Chapter Z

The commodity nature of money in Marx's theory

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Marx's theory of money has become a growing subject of debate in recent years. A specific point in the discussion deals with the physical nature of money, that is, whether or not money must be a commodity within this theory. A significant number of contemporary Marxist authors defend the point of view thatmoney need not be a commodity in Marx's theory, or that such a theory is compatible with non commodity forms of money (Reuten:1988; Lipietz:1983; Foley:1986). Nonetheless it is important to note that these authors have not been able to demonstrate their position based on textual evidence from Marx's work.

This paper has two objectives. In the first part – more succinct because it uses concepts that are more well known – I seek to demonstrate that Marx unequivocally defines money as a commodity and that he maintains this definition in his analysis of advanced capitalism. In the second part I attempt to clarify the theoretical bases that he provides, in order to demonstrate that from the point of view or logic of his theoretical framework, money must be a commodity. In order to do so I resort primarily to Marx's own writings, through the presentation of the logical structure of his theory, and showing where the passages needed for my demonstration are situated within his work. The numerous literal quotations from Marx's work can be justified by the need to leave no room for doubt regarding my interpretation. I also seek to show that attention must be paid both to what Marx says and doesn't say. This is important because we can thus appreciate the total absence of any reference in Marx to the hypothesis that money must at any point become *a non-commodity*. Finally, my goal is to provide a clear exposition of what Marx's theory of money is, rather than engage in discussion regarding the extent to which his theory is the one which most accurately captures reality.

1. Gold: '*material aspect of abstract wealth*'[1]

According to Marx, the exchange value of a commodity is merely the proportion in which use values of one sort are exchanged for those of another sort (Marx, 1867a:13;23).[2] The form of value is the theoretical name of the exchange value when the general equivalent, or money, is already present (Marx, 1867a:19; Marx:1881), which means that the latter is algo a use value, i.e., a commodity. In effect, the three peculiarities of the general equivalent, presented by Marx, unequivocally define it as a commodity: "the first peculiarity (...) is this: *use-value* becomes the form of manifestation (…) of its opposite, value"; "the second peculiarity (…) is that *concrete labour* becomes the form under which its opposite, abstract human labour, manifests itself"; "a third peculiarity (…) [is] that the *labour of private individuals* takes the form of its opposite, labour directly social in its form" (Marx, 1867a:23-25). There is ample textual evidence corroborating that this is Marx's consistent definition of money, briefly exemplified by the following:

> "Money, (…) the universal commodity -- must itself exist as a *particular* commodity alongside the others" (Marx, 1939:165); "(…) the universal equivalent form becomes identified with the bodily form of a particular commodity, and thus crystallised into the money-form" (…). Commodities find their own value already completely represented, without any initiative on their part, in another commodity existing in company with them" (Marx, 1867a:42).

Thus, the essential condition of the equivalent form is to be a commodity, hence this role can "be assumed by any commodity"; however, after a long development, "this foremost place has been attained by *one* [*commodity* -CMG] *in particular* - namely, gold" (Marx, 1867a:30, emphasis added; Marx, 1939:173-4). Thus, money, in the shape of gold, is the special commodity through which the ordinary commodities express their values, in relationships such as 'x commodity A = y money commodity', the expression of the simple commodity form which is, according to Marx, "the germ of the money form", exemplified in the price form of linen: 20 yards if linen = 2 ounces of gold (1867a: loc. cit.).

