Chapter Five

Marx's 'Capital' and Hegel's 'Logic'

Marx said that a science must adopt the logic proper to the peculiar character of the object under investigation.[1] The question arises, therefore, what is the appropriate logic for the critique of political economy? We know from numerous sources that Marx characterised his presentation in *Capital* as 'dialectical'. Unfortunately, he never wrote his promised work on dialectic. But we know that he found re-reading Hegel's *Logic* a great help in the '*method* of treatment'.[2] Furthermore, in *Capital* itself he 'openly avowed' himself 'the pupil of that mighty thinker'.[3] In the first section of this chapter, therefore, I show just how Hegel's logic, in spite of his avowed idealism, is indeed relevant – precisely to the 'peculiar' character of a money economy. Thus our exploration of the latter can draw on the parallel found in Hegel's presentation of his logic. We shall show the movement from commodity exchange to value parallels his 'Doctrine of Being'; the doubling of money and commodities parallels the 'Doctrine of Essence'; and capital, positing its actualisation in labour and industry, as 'absolute form' claims all the characteristics of Hegel's 'Concept'. The bulk of the chapter offers such a reconstruction of the analysis of the value form initiated by Marx. It takes the shape of a *systematic dialectic of categories*. But in concentrating on the value form I leave aside initially any labour content – in this way departing from Marx who analysed both together. However, I conclude by providing a novel proof that Marx was indeed right in giving central importance to capitalistically produced commodities.

The Value Form and Hegel's Logic

Hegel's logic treated the fundamental categories of thought as pure categories independent of any contingent empirical instantiation. He presented them as systematically ordered, from simple abstract ones to more complex, hence more concrete, ones. This system of categories was said to be 'self-moving' in that meditating on one category drives us to introduce another contrary, or more comprehensive, one. Hegel was an idealist in that he seemed to think that he had thereby shown the necessity of such relationships arising and developing in the real world.

In order to establish the relevance of Hegel's logic to the critique of political economy, it is necessary to grasp the *ontological* foundation of the capitalist system.

This foundation is the *reality* of that abstraction in exchange predicated on the identification as 'values' of heterogeneous commodities. This 'material abstraction' has a substantive reality quite independent of any methodological points about abstraction in theory construction. It produces an 'inverted reality' in which commodities simply instantiate their abstract essence as values; and concrete labours count only as lumps of abstract labour. What is of great interest here is that this abstraction is not a mental operation; it is a *material abstraction*. Before the positing of labour as 'abstract' there is the positing of commodities themselves as bearers of their abstract identity as values.[4] It is implicit in this purely material process of abstraction that it is not necessary for the parties to the exchange to know what they are doing in this respect, or the logical form posited in their practical activity. As a consequence of this material abstraction from the specificity of the use-values concerned, which is 'suspended' for the period of exchange, the commodities acquire as a new determination the character of exchange values, and the particulars concerned play the role of bearers of this determination imposed on them while passing through this phase of their life-cycle. They become subject to the *value form*. Conversely, in actualising their use value, their exchange value is suspended, or vanishes altogether (although in productive consumption it may reappear in 'transferred' form).

In order to explain further why Hegel's logic is relevant to value theory let us provide now a preview of the presentation of the value form to come. Goods are brought to market because they are believed to be use values required by others, and if they are consumed eventually this actualises their original positing as use values. But along the way they are in a different phase of being; for while they are being exchanged they are not being used; furthermore this power of exchangeability has no evident basis in their use value as such. Occasionally such a comparison might occur if, say, two half-bottles of wine were to exchange against one full one, but in the main the commodities exchanged are incommensurable as use values because their particular qualities are adapted to different uses. What is going on is an abstraction from such particularity, and the negation of this difference of use value.

