

A Treatise on the Capitalist Society, Second Edition

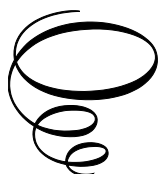
A Treatise on the Capitalist Society, Second Edition:

*Critiquing Marx's Economic
and Political Theory*

By

Xing Yu

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To Canada

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PROLOGUE

Language plays a role in the formation and growth of human society, including the capitalist society. When humans use language in mutual communication, they use and develop media. Media extend the distance of communication. Humans interact with one another on a large scale; they form a large society. By “a large society,” I mean the society formed by a large number of people in a large area. If a society can be built by people who engage in the exchange of commodities of small-scale production, a pre-capitalist society is built. In contrast, a capitalist society is built by people who engage in the exchange of the commodities of large-scale production. Small-scale production is on the family scale, whereas large-scale production is on a scale larger than that of family. The capitalist society is just a society in which those who engage in the exchange of commodities of large-scale production play an important role in the formation and the growth of the society. Then, assuming that language plays a role in the formation and growth of society all the time, its role is more important in the formation and growth of the capitalist society in which people create more social conditions for the exchange of commodities of large-scale production, and such social conditions are media and language plays a role in support of the operation of such media. In other words, the society formed by people engaging in the exchange of the products of small-scale production is small, whereas the society formed by people engaging in the exchange of the products of large-scale production is large. For instance, although in a pre-capitalist society humans sometimes built an empire, such empire might be a large state, not a large society. As language needed to play a role in the formation of the entire society first and then the formation of the state, an empire that had a polyglot population did not have a unified society formed by people engaging in production and exchange across the empire. Societies under the rule of an empire were often small ones. Likewise, though a feudal state was often built in a pre-capitalist society, the society was also often small or fragmented because the society of the feudal state was a cluster of separate local societies. That is, the capitalist society is a large society built by people in their economic activities. I intend to indicate this characteristic of the capitalist society.

Although the type, attributes, and nature of the capitalist society was initially or particularly brought to the attention of the human society, including the academic community of social sciences and philosophy, by some sociologists, economists or philosophers including Karl Marx in the nineteenth century, the emergence of the capitalist society may be an outcome of a long-term economic growth of the society, more often structured by language together with media. If we admit that the appearance of the capitalist society is a revolution to the feudal society as the capitalist society takes shape—in a historical transition from the society dominated by landlords to the society dominated by capitalists—we can also argue that the appearance of the feudal society is an episode of historical evolution in a transition from the society dominated by slave masters to the society dominated by landlords, and the slave-owning society is the first type of civilized society that appears upon the termination of the primitive society. But this whole process of social evolution may, first of all, result from the evolution of human communication structured by language and media.

If we concede that human society really evolves from one type of society to another, and the capitalist society is a new type of society, as compared with any pre-capitalist society, this society can be regarded as being especially built by business people through their economic activities. In this society people are active in production and exchange, contributing to economic growth. For example, one of the most prominent attributes of the capitalist society is developing productive forces that are strongly supported by the market economy, which enables humans to increase the scale of production and accumulate funds for large-scale production. This motivates humans to create science and develop technology for the enhancement of productivity of the factories and for the provision of new products for exchange, a fact that results in the birth of an industrialized society in place of the traditional agricultural society that has basically remained unchanged over thousands of years. This is the perspective from which I am going to explain my views about capitalist society. At the same time, I will provide a critique of Marx's theory about capitalist society because my views are distinct from his.

That is, in the context of Marxist political economy, the relations of production and the development of productive forces can often be two dimensions of one proposition. A positive change in the relationship of production results in the development of productive forces and the development of productive forces also results in a positive change in the relationship of production—possibly through a revolution. For example, Marx writes, in his work *A Contribution to the Critique of Political*

Economy, published in 1859, that “In the social production which men carry on they enter into definite relations that are indispensable and independent of their will; these relations of production correspond to a definite stage of development of their material powers of production.”¹ Then he continues,

At a certain stage of their development, the material forces of production in society come into conflict with the existing relations of production, or—what is but a legal expression for the same thing—with the property relations within which they had been at work before. From the forms of development of the forces of production these relations turn into their fetters. Then comes the period of social revolution.²

These are traditional ideas about the relationship between the development of productive forces and production relations discussed by scholars in the Marxist literature of economics, sociology, and politics. The formation of the relations of production and the development of social forces of production may also be part of the evolution of the structure of the society. But Marx seldom discussed the role of language or the role of media.

As I assume that humans build their relations of production in their mutual interaction that takes form through language, I argue that language plays a role in the evolution of human society through the stages of the slave-owning society and the feudal society to the stage of the capitalist society. Although the nature of capitalist society is different from that of the feudalist society, in the context of Marx’s theory, these two types of society also differ in some other respects, including language and media. The slave-owning society is also different in this way too. If we trace back the evolution of human society further, we can even argue that, although the primitive society and the civilized society are different in nature, what makes them different from each other is not only the development of productive forces, but also the evolution of language, and media used by language. If we assume that a type of society evolves to be another type of society in the human societal advancement from the lower level to the higher level, resulting in a change in quantity and then a change in quality, we may envision a role played by language and media in the rise and evolution of the capitalist society built by people engaging in the exchange of products of large-scale production.

¹ Howard Selsam and Harry Martel, eds., *Reader in Marxist Philosophy: From the Writing of Marx, Engels and Lenin* (New York: International Publishers, 1963), 186-187.

² Ibid.