1.1. Gold: final stage of money in capitalism

The opinion that money, in Marx's theory, can *also* be something other than a commodity, or that, after having begun as a commodity, can evolve into non commodity forms (Foley, 1986:20; Lapavitsas, 1991), clashes with the complete absence of anything that would indicate such a position within Marx's work.[3] If Marx had conceived of such an evolution, he would have been obliged to explain its phases as well as the conditions that provided for the transition from one phase to the next; there is however no reference to such a development in his work. The only demonstration of the nature of money to be found in Marx, clearly assigns it the material character of a commodity. He nonetheless explicitly mentions the historical evolution of the sorts of commodities that fulfilled the role of equivalents, directed toward *commodities* with physical and chemical characteristics more and more compatible with the role of value equivalent, the latter having finally been fixed on the precious metals – the "last" or "highest" degree of adecuation to the role -, and among these, on the one that shows such characteristics to the highest degree, gold (Marx, 1939:165-6, 173-4; Marx, 1867a:39-40). When capitalism begins to develop, it "takes possession of metallic currency as an existing and ready-made instrument" (Marx, 1859:153; Lapavitsas, 1991).

Marx maintains his conception of money as a commodity – and of gold as its final evolutive form – throughout his entire work, even after the analysis of the complex credit system of capitalism, in Part Five, Capital III. There is no indication at all that he may have considered the forms of credit money – bank notes and deposits – as more developped forms of money itself. In evaluating his theory of value and money in one of his last writings, less than two years before his death, he sustains his concept of money as a commodity in its *final instance*:

> "(…) in the development of the *value form of the commodity*, in the final instance its money form, and thus of *money*, the *value of* a commodity presents itself in the *use-value* of the other commodity, i.e. in the natural form of the latter" (Marx, 1881).

Lastly, the fact that social labor – or value – should be represented in a commodity – money – is for Marx one of the inherent contradictions of capitalism, from which capitalists are unable to free themselves, notwithstanding their continuous efforts to do

[3] For opposite assessments, see Reuten (1988:127) and Saad-Filho (1997). Reuten/Williams (1989:65-6), though recognizing that their "conceptualisation of money diverges from (…)

so. This opinion of Marx can be illustrated by the following passages from Capital III, Part Five*:*

> "with the development of the credit system, capitalist production continually strives to overcome the metal barrier [money – CMG], which is simultaneously a material and imaginative barrier of wealth and its movement, but again and again it breaks its back on this barrier" (Marx, 1894:574); "but it should always be borne in mind that (…) money - in the form of precious metal - remains the foundation from which the credit system, by its very nature, *can never detach itself*" (Ibidem:606); "The banking system shows (…), by substituting various forms of circulating credit in place of money, that money (…), as antithetical to the basis of private production, *must always appear in the last analysis as a thing, a special commodity, alongside other commodities*" (Ibidem:607, emphasis added).

2. Theoretical bases of the commodity nature of money.

Up until this point, we have demonstrated that money in capitalism, as presented by Marx, is a commodity – and nothing but a commodity - which, in the role of a universal equivalent of value, provides the means through which all other commodities represent their values in a general material form that is separate from their particular use values, or natural forms of value (Marx, 1859: Chapter 1). Now it has to be shown why, for what theoretical reason, money must be a commodity according to Marx. There are two ways of demonstrating this, one being merely technical, based on the concept of measurement, the other theoretical, based on the concept of social labor. The first is based on Marx's theoretically correct argument, illustrated through an analogy between the measure of the value of commodities and that of the weight of bodies. Just as the latter can only be measured by putting them in relation to the weight of a given body taken as an *equivalent for weight*, the measure of value requires a standard of measurement that has value too - an *equivalent of value* –, which is a characteristic belonging only to commodities (Marx, 1867a:24). The standards of weight and of value are both arbitrary amounts of a body and of the money commodity, respectively. Value is then expressed in a simple quantity of a thing (Marx, 1867a:21; Marx, 1980:39; Marx, 1939:205-6), with no need of knowing the intrinsic nature of value, which can conscious of the fact that prices represent abstract labor as it is that the grocer understands the theory of gravity (Marx, 1867a:32).

