

a process to be examined later - appears to us as a subjective unity because we approach it with the concept of objectivity developed later; and because we do not have a proper term for such unities, but name them usually after one of the partial elements that appear in the subsequent analysis. Thus, it has been asserted that all actions are essentially egoistic, whereas egoism has a meaning only within a system of action and by contrast with its correlate, altruism. Similarly, pantheism has described the universality of being as God, although a positive concept of God depends on its contrast with everything empirical. This evolutionary relation between subject and object is repeated finally on a large scale: the intellectual world of classical antiquity differs from that of modern times chiefly in the fact that only the latter has, on the one hand, developed a comprehensive and clear concept of the Ego, as shown by the significance of the problem of liberty which was unknown in ancient times; and on the other, expressed the independence and force of the concept of the object through the idea of unalterable laws of nature. Antiquity was much closer than were later periods to the stage of indifference in which the contents of the world were conceived as such, without being apportioned between subject and object.

Objectivity in practice as standardization or as a guarantee for the totality of subjective values

This development which separates subject and object appears to be sustained on both sides by the same theme, but operating at different levels. Thus, the awareness of being a subject is already an objectification. This is a basic feature of the mind in its form as personality. The fundamental activity of our mind, which determines its form as a whole, is that we can observe, know and judge ourselves just like any other 'object'; that we dissect the Ego, experienced as a unity, into a perceiving subject and a perceived object, without its losing its unity, but on the contrary with its becoming aware of its unity through this inner antagonism. The mutual dependence of subject and object is here drawn together in a single point; it has affected the subject itself, which otherwise stands confronting the world as object. Thus man has realized the basic form of his relation to the world, of his acceptance of the world, as soon as he becomes aware of himself and calls himself 'I'. But before that happens there exists - in respect of meaning as well as of mental growth - a simple perception of content which does not distinguish between subject and object and is not yet divided between them. Regarded from the other side, this content itself, as a logical and conceptual entity, likewise lies beyond the distinction between subjective and objective reality. We can think of any object simply in terms of its qualities and their interconnection without asking whether or not this ideal complex of qualities has an objective existence. To be sure, so far as such a pure objective

content is thought, it becomes a conception and to that extent a subjective structure. But the subjective is here only the dynamic act of conception, the function that apprehends the content; in itself this content is thought of as being independent of the act of conceiving. Our mind has a remarkable ability to think of contents as being independent of the act of thinking; this is one of its primary qualities, which cannot be reduced any further. The contents have their conceptual or objective qualities and relationships which can be apprehended but which are not thereby completely absorbed; they exist whether or not they are part of my representation and whether or not they are part of objective reality. The content of a representation does not coincide with the representation of contents. The simple undifferentiated conception that consists only in becoming aware of a content cannot be characterized as subjective, because it does not yet know the contrast between subject and object. Similarly, the pure content of objects or conceptions is not objective, but escapes equally this differential form and its opposite, while being ready to present itself in one or the other. Subject and object are born in the same act: logically, by presenting the conceptual ideal content first as a content of representation, and then as a content of objective reality; psychologically, when the still ego-less representation, in which person and object are undifferentiated, becomes divided and gives rise to a distance between the self and its object, through which each of them becomes a separate entity.

Economic value as the objectification of subjective values

This process, which finally produces our intellectual world view, also occurs in the sphere of our volitional practical activity. Here also the distinction between the desiring, consuming, valuing subject and the valued object does not comprehend all aspects of mental life, nor all the objective circumstances of practical activity. Human enjoyment of an object is a completely undivided act. At such moments we have an experience that does not include an awareness of an object confronting us or an awareness of the self as distinct from its present condition. Phenomena of the basest and the highest kind meet here. The crude impulse, particularly an impulse of an impersonal, general nature, wants to release itself towards an object and to be satisfied, no matter how; consciousness is exclusively concerned with satisfaction and pays no attention to its bearer on one side or its object on the other. On the other hand, intense aesthetic enjoyment displays the same form. Here too 'we forget ourselves', but at the same time we no longer experience the work of art as something with which we are confronted, because our mind is completely submerged in it, has absorbed it by surrendering to it. In this case, as in the other, our psychological condition is not yet, or is no longer, affected by the contrast between subject and object.

Only a new process of awareness releases those categories from their undisturbed unity; and only then is the pure enjoyment of the content seen as being on the one hand a state of the subject confronting an object, and on the other the effect produced by an object that is independent of the subject. This tension, which disrupts the naive-practical unity of subject and object and makes us conscious of each in relation to the other, is brought about originally through the mere fact of desire. In desiring what we do not yet own or enjoy, we place the content of our desire outside ourselves. In empirical life, I admit, the finished object stands before us and is only then desired – if only because, in addition to our will, many other theoretical and emotional events contribute to the objectification of mental contents. Within the practical world, however, in relation to its inner order and intelligibility, the origin of the object itself, and its being desired by the subject, are correlative terms – the two aspects of this process of differentiation which splits the immediate unity of the process of enjoyment. It has been asserted that our conception of objective reality originates in the resistance that objects present to us, especially through our sense of touch. We can apply this at once to the practical problem. We desire objects only if they are not immediately given to us for our use and enjoyment; that is, to the extent that they resist our desire. The content of our desire becomes an object as soon as it is opposed to us, not only in the sense of being impervious to us, but also in terms of its distance as something not-yet-enjoyed, the subjective aspect of this condition being desire. As Kant has said: the possibility of experience is the possibility of the objects of experience – because to have experiences means that our consciousness creates objects from sense impressions. In the same way, the possibility of desire is the possibility of the objects of desire. The object thus formed, which is characterized by its separation from the subject, who at the same time establishes it and seeks to overcome it by his desire, is for us a value. The moment of enjoyment itself, when the opposition between subject and object is effaced, consumes the value. Value is only re-instated as contrast, as an object separated from the subject. Such trivial experiences as that we appreciate the value of our possessions only after we have lost them, that the mere withholding of a desired object often endows it with a value quite disproportionate to any possible enjoyment that it could yield, that the remoteness, either literal or figurative, of the objects of our enjoyment shows them in a transfigured light and with heightened attractions – all these are derivatives, modifications and hybrids of the basic fact that value does not originate from the unbroken unity of the moment of enjoyment, but from the separation between the subject and the content of enjoyment as an object that stands opposed to the subject as something desired and only to be attained by the conquest of distance, obstacles and difficulties. To reiterate the earlier analogy: in the final analysis perhaps, reality does not press upon our consciousness through the resistance that phenomena exert, but we register those

representations which have feelings of resistance and inhibition associated with them, as being objectively real, independent and external to us. Objects are not difficult to acquire because they are valuable, but we call those objects valuable that resist our desire to possess them. Since the desire encounters resistance and frustration, the objects gain a significance that would never have been attributed to them by an unchecked will.

Value, which appears at the same time and in the same process of differentiation as the desiring Ego and as its correlate, is subordinate to yet another category. It is the same category as applies to the object that is conceived in theoretical representations. We concluded, in that case, that the contents that are realized in the objective world and also exist in us as subjective representations have, in addition, a peculiar ideal dignity. The concepts of the triangle or of the organism, causality or the law of gravitation have a logical sense, an inner structural validity which indeed determines their realization in space and in consciousness; but even if they were never realized, they would still belong to the ultimate unanalysable category of the valid and significant, and would differ entirely from fantastic and contradictory conceptual notions to which they might be akin in their reference to physical and mental non-reality. The value that is attributed to the objects of subjective desire is analogous to this, with the qualifications required by its different sphere. Just as we represent certain statements as true while recognizing that their truth is independent of our representation, so we sense that objects, people and events are not only appreciated as valuable by us, but would still be valuable if no one appreciated them. The most striking example is the value that we assign to people's dispositions or characters, as being moral, dignified, strong or beautiful. Whether or not such inner qualities ever show themselves in deeds that make possible or demand recognition, and whether their bearer himself reflects upon them with a sense of his own value, appears to us irrelevant to their real value; still more, this concern for recognition endows these values with their characteristic colouring. Furthermore, intellectual energy and the fact that it brings the most secret forces and arrangements of nature into the light of consciousness; the power and the rhythm of emotions that, in the limited sphere of the individual soul, are yet much more significant than the external world, even if the pessimistic view of the predominance of suffering in the world is true; the fact that, regardless of man, nature moves according to reliable fixed norms, that manifold natural forms are not incompatible with a more profound unity of the whole, that nature's mechanism can be interpreted through ideas and also produces beauty and grace – all this leads us to conceive that the world is valuable no matter whether these values are experienced consciously or not. This extends all the way down to the economic value that we assign to any object of exchange, even though nobody is willing to pay the price, and even though the object is not in demand at all and remains unsaleable. Here too a basic capacity of the

mind becomes apparent: that of separating itself from the ideas that it conceives and representing these ideas as if they were independent of its own representation. It is true that every value that we experience is a sentiment; but what we mean by this sentiment is a significant content which is realized psychologically through the sentiment yet is neither identical with it nor exhausted by it. Obviously this category lies beyond the controversy about the subjectivity or objectivity of value, because it denies the relation to a subject that is indispensable for the existence of an 'object'. It is rather a third term, an ideal concept which enters into the duality but is not exhausted by it. In conformity with the practical sphere to which it belongs, it has a particular form of relationship to the subject which does not exist for the merely abstract content of our theoretical concepts. This form may be described as a claim or demand. The value that attaches to any object, person, relationship or happening demands recognition. This demand exists, as an event, only within ourselves as subjects; but in accepting it we sense that we are not merely satisfying a claim imposed by ourselves upon ourselves, or merely acknowledging a quality of the object. The ability of a tangible symbol to awaken in us religious feelings; the moral challenge to revolutionize particular conditions of life or to leave them alone, to develop or retard them; the feeling of obligation not to remain indifferent to great events, but to respond to them; the right of what is perceived to be interpreted in an aesthetic context - all of these are claims that are experienced or realized exclusively within the Ego and have no counterpart or objective point of departure in the objects themselves, but which, as claims, cannot be traced either to the Ego or to the objects to which they refer. Regarded from a naturalistic point of view such a claim may appear subjective, while from the subject's point of view it appears to be objective; in fact, it is a third category, which cannot be derived from either subject or object, but which stands, so to speak, between us and the objects. I have observed that the value of things belongs among those mental contents that, while we conceive them, we experience at the same time as something independent within our representation, and as detached from the function by which it exists in us. This representation, when its content is a value, appears upon closer scrutiny as a sense that a claim is being made. The 'function' is a demand which does not exist as such outside ourselves, but which originates in an ideal realm which does not lie within us. It is not a particular quality of the objects of valuation, but consists rather in the significance that the objects have for us as subjects through their position in the order of that ideal realm. This value, which we conceive as being independent of its recognition, is a metaphysical category, and as such it stands as far beyond the dualism of subject and object as immediate enjoyment stands below it. The latter is a concrete unity to which the differentiating categories have not yet been applied; the former is an abstract or ideal unity, in whose self-subsistent meaning the dualism has again disappeared, just as the contrast between the

empirical Ego and the empirical Non-Ego disappears in the all-comprehending system of consciousness that Fichte calls the Ego. At the moment of complete fusion of the function and its content, enjoyment cannot be called subjective, because there is no counterposed object that would justify the concept of a subject. Likewise, this independent, self-justifying value is not objective simply because it is conceived as independent by the subject who conceives it; although it becomes manifest within the subject as a claim for recognition, it will not forfeit anything of its reality if this claim is not fulfilled.

This metaphysical sublimation of value does not play any role in the valuations of daily life, which are concerned only with values in the consciousness of the subject and with the objectivity that emerges as a counterposed object in this psychological process of valuation. I showed earlier that this process of the formation of values develops with the increase in distance between the consumer and the cause of his enjoyment. The differences in valuation which have to be distinguished as subjective and objective, originate from such variations in distance, measured not in terms of enjoyment, in which the distance disappears, but in terms of desire, which is engendered by the distance and seeks to overcome it. At least in the case of those objects whose valuation forms the basis of the economy, value is the correlate of demand. Just as the world of being is my representation, so the world of value is my demand. However, in spite of the logical-physical necessity that every demand expects to be satisfied by an object, the psychological structure of demand is such that in most cases it is focused upon the satisfaction itself, and the object becomes a matter of indifference so long as it satisfies the need. When a man is satisfied with any woman whatsoever, without exercising an individual choice, when he eats anything at all that he can chew and digest, when he sleeps at any resting place, when his cultural needs can be satisfied by the simplest materials offered by nature, then his practical consciousness is completely subjective, he is inspired exclusively by the agitations and satisfactions of his own subjective condition and his interest in objects is limited to their being the causes of these effects. This fact is observed in the naive need for projection by primitive man, who directs his life towards the outside world and takes his inner life for granted. But the conscious wish cannot always be taken as a sufficient index of the really effective valuation. Often enough it is some expediency in the direction of our practical activities that leads us to regard an object as valuable, and it is not in fact the significance of the object but the possible subjective satisfaction that excites us. From this condition - which is not always temporally prior but is, so to speak, the simple and most fundamental and thus in a systematic sense prior - consciousness led to the object along two roads which finally merge. When an identical need rejects a number of possible satisfactions, perhaps all but one, and when, therefore, it is not satisfaction as such but satisfaction by a specific object that desired, there begins a fundamental reorientation from the subject to the object

It may be said that this is still only a question of the subjective satisfaction of need, but that in this second case the need is differentiated to such an extent that only a specific object can satisfy it. In this case also the object is only the cause of sensation and is not valued in itself. Such an objection would indeed nullify the difference, if it were the case that the differentiation of the impulse directed it exclusively upon a single satisfying object and ruled out the possibility of satisfaction through any other object. However, this is a very rare and exceptional case. The broader basis from which even the most highly differentiated impulses evolve, and the original diffuseness of need which includes only a drive but not yet a definite single goal, remain as a substratum upon which a consciousness of the individual character of more specific desires for satisfaction develops. The circle of objects that can satisfy the subject's needs is diminished as he becomes more refined, and the objects desired are set in a sharper contrast with all the others that might satisfy the need but are no longer acceptable. It is well known from psychological investigations that this difference between objects is largely responsible for directing consciousness towards them and endowing them with particular significance. At this stage the need seems to be determined by the object; feeling is guided increasingly by its *terminus ad quem* instead of its *terminus a quo*, in the measure that impulse no longer rushes upon every possible satisfaction. Consequently, the place that the object occupies in our consciousness becomes larger. There is also another reason for this. So long as man is dominated by his impulses the world appears to him as an undifferentiated substance. Since it represents for him only an irrelevant means for the satisfaction of his drives – and this effect may arise from all kinds of causes – he has no interest in the nature of the objects themselves. It is the fact that we need a particular single object that makes us acutely aware that we need an object at all. But such awareness is, so to speak, more theoretical – and it diminishes the blind energy of the impulse which is directed only to its own extinction.