We should probe how the primitive society of humans evolves to be the civilized society, how the slave-owning society evolves to be the feudalist society, and how the feudalist society evolves to be the capitalist society over a longer period of time in many respects, including the respects of language and media. Language and media shape human society, including the capitalist society; mutual interactions of humans shape their society. Language and media structure the mutual interactions of humans. These mutual interactions shape human society in a transition from the primitive society to the civilized one. These mutual interactions of humans also shape human society in a transition from the slave-owning society or the feudalist society to the capitalist society. Although the relations of production serve as a basis for the formation of the society, or the development of social forces of production changes the society, the relations of all-purpose mutual linguistic interaction among humans also shape the society if we envision the evolution of human society over a longer period of time. Such relations of mutual linguistic interaction may construct human society in a more fundamental sense if the evolution of human society is viewed over a longer period of time. In the primitive society, humans need survival first, in order to ensure the continuation of the species insofar as the level of the development of productive forces is very low. In the primitive society, the social relations of humans are built because of kinship, not because of social relations of production defined by Marx. If the productive forces develop, the population of the society will increase in size. When the population of the society increases in size, the size of the society also increases. But the increase of the population of the society is always subject to a limit; the size of the primitive society is usually small as compared with that of the civilized society. The reason is that humans use only spoken language in the primitive society. While speaking, humans communicate with one another face-to-face. They interact with one another on a small scale. They may perform human-chain linguistic communication. By this I mean the communication in which one person sends a message to a second person, and the second person sends the same message to a third person. The second person is a link in the chain of communication. He is also a medium. Medium supports language in playing a role in the mutual interactions of humans in the formation of their society.

The development of communication since the invention of written script has fundamentally changed the mutual interaction of humans in the formation of their society. While performing written communication, humans make use of “material media” such as stone, metal objects, and paper. These media supersede “human media” such as the links in the

chain of communication mentioned earlier. Because material media support communication over long distances, written communication underlies an increase in the size of human society. This is the reason that the primitive society is replaced by the civilized society—and the civilized society is always larger than the primitive society in size. A tribe in the primitive society usually has a population of several thousand people. According to Frederick Engels, the average strength of American tribes is under 2,000 members, and the Cherokees number about 26,000, the greatest number of Indigenous members of a tribe in the United States.³ In contrast, a state usually has a population of millions of people today. An increase in the size of a human society underlies the evolution of human society through history, and this may help us interpret the emergence of the capitalist society. To me, the primitive society is smaller in size than the civilized society and the slave-owning society or the feudalist society is often smaller than the capitalist society because, while humans form a slave-owning society or a feudalist society, this society is a local society, confined to a small area. A manor may constitute a local society. A number of such small societies form a state such as a kingdom. But as these societies are isolated from each other, the society is small. If there is an empire, this empire consists of many different small societies. In contrast, the capitalist society emerges as a combination of these small societies. The capitalist society takes shape on the basis of consolidating these small societies of the past. For example, the appearance of the absolutist states in Europe in the period from the sixteenth to eighteenth century was indicative of the fact that a market economy took shape across the country. The capitalist society gradually took form. This was a large society that took shape on the basis of combining many small local societies. Then, the capitalist society serves as a foundation for the formation of the state in modern times. This state is usually a nation-state. Sometimes a nation-state emerges simply by combining a certain number of kingdoms of the past; an integrated capitalist society takes shape among these kingdoms. Thus, a nation-state usually has a large population and a large territory. This nation-state is usually formed on the basis of the formation of a capitalist society which is comparatively large in size if this nation-state is not a socialist state.

If we assume that a gradual increase in the size of human society dominates the evolution of human history and finally results in the formation of the capitalist society due to a role played by people engaging in production and exchange, I contend that language plays an important

³ See: Frederick Engels, *The Origin of the Family, Private Property and the State* (New York: International Publishers, 1972), 154.

role in the formation and evolution of the capitalist society because it enables people to engage in large-scale production through the operation of market. In particular, I argue that written language plays a special role in the formation and growth of the capitalist society, whereas spoken language plays a primary role in the formation of the pre-capitalist society because people are often illiterate in that society. This argument may allow us to envision the capitalist society from another perspective, rather than the perspective from which Marx discussed it.

My view is that, given that humans need to communicate with one another in order to form a society before they can improve their living and productive conditions because their economic activities are social activities, the birth of language underpins the formation of society first and then the development of productive forces. While humans begin to speak, they form a primitive society; while they begin to write, they form a civilized society. In the primitive society, they gather fruits and hunt beasts, their work of survival; in the civilized society, they grow crops or manufacture industrial products. It is language that plays a role in creating some social conditions for the development of productive forces and such social conditions are media though humans also establish their social relations in production. For instance, market, a condition for the development of the exchange of commodities, is actually a medium. Such medium supports the development of the division of labor and the division of labor is one of the conditions for the development of large-scale production in the capitalist society. While discussing market in his book *The Wealth of Nations*, Adam Smith indicates that in a small community, it is difficult for the division of labor to develop because the extent of market is very limited. That is, "when the market is very small, no person can have any encouragement to dedicate himself entirely to one employment." For example, a male of each household living in a small village in Scotland has to work as a carpenter, a mason, and a smith at the same time. If a male works only as a porter, the demand for the service provided by him in the village may not be high enough to allow him to work as a porter only. Only when the market becomes large because people are engaging in trade in a large area, such as in a city or in a country, will the demand for the service he provides be high enough for him to work only as a porter. Smith especially mentions that some sorts of industry can be carried on nowhere but in a great town.⁴ His comment implies that an increase in the size of the society buttresses the operation

⁴ Adam Smith, *The Wealth of Nations*, with An Introduction by D. D. Raphael (New York: Alfred A. Knopf, 1991), 15-16.

of commerce and market, and commerce and market are some of the constructs of the capitalist society that emerges.

