

Introduction to Marx's Theory of Value in Chapter 1 of Capital: A Critique of Heinrich's Value-Form Interpretation

Fred Moseley 



Fred Moseley is a professor Emeritus of Economics at Mount Holyoke College. He has published extensively on Marx's theory of value and prices of production (the transformation problem) and Marxian analysis of the US economy. His two most recent books are: *Money and Totality: A Macro-Monetary Interpretation of Marx's Logic in Capital and the End of the Transformation Problem* (Brill 2016) and *Marx's Theory of Value in Chapter 1 of Capital: A Critique of Heinrich's Value-Form Interpretation* (Palgrave 2023). He edited and wrote the "Introduction" to the English translation of *Marx's Economic Manuscript of 1864–1865* (Marx's original manuscript of *Capital* Volume 3) (Brill 2016). He also edited and wrote the "Introduction" to an excerpt from *Marx's Manuscript of 1867–68* on the extension of Marx's theory of prices of production to incorporate unequal turnover times across industries (*Historical Materialism* 27 (4): 162–192, 2019). ORCID: <https://orcid.org/0000-0002-5420-010X>. Email: fmoseley@mholyoke.edu

Abstract: This article is an introduction to my recent book *Marx's Theory of Value in Chapter 1 of Capital: A Critique of Heinrich's Value-Form Interpretation*. My book is a detailed textual study of Chapter 1 of Volume 1 of *Capital* and of Michael Heinrich's value-form interpretation of Chapter 1, as presented in his 2021 book *How to Read Marx's Capital*. This article focuses on the following two main conclusions of my book in order to give the reader an idea of the close textual analysis of my book: (1) The subject of analysis of Chapter 1 is a representative commodity, which Marx used to analyze the properties that each commodity shares in common with all other commodities (especially its exchange-value). (2) The value of commodities is derived from an analysis of the *exchange-value* of the representative commodity, which is its equality with all other commodities *in normal proportions that are mutually consistent*.

Key words: Marx; commodity; value; exchange relation; production

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This article is an introduction to my recent book *Marx's Theory of Value in Chapter 1 of Capital: A Critique of Heinrich's Value-Form Interpretation*

(Moseley 2023), which I presented at the 2024 World Association of Political Economy (WAPE) Forum. My book is a small book, 60,000 words, published by Palgrave as what they call a Palgrave Pivot book, a new initiative that has the advantage of faster production and publication.

Chapter 1¹ is the most important chapter in *Capital* and also the most difficult and the most controversial. It presents the basics of Marx's theory of value and price. An influential interpretation of Chapter 1 in recent decades has been the so-called "value-form interpretation" of Marx's theory of value, according to which the value of commodities does not exist in production and comes to exist only in exchange, and the magnitude of value is not determined in production alone, but also depends on supply and demand in exchange. The most important proponent of the value-form interpretation today, both in his native Germany and also in the English-speaking world, is Michael Heinrich (1999, 2018), and Heinrich's work had emphasized Chapter 1. Heinrich's latest book (2021) in English is a detailed commentary on the first seven chapters of Volume 1 of *Capital*, which is a translation of *Wie das Marxsche Kapital Lesen?* (How to Read Marx's *Capital*) published in 2018. The publication of an English translation of Heinrich's book is an important event in Marxian scholarship, and it is necessary to critically engage with this important book in order to advance our understanding of this foundational chapter of Marx's theory.

My book (Moseley 2023) is a detailed textual study of Chapter 1 of Marx's *Capital* and of Heinrich's interpretation of Chapter 1 as presented in his 2021 book *How to Read Marx's Capital*. The book consists of four chapters. Chapter 1 of my book presents my interpretation of Marx's theory of value in Chapter 1, including a section on each of the four sections of Marx's Chapter 1. Chapter 2 of my book presents Heinrich's interpretation of Chapter 1 of *Capital* and my detailed critique of Heinrich's interpretation, with the same four sections. Chapter 3 of my book is about a 55-page manuscript that Marx ([1872] 1987) wrote in 1872 in preparation for the 2nd German edition of Volume 1, which is entitled "Additions and Changes to the First Volume of *Capital*," and which Heinrich (2021) emphasized in his book and in previous works to provide textual support for his value-form interpretation of Chapter 1. This important manuscript has not yet been translated into English. A translation of a four-page excerpt of this manuscript is included in Heinrich's book as an appendix. So Chapter 3 of my book presents my interpretation of this manuscript and a critique of Heinrich's interpretation. A translation of this entire manuscript should be a high priority for Marxian scholarship. Chapter 4 of my book summarizes the main conclusions of my book.

The sections of this introduction to my book are the following: (1) The main conclusions of my book; (2) The subject of Chapter 1 of *Capital* is the commodity; (3) Marx's derivation of the value of commodities in Section 1 of Chapter 1; (4)

Critique of Heinrich's concept of exchange relation; and (5) Critique of Heinrich's derivation of value based on exchange relation.