Since the differentiation of need goes hand in hand with the reduction of its elemental power, consciousness becomes more able to accommodate the object. Or regarded from the other aspect: because consciousness is constrained by the refinement and specialization of need to take a greater interest in the object, a certain amount of force is removed from the solipsistic need. Everywhere the weakening of the emotions, that is to say of the absolute surrender of the Ego to his momentary feelings, is correlated with the objectification of representations, with their appearance in a form of existence that stands over against us. Thus, for instance, talking things over is one of the most powerful means for subduing emotions. The inner process is, as it were, projected by the word into the external world; it now stands over against the individual like a tangible structure, and the intensity of the emotions is diverted. The tranquilization of the passions, and the representation of the objective world as existing and significant,

are two sides of one and the same basic process. The diversion of inner interest from mere need and its satisfaction to the object itself, as a result of diminishing the possibility of satisfying the need, can obviously be brought about and strengthened just as well from the side of the object, if the latter makes satisfaction difficult, rare, and to be attained only indirectly or by exceptional effort. Even if we assume a highly differentiated desire concentrated upon selected objects, satisfaction might still be regarded as more or less a matter of course so long as there is no difficulty or resistance. What really matters, in order to conceive the independent significance of objects, is the distance between them and our impression of them. It is one of the numerous cases in which one has to stand back from the objects, to establish a distance between them and oneself, in order to get an objective picture of them. This is certainly no less subjective a view than the unclear or distorted picture that is obtained when the distance is too great or too small; but inner expediential reasons of our cognition lay a special emphasis upon subjectivity in the case of these extremes. At first, the object exists only in our relationship to it and is completely absorbed in this relationship; it becomes something external and opposed to us only in the degree that it escapes from this connection. Even the desire for objects, which recognizes their autonomy while seeking to overcome it, develops only when want and satisfaction do not coincide. The possibility of enjoyment must be separated, as an image of the future, from our present condition in order for us to desire things that now stand at a distance from us. Just as in the intellectual sphere the original oneness of perception, which we can observe in children, is only gradually divided into awareness of the self and of the object, so the naive enjoyment of objects only gives way to an awareness of the significance of things, and respect for them, when the objects are somewhat withdrawn. Here, too, the relationship between the weakening of desire and the beginning of an objectification of values is apparent, since the decline of the elemental strength of volition and feeling favours the growing awareness of the self. So long as a person surrenders unreservedly to a momentary feeling and is completely possessed by it, the Ego cannot develop. The awareness of a self that exists beyond its various emotions can emerge only when it appears as an enduring entity amid all these changes, and when the emotions do not absorb the whole self. The emotions must leave a part of the self untouched, as a neutral point for their contrasts, so that a certain reduction and limitation of the emotions allows the self to develop as the unchanging bearer of diverse contents. In all areas of our life Ego and object are related concepts, which are not yet separated in the initial forms of representation and only become differentiated through each other; and in just the same way, the independent value of objects develops only by contrast with an Ego that has become independent. Only the repulsions that we experience, the difficulties of attaining an object, the waiting and the labour that stand between a wish and its fulfilment, drive the Ego and the

object apart; otherwise they remain undeveloped and undifferentiated in the proportion of need and satisfaction. Whether the effective definition of the object arises from its scarcity, in relation to demand, or from the positive effort to acquire it, there is no doubt that only in this way is distance established between the object and ourselves which enables us to accord it a value beyond that of being merely enjoyed.

It may be said, therefore, that the value of an object does indeed depend upon the demand for it, but upon a demand that is no longer purely instinctive. On the other hand, if the object is to remain an economic value, its value must not be raised so greatly that it becomes an absolute. The distance between the self and the object of demand could become so large – through the difficulties of procuring it, through its exorbitant price, through moral or other misgivings that counter the striving after it – that the act of volition does not develop, and the desire is extinguished or becomes only a vague wish. The distance between subject and object that establishes value, at least in the economic sense, has a lower and an upper limit; the formula that the amount of value equals the degree of resistance to the acquisition of objects, in relation to natural, productive and social opportunities, is not correct. Certainly, iron would not be an economic value if its acquisition encountered no greater difficulty than the acquisition of air for breathing; but these difficulties had to remain within certain limits if the tools were to be manufactured which made iron valuable. To take another example: it has been suggested that the pictures of a very productive painter would be less valuable than those of one who was less productive, assuming equal artistic talent. But this is true only above a certain quantitative level. A painter, in order to acquire the fame that raises the price of his pictures, is obliged to produce a certain number of works. Again, the scarcity of gold in some countries with a paper currency has created a situation in which ordinary people will not accept gold even when it is offered to them. In the particular case of precious metals, whose suitability as the material of money is usually attributed to their scarcity, it should be noted that scarcity can only become significant above a considerable volume, without which these metals could not serve the practical demand for money and consequently could not acquire the value they possess as money. It is, perhaps, only the avaricious desire for an unlimited quantity of goods, in terms of which all values are scarce, that leads us to overlook that a certain proportion between scarcity and non-scarcity, and not scarcity itself, is the condition of value. The factor of scarcity has to be related to the significance of the sense for differences; the factor of abundance to the significance of habituation. Life in general is determined by the proportion of these two facts: that we need variety and change of content just as we need familiarity; and this general need appears here in the specific form that the value of objects requires, on the one hand, scarcity – that is to say, differentiation and particularity – while on the other hand it

needs a certain comprehensiveness, frequency and permanence in order that objects may enter the realm of values.

An analogy with aesthetic value

I would like to show the universal significance of distance for supposed objective valuation by an example that has nothing to do with economic value and which therefore illustrates the general principle, namely aesthetic valuation. What we call the enjoyment of the beauty of things developed relatively late. For no matter how much immediate sensual enjoyment may exist even today in the individual case, the specific quality of aesthetic enjoyment is the ability to appreciate and enjoy the object, not simply an experience of sensual supra-sensual stimulation. Every cultivated person is able to make a clear distinction in principle between the aesthetic and the sensual enjoyment of beauty, even though he may not be able to draw the line between these components of his impression on a particular occasion. In the one case we surrender to the object, while in the other case the object surrenders to us. Even though aesthetic value, like any other value, is not an integral part of the object but rather a projection of our feelings, it has the peculiarity that the projection is complete. In other words, the content of the feeling is, as it were, absorbed by the object and confronts the subject as something which has autonomous significance, which is inherent in the object. What was the historical psychological process in which this objective aesthetic pleasure in things emerged given that primitive enjoyment which was the basis for any more refined appreciation must have been tied to direct subjective satisfaction and utility? Perhaps we can find a clue in a very simple observation. If an object of any kind provides us with great pleasure or advantage we experience a feeling of joy at every viewing of this object, even if any use or enjoyment is now out of the question. This joy, which resembles an echo, has a unique psychological character determined by the fact that we no longer want anything from the object. In place of the former concrete relationship with the object, it is now mere contemplation that is the source of enjoyable sensation; we leave the being of the object untouched, and our sentiment is attached only to its appearance, not to its value in any sense may be consumed. In short, whereas formerly the object was valuable as a means for our practical and eudaemonistic ends, it has now become an object of contemplation from which we derive pleasure by confronting it with reserve and remoteness, without touching it. It seems to me that essential features of aesthetic enjoyment are foreshadowed here, but they are shown more plainly if we follow the changes in sensation from the sphere of individual psychology to that of the species as a whole. The attempt has often been made to derive beauty from utility, but as a rule this has led only to

philistine coarsening of beauty. This might be avoided if the practical expediency and sensual eudaemonistic immediacy were placed far enough back in the history of the species, as a result of which an instinctive, reflex-like sense of enjoyment in our organism were attached to the appearance of objects; the physico-psychic connection would then be genetic and would become effective in the individual without any consciousness on his part of the utility of the object. There is no need to enter into the controversy about the inheritance of such acquired associations; it suffices here that the events occur as if such qualities were inheritable. Consequently, the beautiful would be for us what once proved useful for the species, and its contemplation would give us pleasure without our having any practical interest in the object as individuals. This would not of course imply uniformity or the reduction of individual taste to an average or collective level. These echoes of an earlier general utility are absorbed into the diversity of individual minds and transformed into new unique qualities, so that one might say that the detachment of the pleasurable sensation from the reality of its original cause has finally become a form of our consciousness, quite independent of the contents that first gave rise to it, and ready to absorb any other content that the psychic constellation permits. In those cases that offer realistic pleasure, our appreciation of the object is not specifically aesthetic, but practical; it becomes aesthetic only as a result of increasing distance, abstraction and sublimation. What happens here is the common phenomenon that, once a certain connection has been established, the connecting link itself disappears because it is no longer required. The connection between certain useful objects and the sense of pleasure has become so well established for the species through inheritance or some other mechanism, that the mere sight of these objects becomes pleasurable even in the absence of any utility. This explains what Kant calls 'aesthetic indifference', the lack of concern about the real existence of an object so long as its 'form', i.e. its visibility, is given. Hence also the radiance and transcendence of the beautiful, which arises from the temporal remoteness of the real motives in which we now discover the aesthetic. Hence the idea that the beautiful is something typical, supra-individual, and universally valid; for the evolution of the species has long ago eliminated from these inner states of mind anything specific and individual in the motives and experiences. In consequence it is often impossible to justify on rational grounds aesthetic judgments or the opposition that they sometimes present to what is useful and agreeable to the individual. The whole development of objects from utility value to aesthetic value is a process of objectification. When I call an object beautiful, its quality and significance become much more independent of the arrangements and the needs of the subject than if it is merely useful. So long as objects are merely useful they are interchangeable and everything can be replaced by anything else that performs the same service. But when they are beautiful they have a unique individual existence and the value of one cannot be

replaced by another even though it may be just as beautiful in its own way. We need not pursue these brief remarks on the origin of aesthetic value into a discussion of all the ramifications of the subject in order to recognize that the objectification of value originates in the relative distance that emerges between the direct subjective origin of the valuation of the object and our momentary feeling concerning the object. The more remote for the species is the utility of the object that first created an interest and a value and is now forgotten, the purer is the aesthetic satisfaction derived from the mere form and appearance of the object. The more it stands before us in its own dignity, the more we attribute to it a significance that is not exhausted by haphazard subjective enjoyment, and the more the relationship of valuing the objects merely as means is replaced by a feeling of their independent value.