This is because language plays a role in the formation and growth of the civilized society. If we argue that such a society can be a form in which humans group themselves to interact with one another using language, such a society may also be structured by the use of language. Using language, humans communicate with one another. Their relations of linguistic communication can also be their social relations. Although the relations of production among humans can also be regarded as their social relations, as argued by Marx, the relations of linguistic communication may dictate their relations of production, rather than vice versa. The reason is that when using language, humans also create and use media. When they perform spoken communication, air serves as the medium; when they perform written communication, materials such as stone or metal objects or paper serve as the media. Creating and using media in communication, humans extend the distance of linguistic communication. They begin to interact with one another on a large scale. This results in the dissolution of the primitive society and the birth of the civilized society. Using language along with a variety of media for their mutual communication serves as a starting point of the growth of the civilized society. Humans establish their relations of linguistic communication before establishing their relations of production. This also dictates, in the beginning, the possibility of forming the society that keeps on growing in size. The capitalist society finally takes shape in modern times.

My reasoning is that using language for communication also implies engaging in mutual interaction when humans communicate with one another. When they communicate with one another using language, they have to use at least one medium. Sometimes they use two or more media. Media play an important role in the economic activities of humans. Humans themselves may also act as media in support of their economic activities. For example, humans buy and sell products on the market. They serve as media that give circulation to the products sold and bought on the market. They are human media. Products also serve as media that give rise to the mutual interaction of humans on the market. Products are material media. That is, humans interact with one another due to those products because some people sell them and other people buy them. When Marx wrote his book, *The Capital: A Critique of Political Economy*, he started by discussing commodities. Commodities are media that give rise to the mutual interaction of humans on the market. Yet, humans need to learn how to speak and write first in order to perform their economic activities. When they exchange goods on the market, they give expression to their

intention for market exchange. They have to use language. If they agree to exchange some goods, they must make a contract, or at least reach a consensus. Making a contract or reaching a consensus presupposes the use of language in support of their mutual interactions on the market. As I believe that language plays a role in the growth of human society together with various media, I envision the growth of human society differently than Marx does.

While Marx discusses commodities, I regard commodities as media because humans often interact with one another, or even sometimes cooperate with one another, due to the demand and supply of commodities; while Marx studies currency as a means of exchange, I view currency as a medium because currency facilitates humans to exchange goods and services; while Marx analyzes the market, I consider the market to be a special medium, as people normally buy and sell goods and services through the market; while Marx criticizes capital, I consider capital to be a medium because capital may mean funds that enable an entrepreneur to amass many elements of production, such as raw material resources, human resources, and technological resources for large-scale socialized production. In some sense, the non-capitalist mode of production of pre-capitalist society is based on spoken communication, whereas the capitalist mode of production is particularly based on written communication. As humans engage in large-scale production for profits realized through market, they sign business contracts and they perform accounting. While humans engaged in the production of petty commodities on a small scale, they usually did so in the environment of spoken communication only. While humans engage in large-scale production, they often do so in the environment of written communication. Signed contracts are in writing and accounting is performed in the form of financial statements such as an income statement, a balance sheet, a cash flow statement, and so on, in writing. They also engage in bookkeeping in writing. As Max Weber argues,

The important fact is always that a calculation of capital in terms of money is made, whether by modern book-keeping methods or in any other way, however primitive and crude. Everything is done in terms of balances: at the beginning of the enterprise an initial balance, before every individual decision a calculation to ascertain its probable profitableness, and at the end a final balance to ascertain how much profit has been made.⁵

⁵ Max Weber, *The Protestant Ethic and the Spirit of Capitalism*. Trans. Talcott Parsons. (New York: Charles Scribner's Sons, 1958), 18.

Whereas farmers who farmed land in medieval times were usually illiterate, entrepreneurs who operate factories in the production of industrial products in modern times have the knowledge of arithmetic and they are usually literate. Entrepreneurs are seldom unable to read and write.

In addition, as language underlies the growth of the capitalist society in some sense, it serves as an essential basis for the building of the capitalist system of the society in support of the capitalist mode of production central to the operation of this society. In the primitive society, people adhere to the principle of the rights of common property or public property ownership, in some sense. But the rights of common property have never been defined in writing because primitives do not use written language. The rights of property cannot be defined by using spoken language. If the rights of property are defined by the constitution of the state, such constitution is usually written. Although some countries such as the United Kingdom adopt an unwritten constitution, the rights of property are usually defined in writing. When people sign business contracts, the behavior of signing contracts confirms that they recognize the rights of property held by the other side signing the contracts.

I believe that the development of linguistic communication of various types underlies a long process of societal evolution leading to the birth and growth of the capitalist society. Analyzing the capitalist society from this perspective may allow us to see the other side of the capitalist society. This side of the capitalist society has almost never been mentioned by Marx and others who support him in their arguments. As the arguments about the nature of the capitalist society are so controversial in the academic community and in the contemporary world as well, I would like to offer my views about this. I will describe the role played by language together with media when I give my comments on the capitalist society, and then explain my contemplation about the nature of this society. I will explain mainly my views about it though I do not disagree with Marx on all the respects of the capitalist society. I believe that an analysis of the capitalist society from the perspective of language and media may shed light on many aspects of it that Marx never addressed. This may help us understand the capitalist society fully. This may also help us, to some extent, re-evaluate the historical applicability of the economic and political theories contributed by Marx, Engels, and others who followed them, about the capitalist society and their imagined and designed communist society as well. For example, how should we define private property? I will give an answer from the perspective of language and media. Please allow me to explain my views about the capitalist society as follows.