The theoretical demonstration of the need for money to be a commodity will be carried out in two steps. The first is based on the exposition of the internal logic of the market economy and the general concept of social labor as the basis of social life, initially proposed in *The German Ideology* and later developed in the *Grundrisse* (Germer:2001). We summarize it as follows: The basis of social life is social labor, understood as a complex organism of different forms of concrete labors that combine through the structure of the social division of labor, such that each producer supplies one or several products to the social collectivity, from which s/he receives what s/he needs, in exchange. This social organism of labor is an objective entity, made up of a definite amount of labor time,[4] which makes up the productive potential of a society and which has to be distributed among the existing branches of production according to the composition of the social needs.[5] In these conditions, the reproduction of every given society depends crucially on the existence of a definite mechanism through which social labor and its products are distributed among individuals.[6]

In non-market societies this mechanism consists of a previously determined plan of production (Marx, 1939:172-3; Marx, 1867a:173-4; Marx, 1847:151). In market economies there must necessarily be an identical mechanism, which can not however be a social plan, since the latter is incompatible with the independence of producers. Such a mechanism exists, but it goes unperceived by the agents of exchange, since it is an unplanned result of the chaotic clashing of their independent initiatives, behind which it is hidden (Marx, 1867a:48).[7] This mechanism is the law of value,[8] through which the

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[4] "If, e.g., the number of labourers is a million, and the average working-day of a labourer is 10 hours, the social workingday consists of ten million hours" (Marx, 1867a:149)

[5] "(…) the masses of products corresponding to the different needs require different and quantitatively determined masses of the total labor of society. That this *necessity* of the *distribution* of social labor in definite proportions cannot possibly be done away with by a *particular form* of social production but can only change the *mode* of its *appearance*, is self-evident" (Marx/Engels, n/d:letter 7/11/1868).

[6] "(...) no form of society can prevent (...) its production from being regulated (…) by the actually existing time of labour" (Marx/Engels, 1974:154).

[7] "(...) so long as this regulation is not performed through the direct and conscious control of the society over its labour time – which is only possible by way of social ownership – (…) [it will be performed – CMG] through the oscillation of the prices of commodities" (Marx/Engels, 1974:loc.cit.*)*. For a didactic treatment of this question see Luxemburg (n/d:Chapter 4).

[8] "(...) the law of the value of commodities ultimately determines how much of its disposable working-time society can expend on each particular class of commodities" (Marx, 1867a:174);

theory reveals the fact that exchanges are based on the equivalence of values, which implies the equivalence of the social labor times contained in the exchanged commodities (Marx, 1867a:32). But the fact that the law of value, as expressed in "the money-form of the world of commodities" and the continual fluctuation of prices, is the mechanism through which social labor is continuously distributed and re-distributed, remains hidden to individuals, from which the mysterious nature of the process emerges (Marx, 1867a:33). This is Marx's thesis, "held by a wide spectrum of writers from the 'Hegelian' I.I.Rubin to the 'anti-Hegelian' Althusser" (Elson, 1979:124). Nonetheless, the practical way in which the law asserts itself is not examined, which is perhaps the reason for the rejection of Marx's thesis that money must necessarily be a commodity, because it shows that it has not been understood that the mechanism of the distribution of social labor and its products in a market economy crucially depends on this condition.[9] Marx's demonstration of this matter follows.

It is firstly necessary to show that exchanges must be based on the equalization of the labor times contained in the exchanged commodities. Assuming that in a given market economy the subsistence of each one of its members requires, on average, commodities that result from 10 hours of social labor,[10] it follows that society affords each of its members the means of subsistence s/he needs, which cost society 10 hours of labor. Since each works for all and all work for each, this system means that each producer must work an average of 10 hours a day to supply the resulting product to society,[11] which must return him/her, in exchange, the set of means necessary for his/her

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individual products of labor, is precisely the *exchange value* of these products" (Marx/Engels:n/d, loc.cit.).

[9] Rubin (1928) can be taken as illustrative of the position of many Marxist authors about the subject. In his book, he appropriately stresses the problem of the social division of labour, but doesn't attempt to depict the practical way in which money mediates the distribution of social labour, which he should have done, since it is not obvious. Lipietz (1983) illustrates the opposite position, because he erects credit money to the condition of general equivalent without addressing the problem of the distribution of social labor. For a defense of the compatibility of credit money with commodity money, see Germer (1998). Even De Brunhoff (1976) failed to address it in her otherwise insightfull analysis.