Economic activity establishes distances and overcomes them

I have chosen the above example because the objectifying effect of what I have called 'distance' is particularly clear when it is a question of distance in time. The process is, of course, intensive and qualitative, so that any quantitative designation in terms of distance is more or less symbolic. The same effect can be brought about by a number of other factors, as I have already mentioned: for example, by the scarcity of an object, by the difficulties of acquisition, by the necessity of renunciation. Even though in these economically important instances the significance of the objects remains a significance *for us* and so independent upon our appreciation, the decisive change is that the objects confront us after these developments as independent powers, as a world of substances and forces that determine by their own qualities whether and to what extent they will satisfy our needs, and which demand effort and hardship before they will surrender to us. Only if the question of renunciation arises – renunciation of a feeling that really matters – is it necessary to direct attention upon the object itself. The situation, which is represented in stylized form by the concept of Paradise, in which subject and object, desire and satisfaction are not yet divided from each other – a situation that is not restricted to a specific historical epoch, but which appears everywhere in varying degrees – is destined to disintegrate, but also to attain a new reconciliation. The purpose of establishing a distance is that it should be overcome. The longing, effort and sacrifice that separate us from objects are also supposed to lead us towards them. Withdrawal and approach are in practice complementary notions, each of which presupposes the other; they are two sides of our relationship to objects, which we call subjectively our desire and objectively their value. We have to make the object enjoyed more remote from us in order to desire it again, and in relation to the distant object this desire is the first stage of approaching it, the first ideal

problems of other sciences, whereas reality ignores boundaries and every section of the world presents an aggregate of tasks for all the sciences. Our practice excludes unilateral series from the outer and inner complexity of things and so constructs the great systems of cultural interests. The same is true for our sentiments. When we experience religious or social sentiments, when we are melancholy or joyful, it is always abstractions from total reality that are the objects of our feeling – whether because we react only to those impressions that can be brought within the scope of some common cultural interest, or because we endow every object with a certain colouring which derives its validity from its interweaving with other colourings to form an objective unity. Thus, the following formula is one way in which the relationship of man to the world may be expressed: our practice as well as our theory continually abstracts single elements from the absolute unity and intermingling of objects, in which each object supports the other and all have equal rights, and forms these elements into relative entities and wholes. We have no relationship to the totality of existence, except in very general sentiments; we attain a definite relation to the world only by continually abstracting from phenomena, in accordance with our needs of thought and action and investing these abstractions with the relative independence of a purely inner connection which the unbroken stream of world processes denies to objective reality. The economic system is indeed based on an abstraction, on the mutuality of exchange, the balance between sacrifice and gain; and in the real process of its development it is inseparably merged with its basis and results, desire and need. But this form of existence does not differentiate it from the other spheres into which we divide the totality of phenomena for the sake of our interests.

The value of an object becomes objectified by exchanging it for another object

The decisive fact in the objectivity of economic value, which makes economics a special area of investigation, is that its validity transcends the individual subject. The fact that the object has to be exchanged against another object illustrates that it is not only valuable for me, but also valuable independently of me; that is to say, for another person. The equation, objectivity = validity for subjects in general, finds its clearest justification in economic value. The equivalence of which we become aware, and in which we develop an interest through exchange, imparts to value its specific objectivity. For even though each of the elements in exchange may be personal or only subjectively valuable, the fact that they are equal to each other is an objective factor which is not contained within any one of these elements and yet does not lie outside of them either. Exchange presupposes an objective measurement of subjective valuations, not in the sense of being chronologically prior, but in the sense that both phenomena arise from the same act.

In exchange, objects express their value reciprocally

The fact of economic exchange, therefore, frees the objects from their bondage to the mere subjectivity of the subjects and allows them to determine themselves reciprocally, by investing the economic function in them. The object acquires its practical value not only by being in demand itself but through the demand for another object. Value is determined not by the relation to the demanding subject, but by the fact that this relation depends on the cost of a sacrifice which, for the other party, appears as a value to be enjoyed while the object itself appears as a sacrifice. Thus objects balance each other and value appears in a very specific way as an objective, inherent quality. While bargaining over the object is going on – in other words, while the sacrifice that it represents is being determined – its significance for both parties seems to be something external to them, as if each individual experienced the object only in relation to himself. Later on we shall see that an isolated economy also imposes the same necessity of sacrifice for the acquisition of the object, since it confronts economic man with the demands of nature; so that in this case, too, the same relationship endows the object with the same objectively conditioned significance even though there is only one participant in the exchange. The desire and sentiment of the subject is the driving force in the background, but it could not by itself bring about the value-form, which is the result of balancing objects against each other. The economy transmits all valuations through the form of exchange, creating an intermediate realm between the desires that are the source of all human activity and the satisfaction of needs in which they culminate. The specific characteristic of the economy as a particular form of behaviour and communication consists not only in exchanging values but in the exchange of values. Of course, the significance that objects attain in exchange is not wholly independent of their directly subjective significance which originally determines the relationship. The two are inseparably related, as are form and content. But the objective process, which very often also dominates the individual's consciousness, disregards the fact that values are its material; its specific character is to deal with the equality of values. In much the same way, geometry has as its aim the determination of the relationship between the size of objects without referring to the substances for which these relationships are valid. As soon as one realizes the extent to which human action in every sphere of mental activity operates with abstractions, it is not as strange as it may seem at first glance that not only the study of the economy but the economy itself is constituted by a real abstraction from the comprehensive reality of valuations. The forces, relations and qualities of things – including our own nature – objectively form a unified whole which has to be broken down by our interests into a multitude of independent series or motives to enable us to deal with it. Every science investigates phenomena that are homogeneous and clearly distinguished from the

Exchange as a form of life

It should be recognized that most relationships between people can be interpreted as forms of exchange. Exchange is the purest and most developed kind of interaction, which shapes human life when it seeks to acquire substance and content. It is often overlooked how much what appears at first a one-sided activity is actually based upon reciprocity: the orator appears as the leader and inspirer to the assembly, the teacher to his class, the journalist to his public; but, in fact, everyone in such a situation feels the decisive and determining reaction of the apparently passive mass. In the case of political parties the saying is current that: 'I am the leader, therefore I must follow them'; and an outstanding hypnotist has recently emphasized that in hypnotic suggestion - obviously the clearest case of activity on one side and absolute dependence on the other - there is an influence, that is difficult to describe, of the person hypnotized upon the hypnotist, without which the experiment could not be carried out. Every interaction has to be regarded as an exchange: every conversation, every affection (even if it is rejected), every game, every glance at another person. The difference that seems to exist, that in interaction a person offers what he does not possess whereas in exchange he offers only what he does possess, cannot be sustained. For in the first place, it is always personal energy, the surrender of personal substance, that is involved in interaction; and conversely, exchange is not conducted for the sake of the object that the other person possesses, but to gratify one's personal feelings which he does not possess. It is the object of exchange to increase the sum of value; each party offers to the other more than he possessed before. It is true that interaction is the more comprehensive concept and exchange the narrower one; however, in human relationships the former appears predominantly in forms that may be interpreted as exchange. Every day of our lives comprises a process of gain and loss, of accretion and diminution of life's content, which is intellectualized in exchange since the substitution of one object for another becomes conscious there. The same synthesizing mental process that turns the mere co-existence of things into a systematic relationship, the same Ego that imposes its own unity upon the material world, has seized upon the natural rhythm of our existence and through exchange has organized its elements in a meaningful interconnection. It is above all the exchange of economic values that involves the notion of sacrifice. When we exchange love for love, we have no other use for its inner energy and, leaving aside any later consequences, we do not sacrifice any good. When we share our intellectual resources in a discussion, they are not thereby reduced; when we display the image of our personality, and take in those of other people, our possession of ourselves is not at all reduced by this exchange. In all these cases of exchange the increase of value does not involve a balancing of gain and loss; either the contribution of each party lies beyond this antithesis,

or it is already a gain to be able to make it, and we accept the response as which is made independently of our own offering. But economic exchange whether it is of objects of labour or labour power invested in objects - a signifies the sacrifice of an otherwise useful good, however much eudaemo-gain is involved.

The interpretation of economic life as interaction in the specific sense exchange of sacrifices meets with an objection raised against the equation economic value with exchange value. It has been argued that even the pletely isolated producer, who neither buys nor sells, has to value his production and his means of production, and to form a concept of value independent exchange if his costs and output are to be properly related. But this fact p exactly what it is supposed to disprove. The evaluation of whether a parti product justifies the expenditure of a given quantity of work or other goods exactly the same as the evaluation of what is offered against what is received exchange. The concept of exchange is often misconceived, as though it were a relationship existing outside the elements to which it refers. But it signifies a condition or a change within the related subjects, not something located between them in the sense in which an object might be spatially located between two other objects. By subsuming the two events or changes of condition that go on in reality under the concept of 'exchange', one is tempted to assume that something else has occurred beyond what is experienced by the contracting parties; just as the concept of a 'kiss', which is also 'exchanged', might tempt to regard the kiss as something beyond the movement and experiences of pairs of lips. So far as its immediate content is concerned, exchange is only causally connected double event in which one subject now possesses something he did not have before and has given away something he did possess before. Thus, the isolated individual who sacrifices something in order to produce certain products, acts in exactly the same way as the subject who exchanges only difference being that his partner is not another subject but the natural order and regularity of things which, just like another human being, does satisfy our desires without a sacrifice. The valuations that determine his actions are generally exactly the same as those involved in exchange. It is of no consequence to the economic subject whether he invests his property or labour power in land or transfers them to another person, if the result for him is the same. Subjective process of sacrifice and gain in the individual mind is in no secondary to, or imitated from, exchange between individuals; on the contrary the interchange between sacrifice and acquisition within the individual is basic presupposition and, as it were, the essential substance of exchange between two people. Exchange is only a sub-variety in which the sacrifice is brought about by the demand of another individual; but it can be brought about by the same result for the subject by the technical-natural condition of things. of great importance to reduce the economic process to what really happens

the mind of each economic subject. One should not be deceived by the fact that the process of exchange is mutual; the natural or self-sufficient economy can be traced back to the same basic form as the exchange between two persons – to the practice of weighing against each other two subjective processes within the individual. This activity is not affected by the secondary question as to whether the stimulus comes from the nature of things or the nature of man, whether it operates in a subsistence or a market economy. Every enjoyment of values by means of attainable objects can be secured only by forgoing other values, which may take the form not only of working indirectly for ourselves by working for others, but often enough of working directly for our own ends. This also clarifies the point that exchange is just as productive and value-creating as is production itself. In both cases one is concerned with receiving goods for the price of other goods in exchange, in such a way that the final situation shows a surplus of satisfaction as compared with the situation before the action. We are unable to create either matter or force; we can only transfer those that are given in such a way that as many as possible rise from the realm of reality into the realm of values. This formal shift within the given material is accomplished by exchange between people as well as by the exchange with nature which we call production. Both belong to the same concept of value; in both cases the empty place of what we gave away is filled by an object of higher value, and only through this movement does the object that was previously merged with the Ego detach itself and become a value. The profound connection between value and exchange, as a result of which they are mutually conditioning, is illustrated by the fact that they are in equal measure the basis of practical life. Even though our life seems to be determined by the mechanism and objectivity of things, we cannot in fact take any step or conceive any thought without endowing the objects with values that direct our activities. These activities are carried out in accordance with the schema of exchange; from the lowest level of satisfaction of wants to the attainment of the highest intellectual and religious goods, every value has to be acquired by the sacrifice of some other value. It is perhaps impossible to determine exactly what is the starting point and what is the consequence. For the two elements cannot be separated in the basic processes, which make up the unity of practical life; a unity that we cannot grasp as a whole and that we differentiate into these two elements. Or, alternatively, a never-ending process occurs between the two, in which every exchange refers back to a value, and each value refers back to an exchange. For our purposes it is more enlightening to trace value to exchange, since the opposite seems better known and more obvious. To recognize value as the result of a sacrifice discloses the infinite wealth that our life derives from this basic form. Our painful experience of sacrifice and our effort to diminish it leads us to believe that its total elimination would raise life to perfection. But here we overlook that sacrifice is by no means always an external obstacle, but is the inner condition of the goal

itself and the road by which it may be reached. We divide the enigmatic unity of our practical relation to things into sacrifice and gain, obstruction and attainment, and since the different stages are often separated in time we forget the goal would not be the same without impediments to overcome. The resistance that we have to overcome enables us to prove our strength; only the conquest of sin secures for the soul the 'joy of heaven' that the righteous man cannot enjoy. Every synthesis needs the analytical principle which it nevertheless negates, for without this principle it would not be a synthesis of different elements but an absolute unity; conversely, every analysis requires a synthesis which it dissolves, for analysis still needs a certain interconnectedness, without which it would be mere unrelatedness: even the most violent animosity is stronger relationship than mere indifference, and indifference stronger than simple unawareness. In brief, the inhibiting counter-motion, to eliminate which a sacrifice is required, is often, perhaps even always, the positive pre-condition of the goal. The sacrifice does not in the least belong in the category of what ought not to be, as superficiality and avarice would have us believe. Sacrifice is not only the condition of specific values, but the condition of value as such with reference to economic behaviour, which concerns us here, it is not only the price to be paid for particular established values, but the price through which alone values can be established.

Exchange is accomplished in two forms, which I propose to illustrate here with reference to the value of labour. In so far as there is a desire for leisure or for the use of energy for its own sake in recreation, or for the avoidance of painful effort, all labour is undeniably a sacrifice. However, there is also a certain amount of latent work-energy which either we do not know how to employ or which manifests itself in an impulse to voluntary labour which is not incited by need or by ethical motives. A number of demands compete for this quantity of labour power, the use of which is not in itself a sacrifice, but not all of them can be satisfied. For every use of energy, one or more other possible and desirable uses have to be sacrificed. Unless we could utilize the energy to perform labour A also for labour B, there would not be any sacrifice in doing labour A; the same is true for B if we execute it instead of A. What is sacrificed eudaemonistically is not labour, but rather non-labour; we prefer A not by sacrificing labour – since, as we presuppose, here labour does not involve any disutility – but by renouncing B. The sacrifice that we give in exchange by our labour may be, so to speak, either absolute or relative; the disutility is either directly connected with labour, where this is experienced as toil and pain, or it is indirect in the case where labour is eudaemonistically irrelevant or even of a positive value, but we can acquire one object only by renouncing another. Thus the instance of enjoyable labour can also be related to the form of exchange as sacrifice which characterizes the economy.