CHAPTER ONE

PRIVATE PROPERTY

What is property? People have been arguing about what property might be since ancient times. In ancient Greece, philosophers referred to what one possessed as his property. They argued about the significance of the rights of property. Plato insisted that common property should be a basis of building a just society. He asserted that in the perfect state, wives and children should be in common; the governors will take their soldiers and place them in houses that are common to all; they contain nothing private or individual about their property.¹ In contrast, Aristotle argued in favor of the system of private property as a basis for the building of the society. Aristotle wrote that Plato insisted on the sharing of property (and wives and children) and he believed that, “Of the several possible arrangements, common possession involves many difficulties, but private possession with common use (secured by virtue) will combine the best in both.”²

The Roman law clearly and directly defined property as the right to use and abuse one’s own within the limits of the law. Pierre-Joseph Proudhon, a French thinker, repeated this definition as he expressly wrote, “Property is the right to use and abuse.”³ According to the Declaration of Rights of France, published as a preface to the Constitution of 1893, property is “the right to enjoy and dispose at will of one’s goods, one’s income, and the fruits of one’s labor and industry.”⁴

My argument is that the right of property (property right) is the right held by one to keep, use, and dispose of his own property. But “property right” is an abstract concept. It appears due to the evolution of the management of social property; humans maintained the system of common property in the primitive society that took form because of

¹ Plato, *The Republic*. Trans. Benjamin Jowett (Mineola, New York: Dover Publications, Inc., 2000), 203.

² Aristotle, *The Politics of Aristotle*. Trans. Peter L. Philips Simpson (Chapel Hill: The University of North Carolina Press, 1997), 73; 40.

³ Pierre J. Proudhon, *What is Property: An Inquiry into the Principle of Right and of Government*. Trans. Benj. R. Tucker (New York: Howard Fertig, 1966), 280.

⁴ See: *Ibid.*, 42.

kinship, and kinship served as a basis for the formation of the primitive society, namely, the tribe. There was no, or hardly any, private property in the tribal society. Karl Polanyi observes that, in a tribal society, “[t]he individual’s economic interest is rarely paramount, for the community keeps all its members from starving unless it is itself borne down by catastrophe, in which case interests are again threatened collectively, not individually.”⁵ No linguistic presentation is given about the common property. People take common property for granted because a primitive society is actually a big family formed by those who are connected with each other by direct blood relationships. This method of forming human community is used by humans for their own reproduction. All people belonging to the same tribe interact with one another in behavior communication (the communication in which people display their behavior for communication such as smiling or waving a hand), together with linguistic communication in the formation of the society. Kinship is central to the formation of the tribe. Yet, in another sense, it is significant for people to speak though behavior communication is still important. As humans speak to each other using language, they make use of media. Air is a sort of medium that plays a role in human communication. Since humans can make use of air in mutual communication, each of them may also function as a medium in communication. People thus perform human-chain linguistic communication. They extend the distance of human communication, and many people may communicate with one another over long distances. As they interact, they begin to form a larger community. Then they invent a script. They learn to use material media such as stone, clay tablets, or paper in communication. They begin to perform written communication. In written communication, strangers may interact with one another. Humans form a large community. In this large community, blood relationships gradually attenuate, and the big family begins to dissolve. Humans form numerous small families or monogamous families. Then humans begin to stress the interest of many small families rather than the original interest of the big common family (tribe or clan). In this situation, private property appears in place of the original common property that takes shape in the primitive society. The appearance of private property also terminates the primitive society.

Private property actually appears in the use of language. The transition from sharing common property to possessing private property goes on along with the evolution of human society from the primitive one to the civilized one in which language plays a role. The common property of the

⁵ Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time*. (Boston: Beacon Press, 1957), 46.

primitive society takes shape naturally, without any linguistic presentation interpreting its nature, and without any regulation announcing that the tribe's property belongs to all. In need of raising a whole family, namely, the tribe, humans naturally consume the fruits of labor jointly. If there is any material surplus, it is shared by all as common property. Civilized society is different. There, humans invent the concept of private property on the basis of their experience of forming their society. They define private property using language. Everyone understands why people should have property rights. They regard property that sustains their livelihood as a basic condition of maintaining the livelihood of an individual person or a small family. If they labor and make a product, they will take such a product as their own property, according to law—which is a linguistic presentation. This is because when a human being labors to get a product or to make a product he needs for survival or living, he uses up energy generated by his body, including his hands, legs, and brain, and he needs to supplement nutrition to his body for the reproduction of his body. As he owns his own life and his body is what maintains his life, using his own body to make a product qualifies him to reap the product he makes. So what he gets from giving out his labor-power should be compensated, according to logic, and should be recognized by law. He should own the product he gets or makes according to law. In this sense, I argue that labor can be regarded as a method of getting and owning property in terms of the rights of property. Describing that a man creates his property through labor, John Locke also writes that “he removes out of the state that nature hath provided and left it in, he has mixed his labor with, and joined to it something that is his own, and thereby makes it his property.”⁶ He believes that that is the origin of private property. That is why humans set up a relationship between their labor and their property. That is why humans conceptualize property rights. Locke further writes, “He that is nourished by the acorns he picked up under an oak, or the apples he gathered from the trees in the wood, he has certainly appropriated them to himself.”⁷ The reason is that that labor puts a distinction between property in common and private ownership; that is, it adds something more than nature, the common mother of all, has done, and so they become his private property.⁸ For example, land one tills is his property.⁹

⁶ John Locke, *The Second Treatise of Government & A Letter Concerning Toleration*. (Mineola, New York: Dover Publishers, Inc., 2002), 13.