[10] In this example capital is abstracted, which does not affect the problem under analysis, as illustrated by Marx himself: "Let us suppose that the producers are all independent owners of their means of production, so that circulation takes place between the immediate producers themselves. (…) their annual value-product might then be divided into two parts, analogous with capitalist conditions: Part a, replacing only the necessary means of subsistence, and part b, consumed partly in articles of luxury, partly for an expansion of production. Part a then represents the variable capital, part b the surplus-value" (Marx, 1885:329).

subsistence, which are also the result of 10 hours of social labor.[12] Since this process occurs by means of exchanges, it is immediately evident that each producer must carry out an exchange between two amounts of commodities, both of which correspond on average to 10 hours of socially necessary labor on each side, that is, the exchange must be based on the equalization of labor times.[13]This simple example demonstrates that, theoretically, the market economy could only be in a state of equilibrium – understood as the balance of supply and demand for all commodities – if in all exchanges the labor times contained in commodities were equal. Obviously, such a balance can only be seen as a never fulfilled tendency, since in a market economy "what is reasonable and necessary by nature asserts itself only as a blindly operating average" (Marx/Engels:n/d). Marx illustrates his exposition of the concept of the value of labor power with an identical example, assuming that the satisfaction of the daily needs of a worker requires commodities produced in an average of 6 hours of labor time (Marx, 1867a:81-82). Consequently, each producer must exchange the product of six hours of daily labor for the consumer goods needed for his/her daily subsistence.[14]

But exchange is not based on the calculation of labor time nor on the exchange of the two sets of commodities – those that a producer produces and those that s/he needs for subsistence - in their entirety but through a series of smaller exchanges (Marx, 1939:199). The sum of the latter would not result in an overall equivalence if the exchanges were always carried out in pairs of commodities, since it would be impossible to relate the terms of each and every exchange with the global equivalence

[12] "(...) if society wants to satisfy some want and have an article produced for this purpose, it must pay for it. Indeed, since commodity-production necessitates a division of labour, society pays for this article by devoting a portion of the available labour-time to its production. Therefore, society buys it with a definite quantity of its disposable labour-time. That part of society which through the division of labour happens to employ its labour in producing this particular article, must receive an equivalent in social labour incorporated in articles which satisfy its own wants" (Marx, 1894:187).

[13] The mediation with money does not affect this logic, since the 'material content' of C-M-C is "C — C, the exchange of one commodity for another, the circulation of materialised social labour" (Marx, 1867a:48).

[14] "(…) the labourer, during one portion of the labour-process, produces only (…) the value of his means of subsistence. Now since his work forms part of a system, based on the social division of labour, he does not directly produce the actual necessaries which he himself consumes; he produces instead a particular commodity, yarn for example, whose value is equal to the value of those necessaries or of the money with which they can be bought. (…) If the value of those necessaries represent on an average the expenditure of six hours' labour, the workman must on an average work for six hours to produce that value. If instead of working for the capitalist, he worked independently on his own account, he would (…) still be obliged to labour for the same number of hours, in order to produce the value of his labour-power, and

of 10 hours pertaining to our first example. On the other hand, each commodity is produced by various producers, under individual technical conditions that deviate, to a greater or lesser extent, from the average. Thus, the product of 10 daily hours and the individual labor time per unit of commodity of each producer would hardly coincide, respectively, with the average production of 10 daily hours within his/her branch of production and with the social labor time per unit. Accordingly, the total amount of labor time actually applied in the production of this commodity would only by coincidence correspond with the total amount of social labor time that society assigns for its production. It follows that the direct exchange between two producers would generally represent the exchange of different amounts of social labor, and there would be no mechanism to adjust the individual to the socially necessary labor times. Those difficulties could only be resolved, at first sight, if there were a conventional means for determining the average time of social labor contained in each commodity, in such a way that each producer would receive, for whatever fraction of the product of 10 hours of his labor, converted into social labor, an amount of some other product containing the same quantity of social labor and, for his/her daily total product of 10 hours, the sum of products that s/he needs, which would incorporate the same amount of social labor. But such a conventional means cannot exist in a market economy, as has already been established.