1. Main Conclusions

The main conclusions of my book are the following: In the first place, the subject of analysis of Chapter 1 is *the commodity*, not a separate, isolated commodity, but a *representative commodity*, a commodity that stands for all commodities and is used to analyze the properties that all commodities have in common (use-value and exchange-value, especially exchange-value). In the preface to the 1st edition, Marx described the commodity as the "*cell-form*" of capitalist production. So in Chapter 1 Marx analyses the properties of a representative commodity similar to the way cellular anatomy analyses the properties of a representative cell. In other words, Chapter 1 is like putting a commodity under a microscope and analyzing its main properties, especially its exchange-value.²

Marx's representative commodity in Chapter 1 is assumed to have been *produced, but not yet exchanged*. This is crucial for the critique of Heinrich's interpretation. According to Heinrich, the subject of analysis of Chapter 1 is *not* the properties of a representative commodity, but is instead what he calls an "*exchange relation*" between two commodities, which he argues is the overall result of *two actual acts of exchange* between the two commodities and money, and these actual acts of exchange are presupposed in the analysis of an exchange relation. I will have much more to say about this crucial point later.

Second, the value of commodities is derived in Section 1 of Chapter 1 from the *relation of equality* between each commodity and all other commodities. This general relation of equality between all commodities implies that all commodities must possess a *common property* that determines the proportions in which different commodities are equal. And Marx, of course, argued that this determining common property of commodities is the abstract human labor expended to produce them. Contrary to Heinrich, the value of commodities is not derived in Section 1 from an "*exchange relation*" between two commodities (as he defines it).

Third, the magnitude of the value of each commodity is "*exclusively determined*" by the quantity of *socially necessary labor-time expended in production* to produce each commodity. Heinrich (1999, 2018, and 2021) argues, on the other hand, that the magnitude of value of a commodity is finalized in exchange and depends in part on the relation between *supply and demand for the commodity* in exchange. This is, of course, the best-known assumption of the value-form interpretation of Marx's theory of value.

Finally, the labor that produces commodities has a *dual character in production*: both concrete labor and abstract labor are *characteristics of the same labor*

process of production. Section 2 of Chapter 1, in particular, provides very strong textual evidence to support this interpretation that the “dual character” of labor that produces commodities exists *in production*. Weaving and tailoring are Marx’s examples in Section 2. The concrete useful character of the labor process of weaving produces the use-value of linen, and the second character of the same labor process of weaving, of also being abstract human labor, produces the value of the linen. The same dual character is true of the labor process of tailoring (and all other particular labor processes). The values of the linen and the coat are compared in Section 2 by comparing the labor-time required to produce each one of them, and nothing is said about exchange in this section concerning the dual character of labor that produces commodities.³ Heinrich (1999, 2018, and 2021) argues, on the other hand, that labor in production is *only concrete labor* and is not yet abstract labor. *Abstract labor comes to exist only in exchange*, and thus the dual character of the labor that produces commodities comes to exist only in exchange. According to Heinrich’s interpretation, tailoring and weaving (and any other labor process) possess only a single character in production, not a dual character. This interpretation is clearly contradicted by Marx’s Section 2 of Chapter 1.

This introductory article will focus primarily on the first two conclusions and on Section 1 of Chapter 1.

2. The Subject of Analysis in Chapter 1 Is *the Commodity*

Next, I will elaborate on the first main conclusion that the subject of analysis in Chapter 1 is *a representative commodity*, a commodity that stands for all commodities, and is used to analyze the two general properties that all commodities possess in common: use-value and exchange-value. *Why does Marx’s theory start with an analysis of the commodity?* In order to answer that important question, I discuss in the beginning of Chapter 1 of my book with Marx’s Introduction to the *Grundrisse* (1973, 100–111) entitled the “Method of Political Economy.” Marx explained in this introduction that his logical method consists of “*two paths*”: the first path is from the *concrete* to the *abstract* and then the second path is in the opposite direction from the *abstract* to the *concrete*. The first path begins with the actual concrete (“modern bourgeois society”) and moves analytically from the chaotic, unexplained concrete toward ever simpler abstractions, until the investigation arrives at the *simplest abstraction*, which is the most universal element of the presupposed concrete totality.

Then the second path retraces the journey from the simplest abstract back element to the actual concrete, but this time the concrete is *explained* by means of levels of abstraction, in succession incorporating more and more elements of the concrete totality. In this way, Marx said, theory “reproduces the concrete in thought.”

For Marx's theory, the most abstract element of "modern bourgeois society" (i.e., of a capitalist economy) is *the commodity*. The other main elements in a capitalist economy (money, capital, wage-labor, etc.) are particularly more complex forms of commodities. So the commodity is the end of Marx's analytical first path and the beginning of his explanatory second path in Chapter 1.

Marx expressed this conclusion at the end of the *Grundrisse*, in preparation for his first draft of Chapter 1 in *A Contribution to the Critique of Political Economy*.

The *first category* in which bourgeois wealth presents itself is that of the **commodity**. The *commodity itself appears as the unity of two aspects*. It is **use-value ... [and] Vehicle of exchange value**. (Marx 1973, 881; bold emphasis in the original, italics emphasis added [same emphasis styles in the following quotations])

Thus, Chapter 1 is about the commodity and the two properties that all commodities share in common: use-value and exchange-value. Please note that Marx described the commodity as the *unity* of these two properties.