⁷ Ibid.

⁸ Ibid.

⁹ Ibid., 14.

Following Locke, other philosophers also discussed the origin of property and the recognition of the rights of property one got through his labor and the denial of the rights of property one got in some other way. They emphasized that everyone had the right to accommodate himself on the earth, but without hurt to others. Thomas Reid (1710-1796), a Scottish philosopher, writes, “The earth is a great theatre, furnished by the Almighty, with perfect wisdom and goodness, for the entertainment and employment of all mankind. Here every man has a right to accommodate himself as a spectator, and to perform his part as an actor; but without hurt to others.”¹⁰ He meant that on the earth everyone had the right to make a living by taking advantage of the conditions provided by nature on an individual basis and this right should be recognized and protected. This view was often the view presented by English philosophers in discussing the legitimacy of private property at that time, although Reid and Locke might not always hold the same philosophical views about property and morality. The key is the relationship between nature and humans and between two human beings.

That is, they clarified the relationships between nature and humans and between two human beings in order to legitimize property rights. Property rights therefore are essential — property cannot exist unless there are property rights. The rights of property are a basis of labor if we argue that labor is a kind of physical activity for production, and humans may create property (except land and some other natural resources) through production which sets up the relationships between nature and humans and particularly between two human beings. As Proudhon argues, the rights of property are a social condition for humans to labor and make products because if humans cannot be certain that they can reap the harvest, they will not plough and sow in the field. As noted by Proudhon, “who would take the trouble to plough and sow, if he were not certain that he would reap?”¹¹ The appearance of property rights is natural in that humans need to reap the fruits of their labor to make a living on the earth. So one gets his reward according to his labor. Property comes from labor. At least, as argued by Locke, labor gave rise to property rights in the beginning.¹²

¹⁰ Thomas Reid, *The Works of Thomas Reid*, Vol.2, Seventh Edition (Edinburg: MacLachlan and Stewart, 1872), 657. Also see: Pierre J. Proudhon, *What Is Property: An Inquiry into the Principle of Right and of Government*, translated by Benj. R. Tucker, 57.

¹¹ Pierre-Joseph Proudhon, *What is Property?* (Newton Stewart, UK: Anodos Books, 2019), 30.

¹² John Locke, *The Second Treatise of Government & A Letter Concerning Toleration*, 20.

But the existence of property rights does not mean that in the society, one person has a certain amount of property and another person has a different amount of property. Property rights do not dictate who is rich and who is poor. The rights of property, usually backed by law, protect people who legally have the rights of keeping and using the specific property. The rights of property are not designed to allow people to distribute the existing property of the society in the name of property rights, but to allow people to keep and use the property they make through labor. The rights of property are aimed at encouraging people to labor, not encouraging them to distribute the fruits of labor. In some sense, the rights of property are designed to protect the fruits of labor against plunder. Plunder, although illegal, is a method of redistributing the existing property.

If property is possessed by someone through plunder, he does not need to use language. The plunderer will not make an announcement that he will begin to plunder soon. The reason is that plunder is sometimes rampant in a region, endangering the property rights of those who labor, and laborers will not be certain whether they can reap after they plough and sow in the field. In this case, humans are often or usually in the state of war because no government ensures the establishment of social order, a normal condition for production. Thomas Hobbes writes:

“[W]here every man is enemy to every man, the same is consequent to the time wherein men live without other security than what their own strength and their own invention shall furnish them withal. In such condition there is no place for industry, because the fruit thereof is uncertain, and consequently, no culture of the earth, no navigation, nor use of the commodities that may be imported by sea, no commodious building, no instruments of moving and removing such things as require much force, no knowledge of the face of the earth, no account of time, no arts, no letters, no society, and which is worst of all, continual fear and danger of violent death, and the life of man, solitary, poor, nasty, brutish, and short.”¹³

Then, if we argue that the first task of establishing a government is to ensure the establishment of social order so that people can engage in production in the state of peace, we should also assume that establishing social order means protecting the property rights. Since the existence of property rights is a prerequisite for human society to allow people to labor honestly in order to make a living, people need to define the property rights and then protect these rights using force whenever necessary. This is the origin of private property rights. In other words, in order to facilitate

¹³ Thomas Hobbes, *Leviathan*. Ed. Edwin Curley. (Indianapolis: Hackett Publishing Company, Inc. 1994), 76.

production, the society needs to ensure that all laborers have the right to their property. This is also the origin of the government.

But, in some sense, the rights of property are not demonstrated by the property itself or by the government, but by a declaration. This declaration may be a law, a statute, or a regulation. The rights of property must be justifiable in themselves or by some antecedent rights. Society has to make documents certifying that the specific property of a specific location belongs to a certain person. This means that the rights of property are not designed and meant to distribute the existing property of the society, but to protect the property newly created or long preserved. Property rights are designed to encourage people to labor or to engage in production so as to increase the wealth of the society. If the rights of property are designed to distribute the existing property of the society, those who do not labor may have access to the property under the distribution plan. Then no one will be willing to labor so as to contribute wealth to the society. If the rights of property are the rights to distribute the existing property of the society, they are almost the same as plundering the property of the society. This is not the original meaning of property rights. If the rights of property are the rights of distributing the existing property of the society, they will not protect the right to keep and use the property, whether newly created or long preserved, and such a right is no different from plundering. Plundering the property of the society does not require linguistic presentation. No one will promulgate a law announcing that someone has the right to plunder. But human society needs to make a law announcing that one has the right to keep and use the property he has created or preserved.