However, since commodities must be exchanged on the basis of the equalization of the social labor times they contain, and since the individual labor times they contain diverge from the social labour times, there must of necessity be some means through which the social labor they contain can be expressed before exchange occurs (GRI, p. 102 s.). In other words, the commodities must be converted into expressions of social labor, that is, into something that represents the average amount of labor that society attributes to their production, which can be greater or lesser than the time actually spent by the producers of the exchanged commodities. This conversion would give the producers an indirect indicator of their degree of deviation from the average social conditions for the production of their commodities, and of possible needs for adjustment. Thus, the need to convert commodities into something that expresses the social labor they contain, in opposition to the labor actually applied in each individual case, presents itself as a demand pertaining to the internal logic of the system, without which there would be no way to correct the inevitable deviations that are due to the anarchic nature of mercantile production (Marx, 1867a:46). The comprehension of this enables us to understand why the exchange of commodities must be mediated by money, contrary to the simplistic explanation based on the difficulty of a “double coincidence of want” , and why money must be a commodity.

2.1. Particular labor and social labor

The second step of the theoretical demonstration consists of demonstrating the way in which the process expounded above is carried out in practice. Since commodities are produced by particular labours that do not directly represent social labor, they are not directly integrated into the social product. In a market economy a particular act of labor is not automatically equivalent to social labor, since each particular act of labor results from the initiative of a particular producer, instead of being determined by a social plan that guarantees in advance that the product is necessary for the satisfaction of a social need. Thus, if a producer makes a faulty evaluation of the market situation, his/her product may not be purchased, which means that the labour applied in its production is not a part of social labor and was therefore wasted. In the absence of a social plan of production that carries out a *previous* distribution of the socially necessary labor among producers, thus giving this labor previously its social character and dispensing with the need for social recognition a posteriori, it follows that in a market economy the recognition of the social character of labor can only occur after it has been carried out. However, it is impossible for the social nature of the product of a particular labour to be recognized by a bureaucratic agency before it is purchased, as in the case of Gray’s labor chits, since in the absence of a social plan of production there is no basis for relating each product to a previously identified and designed need.

Under these circumstances, the only means through which a particular act of labor can be recognized as social is if its product is actually employed to satisfy a social need through consumption, and for this to occur it must arrive in the hands of the consumer, which in a market economy can only occur through exchange of this product for the product of another particular act of labor (Marx, 1867a:38). But the direct exchange of two products of particular labours does not turn them into social labor, because the exchange between two producers characterizes a division of labor restricted to those two, not the social division of labor that is the basis of the market economy. In order for a particular act of labor to be recognized as social labor, its product must be exchangeable for the product of any other act of labor, not just one in particular, since the product of social labor, but merely into the product of another particular act of labor (Ibidem:loc. cit.). However, all commodities are products of particular acts of labor; thus, all direct exchange of commodities is the exchange of particular acts of labor and does not provide the basis for the conversion of particular labours into social labor.

On the other hand, in a market economy exchange is the only means through which the product of a particular labor can be converted into something else. But the only thing it can be converted into is the product of another particular labor. Thus we come to an impasse: while on the one hand for social recognition it is not enough for the product of a particular labor to be exchanged directly for the product of another particular labor, on the other hand each product of a particular labor can only be exchanged for the product of another similarly particular labor.