In the introduction to Chapter 1 of my book, I discuss substantial textual evidence to support this interpretation of the commodity as the subject of Marx's analysis in Chapter 1 of *Capital*. The most obvious textual evidence to support this interpretation is the *title* of Chapter 1, which is simply: "The Commodity." This is also the title of Chapter 1 of the *Contribution to the Critique of Political Economy* (Marx 1970), written a decade earlier. It seems obvious that, since the title of Chapter 1 is "The Commodity," the main subject of Chapter 1 is the commodity. But there has not been much discussion of this important point in the literature, perhaps because it is so obvious. A few authors have emphasized this interpretation of Chapter 1. However, Heinrich (1999, 2018, 2021) denies that the commodity is the main subject of Chapter 1. He argues that the commodity is analyzed in Chapter 1 only as one part of an *exchange relation between two commodities*, which is the main subject. However, the title of Chapter 1 is not "Exchange Relation."

And the title of Section 1 of Chapter 1 is: "The Two Factors of the Commodity: Use-Value and Value"; in other words, the *two properties* of the representative commodity that all commodities have in common are use-value and value, and we will see below that the value of the representative commodity is derived from an analysis of the exchange-value of the representative commodity (e.g., a quarter of wheat). The title of Section 1 is not "The Two Factors of an Exchange Relation."

And the first two sentences of Section 1 of Chapter 1 state that Marx's theory of capitalism begins with an analysis of an individual *commodity* as the *elementary form* of the products of labor in capitalism (an "immense collection of commodities"), and this "elementary form" of an individual commodity represents the immense collection of commodities and the properties that all commodities possess in common.

The wealth of commodities in which the capitalist mode of production prevails appears as an “immense collection of commodities”; the *individual commodity appears as its elementary form*. Our investigation therefore begins with the *analysis of the commodity*. (Marx 1977, 125)

The first two sentences of the *Contribution* are similar, with a little different wording: the single commodity is described as the “unit” of the immense accumulation of commodities. “The wealth of bourgeois society, at first sight, presents itself as an immense accumulation of commodities, its *unit being a single commodity*. Every commodity, however, has a *twofold aspect*—use-value and exchange-value” (Marx 1970, 27). The second sentence is especially relevant because it clearly states that the “twofold aspect” of *the individual commodity* that is analyzed in Section 1 represents the two-fold aspect of *all commodities*.

And the first sentence of Section 2 of Chapter 1 states again that the subject of Section 1 is the *dual character of the commodity* (and thus is the dual character of each and every commodity).

Initially, *the commodity appeared to us as an object with a dual character, possessing both use-value and exchange-value*. (Marx 1977, 131)

And in the 1st edition of Chapter 1, there is the following passage (toward the end of the analysis of the forms of value) which states explicitly that *the analysis of the forms of value of the individual commodity applies to each and every commodity*.

Obviously, the *analysis of the commodity* yields all *essential* determinations of the *value-form* ... But the *analysis of the commodity* yielded these forms as *commodity-forms* in general (which thus also *apply to each and every commodity*). (Marx 1976, 34)

I have already mentioned that, in the Preface to the 1st German edition of Volume 1, Marx compared his analysis of the properties of a representative commodity in Chapter 1 to the analysis of the properties of an *individual cell in microscopic anatomy* (properties of individual cells such as size, structure, surface, etc.).

In the analysis of economic forms neither microscopes nor chemical reagents are of assistance. The power of abstraction must replace both. But for bourgeois society, the *commodity-form* of the product of labor, or the value-form of the commodity, is the *economic cell-form*. To the superficial observer, the analysis of these forms seems to turn on minutiae. It does in fact deal with minutiae, but so similarly does *microscopic anatomy*. (Marx 1977, 90)

Thus, the commodity-form of the product of labor in capitalism is the *economic cell-form* of a capitalist economy. Marx did not say that the economic cell-form of bourgeois society is an *exchange relation* between two commodities; that would make no sense because an exchange relation between two commodities is not a single cell.

And finally, another important passage, this one from Marx's *Marginal Notes on Wagner* (1975), which is the very last thing that Marx wrote about his theory in *Capital*, and it provides very clear evidence again that the subject of analysis in Chapter 1 is the commodity, which Marx described here as the "*simplest social form*" of the products of labor in capitalism. This passage also provides a concise summary of Marx's derivation of value from his analysis of the property of the exchange-value of the commodity, which I will review in the next section.

What I start out from is the *simplest social form* in which the *labour-product* is presented in contemporary society, and this is the "**commodity**." I analyze it [the commodity], and right from the beginning in the **form in which it appears**. Here I find that it is, on the one hand, in its natural form, a **useful thing**, alias a **use-value**; on the other hand, it is a **bearer** [*träger*] of **exchange-value** and from this view-point, it [the commodity] is *itself* "*exchange-value*." Further analysis of the latter [the exchange-value of the commodity] shows me that *exchange-value* is only a "**form of appearance**," the *autonomous mode of presentation of the value contained in the commodity*, and then I move on to the analysis of the latter. (Marx 1975, 198)

In this important summary of Marx's logic in Section 1, he referred to the *commodity* or to "it" or "itself" or "the latter," which clearly refer to the commodity the commodity *nine times in these four sentences*. There is nothing about acts of exchange or an exchange relation between two commodities in this summary of Marx's logic in Section 1. Instead, Section 1 is an analysis of the two-fold character of a representative commodity, and thus of the two-fold character of each and every individual commodity.

