

Say, Jean-Baptiste (1827) *Treatise on Political Economy*, Philadelphia: Grigg.