When goods are reduced to moments of a unifying form in commodity exchange they are taken as identical instantiations of their abstract essence (value). But in such an identity their particularity drops away and remains as such excluded from the further advance of the dialectic of forms. The value form of the commodity posits a split between value as the identity of commodities premised on an abstract universal posited through equivalent exchange and their enduring particularity, differentiating them from each other as use values. This is the key to our argument for the relevance of Hegel's logic; for he too starts with an abstraction from everything particular and determinate. Our point is that there is a strong parallel between Hegel's 'pure thoughts', i.e. the evacuation of contingent empirical instantiations to leave the category as such, and the same process in practical terms when a commodity acquires a value form which disregards its natural shape. In the value form there is not only a split between form and content, but the former becomes autonomous and the dialectical development of the structure is indeed form-determined. The value forms, 'commodity', 'money', and 'capital' initially are pure forms which subsequently gain a footing in material production. There is a sense in which the forms *apply themselves* to the material to be formed, rather than the form naturally being taken on by the content. However, this means that form and content are not fully unified but retain a structure of abstract contraposition: the content is inscribed in the form while retaining much that cannot be grasped in it. Because of this, I argue that capital is both real and ideal. Hence the categories of Hegel's logic can be drawn on, but in a critical way. Just as Hegel's logic follows the self-movement of thought as it traverses the categorial universe, so the dialectic of exchange sets up a *form-determined system*. Here the formal structures are indeed 'self-acting'; not just in the sense of being categorially connected by our thought process. Immediately, such form-determination posits a content that amounts to nothing more than the abstract possibility of place, a pure algebraic variable, a determinable with no particularly necessary determinate content. Although there is no *given* content that could express itself in exchange value the latter can reflect its form into itself, its form *as content*. So anything and everything can in principle become a bearer of value. At the same time the universal needs the particulars it subsumes. Whereas Hegel's pure thoughts posit merely potential extensions, the economic forms must be constituted materially in the relation of exchange. Thus all the way through its analysis we will find that a *doubling* into the abstractly universal, and the materially particular, is characteristic of the value form.

I think that the relationship between Hegel's logic and the value form is much closer than that of an external identification of its logical structure, or a methodologically motivated application of its norms of adequacy, or an expositional strategy that finds it convenient to move from simpler to more complex structures. I believe that in some sense the value form and Hegel's logic are to be *identified*; we are not simply applying Hegel's logic to an independent content. It is not that the value form happens to generate structures of a complexity mapped by Hegel in his logical categories; the forms are in effect of such abstract purity as to constitute a real incarnation of the ideas of Hegel's logic. Marx's claim that the *presentation* of the commodity-capitalist system is *at the same time a critique* of it[5] (it is so in itself – apart from the bringing to bear of any external criteria, e.g. the rather dubious one of justice) makes sense in our context when we observe that it is precisely the *applicability* of Hegel's logic that condemns the object as an inverted reality systematically alienated from its bearers, an object which in its 'spiritualisation' of material interchange and practical activities into the heaven of pure forms virtually incarnates the Hegelian 'Idea'.[6]

To sum up: the secret of the structure and development of the capitalist economy is to be found right at the start when the material abstraction of commodity exchange creates the reality of pure forms which then embark on their own logic of development (as in Hegel) and the entire system has to be grasped (within limits yet to be specified) as form-determined.

The Method of Exposition

Given my argument thus far, it can be understood why in what follows I feel able to draw on Hegel's method of exposition in analysing the value form, and the form-determined totality arising from it (see Chapter 4). The presentation is intended to articulate the inner structure, and law of motion, of a (relatively) self-subsistent whole.The method employed in the presentation of the forms of value below may be unfamiliar; it is therefore worth spelling out. What it is not: it is not an inductive method generalising from perceived instances a hypothetical law of the phenomena, to be further tested in experience; it is not a hypothetico-deductive system in which an axiom is made the basis of a sequence of inferences that formally follow from it, the result being, as it is said, already 'contained in' the premises; it is not a transcendental argument for the conditions of possibility of a form of experience taken as established. It is the logical development of a system of categories, or forms of being, from the most elementary and indeterminate to the richest and most concrete; it is self-evident that the result cannot be 'contained' in the premise, for the latter is poorer in content than the former. But this is precisely the key to the argument; the impulse to move from one category to the next is the *insufficiency* of the existing stage to prove its necessity and prevail against the contingencies to which it is subject. Upon examination, it is seen that the form under consideration is not able to sustain itself on its own basis; it depends on conditions of existence that seem to be contingent, such that it could easily vanish.