Since at the same time there can be no social plan of production, the problem can only be solved within the strict sphere of the chaotic confrontation of independent producers through the exchange of their commodities, in a spontaneous and not planned way. In other words, in order to resolve the problem the very process of exchange must engender a mechanism, that is compatible with the logic of private exchange, and independently of the perceptions of the process by the agents of the exchange, but which at the same time imposes itself upon them with the irresistible force of a natural law (Marx, 1939:196). The fundamental point is that, since each commodity is the product of a particular labor, but must be expressed as social labor, and since this cannot be done bureaucratically, it follows that before the commodity can be converted into the use value its producer is interested in, it must be converted into something that expresses the amount of social labor it contains. But the only thing a commodity can be converted into is another commodity. Under these conditions, the impasse can only be resolved if there is a product of a particular labor that enters into circulation as the product of a labor that is directly social, so that products of particular labors can be exchanged for it. In so doing, the producers of these products of particular labors transform the latter into a product that represents social labor and that for this very reason is exchangeable for the product of any other particular act of labor.

However, there is no such commodity, since all labor is private labor.[15] Nonetheless, the viability of the market economy depends on providing a solution for this impasse. The solution is spontaneously generated in the form of the product of a particular labor

– a commodity – that is socially constructed as the direct representation of social labor.[16] Consequently, each product of a particular labor, in order to be recognized as a component of social labor, must be converted into this product of a specific type of particular labor that has become the representation of social labor.[17] This product of a labor that is simultaneously particular and social is the money commodity, whose finished form in capitalism is gold. Money's specific trait lies in the fact that it is accepted by all in any exchange whatsoever; in other words, it expresses the general exchangeability of commodities. Thus, what the individual agents of exchange see in it is not its particular use value but its social use value as the form of the universal exchangeability of all commodities.

Thus we arrive at the most elementary and essential basis of the problem of money, which can be illustrated again by the hypothetical economy in which individual subsistence depends on a series of commodities that require 10 hours of social labor for their production. But now we introduce the mediation of exchange with money. Since money is also a commodity, its production must guarantee the normal subsistence of its producer. This means that the production of gold resulting from 10 hours of labor must be exchanged for the means of subsistence that its producer requires, which also cost 10 hours of social labor. This establishes the exchange values or prices of the means of subsistence. Consequently, the daily product of 10 hours of labor in the production of any commodity must be converted into the daily production of the money commodity – gold –, which is the product of a particular labour that has become the representation of 10 hours of social labor.[18] By means of this conversion, any producer is able to guarantee his/her normal subsistence, since this same quantity of gold guarantees, via exchange, the normal subsistence of the gold producer.[19] Thus, when a commodity is

[16] "(…) although, like all other commodity producing labour, [the labour that produces the general equivalent - CMG] (...) is the labour of private individuals, yet, at the same time, it ranks as labour directly social in its character" (Marx, 1867a:25).

[17] "They cannot bring their commodities into relation as values, and therefore as commodities, except by comparing them with some one other *commodity* as the universal equivalent. (…) But a *particular commodity* cannot become the universal equivalent except by a social act. The social action therefore of all other commodities, sets apart the *particular commodity* in which they all represent their values. Thereby the *bodily form of this commodity* becomes the form of the socially recognised universal equivalent. To be the universal equivalent, becomes, by this social process, the specific function of the *commodity* thus excluded by the rest. *Thus it becomes—money*" (Marx, 1867a:38, emphasis added).

[18] "Thus an exchange value which is the product of, say, one day is expressed in a quantity of gold or silver which = one day of labour time, which is the product of one day of labour" (Marx, 1939:188).

exchanged for a definite amount of the money commodity and the latter is, in turn, exchanged for a definite amount of another commodity, this means that both commodities have been equated to the same amount of a third – the money commodity -, and therefore have been converted into expressions of the same amount of social labor, which is that contained in the amount of the money commodity of which they have become equivalent (Marx, 1939:142-3). In other words, the exchange has been based on the equalization of the social labors contained in the two commodities. Assuming, for the purpose of illustration, that the daily production of gold is 20 grams per worker, each producer of any commodity will have to obtain, for his/her daily individual production, a price corresponding to 20 grams of gold, which s/he needs for subsistence. Upon doing so, and without the need of knowing what is going on, s/he will be realizing the equivalence of his/her particular labor and that of social labor represented through the daily production of gold. Thus the production of the money commodity is at the center of the hidden social mechanism that, in a market economy, promotes - however chaotically – the distribution of labor and its products, so that the reproduction of its individual members and therefore of the society as a whole can occur. Through the conversion of the product of her/his labour into gold the producer of any commodity converts it not only qualitatively into the representation of social labour, but also quantitatively into the amount of gold s/he needs for her/his daily material reproduction. The fact that only a commodity can do this job in a market economy is the reason why money needs to be a commodity. In this way the whole mistery of money is solved!