I think it is very clear from all these titles and important passages that the subject of Marx's analysis in Section 1 is a representative commodity and the "two-fold character" that each commodity shares with all other commodities. Marx identified this starting point of his theory in the *Grundrisse* (1973), and it remained the starting point of his theory in all the later drafts of Chapter 1. Nothing is said in any of these titles and passages about an exchange relation between two commodities. The representative commodity that Marx analyses in Chapter 1 has been produced, but not yet exchanged. And it possesses its *two-fold character* as a result of its production,

Heinrich has argued that there are “*significant ambiguities*” in Chapter 1 that make its analysis difficult and complicated. However, there is *no ambiguity* about the subject of analysis in Chapter 1, which is clearly *the commodity* and the *dual character of the commodity*, which represents the dual character of each and every commodity.

3. Marx’s Derivation of the Value of Commodities

Next, I will discuss the second main conclusion of my book—that Marx derived the value of commodities from an analysis of the exchange-value of a representative commodity (e.g., a quarter of wheat), which reveals the general relation of equality between each commodity and all other commodities. This derivation of the value of commodities is examined in greater detail paragraph by paragraph in my book (Moseley 2023, 8–16).

The *exchange-value* property of a commodity is its ability to be exchanged with all other commodities (i.e., its *exchangeability*) in normal proportions that are themselves mutually consistent (i.e., are “mutually replaceable”). And the mutual consistency of these normal exchange proportions implies that they are all *equal* to each other. As Marx put it in paragraph 6 of Section 1:

Therefore, the wheat has *many exchange-values* instead of one. But *x* boot-polish, *y* silk, or *z* gold, etc. *each represent the exchange-value of a quarter of wheat*. Therefore, *x* boot-polish, *y* silk, or *z* gold, etc. must, as exchange-values, be *mutually replaceable or of identical magnitude*. (Marx 1977, 127)

In terms of mathematical logic, Marx is saying that all the exchange-values of a quarter of wheat are *transitive*: if $A = B$ and $A = C$, then $B = C$.⁴ And the transitivity of the exchange-values of a quarter of wheat implies that all these exchange-values are equal to each other.

And the *quantitative relation of equality* between each commodity and all other commodities *implies that all commodities must possess a common property* that determines the proportions in which different commodities are *equal*. This is the most important point. Later, in Section 3 of Chapter 1, Marx quoted Aristotle: “*There can be no exchange without equality, and no equality without commensurability*” (Marx 1977, 151). Commodities are equal to one another and therefore they are commensurable, i.e., they possess a common property.

These two conclusions—that there is a *general relation of equality between all commodities* and that *this relation of equality implies the necessity of a common property possessed by all commodities*—are illustrated in paragraph 7 by a

two-commodity example, which is represented by an *equation* between the two commodities: 1 quarter of corn = x cwt of iron.

Let us now take two commodities, for example corn and iron. Whatever their *relation of exchange* may be, it can always be represented by an *equation* in which a given quantity of corn is *equated* to some quantity of iron, for instance *1 quarter of corn = x cwt of iron*. What does this equation signify? It signifies that a *common element of identical magnitude exists in the two different things*, in 1 quarter of corn and similarly in x cwt of iron. *Each of them*, so far as it is exchange-value must therefore be reducible to this third thing. (Marx 1977, 127)

Thus the equation between corn and iron *signifies* (i.e., implies) that a common element of identical magnitude *exists in each of these* two different things. Marx's sentences—"a common element *exists in the two different things, in 1 quarter of corn and similarly in x cwt of iron*" and also "*each of them* must be reduced to this third thing" (Marx 1977, 127)—indicates that the common element *exists separately* in the corn and in the iron and *exists independently* of the relation of equality between them, which contradicts Heinrich's interpretation that value exists only as a result of actual acts of exchange between commodities and money on the market.

In paragraph 8, Marx (Marx 1977, 127) illustrated the necessity of a common property of commodities that determines the normal proportions in which different commodities are equal with a geometrical example. In order to compare the area of rectilinear figures, the area of each figure must be measured in terms of a common unit of measure. And, of course, each figure has its own area independently of the area of other figures and independently of the comparison of areas between them. Obviously, the area of a rectangle does not exist for the first time in a comparison of its area with the area of another rectangle. Analogously, each commodity possesses its own value independently of the value of other commodities with which it is equated.

In paragraph 9, Marx (Marx 1977, 127) argued that the *common property of commodities cannot be their use-values* because different use-values *do not have a common unit of measure* and thus cannot explain the *equality* of commodities. The use-values of different commodities are not commensurable.

And, of course, Marx concluded in paragraph 11 that the common property of commodities that determines the proportions in which they are equal is that *they are all products of the same kind of labor, homogeneous human labor*.