The idea that objects have a specific value before they enter into an economic relationship – in which each of the two objects of the transaction signifies for one contracting party the desired gain and for the other the sacrifice – is valid only for a developed economy, but not for the basic processes on which the economy rests. The logical difficulty, that two things can only be of equal value if each of them has a value of its own, seems to be illustrated by the analogy that two lines can be equally long only if each of them has a definite length. But strictly speaking, a line gains the quality of length only by comparison with others. For its length is determined not by itself – since it is not simply 'long' – but by another line against which it is measured: and the same service is performed for the other line, although the result of the measurement does not depend upon this act of comparison but upon each line as it exists independently of the other. Let us recall the category that embraces the objective value judgment, which I termed metaphysical; from the relationship between us and objects develops the imperative to pass a certain judgment, the content of which, however, does not reside in the things themselves. The same is true in judging length; the objects themselves require that we judge them, but the quality of length is not given by the objects and can only be realized by an act within ourselves. We are not aware of the fact that length is established only by the process of comparison and is not inherent in the individual object on which length depends, because we have abstracted from particular relative lengths the general concept of length – which excludes the definiteness without which specific length does not exist. In projecting this concept onto objects we assume that things must have length before it can be determined individually by comparison. Moreover, definite standards have grown out of the innumerable comparisons of length, and they form the basis for determining the length of all tangible objects. These standards embody as it were the abstract concept of length; they seem no longer to be relative because everything is measured by them, while they themselves are no longer measured. The error is the same as if one believes that the falling apple is attracted by the earth, while the earth is not attracted by the falling apple. Finally, we delude ourselves as to the inherent quality of length by the fact that the multiplicity of elements, the relationship of which determines substance, already exists in the individual parts. If we were to assume that there is only a single line in the whole world, it would not have any specific length since it lacks any relation to others. It is impossible to measure the world as a whole, because there is nothing outside the world in relation to which it could have a specific size. This is true of a line so long as it is considered without being compared with others, or without its own parts being compared with each other; it is neither short nor long, but lies outside the whole category. This analogy makes clear the relativity of economic value rather than disproving it.

If we regard the economy as a special case of the general form of exchange – a surrender of something in order to gain something – then we shall at once suspect that the value of what is acquired is not ready made, but rather accrues to the desired object wholly or in part from the extent of the sacrifice required. These frequent and theoretically important instances seem indeed to contain an inner contradiction: would the sacrifice of a value be required for valueless objects? No reasonable person would give away a value without receiving an equal value in return, and it would be a perverted world in which the desired object attained its value only as a result of the price that had to be paid for it. This is an important point so far as our immediate consciousness is concerned, more important than the popular viewpoint will admit. In fact, the value that a subject sacrifices can never be greater, in the particular circumstances of the moment, than the value that he receives in return. All appearance to the contrary rests on a confusion of the value experienced by the subject and the value which the object in exchange has according to other apparently objective forms of appraisal. Thus, during a famine somebody will give away a jewel for a piece of bread because under the given conditions the latter is more valuable to him than the former. It always depends upon circumstances whether sentiments of value are attached to an object, since every valuation is supported by an elaborate complex of feelings which are always in a process of flux, adjustment and change. It is of no significance in principle whether the circumstances are momentary or relatively enduring. If the starving person gives the jewel away he demonstrates unambiguously that the piece of bread is more valuable to him. There is no doubt that, at the moment of exchange, of offering the sacrifice, the value of the object received sets a limit up to which the value of the object offered in exchange can rise. Quite independent of this is the question as to where the object received derives its value; whether it is perhaps the result of the sacrifice offered, so that the balance between gain and cost is established *posteriori* by the sacrifice. We shall see in a moment that value often originates psychologically in this seemingly illogical manner. Once the value has been established – no matter how – there is a psychological necessity to regard it as being of equal value with the sacrifice.

Even superficial psychological observation discloses instances in which the sacrifice not only increases the value of the desired object but actually brings about. This process reveals the desire to prove one's strength, to overcome difficulties, or even simply to be contrary. The necessity of proceeding in roundabout way in order to acquire certain things is often the occasion, and often also the reason, for considering them valuable. In human relations, as most frequently and clearly in erotic relations, it is apparent that reserve, in difference or rejection incite the most passionate desire to overcome the barriers, and are the cause of efforts and sacrifices that, in many cases, the go would not have seemed to deserve were it not for such opposition. The aesthet

difference whether the sacrifice is accomplished by transferring a value to another person through inter-individual exchange, or by balancing the efforts and gains within the individual's own sphere of interest. Economic objects have no significance except directly or indirectly in our consumption and in the exchange that occurs between them. The former alone is not sufficient to make the object an economic one; only the latter can give it the specific characteristic that we call economic. Yet this distinction between value and its economic form is artificial. In the first place, although the economy may seem to be a mere form in the sense that it presupposes value as its content in order to make the balancing of sacrifice and gain possible, in reality this process through which an economic system is constructed from the presupposed values may be interpreted as the originator of economic values.

The economic form of value lies between two limits: on the one side is the desire for the object, arising from the anticipated satisfaction of possession and enjoyment; on the other side is the enjoyment itself, which is not strictly speaking an economic act. If the previous argument is accepted, namely that the direct consumption of wild grain is not an economic act (except to the extent that it economizes on the production of economic values), then the consumption of real economic values is itself no longer an economic act, for these two acts of consumption are totally indistinguishable. Whether somebody has found, stolen, cultivated or bought the grain does not make the slightest difference for the act of consumption and its direct consequences. The object, as we have seen, is not yet a value so long as it is only the direct stimulant and a natural part of our sentiments inseparable from the subjective process. The object has to be detached from this in order to gain the specific significance that we call value. Desire by itself cannot bring about value unless it encounters obstacles; if every desire could be satisfied completely without a struggle, the economic exchange of values would never have developed, and the desire itself would never have reached a high level. Only the deferment of satisfaction through obstacles, the fear of never attaining the object, the intense striving and continuous acquisition the various elements of desire; the intense striving and continuous acquisition the object that satisfies it would still have no value if it were abundantly available. The whole genus of things that guarantee the satisfaction of our wishes would be important to us, but not the limited portion that we acquire because this could be replaced without effort by any other portion. Our awareness of the value of the whole genus would arise from the idea of its being absent altogether. In this case, our consciousness would be simply determined by the rhythm of the subjective wishes and satisfactions without paying any attention to the mediating object. Need and enjoyment alone do not comprehend either value or economic life, which are realized simultaneously through the exchange between two subjects each of whom requires a sacrifice by the other (or its equivalent in

enjoyment of mountain climbing would no longer be highly regarded by many people if it did not exact the price of extraordinary effort and danger, which constitute its charm, appeal and inspiration. The attraction of antiques and curiosities is often of the same kind. If there is no aesthetic or historical interest attached to them, this is replaced by the mere difficulty of acquiring them; they are worth as much as they cost, which leads to the conclusion that they cost as much as they are worth. Furthermore, moral merit always signifies that opposing impulses and desires had to be conquered and sacrificed in favour of the morally desirable act. If such an act is carried out without any difficulty as a result of natural impulse, it will not be considered to have a subjective moral value, no matter how desirable its objective content. Moral merit is attained only by the sacrifice of lower and yet very tempting goods, and it is the greater the more inviting the temptations and the more comprehensive and difficult the sacrifice. Of all human achievements the highest honour and appreciation is given to those that indicate, or at least seem to indicate, a maximum of commitment, energy and persistent concentration of the whole being, and along with this, renunciation, sacrifice of everything else, and devotion to the objective idea. Even in those cases where, by contrast, aesthetic performance, and the ease and charm that originate from a natural impulse, exercise a supreme attraction, this is also due to the resonance of the efforts and sacrifices that are usually required for such accomplishments. The significance of a connection is often transferred to its opposite by the mobility and inexhaustible power of association in our mental life; as, for example, the association between two representations may take place as a result of the fact that they affirm each other or deny each other. We realize the specific value of what we gain without difficulty and through good fortune only in terms of the significance of that which is hard to achieve and involves sacrifices; the latter has the same value, but with a negative sign, and it is the primary source from which the former value is derived.

Of course, these may be exaggerated or exceptional cases. In order to discover their general type in the economic sphere, it is necessary first of all to distinguish the economic aspect, as a special characteristic or form, from the fact of value as a universal quality of substance. If we accept value as being given, it follows from what has been said previously that economic value is not an inherent quality of an object, but is established by the expenditure of another object which is given in exchange for it. Wild grain, which can be harvested without effort and immediately consumed without any exchange, is an economic good only if its consumption saves some other expenditure. But if all the necessities of life could be obtained in this way without any sacrifice there would be no economic system, any more than in the case of birds or fish or the inhabitants of the land of milk and honey. No matter how the two objects A and B have become values, A becomes an *economic* value only because I have to exchange it for B, and B only because I can acquire A in exchange for it. It makes no

the self-sufficient economy) in order to be satisfied. Exchange, i.e. the economy, is the source of economic values, because exchange is the representative of the distance between subject and object which transforms subjective feelings into objective valuation. I mentioned earlier Kant's summary of his epistemology: the conditions of experience are at the same time the conditions of the objects of experience – by which he meant that the process that we call experience and the representations that form its contents and objects are subject to the same laws of the understanding. Objects can be experienced because they are representations within us, and the same power that determines experience determines also the formation of representations. In the same manner we can state: the possibility of the economy is at the same time the possibility of the objects of the economy. The process between two owners of objects (of substances, labour power or rights of any kind) that establishes the relationship called 'economy' – i.e. a reciprocal surrender – raises these objects at the same time into the category of value. The logical difficulty, that values had to exist as values in order to enter the form and movement of the economy, is now eliminated by the significance of the psychic relation which we designated as the distance between us and the object. This psychic relationship differentiates the original subjective condition of feeling into the desiring subject and the opposed object which possesses value. In the economy, this distance is brought about through exchange, through the two-sided influence of barriers, obstacles and renunciation. Economic values are produced by the same reciprocity and relativity that determine the economic character of values.

Exchange is not the mere addition of two processes of giving and receiving, but a new third phenomenon, in which each of the two processes is simultaneously cause and effect. The value that the object gains through renunciation thereby becomes an economic value. In general, value develops in the interval that obstacles, renunciation and sacrifice interpose between the will and its satisfaction. The process of exchange consists in the mutual determination of taking and giving, and it does not depend upon a particular object having previously acquired a value for a particular subject. All that is needed is accomplished in the act of exchange itself. Of course, in an actual economic system the value of objects is usually indicated when they enter into exchange. I am referring here only to the inner, systematic meaning of the concept of value and exchange, which exists only in rudimentary form, or as an ideal significance in the historical phenomena or as their ideal meaning. I refer not to their real form, in the historical genetic sense, but to their objective–logical form.

Theories of utility and scarcity

This transposition of the concept of economic value from the abstract sphere to that of vital relationships may be further elucidated with the aid of the concepts

of utility and scarcity which are generally regarded as constituent elements of value. The first requirement for an economic object to exist, based upon the disposition of the economic subject, is utility. To this, scarcity must be added as a second determining factor if the object is to acquire a specific value. If economic values are regarded as being determined by supply and demand, supply would correspond with scarcity and demand with utility. Utility would decide whether the object is in demand at all and scarcity the price that we are obliged to pay. Utility appears as the absolute part of economic values, and its degree has to be known so that the objects can enter into economic exchange. Scarcity is only a relative factor, since it signifies only the quantitative relationship of the object in question to the total available amount. The qualitative nature of the object does not play any role here. Utility, however, seems to exist prior to an economic system, to any comparison or relationship with other objects; it is the substantial factor determining the movement of the economy.

However, this situation is not correctly described by the concept of utility. What is really meant is the desire for the object. Utility as such is never able to bring about economic processes unless it leads to demand, and it does not always do so. Some kind of 'wish' may accompany the perception of useful objects, but real demand, which has practical significance and affects our activity, fails to appear if protracted poverty, constitutional lethargy, diversion to other fields of interest, indifference to the theoretically known advantage or awareness of the impossibility of acquisition or other positive and negative factors counteract such a development. On the other hand, we desire, and therefore value economically, all kinds of things that cannot be called useful or serviceable without arbitrarily straining ordinary linguistic usage. If the concept of usefulness is to encompass everything that is in demand, it is logically necessary to accept the demand for the object as the decisive factor for economic activity, since otherwise not everything useful is in demand. Even with this modification, it is not an absolute factor and does not eliminate the relativity of values. In the first place, as we have seen, demand is not distinctly conscious unless there are barriers, difficulties and sacrifices between the object and the subject. In reality we exert a demand only when the enjoyment of the object is measured by intermediate stages; when the price of patience, the renunciation of other efforts or enjoyments, set the object in perspective, and desire is equated with the exertion to overcome the distance. Secondly, the economic value of the object based upon the demand for it may be interpreted as a heightening or sublimation of the relativity embedded in the demand. For the object in demand becomes a value of practical importance to the economy only when the demand for it is compared with the demand for other things; only this comparison establishes a measure of demand. Only if there is a second object which I am willing to give away for the first, or vice-versa, does each of them have a measurable economic value. There is originally in the world of practice no single

despite its indivisibility, by the value unit of a beam, and it appears possible to compose it out of the eightfold, the twelvefold and finally the tenfold of our beam. The value of both objects of exchange thus becomes more easily commensurable if one object is divisible; and the value of both objects need not be expressed in terms of one and the same unit. The most developed form of divisibility is attained with exchange against money. Money is that divisible object of exchange, the unit of which is commensurable with the value of every indivisible object; thus it facilitates, or even presupposes, the detachment of the abstract value from its particular concrete content. The relativity of economic objects, which can be recognized only with difficulty in the exchange of indivisible objects – because each of the parties possesses, so to speak, an autonomous value – is brought into relief through the reduction to a common denominator of value, of which money is the most distinctive form.