It is neither necessary nor possible to count the hours of labor actually performed in order for the equivalence of labor times to be verified, or that the producers of commodities be aware of this basis of the exchange, although it is their own action that corrects deviations. Correction is carried out through the reaction of each producer to the oscillations in his/her ability to reproduce him/herself as a producer, based on the exchange of his/her product. If it proves insufficient for his/her normal reproduction, he/she interprets this as the result of "too low a price" of his/her commodity, ignoring that this results either from his/her expenditure of more than the average social labor time per unit, or from the excess of producers in that branch of production. In their attempt to increase productivity or move to another branch of production the producers

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whatever the average amount of gold produced in a day, it is exchanged for the bunch of goods that the producer must consume. The only effect of a variation of the quantity of gold produced correct, albeit without their awareness, the maladjustment between their particular labor and social labor time (Rubin, 1928:103).

Is it possible, on the basis of the labor theory of value, for a non commodity to perform the function of equivalent of value? It would be necessary, for the reasons already presented, that its unit represented a definite amount of social labor, since the sale of a commodity corresponds to its necessity of being converted into expression of social labor in the amount assigned to it by the social division of labor. Since it is not a commodity, however, it doesn’t have value of its own. Thus, an arbitrary amount of social labor or value would have to be attributed to it. But this, besides having been rejected by Marx himself in his critique of Gray, would be ineffective, because commodities are in practice not exchanged on the basis of labor times. On the other hand, there is no discernible way, growing spontaneously out of the process of exchanges, through which this could be accomplished. It seems that the only way through which money can represent labor independently of the awareness of the agents of exchange, is being a product of labor, i.e., a commodity, whose property of being the product of a definite amount of labor is intrinsic to it, thus being independent of conventional recognition.

2.2. The nature of money in advanced capitalism

It has been shown, on the basis of consistent textual evidence, that Marx explicitly maintained the concept of money as a commodity in the analysis of capitalism in the most advanced stage of its development. The analysis presented provides the explanation of why this is so. The reason is that money derives specifically from the mercantile nature of the economy – i.e., from the nature of the sphere of circulation -, not from its capitalist nature – i.e., the nature of the internal constitution of the units of production. Money is an element of the sphere of circulation of commodities, whose nature is not affected by the nature of the internal constitution of the units of production. Whatever the nature of the latter, what is determining is the fact that, although being juridically independent from one another, they depend from one another for their material reproduction. Therefore, the labours they perform are particular labours that have to be converted into social labour. And the absence of a social plan of production able to consciously articulate their material interdependence requires that the particular converted, in the shape of its product itself, into the representation of social labour. The fact that the product of each unit is divided between capitalists and worders, and that the part that belongs to the capitalists is on its turn divided among them according to a uniform rate – the average rate of profit – does not affect the cause that originates money and requires that it be a commodity.

3. Conclusions

This article arrived at the following significant conclusions regarding Marx's theory of money:

1) The requirement that, for the existence of a market economy, exchanges must be based on the equivalence of social labor times, is theoretically consistent.

2) In order to be based on the equalization of social labor times, exchanges must necessarily be mediated by a commodity that functions as a universal equivalent of value.

3) Examination of Marx's work shows that he explicitly conceives of money as a commodity in advanced capitalism.

4) Finally, money must be a commodity as a consequence of the logical structure of Marx's theory and for no other reason.

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