

KARL MARX'S TWO THEORIES OF VALUE

—An Interpretation

P. N. MATHUR

THE ALLEGED contradiction between the theory of value propounded by Marx in the first volume of *Capital* with the theory of price determination expounded by him in the Vol. III has been the subject of lively controversy and discussion even from the time Vol. III was not published; vide Engels challenge in the preface of Vol. II of *Capital* for anybody to solve this "Transformation problem" whose solution is the price determination theory of the Vol. III.¹ About the basic issue and its possible solution Prof. Meek writes as follows. His view may be considered as the latest attempt at reconciliation of these two theories.

"Broadly speaking there are two types of supply price to be found in the history of commodity exchange—first, that of the producer who thinks of his net receipt as a reward for his labour, and second, that of the producer who thinks of his net receipts as a profit on his Capital. What Marx did, in effect was to assume that the first type of the supply price was characteristic of all pre-capitalist forms of society, and to concentrate on the task of showing how the coming of capitalism, . . . accomplished the transformation of the first type of supply price into the second".² He reinforces this interpretation by saying that Engels tried to solve the problem by suggesting that up to the time when the capitalist form of production came upon the scene, commodity prices in actual fact normally tended to "gravitate towards the values fixed by the Marxian law and oscillate around these values". (Engels on *Capital*, p. 106), (*ibid.*, p. 157).

On the other hand Engels writes in the Preface to the first English Edition of the first volume of *Capital* that "This first book is in a

¹ For modern discussions see among others, Bortkiewicz "Value and Price in the Marxian System", International Eco. Papers No. 2; Maurice Dobb, "On Economic Theory and Socialism", Chap. 17; Winternitz J. "Value and Prices: A solution of the so-called Transformation Problem"; Eco. Jour. 1948. Meek, R. L. "Some notes on Transformation Problem"; Eco. Journal 1956. Reprinted in "Economics and Ideology etc." London 1967. Samuelson, P. "Wages and Interest: A modern dissection of Marxian Economics", A.E. Review, 1957.

² Meek, R. L., *Op. cit.*, p. 157.