I have shown earlier that relativity creates the value of objects in an objective sense, because only through relativity are things placed at a distance from the subject. Money is the quintessence and zenith of these two qualities and thus illustrates again their interrelationship. Money can never be enjoyed directly – the exceptions to be treated later negate its specific character! – and it is therefore excluded from any subjective relation. Money objectifies the external activities of the subject which are represented in general by economic transactions, and money has therefore developed as its content the most objective practices, the most logical, purely mathematical norms, the absolute freedom from everything personal. Because money is simply the means to acquire objects, it stands by its very nature at an insurmountable distance from the Ego which craves and enjoys; and in so far as it is the indispensable means between the Ego and the objects, it places the objects, too, at a distance. To be sure, money abolishes this distance again; but by doing so, by transferring the objects to subjective use, it removes them from the objective economic cosmos. The division that has appeared in the original unity of the subjective and the objective is, as it were, embodied in money; but on the other hand, it is the function of money – in accordance with the above-mentioned correlation of distance and proximity – to move the otherwise unattainable closer to us. Exchangeability is the prerequisite of economic values, through which the latter attain their objective mutual relation. It unites in one act the distance and the proximity of what is to be exchanged. It has acquired in money not only its technically perfect means, but also a separate, concrete existence which embraces all its various aspects.

Money as a reification of the general form of existence according to which things derive their significance from their relationship to each other

The philosophical significance of money is that it represents within the practical world the most certain image and the clearest embodiment of the formula of all

being, according to which things receive their meaning through each other, an have their being determined by their mutual relations. It is a basic fact of mental life that we symbolize the relations among various elements of our existence by particular objects; these are themselves substantial entities, but their significance for us is only as the visible representatives of a relationship that is more or less closely associated with them. Thus, a wedding ring, but also every letter, every pledge, every official uniform, is a symbol or representative of a moral or intellectual, a legal or political, relationship between men. Even a sacramental object embodies in a substantial form the relation between man and his God. The telegraph wires that connect different countries, no less than the military weapons that express their dissension, are such substances; they have almost no significance for the single individual, but only with reference to the relations between men and between human groups that are crystallized in their form. Of course, the representation of these relations and connections can itself be regarded as an abstraction, inasmuch as only those elements in it are real who mutually determined conditions we incorporate in specific concepts. On metaphysical inquiry, which pursues cognition beyond the limits of empiricist can possibly eliminate this dualism, by dissolving all substantial elements in interaction and processes, the bearer of which becomes subject to the same fate. But practical consciousness has discovered a form by which the processes of relationship and interaction, in which reality is enacted, can be united with the substantial existence, the necessary form of abstract relations in practice.

The projection of mere relations into particular objects is one of the greatest accomplishments of the mind; when the mind is embodied in objects, the become a vehicle for the mind and endow it with a livelier and more comprehensive activity. The ability to construct such symbolic objects attains its greatest triumph in money. For money represents pure interaction in its pure form; it makes comprehensible the most abstract concept; it is an individual thing whose essential significance is to reach beyond individualities. The money is the adequate expression of the relationship of man to the world, which can only be grasped in single and concrete instances, yet only really conceived when the singular becomes the embodiment of the living mental process which interweaves all singularities and, in this fashion, creates reality. This significance of money would remain even if the value relativity of economic objects were not an initial fact but a final stage of development. The concept with which we define a phenomenon is often not derived from the phenomenon itself but from a more developed and purer form. We cannot infer the nature of language from the first stammerings of the child; and in defining animal life, it will disconcert us to find that it is only imperfectly represented at the stage of transition from plant life. Similarly, it is only in the highest phenomena of mental life that we can sometimes discover the meaning of the lower phenomena; although we may perhaps be unable to trace it in these at all. The pr

concept of a series of phenomena is often an ideal that is never completely realized, the approach towards which, however, makes possible a valid interpretation of the concept.

The significance of money, that it expresses the relativity of objects of demand through which they become economic values, is not negated by the fact that money also has other qualities that diminish and obscure this significance. In so far as these qualities are effective, it is not money proper. Economic value consists in the exchange relationship of objects according to our subjective reaction to them, but the economic relativity of objects develops only gradually from their other meanings and it can never dominate these meanings entirely in the total representation or the total value of an object. The value that objects acquire by their exchangeability, i.e. the metamorphosis through which their value becomes an economic value, emerges more clearly and strongly with the extensive and intensive growth of the economy – a fact that Marx formulates as the elimination of use-value in favour of exchange value in a society based upon commodity production – but this development seems unable to reach its summation. Only money, in terms of its pure concept, has attained this final stage; it is nothing but the pure form of exchangeability. It embodies that element or function of things, by virtue of which they are economic. It does not comprehend their totality, but it does comprehend the totality of money. In the following chapter I shall examine how far money in its historical manifestations does represent this idea of money, and whether money in operation does not tend, in some degree, towards another point of reference.

CHAPTER 2

The Value of Money as a Substance

I

The intrinsic value of money and the measurement of value

Through all the discussions of the nature of money there runs the question as to whether money, in order to carry out its services of measurement, exchange and representation of values, is or ought to be a value itself; or whether it is enough if money is simply a token and symbol without intrinsic value, like an account or sum which stands for a value without being one. The whole technical and historical discussion of this question, which involves the most profound issues in the theory of money and value, would be superfluous if it could be decided in a frequently quoted logical argument. A measuring instrument, it is said, has to have the same quality as the object to be measured: a measure of length has to be long, a measure of weight has to be heavy, a measure of space has to have dimensions; consequently, a measure of value has to be valuable. No matter how unrelated two things may be in all other respects, when I measure them against each other they must both have the quality that I am comparing. A quantitative and numerical equality or inequality that I assert would be meaningless if it did not refer to relative quantities of one and the same quality. Index numbers, this identity of qualities must not be of too general a nature; for instance, it is impossible to compare the beauty of a piece of architecture with the beauty of a person, even though both have the quality of beauty. Only the particular architectural or the particular human qualities of beauty make a comparison possible. But even if a common quality is lacking, one might still consider the reaction of the contemplating subject as a basis for comparability. If the beauty of a building and the beauty of a person are comparable in the amount of enjoyment that the contemplation of either one of them affords us, then an identity of quality

CHAPTER 3

Money in the Sequence of Purposes

I

Action towards an end as the conscious interaction between subject and object

The great antinomy in the history of thought – whether the contents of reality are to be conceived and interpreted in terms of their causes or their consequences (i.e. the opposition between a causal and a teleological approach) – finds its original expression in a distinction within our practical motivations. The feeling that we call 'instinct' appears to be tied to a physiological process in which stored up energies strive for release. The instinctual drive terminates when these energies find expression in action. If it is simply an instinct then it is 'satisfied' as soon as it has dissolved into action. In contrast with this direct causal process, which is reflected in consciousness as a primitive instinctual feeling, are those actions that arise, so far as our consciousness is concerned, from a representation of the ends that they will achieve. In this case we experience ourselves as being drawn rather than driven. The feeling of satisfaction, therefore, does not arise from the action alone, but from the consequences that the action produces. If, for instance, an aimless inner unrest drives us to furious activity, then this belongs to the category of instinctual behaviour; if we undertake the same activity in order to attain some precise kind of well-being, then it belongs to the category of purposive behaviour. Eating exclusively to satisfy hunger falls within the first category; eating to enjoy the flavour of the dishes falls within the second. Sexual intercourse as an animal instinct belongs to the first category, but as an activity directed to the attainment of a particular kind of pleasure it belongs to the second. This distinction seems to me vital in two respects. To the extent that our actions are purely instinctual, that is causally determined in the strict sense, there is a fundamental incongruity between the

psychological state, which is the cause of action, and the ensuing consequence. The state that moves us to action has no more significant qualitative relation to the action and its result than has the wind to the falling of the fruit that it blows from the trees. On the other hand, when the conception of an end is experienced as a motive, cause and effect are congruous in their conceptual and perceptual content. Nevertheless, in this case too, the cause of action is (even though it cannot be defined in a strictly scientific way) the real force of the concept of its physical correlate, and this force or energy must be rigorously distinguished from the intellectual content of the conception. The content itself, as an representation of action and events, has absolutely no force; it possesses conceptual validity and can become real only to the extent that it is endued with real energy, in the same way as justice and morality, as ideas, have historical influence until they are adopted as determinants of action by powers. The controversy over the relevance of causality or teleology to human action may thus be decided in the following way. Since the consequences of action exist in a psychologically effective form before they acquire an objective existence, a strict causal relation can be upheld. Only those intellectual conditions that have become psychological forces need be taken into account; thus cause and effect are entirely distinct, whereas the identity between intellectual content of motive and consequences has absolutely nothing to do with the actual production of events.

Another difference between instinctual drives and purposive striving is more significant for the present problem. To the extent that our actions are simply causally determined (in the strict sense), the whole process comes to an end when the turbulent forces are discharged in activity, and the feeling of tension and constraint disappears as soon as the instinct culminates in action. The instinct consumes itself by its natural continuation in action and the process remains confined within the individual. The process that is guided by a conscious purpose is entirely different. It is directed to a definite objective of action, and it attains its final end through the reaction of this result upon the subject or of the subject upon the result. The fundamental significance of purposive action is the interaction between subject and object. Our mental activity involves us in this interaction, and purposive action is therefore representative of the nature of the mind. Our relationship to the world may be represented as an arc that passes from the subject to the object, incorporates the object and returns to the subject. It is true that every fortuitous and mechanical action suffused and held together by the unity of our consciousness. As natural we are in constant interaction with the world of nature, and co-ordinated with it. It is only in purposive action that the self as personality differentiates from the natural elements within and outside itself. Or regarded from another aspect, it is only when a purposive agent is distinguished from the purely

system of nature that the unity of the two can be re-established at a higher level. This theoretical relationship is to be found, with some modifications, in the difference that is supposed to exist between the labour of civilized and primitive peoples. The former is said to be regular and methodical, the latter irregular and spasmodic; in other words, the former involves deliberate overcoming of our resistance to work, while the latter is only a release of nervous energy.

This does not mean that the real purpose of all purposive action is located in the acting subject, that the reason for attaining an objective always lies in the feelings that are retroactively aroused by the object. This may be the case in egoistic actions proper, but there are innumerable other actions in which the identity of motive and result is concerned only with the result in the sense of attaining the object, with the non-subjective happening. The inner energy which determines our action frequently takes into account consciously only the objective result, and excludes from the teleological process any further retroactive effects upon ourselves. Yet unless the result of our activities ultimately produced an emotion in us, the conception of it would not generate any motive force to bring it into existence. This final link in the chain of action is not, however, its final purpose; our teleologically determined volition ends very often with the objective result and does not consciously inquire beyond this point. Purposive action in contrast to causal-instinctive action (it remains to be seen whether this distinction is, so to speak, only one of approach or method) may be formulated thus: purposive action involves the conscious interweaving of our subjective energies and the objective world, and a double impact of reality upon the subject; first, in an anticipation of the content of reality in terms of subjective intention, and second, in a retroactive effect of the realization of the object in terms of a subjective emotion. The role of purpose in life evolves from these conditions.

It follows from this that so-called unmediated purposes contradict the very concept of purpose. If purpose means a modification within objective being, this modification can be achieved only by an action that transmits the inner acceptance of the purpose to the realization of the modification. Our actions are the bridge that makes it possible for the content of the purpose to pass from its psychological form to a real form. Purpose is necessarily bound up with its means. It differs in this respect from a mere mechanism and its psychological correlate, instinct – in which the energies of each moment dissolve in the immediate result without pointing to a further stage; the next stage arises only from the immediately preceding one. Purpose has three elements whereas mechanism has only two. On the other hand, purpose also differs, by virtue of its dependence upon means, from what one might call 'divine action'. In the case of a god, it is impossible that there should exist a temporal or material interval between the will and the deed. Human action that is interposed between

these two elements is only the vanquishing of obstacles that cannot exist god; unless we think of him in terms of terrestrial imperfection, his will is already the reality of whatever he wills. One may speak of God's final purpose for the world only in a very qualified sense, namely as the ultimate condition that concludes its destiny. If this divine decree were related preceding stages as a human purpose is related to its means – namely, only thing that is valuable and desired – then it would be incomprehensible. God did not bring it about directly, without those useless and retarding mediate stages; for He does not need the technical means that we, confused with an autonomous world and possessing only limited strength which accept compromises, delay and laborious achievement, require. In other words, God can have no purpose because He employs no means.