With the disappearance of the useful character of the products of labour, the useful character of the kinds of *labour embodied in them* also disappears: *this in*

turn entails the disappearance of the different concrete forms of labour. They can no longer be distinguished, but are all together reduced to the same kind of labour, human labour in the abstract. (Marx 1977, 128)

And Marx elaborated this conclusion in the well-known paragraph 12:

Let us now look at the residue of the products of labour. There is nothing left of them in *each case* but the same phantom-like objectivity; they are merely *congealed quantities of homogeneous human labour*, i.e., of *human labour-power expended without regard to the form of its expenditure*. All these things now tell us is that *human labour-power is expended to produce them, human labour is accumulated in them*. As crystals of this social substance, which is common to them all, they are values—commodity values. (Marx 1977, 128)

I think it is clear that Marx's *conclusion of the value of commodities is derived from the general relation of equality between each commodity and all other commodities*. This general quantitative relation of equality between commodities *requires a common property* and that common property is the *homogeneous human labor accumulated in them*, which is the result of the *homogeneous human labor-power expended to produce them*. Nothing is said about *acts of exchange* in this important concluding paragraph. The phrase "human labor-power expended to produce commodities" clearly means the human labor *expended in production* to produce the commodities, *prior to the subsequent exchange* of these commodities on the market.

Heinrich has argued that abstract labor *cannot be expended* in production, because abstract labor is a *social relation that exists only in exchange and therefore does not exist in production* prior to exchange. That interpretation—that abstract labor cannot be expended—is directly contradicted by this important concluding paragraph of Marx's derivation of value and by many other passages. The Appendix to this article presents one passage from Chapter 1 in which Marx discussed the *expenditure of human labor-power*, which means the expenditure of human labor-power *in production*, which implies that *abstract human labor exists in production*, and which contradicts Heinrich's interpretation that abstract labor exists only in exchange.

And then in paragraph 16, there is Marx's unequivocal statement that the magnitude of value contained in a commodity is *exclusively determined* by the labor-time socially necessary to produce it.

What exclusively determines the magnitude of the value of any article is therefore the amount of labour socially necessary, or the *labour-time socially necessary for*

its production ... Commodities which contain equal quantities of labor, or which can be produced in the same time, have therefore the same value. The value of a commodity is related to the value of any other commodity as the *labour-time necessary for the production* of the one is related to the *labour-time necessary for the production* of the other. (Marx 1977, 129–130)

Nothing is said about *exchange* in this important summary statement of Marx's theory of the magnitude of value. The phrase “exclusively determines” means that *there is no other determinant of the magnitude of value* besides the labor-time socially necessary to produce it.

And in particular, no other determinant excludes supply and demand in exchange as a determinant of the magnitude of value. Note also that *each of the two commodities* in the last sentence has a magnitude of value that is determined by the labor-time necessary for *its production*, independent of the other commodity.⁵

4. Critique of Heinrich's Interpretation of the *Exchange Relation*

I turn now to Heinrich's unusual interpretation of the meaning of an *exchange relation* between two commodities in Marx's theory of value and his interpretation of Marx's derivation of the value of commodities from an analysis of an exchange relation between two commodities (as he defines it) in Section 1 of Chapter 1, which I discuss at length in Chapter 2 of my book (Moseley 2023, 56–72).

Unfortunately, Heinrich did not explain clearly what he means by his key concept of an exchange relation between two commodities. This is especially unfortunate because his interpretation of exchange relation is very unusual, indeed, unlike any other interpretation of the exchange relation that I am aware of.

Heinrich's definition of *exchange relation* in the Glossary of his book is the following: “**Exchange-relation**: The relation between two commodities that are exchanged, considered in abstraction from commodity owners. The exchange-relation is examined in Chapter 1 of *Capital*” (Heinrich 2021, 400).

To take one of Heinrich's examples that is borrowed from Marx, an exchange relation is:

1 quarter of wheat is exchanged for x boot-polish ($C_1 - C_2$)

We will see below that this is an incomplete explanation of Heinrich's interpretation of “exchange relation.”

In Appendix 6 in the back of Heinrich's book (2021, 396), there is a discussion of his interpretation of exchange relation, in which he argues that an exchange relation between commodities is the level of abstraction of Chapter 1 (see the table in Heinrich 2021, 396) and that an exchange relation is an abstraction from the

simple circulation of commodities which consists of many interlocking exchanges of commodities and money and consists of commodity owners selling and buying their commodities. According to Heinrich, the concept of exchange relation focuses on just one circuit and abstracts from all the other circuits and also abstracts from the commodity owners. And he concludes:

What is left is the pure *exchange relation of two commodities*. (Heinrich 2021, 392)

Again, we will see in the next several paragraphs that this is also an incomplete explanation of Heinrich's interpretation of an "exchange relation" between two commodities.

The only time in his book that Heinrich provided a more complete explanation of his unusual concept of exchange relation is in his commentary on Marx's analysis of the *exchange-value* of commodities in Section 1 of Chapter 1 (Heinrich 2021, 53–54). Heinrich commented that the definition of an exchange relation between two commodities seems like direct barter exchange, but he states that this is not so, because direct barter *seldom actually happens in capitalism*. And he states instead that he interprets an *exchange relation* between two commodities to be the *overall result of two acts of exchange between the two commodities and money on the market, which do actually occur in capitalism*.