As noted earlier, the rights of property do not stipulate that some should be rich while others should be poor. The rights of property do not decide on the distribution of the wealth of the society, but ensure that all are equal or treated in the same way when people protect property rights. Plundering ignores and tramples on property rights. Plundering means that some people plunder the property from the rich rather than from the poor, although not absolutely. In this sense, some philosophers may argue that property rights protect the property of the rich because it is meaningless to protect the property of the poor since the poor have no property. They argue that even though some poor people have some property, their property is not so attractive to others—so property rights mean the inequality of the society! I hold a different view. Property rights are aimed at encouraging people to labor rather than to plunder. In ancient times, some plunderers got rich through plunder. Feudal lords might be the original plunderers. They plundered land and became landlords. They

became the rulers of those manors. The most prominent plunderer among them became the ruler of the whole country and he was supported by all other plunderers when they made a contract recognizing the sovereignty of the most prominent plunderer. Plunderers became rich. Plunderers did not need the linguistic presentation of property rights.

In Medieval England, land was owned by the landlords who had force. According to Douglas C. North, John Joseph Wallis, and Barry R. Weingast:

The invasion of England by William the Conqueror in 1066 created an unusual political situation for Europe at the time: a geographically integrated political entity with military control vested in one easily identifiable group, the Normans. Faced with the need to quarter his army and maintain control of the population, William and his staff created a feudal political system in which major political and military figures held land directly from the king; in return, they owed knight-service, homage, and fealty to the king as their personal lord.¹⁴

These political and military figures held land, not because they had the rights of private property defined by the state, but because the king gave them land that he was occupying by force.

But if one has to make sure that he owns a piece of land without fearing that someone may take possession of his land using force, the rights of property guaranteed by the state would be ideal. As noted by North, Wallis, and Weingast, in the early days after the Conquest in England, property rights in land were only secure for those closely connected to the dominant coalition, and even for them, property rights were not secure enough to ensure a person's ability to determine who would enjoy his land after his death.¹⁵ The best way to ensure that a person definitely holds the land is the establishment, by the state, of property rights. In other words, using force to ensure the ownership of a piece of land is no better than possessing the land by holding the property rights guaranteed by the state.

If we argue that the rights of property may help those plunderers because the rights of property may help protect the property they have plundered, in this case, this does not necessarily mean that the poor people do not think of plundering the property from the rich who were originally plunderers. While describing property rights in nineteenth-century France, Proudhon wrote, "The liberty and security of the rich do not suffer from

¹⁴ Douglass C. North, John Joseph Wallis, and Barry R. Weingast, *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History*. (Cambridge: Cambridge University Press, 2009), 79.

¹⁵ *Ibid.*, 80.

the liberty and security of the poor; far from that, they mutually strengthen and sustain each other. The rich man's right of property, on the contrary, has to be continually defended against the poor man's desire for property. What a contradiction!"¹⁶ Property rights are actually set up by humans to guard against people who take possession of property without labor. No matter whether a man is rich or poor, he is not supposed to get property protected by property rights without labor, in most cases.

Likewise, if the capitalist extracts surplus value from the wage laborer, this behavior has never been legitimized by any law. Nobody authorizes the capitalist to extract surplus value from the worker without any compensation if the property rights are respected. So, if such a phenomenon exists, the phenomenon of extracting surplus value has never been described by law. Yet Marx claims that the rights of private property defined by the constitutions of capitalist countries are intended to allow the capitalist to extract surplus value from the wage laborer. Many economists also hold this view. Robert L. Heilbroner argues that "Private property may be an inherent exploitive institution, but it is also potentially a protective one."¹⁷ He means that the rights of private property also protect the property of the rich who exploit the poor. He implies that the rights of private property are also a weapon used by the capitalist to keep his wealth, which is the result of the capitalist's exploitation of the workers. To be honest, practice against law or morality in the society can never be officially defined, announced, and demonstrated as legitimate in the official documents of the government. Since the protection of the rights of private property is expressly announced in the official documents including the constitution, these rights are not designed to plunder or to extract surplus value unfairly. If a capitalist happens to extort surplus labor from the worker, against the provisions of the labor contract, and the worker cannot avoid the extortion of his surplus labor, the extortion of his surplus labor is only a phenomenon of executing hidden rules. Hidden rules can never be defined or officially defined using language. Therefore, the rights of private property are not designed to take possession of the property of some people through a distribution plan or to extort surplus value from a wage laborer, but to encourage people to work. In this case, it is groundless to support rescinding laws that protect property rights.

This is because the rights of property are defined using language. Defining the rights of property is governing the society. Governing the

¹⁶ Pierre-Joseph Proudhon, *What is Property: An Inquiry into the Principle of Right and of Government*. Trans. Benj. R. Tucker, 48.

¹⁷ Robert L. Heilbroner, *The Nature and Logic of Capitalism* (New York: W.W. Norton & Company, 1985), 127.

society always depends on linguistic presentation. People form their civilized society because they use language. In other words, property rights are the rights of private property. These rights are defined using language. They define the ownership of property and the right to distribute property owned by the person who gets it through labor. But the rights of common property do not have this feature. Although a socialist country may formulate a legal document announcing that certain property is owned by the state, that to a specific person such property is distributed for actual use is not clearly defined using language. So the rights of common property may allow some people to take possession of the common property illegally. Though the common property is said to be equally shared, the power of distributing such common property is not equally shared. As Hans-Hermann Hoppe writes, “Declaring everybody a co-owner of everything solves the problem of differences in ownership only nominally. It does not solve the real underlying problem: differences in the power to control.”¹⁸ Language is used only to define the common ownership, but not to define the right to distribute this property, as some common property is used or consumed by individuals. In some sense, the rights of common property allow for some people to take possession of the common property without working. As Arthur Seldon argues, “Public property destroys the essence of property.”¹⁹ The rights of common property then do not encourage people to work. The rights of common property do not facilitate the development of the social forces of production. My conclusion is that depending on the support of a process of linguistic communication is the only way that allows people to work proactively. In other words, only depending on the support of a process of linguistic presentation can allow for people to work proactively under the rights of private property defined using language.