The varying length of teleological series

This contrast makes clear the specific significance of what was emphasized above, that purposive action is an interaction between the committed subject and external nature. The mechanism that exists between the will and its satisfaction constitutes, on the one hand, a bond and, on the other, a separation between them. This mechanism signifies the impossibility for the will to gain satisfaction by itself; it represents the obstacle that the will has to overcome. Purposiveness is essentially a relational concept since it always presupposes something alien to the purpose that has to be transformed. If such a transformation is not necessary, if the will contained its realization within itself, there would be no formation of purposes. Our own action in pursuit of our purposes is the case in which we become aware of the dual character of the means; in the action we experience both the resistance of external reality and the disenergy which overcomes it, and the two experiences enter into conscious interaction each developing its particular character. If our action is unable to produce the object of our purpose immediately, but must first bring about another event which eventually produces the desired result, then the internal happenings have the same quality as our own action; both are mechanisms both are also mechanisms that connect mind with mind; both have a connection in producing the arc of events which begins and ends in the mind. The number of links in this arc within a given form of life indicates the degree of knowledge and control of nature, as well as the breadth and refinement of way of life. It is here that social complexities begin which culminate in the creation of money.

The following interconnections are evident: if a purpose D is to be achieved and a chain of mechanical processes A, B, C has to be produced so that

The tool as intensified means

Here, the very important concept of the tool must enter into our consideration of purposive action. The primary form of the teleological sequence is that which our action produces reactions in an external object, and these reactions following a course determined by their own nature, culminate in the desired effects. The use of tools involves interposing another factor between the subject and this object, a factor that occupies an intermediate position not only in terms of space and time but also in terms of its content. For on the one hand a tool is a mere object which is mechanically effective, but on the other hand it is also an object that we not merely operate upon, but operate with, as with our own hands. The tool is an intensified instrument, for its form and existence are predetermined by the end, whereas in the primary teleological process natural objects are only later made to serve our purposes. The person who plants a seed in order to enjoy the fruit of the plant at a later date, instead of being satisfied with wild fruits, acts teleologically, but the purposive action is limited to the hand. If, however, he uses a spade and hoe he removes himself further from the point at which natural processes operate by themselves, and he enhances the subjective factor in relation to the objective factor. By using tools we deliberately add a new link to the chain of purposive action, thus showing that the straight road is not always the shortest. The tool is typical of what we might call our creations in the external world; on the one hand it is formed exclusively by our own powers, and on the other it is devoted entirely to our own purposes. Because the tool is not itself an end it lacks the relative independence that the end implies, either as an absolute value or as something that will produce an effect upon us: it is an absolute means. The principle of the tool is not effective in the physical world. Where self-interest is not focused directly upon material production, but mental conditions or non-material events are involved, the tool attains a still more refined form, inasmuch as it is now really a creation of our will and does not have to compromise with the attributes of material substance that is fundamentally alien to purpose. The most typical instances of this kind of tool are perhaps social institutions, by means of which the individual can attain ends for which his personal abilities would not suffice. Membership of a state provides the protection that is a prerequisite of most individual purposive action; but leaving aside this most general aspect, particular institutions of civil law make possible for the individual achievements that would otherwise be denied to him. In the roundabout legal forms of contract, testament, adoption, etc., the individual possesses a collectively established tool that multiplies his own powers, extends their effectiveness and secures their ends. Fortuitous elements are eliminated and the homogeneity of interests makes possible an increase in the services rendered; from the intention of individuals there develop objective institutions which become

Money in the Sequence of Purposes

caused by A, C by B and D only by C, then this series, the content and direction of which is determined by D, depends upon the knowledge of the causal relationship between the members. If I did not know that C can produce D, B can produce C and so on, I should be helpless in my desire for D. A teleological chain can never occur unless the causal connections between its elements are known. The purpose repays this service by providing the psychological impulse to seek out causal relations. Thus, the factual and logical possibility of the teleological chain depends upon the causal relation, but the interest of this causal chain, its psychological possibility, arises from the pursuit of an end. This interaction, which expresses in a general sense the relation between theory and practice, results in the fact that the more profound awareness of causality goes hand in hand with a more profound awareness of teleology. The length of the series of purposes depends on the length of the causal series; and on the other hand, the possession of suitable means produces very often not only the realization but also the very idea of a purpose.

In order to understand the significance of this interweaving of natural and mental life, one must bear in mind the apparently obvious fact that we can attain more, and more essential, ends with a long series of means containing numerous elements than with a short series. Primitive man, who has only a limited knowledge of natural causes, is consequently restricted in his purposive action. For him, the arc of purposive action will contain as intermediate links little more than his own physical action and the direct effect that he can have upon a single object. If the expected effect does not follow from this action, then the appeal to a magical authority, who is expected somehow to produce the desired result, will appear less as a prolongation of the teleological series than as a proof that the end is unattainable. Whenever this short series proves inadequate, therefore, the purpose will be abandoned or, more likely, will not be formed at all. The prolongation of the series means that the subject, to an increasing extent, makes the force of the objects themselves work for him. As the most basic needs are satisfied, the more links are needed in the teleological series, and only a very sophisticated knowledge of causation can then succeed in reducing the number of links by discovering more direct connections and shorter paths within the natural order of things. This may lead to a reversal of the natural relationship: in relatively primitive periods, the simple necessities of life are procured by simple series of purposes, while the satisfaction of higher and more differentiated needs require more roundabout methods; but the progress of technology usually provides relatively simple and direct means of production for the latter needs while the provision for the fundamental needs of life encounters growing difficulties which have to be overcome by more complicated means. In short, cultural development tends to prolong the teleological series for what is close to us and to shorten the series for what is remote.

junction of countless individual teleological sequences and provide an efficient tool for otherwise unattainable purposes. It is the same with religious rites, which are tools of the Church, serving to objectify the typical emotions of the religious community. They are, no doubt, a digression from the ultimate end of religious sentiment, but a digression by means of a tool which, in contrast to all material tools, serves exclusively those ends that the individual is otherwise unable to attain.

Money as the purest example of the tool

Here, finally, we reach the point at which money finds its place in the interweaving of purposes. I will begin with some generally accepted facts. All economic transactions rest upon the fact that I want something that someone else owns, and that he will transfer it to me if I give him something I own that he wants. It is obvious that the final link in this two-sided process will not always be present when the first link appears; on many occasions I want the object A which A possesses, but the object or service B which I am willing to give in return does not interest A; or else the goods offered are acceptable to both parties but no agreement can be reached about the respective quantities. Thus, it is of great value in the attainment of our purposes that an intermediate link should be introduced into the chain of purposes; something into which I can change B at any time and which can itself be changed into A - in much the same way as any form of power, from water, wind, etc., can be transformed into another form of power by means of a dynamo. Just as my thoughts must take the form of a universally understood language so that I can attain my practical ends in this roundabout way, so must my activities and possessions take the form of money value in order to serve my more remote purposes. Money is the purest form of the tool, in the category mentioned above; it is an institution through which the individual concentrates his activity and possessions in order to attain goals that he could not attain directly. The fact that everyone works with it makes its character as a tool more evident than was the case in the examples given earlier. The nature and effectiveness of money is not to be found simply in the coin that I hold in my hand; its qualities are invested in the social organizations and the supra-subjective norms that make this coin a tool of endlessly diverse and extensive uses despite its material limitations, its insignificance and rigidity. It is characteristic of the State and of religious rites that, since they are constituted entirely by mental powers and do not have to compromise with any independent material objects, they can express their purpose fully in themselves. Yet they are so close to their specific purposes, indeed almost identical with them, that we often hesitate to recognize that they

are tools (which would make them instruments without value in themselves brought to life only by the will behind them) and regard them as ultimate moral values. In the case of money, its character as an instrument is very rarely obscured. By contrast with the other institutions mentioned earlier, money has no inherent relation to the specific purpose the attainment of which it aids. Money is totally indifferent to the objects because it is separated from them by the fact of exchange. What money mediates is not the possession of an object but the exchange of objects. Money in its perfected form is an absolute means; because, on the one hand, it is completely teleologically determined and is not influenced by any determination from a different series, while on the other hand it is restricted to being a pure means and tool in relation to a given end, has no purpose of its own and functions impartially as an intermediary in the series of purposes. Money is perhaps the clearest expression and demonstration of the fact that man is a 'tool-making' animal, which, however, is itself connected with the fact that man is a 'purposive' animal. The concept of means characterizes the position of man in the world; he is not dependent as is an animal upon the mechanism of instinctual life and immediate volition and enjoyment, nor does he have unmediated power, such as we attribute to a god, such that his will is identical with its realization. He stands between the two in so far as he can extend his will far beyond the present moment, but can realize it only in a roundabout way through a teleological series which has several links. Love which according to Plato is an intermediate stage between possessing and not possessing, is in the inner subjective life what means are in the objective external world. For man, who is always striving, never satisfied, always becoming, love is the true human condition. Means, on the other hand, and their enhancement, the tool, symbolize the human genus. The tool illustrates or incorporates the grandeur of the human will, and at the same time its limitations. The practical necessity to introduce a series of intermediate steps between ourselves and our ends has perhaps given rise to the concept of the past, and so has endowed man with his specific sense of life, of its extent and its limits, as a watershed between past and future. Money is the purest reification of means, a concrete instrument which is absolutely identical with its abstract concept; it is a pure instrument. The tremendous importance of money for understanding the basic motives of life lies in the fact that money embodies and sublimates the practical relation of man to the objects of his will, his power and his impotence one might say, paradoxically, that man is an indirect being. I am here concerned with the relation of money to the totality of human life only in so far as it illuminates our immediate problem, which is to comprehend the nature of money through the internal and external relationships that find their expression, their means or their effects in money. I shall add here to the function previously discussed one that shows with particular clarity how the abstract character of money is transposed into practical reality.

The unlimited possibilities for the utilization of money

I noted earlier that the representation and provision of means does not always depend upon an already formed purpose; the availability of materials and forces often provokes us to form certain purposes which these means will enable us to attain. Once a purpose has engendered the idea of means, the means may produce the conception of a purpose. This relationship, frequently modified but enduring, may be seen in the case of tools, which I characterized as the purest kind of means. While ordinary, simple means are entirely used up in achieving the purpose, a tool continues to exist apart from its particular application and is capable of a variety of other uses that cannot be foreseen. This is true not only for thousands of cases in daily life that need not be exemplified, but also in much more complicated situations. How often are military organizations, which were intended for external deployment, used by a dynasty for internal political ends? How often does a relationship among individuals which was originally established for a particular purpose grow beyond this and become the bearer of altogether different contents, with the result that one may say of all enduring human associations – familial, economic, religious, political or social – that they have a tendency to acquire purposes for which they were not originally conceived? It is obvious that a tool will be more significant and valuable – *ceteris paribus* – if it has various and extensive uses. At the same time, it must then become more neutral and colourless, more objective in relation to particular interests and more remote from any specific purpose. Money as the means *par excellence* fulfils this condition perfectly; from this point of view its importance is enhanced. The matter can be put as follows. The value of a given quantity of money exceeds the value of the particular object for which it is exchanged, because it makes possible the choice of any other object in an unlimited area. Of course, the money can be used ultimately only for one of the objects, but the choice that it offers is a bonus which increases its value. Since money is not related at all to a specific purpose, it acquires a relation to the totality of purposes. Money is the tool that has the greatest possible number of unpredictable uses and so possesses the maximum value attainable in this respect. The mere possibility of unlimited uses that money has, or represents, on account of its lack of any content of its own, is manifested in a positive way by the restlessness of money, by its urge to be used, so to speak. As in the case of languages such as French, which have a limited vocabulary, the need to employ the same expression for different things makes possible a wealth of allusions, references and psychological overtones, and one might almost say that their wealth results from their poverty; so the absence of any inner significance of money engenders the abundance of its practical uses, and indeed provides the impulse to fill its infinite conceptual categories with new formations, to give new content to its form, because it is never a conclusion but only a transitional point for each

content. In the last analysis, the whole vast range of commodities can be exchanged for one value, namely money; but money can be exchanged for one of the range of commodities. By contrast with labour, which can change its application, and the less easily the more specialized it is, capital form of money can almost always be transferred from one use to another with a loss, but often with a gain. The worker can hardly ever extricate art and skill from his trade and invest it somewhere else. By comparison the owner of money he is at a disadvantage so far as free choice is concerned just as the merchant is. Thus, the value of a given amount of money is equal to the value of any object for which it might be exchanged plus the value of choice between innumerable other objects, and this is an asset that I analogize in the area of commodities or labour.

This surplus value of money appears all the more important if one considers the nature of the decision to which this power of choice leads in reality. It has been asserted that a commodity that is limited in quantity and has alternative uses will be valued by its owners with respect to its most important use; other uses will appear uneconomic and unreasonable. On the other hand, the supply of goods that is sufficient or more than sufficient for all possible uses that the goods compete to be used, will be valued according to its least important use. The most important use becomes the measure of the object if the competing uses. This is most fully and effectively demonstrated by money. Since money can be used for any economic purpose, a given amount of it is used to satisfy the most important subjective need for the moment. The amount is not limited, as is the case with all other commodities, and, because I desire know no limit, a great variety of possible uses is always competitive for any given quantity of money. Since the decision will always be in favour of the good that is desired most intensely, money must be valued at any moment equivalent to the most important interest experienced at that moment. A building plot that is adequate only for one of several desired uses and which is therefore valued according to the most valuable of those uses cannot have a significance beyond the region of things of its own kind. Money, however, has no such limitation, and so its value corresponds with the most important universal interest of the individual that can be satisfied with available supply.