The movement of thought is thus from the 'conditioned' to the 'unconditioned'; each stage 'takes care of', with the minimum of new elements, the problem perceived with the previous stage, but in turn is found insufficient. The presentation ends when all the conditions of existence needing to be addressed are comprehended by the entire system of categories developed. The forms incorporate within themselves, and produce through their own effectivity, these conditions; this means that the totality so grounded is judged self-sufficient. The starting point is not an axiom or an empirical given upon which all else depends; rather the originating form gains actuality and truth only when grounded in the totality to which it gives rise through the dialectic outlined.

A number of points about this Hegelian method need to be added. First, because the development is from the poorer to the richer form, a transition cannot be so formally necessary that a computer could predict it. Rather a certain openness and creativity is present. Hegel speaks here of 'an upward spring of the mind'.[7] This allows Hegel to present what he takes to be a logically necessary development as at the same time a free self-production of spirit. Second, for Hegel's absolute idealism the major point of reference is not the individual thinking being. Instead of the ordinary mind solving problems with this method of advance, Hegel likes to think of the categories arising and dissolving out of their own instability; in so far as they are thought, it is by some 'objective mind'. This 'objectivist' tendency of his logic is further strengthened because its truth is meant ontologically as much as logically. The coherence of the logic is at the same time the coherence of reality. We, of course, are dealing from the start with forms of reality, of which the categorial equivalents drawn from Hegel are always to be interpreted in terms of a real system of commodity exchange. Finally, we must explain that a *specific* domain of reality, namely capitalist commodity exchange, can yet give rise to the most abstract categories, homologous with those of Hegel's logic, the most abstract part of his *universal* philosophy. Although our implicit starting point, namely 'the commodity produced by capital', appears as a concrete one, the real abstraction, imposed in exchange, from every given feature of it leads to a dialectic of 'pure form' homologous with the 'pure thoughts' of Hegel's logic. Whereas Hegel abstracts from everything through the power of thought, exchange abstracts only from what is presented to it, a delimited sphere of use values. So we have in the dialectic of capital one that is less general than Hegel's in its scope, but within its own terms equally *absolute* in so far as it is founded on all round abstraction to leave quasi-logical primitives.

So we will follow in the method of presentation a Hegelian procedure in ordering categories according to their relative abstractness, and in motivating transitions according to the criterion of the relative insufficiency of the currently established categorial framework to guarantee on its own basis the self-reproduction of the system. Essentially, then, the presentation is of a system of categories. These may be picked up from everyday discourse, or from existing bourgeois ideology, but some will have to be newly evolved because of the confusions of existing thought. The most general guideline in evolving these new categories, and in the presentation of the whole system of categories, is that the presentation should be able to establish a clear order of succession, from the simplest to the most complex, from the most abstractly indeterminate to the most concretely specific. Each category will unify a manifold. But in so far as it appears external and imposed on the elements, and they, conversely, appear only contingently available to it, the category is not securely grounded, and hence the real as it is grasped under this aspect appears unstable and liable to dissolution. In so far as the real is self-reproducing, the presentation should be able to exhibit its categorial articulation in such a manner as to show how this is achieved through certain inner necessities of its structure, in other words, how the logic of the system tendentially ensures its reproduction. It should also be possible to indicate the degree of dependence of the system on empirically given contingencies. Thus that money is a necessity for capitalist development may be demonstrated; but the role historically played by gold in this connection clearly presupposes the contingencies of its existence and suitability.

The most notable category to be picked up from everyday experience is that of commodity exchange. Like Marx we begin from the perception that 'the wealth of society in which the capitalist mode of production prevails appears as an immense collection of commodities.'[8] But I differ here from Marx in that I refuse to find it necessary to come to labour until after conceptualising capital as a form-determination. Bringing in labour too early risks giving the appearance of model-building and committing the exposition to a stage of simple commodity production.[9] To begin with we shall analyse the commodity-form itself and only at the end give grounds for picking out as systematically important those commodities which are products of labour. In this way by exploring to the full the dialectic of form, and letting the form itself reach the content it demands, we do something very different from the bulk of the Marxist tradition which is always in a hurry to address the material content. I hold that under definite historically emergent conditions the value form comes to acquire substance, or, conversely, labour comes to express itself in value. But here I shall be concerned solely with the derivation of the forms of value; I shall only indicate in a general way where and why the reconstruction will explore the category of labour.