Proudhon asserts that “Property is the exploitation of the weak by the strong. Communism is the exploitation of the strong by the weak.”²⁰ His second sentence is correct, whereas his first sentence is wrong. Property rights are not to allow for people to distribute the existing property, but to create new property, in essence.

¹⁸ Hans-Hermann Hoppe, *A Theory of Socialism and Capitalism: Economics, Politics and Ethics* (Boston: Kluwer Academic Publishers, 1989), 21-22.

¹⁹ Arthur Seldon, *The Virtues of Capitalism* (Indianapolis: Liberty Fund, 2004), 187.

²⁰ Pierre J. Proudhon, *What is Property: An Inquiry into the Principle of Right and of Government*. Trans. Benj. R. Tucker, 261.

Proudhon argues that, “Communism is essentially opposed to the free exercise of our faculties, to our noblest desires, to our deepest feelings.”²¹ He continues, “Communism violates the sovereignty of the conscience and equality: the first, by restricting spontaneity of mind and heart, and freedom of thought and action; the second, by placing labor and laziness, skill and stupidity, and even vice and virtue on an equality in point of comfort.”²²

The rights of private property mean that he who works gets the fruits of his labor, which can be regarded as property, and he who does not work does not get the fruits of the labor of others, which can be regarded as property. Humans establish a system of protecting private property rights. This system is in line with morality. Morality works against looting and stealing. Looting and stealing means the shift of property from one to another illegally. The illegal shift of property from one to another will not contribute to the growth of production because the illegal shift of property only means the shift of wealth from one to the other without increasing the total output of production in the society. So in the place where private property rights are guaranteed by the law and respected by the society, morality prevails across the society. Humans build their moral society. In these circumstances, the only possibility of shifting property from one to the other is through social exchange, if we exclude donations or bequests which are forms of shifting property in special circumstances; social exchange occurs more frequently than donation or bequest. Social exchange is usually the exchange of goods and services among strangers, unless friends give gifts to each other as a rule of etiquette. The exchange of goods and services serves as a basis for the division of labor. Commerce flourishes. In the exchange of goods and services, people treat each other equally and fairly, in contrast to the situation in which the illegal shift of property occurs in the environment of inequality or unfairness. The exchange of goods and services occurs in the context that the rights of private property of each are confirmed and respected because all exchanges of goods and services are normally realized voluntarily. In some sense, any social exchange helps maintain property rights because acknowledging the rights of private property is a precondition for the realization of social exchange.

At the same time, as social exchange encourages people to take advantage of their special labor skills or expertise, social exchange is an external condition for the growth of production. Every laborer or producer will take advantage of his skills or expertise amid market competition.

²¹ Ibid.

²² Ibid., 262.

Social exchange forces laborers or producers to cut the costs of labor and to increase output of production. Whenever a laborer, such as a carpenter or a mason or a tailor, offers his product or service in exchange for another product or service on the market, he will weigh the cost and the revenue of production or labor. This ensures efficiency in production and labor. If the society decides to change the rights of private property to the rights of common property, directly organize production and labor, and distribute products through the government, as a whole society, laborers or producers will not exchange their products or services on the market. Their products or services are distributed by the government in the name of the society. Then they will be unable to weigh the cost and revenue of production accurately. As laborers or producers may vary in their work abilities and work attitude, a laborer or producer cannot guarantee that each gets the pay corresponding to his work contribution. Under these circumstances, the exchange that actually confirms the rights of private property disappears. Without property rights, one will not weigh the cost and revenue of labor or production.²³

Accordingly, the role played by morality in the maintenance of private property is ignored or disregarded because when the rights of common property are advocated by the state, the rights of private property are often or largely abolished. The influence of morality on the behavior of ordinary people is attenuated. Gradually, the state does not depend on the role played by morality in the operation of the society. The state increasingly depends on the role played by the administrative order in the operation of the society in all respects. Because property that has become common property is owned by the society or the state, or by someone in the name of the society or the state, the economy is organized by the society or the state or someone in the name of the collective being. Personal interest cannot be effectively protected by the arrangement or planning of the society or the state in social production and distribution. The morals of the collective being, which originally ran effectively in the primitive society, replace the morals of individual persons, which run effectively in the civilized society. As F. A. Hayek describes,

The principle that the end justifies the means is in individualist ethics regarded as the denial of all morals. In collectivist ethics it becomes necessarily the supreme rule; there is literally nothing which the consistent collectivist must not be prepared to do if it serves “the good of the whole,”

²³ This is why Ludwig von Mises asserts that “under socialism economic calculation is impossible.” See: Ludwig von Mises, *Socialism: An Economic and Sociological Analysis*. Trans. J. Kahane (Indianapolis: Liberty Fund, 1981), 103.

because the “good of the whole” is to him the only criterion of what ought to be done.²⁴