The opportunity of choice which money as an abstract instrument provides applies not only to the goods offered at any one time, but also to the date when they can be used. The value of a commodity is not determined simply by its price, but by its significance at the moment of its use. The relative freedom of choice in the use of a commodity that can increase or diminish considerably the value of the commodity. The first of these possibilities of choice results from the coexistence of different uses, the second from the existence of alternative uses over time. Other things being equal, that commodity is more valuable when

can but do not *have* to use immediately. The range of commodities falls into a graduated series of values between two extremes: at one end is the commodity that can be enjoyed later but not now. If, for example, fish caught during the summer is exchanged for furs that are going to be worn in the winter, then the value of the fish is increased by the fact that I can consume it immediately, whereas the value of the furs is affected by the fact that the delay in using them involves the risk of damage, loss or devaluation. On the other hand, the value of the fish is diminished because it will no longer be fresh tomorrow, and the value of the furs is increased because they will still be serviceable at a later date. An object used as a means of exchange is most suitable for money, if it possesses both of these value-enhancing qualities. Money as a pure instrument represents their highest possible synthesis because it has no specific quality for a specific use, but is only a tool for acquiring concrete values, and because the opportunities for using it are just as great at any point of time and for any object.

The superiority of the owner of money over the owner of commodities results from this unique quality of money as being unrelated to all particular characteristics of things or moments of time, dissociated from any purpose, and a purely abstract means. There are some exceptions to this, such as the refusal to sell on ideological grounds, boycotts and cartels, but these arise only when the objects of exchange in that particular situation cannot be replaced by other objects. The freedom of choice and also the particular advantage that money confers upon its owner are then eliminated precisely because there is a single object of desire instead of a choice. In general, the owner of money enjoys this twofold liberty and he will demand a recompense if he relinquishes it in favour of the owner of goods. This is shown, for example, by the economically and psychologically interesting principle of the 'supplement'. When goods that can be measured or weighed are purchased the merchant is expected to 'measure liberally', that is to add at least one additional unit, and he usually does so. It must be taken into account that a mistake is more likely in measuring goods than in counting money, but the important feature is that the buyer has the power to enforce an interpretation of this possibility in his own favour even though the chances of advantage or disadvantage are equal for both parties. It is significant that the advantage is given to the buyer even when the other party is also dealing in money. The customer expects the banker, the insured expects the insurance company in case of a claim, to deal 'fairly', that is to give a little more, even if only in a formal way, than what is enforceable by law. The bank and the insurance company also trade only in money, but the customer for his part does not think of being 'fair' or 'liberal'; he only offers what has been agreed upon beforehand. The sums of money offered on each side have in fact quite a different significance. For the banker and the insurance company the money with which they operate is simply a commodity that they can use only in this particular way; for the customer it is 'money' in the sense with which we

are here concerned, namely a value that he can, but need not use for stock exchange business or insurance. The freedom to use the diverse purposes gives the customer an advantage which is compensated by the 'fairness' of the other party. Where a supplement is given by the money, as in tipping waiters and taxi-drivers, this merely expresses the superiority of the giver, which is the presupposition of tipping. In monetary phenomena these are not occurrences isolated from the rest of life; they display in a particularly clear and obvious manner a characteristic of life, namely that in every relationship the individual has less interest in the substance of the relationship than in the advantage that appears paradoxical, since the more intense the desire to possess something, the more intense the desire to possess something in exchange. It is indeed the anticipated enjoyment that determines the strength of the desire. Yet it is just this situation that gives an advantage to the individual party, for it is in the nature of things that the one who benefits is compensated by some concessions from the other party. This is also true in the most refined and intimate relations. In every love relationship the individual who is less involved has an advantage, because the other renounces very willingly any exploitation of the relationship, is more ready to sacrifice, and offers a greater measure of devotion in exchange for the satisfaction that he derives. Equity is thus established: since the desire corresponds with the degree of enjoyment it is right that the individual should provide the individual who is less involved with a special gain, so that he is able to exact because he is more hesitant, more reserved and more exacting. Thus the profit of the one who gives money is not unfair; since he is usually less interested in the commodity - money - than the owner of money has this advantage not because he possesses it but because he is prepared to part with it.

The profit that accrues to money because it is detached from the content or process of the economy is also shown in other ways, and in the fact that owners of money usually profit from violent and ruinous upheavals, often to an extraordinary extent. However many booms and business failures result from price slumps or from commodity booms, experience has shown that the big bankers usually make a profit out of these dangers that confront sellers and buyers, creditors and debtors. The services of money, as the neutral tool of economic processes, are paid for regardless of the direction or pace of these processes. Of course, it has to pay something for this freedom; the uncommitted nature of money that contradictory demands are made upon the dispenser of money fr

sides, and that he excites the suspicion of betrayal more easily than does the individual who deals in specific commodities. In early modern times, when the great financial powers – the Fuggers, the Welsers, the Florentine and Genoan bankers – entered the political arena, particularly during the great struggle between the Habsburgs and the French monarchy for European hegemony, they were regarded with permanent mistrust by all parties, including those to whom they had lent vast sums of money. One never could be sure of the financiers, whose money transactions did not commit them beyond the present moment; and even the enemy against whom they had lent their financial support did not regard this as an obstacle to approaching them himself with requests and propositions. Money has the very positive quality that is designated by the negative concept of lack of character. The individual whom we regard as a weak character is not directed by the inner worth of persons, things or thoughts, but by the external pressure that is brought to bear upon him. The fact that money is detached from all specific contents and exists only as a quantity earns for money and for those people who are only interested in money the quality of characterlessness. This is the almost logically necessary reverse side of the advantages of finance and of the over-valuation of money in relation to qualitative values. The superiority of money is expressed first in the fact that the seller is more interested and eager than the buyer. A very significant feature of our whole attitude towards objects is involved here; namely, when two opposing classes of values are considered as a whole, the first class may be distinctly superior to the second, while the individual objects or representatives of the second group may be superior to those of the first. Faced with a choice between the totality of material goods and the totality of ideal goods, we should probably be obliged to choose the first, because to renounce it would be to negate life, including all its ideal contents; but on the other hand, we might not hesitate to give up any single material good in exchange for an ideal good. In our relations with other people we do not question that one relationship is much more valuable and indispensable than another, when viewed as a whole; but on particular occasions and in particular aspects the less valuable relationship may be more enjoyable and attractive. This is how matters stand in the relation between money and concrete objects of value; a choice between the objects as a whole and money as a whole would immediately reveal the intrinsic valuelessness of the latter, which provides us only with means, not with an end. Yet when a given sum of money is set against a given quantity of commodities, the exchange of the latter for the former is usually demanded much more strongly than vice-versa. This relationship exists not only between commodities and money in general, but also between money and particular categories of commodities. A single pin is almost worthless, but pins in general are almost indispensable and 'worth their weight in gold'. The case is similar with many kinds of commodities; the ease with which a single specimen can be supplied in

return for money devalues it in relation to money, which now appears ruling power disposing over the object. But the significance of the object as a whole seems incommensurable with money; it has a value independent of money which is often concealed from our notice by the fact that single specimens can so easily be replaced. However, since our practical interests are almost exclusively concerned with single units or with a number of units, our sense of the value of objects generally emp measuring rod of money. This is evidently connected with the interest in possessing money rather than commodities.

The unearned increment of wealth

This leads to a more general phenomenon, which might be termed the value of wealth and which resembles the unearned rent of land. The man enjoys advantages beyond the enjoyment of what he can buy money. The merchant supplies him more reliably and more cheaply does poorer people; everyone he meets, whether likely to profit from him or not, is more deferential; he moves in an ideal atmosphere of unqualified privilege. One can observe everywhere all manner of small privileges granted to the purchaser of expensive goods and to the first-class privileges that have as little connection with the objective value as friendly smile of the merchant with the more expensive goods that he i These privileges are a gratuitous supplement, and their most painful f perhaps that the consumer of cheaper goods, who is denied them, can plain that he is being cheated. This can be best illustrated by a ver instance. The streetcars in some cities have two separate classes which price, although the more expensive class offers no material advantage in of greater comfort. What the traveller buys with his first-class ticket is to join the exclusive company of those who pay such a higher price in be separated from the second-class passengers. Thus the well-to-do ir can acquire an advantage simply by spending more money, without ne receiving a material equivalent for his expenditure.

Viewed from the outside, it may seem that this is the opposite of an increment, because the well-to-do individual receives relatively less, tively more, for his money. But the unearned increment of wealth app in a negative, but pure, form; the rich man gains an advantage without to an object and exclusively by virtue of the fact that other people cann as much money as he can. Wealth, indeed, is often regarded as a kind merit, as is indicated by the term 'respectability' and by popular refer the well-to-do as 'upright citizens' or 'the better-class public'. The sam mon is shown from the other side by the fact that the poor are trea

The maximization of value through changes in ownership

But the mere justice that is implied in exchange is certainly only formal and relative: any one person should have neither more nor less than any other. Over and above that, exchange brings about an increase in the absolute number of values experienced. Since everybody offers for exchange only what is relatively useless to him, and accepts in exchange what is relatively necessary, exchange effects a continuously growing utilization of the values created from nature at any given time. If the world were really 'given away' and all activity consisted only in the mere moving back and forth of an objectively unalterable quantity of values, then exchange would nevertheless produce, as it were, an intercellular growth of values. The objectively stable sum of values changes through a more useful distribution, effected by exchange, into a subjectively larger amount and higher measure of uses experienced. This is the great cultural task of every distribution of rights and duties, which always implies an exchange. Even in the case of an apparently quite one-sided transfer of advantages, a truly social procedure will not disregard them. Thus, for example, it was essential during the liberation of peasants in the eighteenth and nineteenth centuries not only to ensure that the landowners forfeited what the peasants were supposed to gain, but also to find a mode of distributing property and rights which enlarged the total amount of utilities.

There are two qualities of money that, in this respect, suggest that the exchange of goods or services is best served by money: its divisibility and its unlimited convertibility. The former ensures that an objective equivalence between service and its return can take place. Natural objects can seldom be so determined and scaled in value that their exchange has to be accepted as completely just by both parties. Only money – because it is nothing but the representation of the value of other objects, and because there is almost no limit to its divisibility and accretion – provides the technical possibility for the exact equivalence of exchange values. However, this represents only the first stage in the progressive development away from the one-sidedness of exchange of ownership. The second quality of money derives from the fact that exchange in kind seldom gives both parties the desired object to an equal extent or is able to release them from equally superfluous ones. As a rule, the more lively desire will be on the side of one party to the transaction while the other party will enter into the exchange only by being forced to do so or where they receive a disproportionately high compensation for doing so. In the case of the exchange of services or benefits against money, however, one party receives the object that they especially need while the other receives something that anyone in general desires. Because of its boundless usefulness and therefore its permanent desirability, every exchange becomes, at least in principle, equally advantageous to both parties. The one who takes the object will certainly do so only if he needs it

at this point in time; the person who takes money will accept it because he uses it at any time. Exchange against money makes possible an increase in satisfaction for both parties, whereas with exchange in kind it is frequently the case only one party will have a specific interest in the acquisition or disposal of an object. Thus exchange against money is so far the most perfect form of social object. The great cultural problem that evolves from the one-sided advantage of the great cultural problem, namely, to raise the objectively given amount of exchange of possessions, to a greater amount of subjectively experienced values merely through the creation of values, is clearly the task of its owners. This, alongside the original creation of values, is clearly the task of social expediency as part of the general human task: to set free a maximum of the latent value that lies in the form that we give to the contents of life. When we see money serving this purpose, the technical role of money also reveals exchange is the essential social mode of solving this problem and that exchange itself is embodied in money.

The increase in the amount of satisfaction that in principle is always possible through the commodity-money exchange process – and despite the eudaemonistic devaluation by virtue of other consequences – does not rest on the subjective state of one or the other parties involved in the exchange. Obviously the objective, economic fruitfulness and the intensive and extensive growth in the amount of goods in the future depends upon the manner in which any given quantity of goods is distributed at the present time. The economic consequences will be completely different depending upon who disposes of various quantities. The mere transfer of goods from one hand to the other subsequently considerably modify the quantity of goods in an upward or downward direction. We can even say that at the same quantity of goods in different hands means a different quantity, just as the same seed in different soils produces different results. This result of the variation in distribution is marked with regard to money. However changeable the economic importance of a landed estate or a factory may be for different owners, these variations in returns, over and above quite insignificant amounts, bear the mark of a stock exchange speculator or a rentier, or the State or the large industrial and abnormality. Yet the fact that the same amount of money in the hands produces extraordinarily different returns is a normal phenomenon that corresponds to the incomparable scope which the ownership of money provides objective and subjective, to good and bad factors for its realization. One must at least say, with regard to the sum total of money owned by a group, that inequality and change in its distribution is only a change in form that leads to significance for the whole unchanged. This very change in form produces material the most fundamentally diverse results for the economy and for various totalities. It is, furthermore, not merely a question of quantitative differences but rather of differences in quality that on the one hand are absolutely beyond our problem at hand, and on the other also lead back to the question of que

In general, the same commodity in different hands implies, economically, only a quantitative difference in the money return, whereas the same amount of money in different hands signifies a qualitative difference in its objective effects. The social expediency that is undoubtedly at work here explains why modern wealth tends to remain for much shorter periods of time in any one family than was formerly the case in non-money economies. Money, so to speak, seeks out the more profitable hand, and this is all the more conspicuous and must result from all the more compelling reasons because the ownership of money may be enjoyed more tranquilly, safely and passively than any other form of property. Since money, by virtue of its mere distribution at a given moment, displays a minimum as well as a maximum of economic profitability, and, further, since change in the ownership of money does not bring about as much loss through clashes and loss of time as do other objects, economic usefulness here possesses a particularly wide scope for its task of attaining a maximum of its total importance by means of the type of distribution of ownership.