The ultimate object of Marxist theory is the capitalist form of social material production; but it does not follow that in the presentation it is necessary to evolve general categories of production and then further specify these in terms of the form of capital. It is proposed here that, because of its importance in shaping the character and direction of social material production, the value form (as the germ of capital) should be analysed first; and the transition made to production in accordance with the determinations immanently required for the reproduction of capital according to the necessity of its concept. In other words the question of form is so crucial that the presentation starts with the form of exchange, bracketing entirely the question of the mode of production, if any, of the objects of exchange. This has the advantage that we begin with the same perception as that of everyday consciousness, namely, that in the bourgeois epoch nearly everything is capable of taking on commodity-form, and we avoid an appearance of arbitrariness in concentration from the outset only on products of labour. My approach will have the advantage of starting with commodities in general, while arriving through the dialectic of the systematic presentation itself at the justification for a focus on production as the prime site of economically significant relationships. Before embarking on the argument proper, let us contextualise it further by giving a general characterisation of the social form of the bourgeois epoch.

Social Form

The question of social form is central to the Marxian understanding of economic systems. It is only in virtue of differences in social form that Marx can insist that there is no such thing as 'economics' in general, but that each mode of production has its specific and peculiar laws of motion. Unfortunately the laconic opening sentence of *Capital* ('The wealth of society in which the capitalist mode of production prevails appears as an immense collection of commodities.') is far too brief a gesture towards the necessity of spelling out just what is peculiar about the social form of the bourgeois economy.[10] He goes immediately into the double determination of the commodity; and only in the last section of the chapter, in the interests of highlighting the uniqueness of the fetishistic form of the commodity, is there a fuller discussion of social form. It is true that Marx himself has a superb analysis of the forms of value in sections 3 & 4 of chapter one of *Capital* (and this is where the influence of Hegel is seen most clearly). He has a critique of form (fetishism) as well as a critique of content (exploitation); but in his anxiety to relate value to production he had already jumped – far too hastily – to labour as its substance. In expounding the logic of the bourgeois social form I draw on the terminology of Reuten and Williams (although I do not pretend to follow their definitions exactly), and employ the triad of categories: sociation, dissociation, and association.[11]

By *sociation* is meant the universal, ahistorical reality that in order to be active economically, people engage in social relationships and social practices. Outside of a Robinson Crusoe situation, production and consumption are immediately, or mediatedly, socially contextualised.

By *dissociation* (the negation of sociation) is meant the historically specific reality of the separation between economic agents predominant in the bourgeois epoch; 'separation' here does not mean a geographical distance of course, but a *social* barrier. Dissociation has three dimensions: first that useful objects are held by persons as their private property and hence are not immediately available for satisfying the needs of others; second that production is carried out in enterprises likewise in the hands of private owners; third that labour-power is separated from its object in that the most important means of production are held as the property of members of the capitalist class.

By *association* is meant that the opposition of sociation and dissociation is mediated in the form of exchange whereby consumers acquire the objects they require, production units acquire inputs and dispose of outputs, and through contracts of labour people find work and capitalist enterprises find workers. It is important to understand that when dissociation is negated through association this is on the same ground; that is to say, the basic element of privatised appropriation of goods is retained, but a form of mediation (properly called here sublation – *Aufhebung*) is found. Thus association does not replace dissociation; rather it replicates it through developing its conditions of existence; sociation now takes the contradictory form of their unity. I agree with Reuten and Williams that dissociation is the conceptual starting point of the presentation of the bourgeois epoch; and that the exchange relation provides the first moment of association. The presentation proper will thus start with exchange.

Since exchange is understood to mean a voluntarily undertaken transaction, which is not indicated by any central authority, and is rooted solely in the private purposes of the agents concerned, it is on the face of it extremely unlikely that any coherent economic order could emerge at all; still less one characterised by the beneficent 'hidden hand' of Smithian faith. Our problem is to determine the conditions of existence of a system in which goods take the form of commodities offered for exchange on the market. What is the form of social cohesion in a system in which all decisions to produce and to exchange are private? It is the forms of unity of this system which it is our task to explore, with a view to seeing just how much integration is possible.