What justifies making an exchange relation like a quarter of wheat for x boot-polish—an exchange that normally doesn't occur in capitalist society—the starting point for the analysis of exchange-value? *In exchange mediated by money, the quarter of wheat is first sold for a certain amount of money; then, with this money, x boot-polish could be purchased. What Marx considers is not just any abstraction, but rather the overall result of exchange mediated by money.* (Heinrich 2021, 54)

The important point to note here is that Heinrich's interpretation of an exchange relation between two commodities (e.g., wheat and boot-polish) *presupposes* that the two commodities have been actually exchanged for the same quantity of money on the market, i.e., presupposes two actual acts of exchange that are "mediated by money." The two actual acts of exchange that are presupposed in Heinrich's interpretation of an exchange relation could be illustrated as:

1 quarter of wheat is exchanged for 10 shillings ($C_1 - M$)

10 shillings is exchanged for x boot-polish ($M - C_2$)

Heinrich also stated on the same page of his book that an exchange relation is "constructed by means of *abstraction* from the *empirically given*" (Heinrich 2021, 54; underlined emphasis by Heinrich).

The phrase “empirically given” indicates that the acts of exchange between the two commodities and money that are presupposed in Heinrich’s interpretation of “exchange relation” are *actual empirical acts of exchange* that have actually occurred on the market.

There is a similar passage in Heinrich’s earlier most important book in German *Die Wissenschaft vom Wert*, first published in 1999, in which an exchange relation between two commodities ($C - C$) is also explained as the “*result of the circulation acts $C - M$ and $M - C$* ”:

The question initially arises here as to whether Marx’s starting point—the *exchange relation of commodity for commodity*—is legitimate at all ... The *empirically directly given act $M - C$* cannot yet be examined ... Although *money is empirically given*, it must first be produced as a theoretical object. *The exchange $C - C$ considered here is the result of the [empirically directly given] circulation acts $C - M$ and $M - C$* . (Heinrich 1999, 200; translation by C. Balomenos)⁶

In the rest of his 2021 book, Heinrich’s concept of “exchange relation” plays an important role, but he does not mention again his unusual interpretation that “exchange relation” is the overall result of two actual empirical acts of exchange between commodities and money, which are presupposed. However, these acts of exchange that are presupposed in Heinrich’s interpretation of exchange relation *must of necessity be actual acts of exchange in order to be consistent with Heinrich’s general value-form interpretation of Marx’s theory of value*. The main assumptions of Heinrich’s general value-form interpretation, that he has presented for decades in numerous publications, are the following: (1) commodities *possess value only* as a result of actual acts of exchange with money; (2) commodities *possess a definite magnitude of value* only as a result of actual acts of exchange with money; (3) concrete labor is *reduced to abstract labor* only as a result actual acts of exchange with money; and (4) *products become commodities* only as a result of actual acts of exchange with money. I imagine that most readers are familiar with these characteristic assumptions of Heinrich’s value-form interpretation.⁷

Therefore, according to Heinrich’s interpretation, before products are actually exchanged with money on the market, they *do not possess value*, they do not possess a definite magnitude of value, *abstract labor does not exist*, and the products are not yet commodities. However, we know for sure that Marx analyzed *commodities* as products of capitalist economies from the beginning of Section 1 of Chapter 1 (see the first sentence), and that the commodities that Marx analyzed in Section 1 are assumed to *possess value*, and *a definite magnitude of value*, and abstract labor is assumed to exist. Therefore, in order to be consistent with Heinrich’s general value-form interpretation, his interpretation of Section 1 *must*

be that Marx *implicitly presupposed* that the commodities that are analyzed in Section 1 *have been actually exchanged with money on the market*, and in definite actual quantities (i.e., in market prices). Otherwise, if these two commodities have not been actually exchanged with money on the market, then, according to Heinrich's general interpretation, *these commodities would not possess value*, etc.

However, there is *absolutely no textual evidence* in any of Marx's several drafts of Chapter 1 to support Heinrich's unusual interpretation that an exchange relation between two commodities in Section 1 *is the overall result of presupposed actual acts of exchange between these two commodities and money on the market*. Furthermore, presupposing actual acts of exchange between commodities and money in Section 1 would contradict Marx's "two paths" logical method discussed above, and in particular would contradict the second path of presentation from the abstract to the concrete. Heinrich's unusual interpretation of an exchange relation between two commodities in Section 1 is his invention.

5. Critique of Heinrich's Interpretation of Marx's Derivation of Value on the Basis of His Interpretation of an Exchange Relation between Two Commodities

In the pages that follow, Heinrich discusses his interpretation of *an exchange relation between two commodities*. On page 54 of his book, he discusses his interpretation of Marx's derivation of the value of commodities in Section 1 on the basis of his interpretation of an exchange relation between two commodities (Heinrich 2021, 55–66). Marx used the term "exchange relation" in only three paragraphs in Section 1 (paragraphs 7, 9, and 13).⁸ However, Marx did not say or hint in any way in these three paragraphs (or anywhere else) that an exchange relation between two commodities in Section 1 is the overall result of actual exchanges between the two commodities and money. Furthermore (and disappointingly), Heinrich himself did not say anything about this presupposition in any of his commentaries on these paragraphs.