We are here especially concerned to resume our interrupted investigation of how far the money economy is able to increase individual liberty to its fullest extent, that is to release it from that primary form of social values in which one person has to be deprived of what the other receives. In the first place, the purely surface phenomenon of the money economy indicates this bilateral advantage. The everyday exchange of commodities in which the commodity is directly inspected and handed over obliges the buyer to undertake in his interest a careful and expert examination of the commodity because the seller – after having offered this opportunity – may reject any later complaint. When trade has developed to the extent that purchases are made on the basis of samples, responsibility is transferred to the seller not only for the exact concurrence of the sample with the delivery, but also for any error, since the buyer will naturally profit ruthlessly by any error that he may find in the quality of the sample. Transactions carried out at our modern commodity exchanges have taken on a form that relieves both parties of these responsibilities by being carried out not according to samples but by generally accepted standards that are set once and for all. In this case, the buyer no longer has to rely upon a preliminary testing of the whole or upon the sample with all its chances of error; the seller too is no longer required to supply, according to the individual, the relatively arbitrary sample which entails all kinds of risks. Rather, both now know exactly, when they agree to a contract for a certain standardized quality of wheat or petrol, that they are obliged to deliver an objectively fixed standard of the commodity – a standard that has no regard for personal uncertainties and deficiencies. There has thus been established a mode of bargaining at the peak of the money economy which lightens the burden of responsibility for both parties but transfers the subjective basis of the transaction into an objective one and alleviates the disadvantage of one party at the expense of the other. Credit transactions

exhibit an exact parallel to this. In the Middle Ages it was very difficult to ascertain the credit-worthiness of an individual businessman, a difficulty impaired and hampered both his actions and those of the creditors. Only at stock exchanges of the sixteenth century, particularly at Lyons and Antwerp were the bills of exchange of certain trading houses considered safe from very outset. At these exchanges the concept of absolute credit-worthiness emerged, which gave an objective interchangeable value to obligations that independent of personal considerations of credit-worthiness. None of the trading houses might still vary in their qualifications, but they were reliable far as their money obligations were concerned, and such obligations – adequate for this objective purpose – were thereby severed from any other individual characteristics. Just as the stock exchange raises the essence of money to purest form, so it has, through the creation of the general and objective concept of being 'credit-worthy', typically developed a relief for one side that is outweighed by a burden for the other but which, on the contrary, provides same facilities to the creditors as to the debtors by transforming uncer individual assessments into an objectively valid quality.

Cultural development increases the number of persons on whom one is dependent

The importance of the money economy for individual liberty is enhanced to explore the form that the persistent relations of dependence actually possess already indicated, the money economy makes possible not only a solution but a specific kind of mutual dependence which, at the same time, affords room for a maximum of liberty. Firstly, on the face of it, it creates a series of previously unknown obligations. Dependency upon third persons has spread into completely new areas ever since a considerable amount of working capital, mostly in terms of mortgages, had to be sunk into the soil in order to wrest from it the required yield. Such dependency upon third parties also spreads once tools were directly produced with raw materials are produced indirectly by certain amounts of prefabricated components and once the labourer uses means of production which he does not own. The more the activity and life of people becomes dependent upon objective conditions by virtue of a complicated technology, the greater necessarily is the dependence upon more and more people. However, these people gain their significance for the individual concern solely as representatives of those functions, such as owners of capital suppliers of working materials. What kind of people they are in other respects plays no role here.

This general fact, the significance of which we shall examine later, presupposes the process by which a person acquires a definite personality in a first place. It is obviously a result of the fact that a majority of qualities, characteristic traits and forces coalesce in a single person. Even though this person

relatively speaking, a unity, this unity can become real and effective only by unifying a variety of determinants. Just as the essence of the physical organism lies in the fact that it creates the unity of the life-process out of the multitude of material parts, so a man's inner personal unity is based upon the interaction and connection of many elements and determinants. Each individual trait, viewed in isolation, bears an objective character; that is, it is, in and for itself, still not something personal. Neither beauty nor ugliness, neither the physical nor the intellectual centres of power, neither occupations nor intentions, nor indeed all the other innumerable human traits, unambiguously determine a personality as such. For each of them may be combined with any other quality, even with mutually incompatible elements, and may still be found in the make-up of an unlimited variety of personalities. Only the combination and fusion of several traits in one focal point forms a personality which then in its turn imparts to each individual trait a personal-subjective quality. It is not that it is this *or* that trait that makes a unique personality of man, but that he is this *and* that trait. The enigmatic unity of the soul cannot be grasped by the cognitive process directly, but only when it is broken down into a multitude of strands, the re-synthesis of which signifies the unique personality.

Such a personality is almost completely destroyed under the conditions of a money economy. The delivery man, the money-lender, the worker, upon whom we are dependent, do not operate as personalities because they enter into a relationship only by virtue of a single activity such as the delivery of goods, the lending of money, and because their other qualities, which alone would give them a personality, are missing. This, of course, only signifies the ultimate stage of an on-going development which, in many ways, is not yet completed – for the dependency of human beings upon each other has not yet become wholly objectified, and personal elements have not yet been completely excluded. The general tendency, however, undoubtedly moves in the direction of making the individual more and more dependent upon the achievements of people, but less and less dependent upon the personalities that lie behind them. Both phenomena have the same root and form the opposing sides of one and the same process: the modern division of labour permits the number of dependencies to increase just as it causes personalities to disappear behind their functions, because only one side of them operates, at the expense of all those others whose composition would make up a personality. The form of social life that would evolve were this tendency to be completely realized would exhibit a profound affinity to socialism, at least to an extreme state socialism. For socialism is concerned primarily with transforming to an extreme degree every action of social importance into an objective function. Just as today the official takes up a 'position' that is objectively pre-formed and that only absorbs quite specific individual aspects or energies of his personality, so a fully fledged state socialism would erect, above the world of personalities, a world of objective forms of

social action which would restrict and limit the impulses of individual personalities to very precisely and objectively determined expressions. The relationship of this world to the former is similar to that of the relationship of geometric figures to empirical bodies. The subjective tendencies and the whole of the personality could then turn into activity by restricting themselves to one-sided functional modes into which the necessary societal action is subdivided, fixed and objectivated. The qualification of acts of the personality would thereby be completely transferred from the personality, as the *terminus a quo*, to objective expediency, the *terminus ad quem*. Thus, the forms of human activity would stand far above the full psychological reality of man, like the realm of Platon ideas above the real world. Traces of such formations do frequently exist: often a function in the division of labour confronts its holders as an independent imaginary formation so that they, no longer individually differentiated, simply pass through this function without being able or allowed to put their own personality into these rigidly circumscribed individual demands. The personal as a mere holder of a function or position is just as irrelevant as that of a guest in a hotel room. In such a social formation, taken to its logical conclusion, the individual would be infinitely dependent; the one-sided determination of the performance would make him dependent upon supplementation by the action of all others and the satisfaction of needs would result not so much from the specific abilities of the individual but rather from an organization of work which confronted him externally and which was conceived in accordance with a completely objective standpoint. If state socialism were ever to develop to its full extent then it would pave the way for this differentiation of life-forms.

Money is responsible for impersonal relations between people

The money economy, however, exhibits such differentiation in the sphere of private interests. On the one hand, money makes possible the plurality of economic dependencies through its infinite flexibility and divisibility, while on the other it is conducive to the removal of the personal element from human relationships through its indifferent and objective nature. Compared with modern man, the member of a traditional or primitive economy is dependent only upon a minimum of other persons. Not only is the extent of our needs considerably wider, but even the elementary necessities that we have in common with all other human beings (food, clothing and shelter) can be satisfied on the help of a much more complex organization and many more hands. Not only does specialization of our activities itself require an infinitely extended range of other producers with whom we exchange products, but direct activity itself is dependent upon a growing amount of preparatory work, additional half- and semi-finished products. However, the relatively narrow circle of peo-

upon whom man was dependent in an undeveloped or under-developed money economy was established much more on a personal basis. It was these specific, familiar, and at the same time irreplaceable people with whom the ancient German peasant or the Indian tribesman, the member of a Slav or Indian caste, and even medieval man frequently stood in economic relations of dependency. The fewer the number of interdependent functions, the more permanent and significant were their representatives. In contrast, consider how many 'delivery men' alone we are dependent upon in a money economy! But they are incomparably less dependent upon the specific individual and can change him easily and frequently at any time. We have only to compare living conditions in a small town with those in a city to obtain an unmistakable though small-scale illustration of this development. While at an earlier stage man paid for the smaller number of his dependencies with the narrowness of personal relations, often with their personal irreplaceability, we are compensated for the great quantity of our dependencies by the indifference towards the respective persons and by our liberty to change them at will. And even though we are much more dependent on the whole of society through the complexity of our needs on the one hand, and the specialization of our abilities on the other, than are primitive people who could make their way through life with their very narrow isolated group, we are remarkably independent of every *specific* member of this society, because his significance for us has been transferred to the one-sided objectivity of his contribution, which can be just as easily produced by any number of other people with different personalities with whom we are connected only by an interest that can be completely expressed in money terms.

This is the most favourable situation for bringing about inner independence, the feeling of individual self-sufficiency. The mere isolation from others does not yet imply such a positive attitude. Stated in purely logical terms, independence is something other than mere non-dependence just as, say, immortality is something other than non-mortality; stone and metal are not mortal but it would not be proper to call them immortal. Even the other meaning of isolation - loneliness - reflects the erroneous impression of pure negativity. If loneliness has a psychological reality and significance then it in no way refers merely to the absence of society but rather to its ideal and then its subsequently negated existence. Loneliness is a distant effect of society, the positive determination of the individual through negative socialization. If mere isolation does not produce a longing for others or satisfaction at being remote from others - in brief, a dependency of feeling - then man is placed completely beyond the question of dependency or freedom and actual freedom takes on no conscious value because it lacks its opposite - friction, temptation, proximity to differences. If freedom means the development of individuality, the conviction to unfold the core of our being with all its individual desires and feelings, then this category implies not a mere absence of relationships but rather a very specific relation to others. These

others have to be there and to be experienced as there in order to become irrelevant. Individual freedom is not a pure inner condition of an isolated subject, but rather a phenomenon of correlation which loses its meaning when its opposite is absent. If every human relationship consists of elements of closeness and distance, then independence signifies that distance has reached a maximum, but the elements of attraction can just as little disappear altogether as the concept of 'left' exist without that of 'right'. The only question is then one of what is the most favourable concrete formation of both elements for promoting independence, both as an objective fact and as a subjective awareness. Such a situation seems to exist when, although extensive relations to other people exist, all genuinely individual elements have been removed from them; as in the case of mutual influences which are, however, exerted anonymously or regulations established without regard for those to whom they apply. The cause as well as the effect of such objective dependencies, where the subject as such remains free, rests upon the interchangeability of persons: the change of human subjects - voluntarily or effected by the structure of the relationship - discloses that indifference to subjective elements of dependence that characterizes the experience of freedom. I recall the experience referred to at the beginning of this chapter, namely that a change in obligations is often experienced as freedom; it is the same form of relationship between obligations and freedom that continues here only in the individual obligation. A simple example is the characteristic difference between a medieval vassal and a serf: the vassal could change his master whereas the serf was unalterably tied to the same one. This reflects an incomparably higher measure of independence for the vassal compared with the serf, even though their obligations, considered by themselves, would have been the same. It is not the bond as such, but being bound to a particular individual master that represents the real antipode of freedom. Even the modern status of domestic servants is characterized by the fact that employers can choose by references and personal recommendations, whereas the servant has neither the chance nor the criteria for making similar choices. Only in most recent times has the scarcity of domestic servants in large cities occasionally provided the possibility of turning down a position for imponderable reasons. Both sides consider this a major step towards the independence of servants, even though the actual demands of the job are no less heavy than they previously were. If we consider the same form of relationship in an altogether different area, we can say that if an anabaptist sect justifies polygamy and the frequent change of wives on the grounds that this destroys the inner dependency or the female role then this is merely the caricature of a basically sound observation. Our overall condition is at any moment composed of both a measure of obligation and a measure of freedom, such that, within a specific sphere of life, the one is to a greater extent realized in its content, the other in its form. The restraints imposed upon us by a specific interest are felt to be less oppressive if we can