The consequence is that social exchange cannot function well and sufficiently. The reason is that social exchange relies on the recognition of private property rights. Private property rights are based on individualism. Individualism results in the diversity of the society because each person in the society is free to choose a unique method of production. Each may give a special contribution to the growth of the economy. Therefore private property rights enable laborers to make a wide array of products by giving play to their special abilities or skills. They flock to the market for social exchange. Commerce flourishes as a result. But individualism does not ensure equality. Socialism, which espouses the rights of common property, stresses collectivism and hence the equality of pay. The talent of some specific laborers or workers is ignored. According to Proudhon, Gracchus Babeuf wished all superiority to be stringently repressed, and even persecuted as a social calamity. To establish his communist edifice, he lowered all citizens to the stature of the smallest.²⁵ In the communist society, all workers are arranged so as to make one sort of products only. Laborers are prevented from taking advantage of their own special skills in making a wide array of products. They cannot give play to their expertise in production. Although the division of labor is still possible, people cannot freely enter the system of the division of labor. They are arranged, by the power holder or the government on behalf of the whole society, to enter the system of the division of labor. Each person cannot select his own occupation and career himself, because they are designated by the power holder. In these circumstances, he may not be able to give a full play to his expertise. Thus there is low efficiency in his work. The rate of productivity remains low. So in socialist countries, people run the so-called “shortage economy,” while in capitalist countries that feature a free economy, people run the so-called “excess economy.”

In a nutshell, property can be divided into private property and common property. Common property can be subdivided into the property of the collective and the property of the public or the state. Private property presupposes that the related property is owned by an individual person or a family, while common property presupposes that the property is owned by a collective being, or by the public or the state. However,

²⁴ F. A. Hayek, *The Road to Serfdom: Text and Documents* (Chicago: The University of Chicago Press, 2007), 166.

²⁵ Pierre-Joseph Proudhon, *What is Property* (Newton Stewart, UK: Anodos Books, 2019), 56.

private property may not be purely opposite to common property in terms of characteristics. Private property, defined as the property to be owned and hence enjoyed or disposed of by an individual person or a family, does not have the problem of distributing the property in many cases. In contrast, although common property is owned by the collective or the public or the state, common property still has the problem of distributing the right to use, enjoy, or possess the common property.

This problem occurs in the evolution of human society. In antiquity, the mindset of the collective was not the mindset of private property. As humans lived in tribes, the ties of kinship kept people from gaining the consciousness of private property. The community was small in size. Then, it follows that as humans began to speak, they developed media. Media enabled humans to communicate with one another on a large scale. People began to move in a larger area. Gradually, they formed a larger community. Such a community had a larger population and a larger territory. Kinship began to attenuate. As the consciousness of kinship attenuated, people in the community all became egoists. They gained the consciousness of private property. The society began to recognize private property rights. Marx writes that “landed property is the first form of private property.”²⁶ Then humans began to engage in social exchange. They exchanged products or services with one another. Normally, each offered a special product or a special service because only such a product or service was needed by others. The division of labor developed. Adam Smith states that the division of labor bestows on labor infinite production capacity. It emanates from the propensity to exchange and barter, a specifically human propensity, which is probably not accidental, but is conditioned by the use of reason and speech. The motive of those who engage in exchange is not humanity but egoism. The diversity of human talents is more the effect than the cause of the division of labor.²⁷ My view is that the laborer can engage in the exchange of the fruits of his labor with another person, since he possesses the fruits of his labor under the rights of private property. Thus, Marx insists, correctly, that “the necessary premise of exchange is private property.”²⁸ The division of labor gives prosperity to economy. More products are put out and more services are offered.

Language also plays a role in this transition. As humans begin to make rules using language, they establish the system of private property to ensure that everyone can keep the fruits of their own labor, created

²⁶ Karl Marx, *Economic and Philosophic Manuscripts of 1844*. (New York: Dover Publications, 2007), 97.

²⁷ This argument of Adam Smith was cited by Marx. Please see: *Ibid.*, 133.

²⁸ *Ibid.*, 134.

legitimately, for survival. The system of private property ensures that each person can keep and enjoy the fruits of his labor, assuming that the fruits of his labor are what he gets normally and lawfully through labor. This system encourages people to work honestly. That is, this system prevents people from looting or stealing property from others. This system is also a basis for people to build the order of morality, a consciousness that only encourages people to perform labor to get and keep the fruits of their labor, for survival. As one's labor generates the fruits of labor for one to survive, and labor is often difficult, one usually cherishes what he gets through his labor. Thus, Aristotle, a philosopher of ancient times, argues that private property gives people a sense of responsibility. His argument is true. If humans set up the system of common property, they may not cherish the fruits of labor created by the collective because the fruits of labor may not come from the labor of each individual; the property rights are not clearly defined among people under the system of common property. People may freely waste the common property. Some lazy people may be reluctant to work. Diligent workers may not be able to get the fruits of their labor commensurate with his own labor as a result. Thus, the lazy people exploit the diligent people. This may be the true situation under communism. As Proudhon argues:

Communism is oppression and slavery. Man is very willing to obey the law of duty, serve his country, and oblige his friends; but he wishes to labor when he pleases, where he pleases, and as much as he pleases. He wishes to dispose of his own time, to be governed only by necessity, to choose his friendships, his recreation, and his discipline, to act from judgment, not by command; to sacrifice himself through selfishness, not through servile obligation. Communism is essentially opposed to the free exercise of our faculties, to our noblest desires, to our deepest feelings. Any plan which could be devised for reconciling it with the demands of the individual reason and will would end only in change the thing while preserving the name.²⁹

My reasoning is that common property rights are not real property rights. We sometimes refer to property as the property rights because the meaning of the word "property" often means both the effects called property, and the property rights. But in some other cases, the property is not equivalent to the property rights. Property rights are clearly defined using language. Only the property rights defined using language are the real property rights. In the primitive society, the society was characterized

²⁹ Pierre-Joseph Proudhon, *What is Property?* (Newton Stewart, UK: Anodos Books, 2019), 118.