The first time that Marx mentioned an exchange relation is in paragraph 7 (quoted in Heinrich 2021, 586), and the exchange relation is one quarter of corn = x cwt of iron. Applying Heinrich's interpretation of the exchange relation that he presented five pages earlier in his book, *this exchange relation between corn and iron is the overall result of two presupposed actual exchanges between the corn and money and between the iron and money*, including the quantities of each that are exchanged for the same amount of money. However, Heinrich did not say anything about these presupposed actual exchanges in his commentary on paragraph 7. Indeed, he does not quote any of this important paragraph 7 (in contrast to many paragraphs that he quoted in part and in full), and his commentary on

paragraph 7 does not even mention the term exchange relation, even though Marx himself used the term in his paragraph. These omissions make it more difficult for readers to understand Heinrich's unusual interpretation of an exchange relation between two commodities.

In paragraph 9 (as discussed above), Marx argued that the use-values of commodities cannot be the common property that determines their exchange relation, because an exchange relation between commodities is a *relation of equality* between commodities, and the different use-values of commodities cannot explain the *equality* of commodities. Heinrich quoted the same two sentences from paragraph 9 that I quoted above (Heinrich 2021, 587), and he argued:

Marx attempts to ascertain what commodities have in common: their "value." In doing so, *he does not consider the production process of a single commodity*, but rather the *exchange relation of two commodities*. Therefore, only based on the *exchange relation* can Marx say that there is an abstraction from the use-value of the commodity, and then go on to draw further conclusions. (Heinrich 2021, 60)

I do not argue that what Marx considered in Section 1 is the production process of a single commodity. Rather, I argue that what Marx considered in Section 1 is a *representative commodity* which has been produced but not yet exchanged and which is used to analyze the properties that all commodities have in common, especially the exchange-value of commodities, which is a *relation of equality* between each commodity and all other commodities. Marx certainly did not consider an exchange relation between two commodities in Section 1 to be the overall result of actual acts of exchange between the two commodities and money on the market, which are presupposed. And again, Heinrich did not mention in his commentary on paragraph 9 his unusual interpretation of an exchange relation between two commodities as the overall result of these actual exchanges.

In paragraph 13, the term *exchange relation* occurs twice in the following sentences:

We have seen that when commodities are in the *relation of exchange*, their exchange-value manifests itself as something totally independent of their use-value ... The *common factor* in the *exchange relation*, or in the exchange-value of the commodity is therefore its value. (Marx 1977, 128)

In these sentences, exchange relation and exchange-value are synonyms, and they both are a *relation of equality* between commodities, from which the necessity of a "*common factor*" of the *value* of commodities is derived. There is no suggestion that the exchange relation in these sentences is the overall result of

actual acts of exchange between commodities and money on the market. Heinrich (2021) does not quote any of paragraph 13 in his book, and his brief commentary on paragraph 13 (half of page 68) does not mention exchange relations at all. Again, Heinrich's silence on his interpretation of his key concept of exchange relation makes it difficult for readers to understand and evaluate the meaning and the significance of his unusual interpretation of exchange relation.

According to Heinrich's interpretation, an exchange relation between two commodities, which is the end result of two actual acts of exchange between the two commodities and money, is supposed to be the critical process in which the products become commodities and commodities come to possess value and a definite magnitude of value is determined. And yet Marx never said anything like this in his derivation of the value of commodities in Section 1 of Chapter 1 (or anywhere else). Therefore, Heinrich's interpretation is not a plausible interpretation. It is not plausible that Marx, who had a PhD in Philosophy with a special interest in logic (e.g., Hegel's logic) and always paid great attention to issues of logical method, would not mention such a critical presupposition of his theory. And once again, presupposing actual acts of exchange between commodities and money in Section 1 would contradict Marx's logical method of presentation from the abstract to the concrete.

In conclusion, I hope readers of this journal will be interested in these theoretical issues and will consider reading my book (Moseley 2023). I think it is important to have a solid coherent foundation of Marx's theory of value in Chapter 1 as the basis for his theory of the production of surplus-value and the exploitation of labor in production presented in the rest of Volume 1 (Marx 1977) and for his theory of the distribution of surplus-value in Volume 3 (1993). As you can tell, my book is a close textual analysis of Chapter 1, and I suggest that the best way to read my book is to have Heinrich's book and Volume 1 of *Capital* close at hand. I hope that a comparison of these three texts will yield new insights into Marx's theory of value in Chapter 1. I would greatly appreciate any comments that readers might wish to make. Please send your comments to me.

I also welcome further dialogue with Michael in order to further clarify the differences in our interpretations of this foundational chapter of Marx's theory of value.

Appendix

Passages on “the **expenditure of human labor-power**” (italics and bold emphasis in this appendix are added by the author.)

All the passages in this Appendix state in various ways that the *expenditure of human labor-power without regard to the form of that expenditure is abstract*

human labor. Since the *expenditure of human labor-power obviously takes place in production*, all these passages imply that *abstract human labor exists in production*, prior to exchange. My paraphrases below the passages emphasize this obvious point. All these passages contradict Heinrich's interpretation that abstract labor comes to exist only in exchange and thus does not exist in production and cannot be expended in production.

Let us now look at the residue of the products of labour. There is nothing left of them in each case but the same phantom-like objectivity; they are merely congealed quantities of homogeneous human labour, i.e., of *human labour-power expended* [in production] *without regard to the form of its expenditure*. All these things now tell us is that *human labour-power is expended to produce them*, human labour is accumulated in them. As crystals of this social substance, which is common to them all, they are *values*—commodity values ... *The expenditure of human labor-power in production is homogeneous human labor in production*. (Marx 1977, 128, Section 1, paragraph 12)

However, the labour that forms the substance of *value* is *equal human labour*, the *expenditure of identical human labour-power* ... *The expenditure of identical human labour-power in production is equal human labor in production*. (Marx 1977, 129, Section 1, paragraph 15)

If we *leave aside the determinate quality of productive activity*, and therefore the *useful character of the labour*, what remains is the *quality of being an expenditure of human labour-power*. Tailoring and weaving, although they are qualitatively different *productive activities* are both a *productive expenditure of human brains, muscles, nerves, hands, etc.*, and in this sense both *human labour* ... *The expenditure of human labor-power in both the linen and the weaving is abstract human labor in production*. (Marx 1977, 134, Section 2, paragraph 11)

But the *value* of a commodity represents human labour pure and simple, the *expenditure of human labour in general* ... *The expenditure of general human labor in production is human labor pure and simple in production*. (Marx 1977, 135, Section 2, paragraph 11)

On the one hand, *all labour is an expenditure of human labour-power, in the physiological sense, and it is in this quality of being equal, or abstract, human labour that it forms the value of commodities* ... *The expenditure of physiologically equal human labor-power in production is equal abstract human labor in production*. (Marx 1977, 137, Section 2, paragraph 16)

Human labor-power is **expended** in the form of tailoring as well as in the form of weaving. Both therefore possess the *general property of being human labour*, and

they therefore have to be considered in certain cases, such as the production of value, solely from this point of view ... *The expenditure of human labor-power in the forms of tailoring and weaving in production both possess the general property of being human labor in production.* (Marx 1977, 150, Section 3)

Its own positive nature is explicitly brought out, namely the fact that it is the reduction of all kinds of actual labour to their common character of being human labour in general, of being the *expenditure of human labor-power* ... *The expenditure of human labor-power in production is general human labor in production.* (Marx 1977, 159–160, Section 3)

For in the first place, however varied the useful kinds of labour, or *productive activities*, it is a physiological fact that they are functions of the human organism, and that each such function, whatever may be its nature or its form, is essentially the *expenditure of human brains, muscles and sense organs*. Second, with regard to the foundation of the quantitative determination of value, namely the duration of that *expenditure* or the quantity of labor, this is quite palpably different from its quality ... *The expenditure of human brains and muscles, etc. in production is abstract human labor in production, and its quantity is measured by the duration of that expenditure in production; and the quantity of abstract human labor in production determines the magnitude of the value of the commodities produced.* (Marx 1977, 164, Section 4, paragraph 2)

The equality of the kinds of labour takes on the physical form of the equal objectivity of the products of labor as *values*; the measure of the *expenditure of human labor-power* by its *duration* takes on the form of the magnitude of the *value* of the product of labour ...

The expenditure of human labor-power in production is measured by the duration of that expenditure in production, which takes on the form of the value of the commodity produced. (Marx 1977, 164, Section 4, paragraph 3)

Equality in the full sense between different kinds of labour can be arrived at *only if we abstract* from their real inequality, *if we reduce them* to the characteristic they have in common of being *expenditure of human labour-power, of human labour in the abstract*.

The expenditure of human labor-power in production is equal human labor in production. (Marx 1977, 166, Section 4, paragraph 7)

Notes

1. Unless otherwise specified, the “Chapter 1” mentioned below refers specifically to the first chapter of *Capital*.

2. Marx did not use the term “representative commodity,” but the commodity that Marx analyzed in Chapter 1 of *Capital* is a representative commodity in the sense explained in this paragraph.
3. In August 1867, soon after publishing the 1st edition of *Capital*, Marx wrote to Engels that one of the “two best points” in his book is “the two-fold character of labor” that produces commodities (Marx and Engels 1955, 192).
4. These exchange-values are not the result of actual exchanges on the market with actual market prices that a quarter of wheat has exchanged for, but are instead the *normal exchange-values* that a quarter of wheat is normally exchangeable for.
5. Marx made the same point clearly in Section 2 in a comparison of the magnitude of the value of a coat and ten years of linen:

Coats and linen, however, are not merely values in general, but *values of definite magnitude*, and, following our assumption, the coat is worth twice as much as the 10 yards of linen. Why is there this difference in value? Because *the linen contains only half as much labour as the coat, so that labour-power had to be expended twice as long to produce the second [the coat] as to produce the first [10 yards of linen]*. (Marx 1977, 136)

6. This part was translated by Christos Balomenos, who pointed out this passage to me, for which I am grateful.
7. For example, in a summary of his interpretation of Marx’s theory of value in Section 1, Heinrich clearly stated:

Only when products stand in a certain relationship to each other, namely in the exchange relation, are they commodities and objects of value ... Whenever we speak about an “individual” commodity in what follows, what is meant is a commodity in the exchange-relation with another commodity and not a commodity outside or before the exchange-relation. (Heinrich 2021, 67)

8. The term “exchange relation” does not appear at all in Section 2 of Chapter 1, in which Marx discussed the dual character of the labor that produces commodities: concrete labor and abstract labor. It is clear from Section 2 that abstract labor exists in production, and does not come to exist for the first time in an exchange relation which presupposes an actual act of exchange with money on the market.

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