Although the form of capital will turn out to be the overriding moment in the system, the drive which provides the impulse for reproduction, we could not possibly start with it right away, because it is far too complex a determination. Rather the presentation deliberately starts with the most indeterminate characterisation of the whole (namely exchange). The argument develops precisely because of the need to overcome the inadequacy of this characterisation, measured either immanently, e.g. by its self-contradictory implications, or by reference to its failure to be self-subsistent. In this way thought is impelled onward to reach a more concrete totality; only when the presentation reaches the whole is the starting-point grounded in its connection with the whole and thereby validated as a true determination in this relative sense of being inadequate on its own but valid as one of the determinations that come together in a mutually grounding interchange to constitute the concrete whole. The whole is grounded in its elements, and these elements mediate themselves in the whole. Commodities are the starting point; we do not at first raise the question of where commodities come from, whether they are produced or non-produced goods, or, if they are produced, under what relations of production; but the development of the argument itself eventually grounds them as results of capitalist production.

To sum up this introductory material: the sociation-dissociation contradiction is the presupposition of the entire epoch, and hence our presentation; it is association through exchange that gives this contradiction 'room to move';

the first concrete category is therefore this mediation, and we study its further development; this first category of *movement* determines goods as commodities, and hence the first *object* of analysis is the commodity, a unity of use value and exchange value; this doubling is a relation in which the form, the abstract universal, dominates the matter, the particular use values; the value form is therefore the *theme* of our categorial dialectic.

The Presentation of the Value Form

We have said enough to establish a general case for appropriating Hegel's logic in our value analysis, substituting for the movement of thought the movement of exchange. We presuppose at the outset that exchange is a primary mode of social synthesis in the bourgeois epoch – it constitutes and reproduces bourgeois relations such as the dissociation of production and consumption. The presentation will work through this in detail.

As a preliminary, let us lay out our plan (compare Hegel's *Logic* §83):

i. exchange in its immediacy: value implicit in *commodities*.
ii. in its mediation: the reflection and showing-forth of value in *money*.
iii. in its return into itself (circulation) and its development of itself: value in and for itself as capital.

(For a more detailed comparison of Hegelian and Marxian categories see the Appendix to this chapter.) Categories from Hegel's logic are in **Bold** on their introduction below.

(i) *Commodity Exchange*

This first section thematizes the commodity. This is value in the shape of 'Being' – a category of Hegel's *Logic* – and the determinations below will also follow those in the *Logic*, namely: 'Quality, Quantity, and Measure'; to which correspond in our domain, it will be seen, 'exchangeability', 'amount', and 'exchange-value'. The dialectical exposition proper begins with the most abstract indeterminate notion, but nonetheless the essential and originating one, which initiates the process of social synthesis in the bourgeois epoch, that of exchange. The only presupposition made at the outset is that dissociation is overcome through commodity exchange. Goods therein take the form of commodities.

Given exchange, we can speak of commodities in terms of the elementary opposition between Being and Nothing treated by Hegel at the beginning of his *Logic*.[12] They have their **being** in the circuits of exchange; but as yet they reveal **nothing** about themselves that guarantees this status; indeed they regularly disappear from the space of exchange relations, perhaps to be consumed. Their **being** become **determinate,** and fixed in this sphere, is that of exchangeable commodities. Commodities are distinguished from being goods in general by the **quality** of being exchangeable. (The denotation of the category is of course historically variable. Water was once a free good; now it is an increasingly expensive commodity.) At the same time, exchangeability is still rooted in their utility. At this level the immediate motor of exchange appears to be the exchange of one commodity for another of a different kind having a different use. There is no conceivable point in exchanging effectively the same good. We do not exchange iron for iron, but iron for corn. Thus a condition of existence of exchange is the universe of use value.

The quality of exchangeability requires further determination. If exchange is to be possible, it is not enough for the goods to be specified as having properties that make them exchangeable in a general indeterminate sense; a determination is required that allows for discrete exchanges to occur; in other words a commodity must be specifiable as an item (a bakery does not in truth sell 'bread', it sells so many loaves of such and such weight). The good has to take on a determinate shape, and has to specify itself in discrete items, each of which announces itself as an instantiation in delimited form of the good concerned.

Through the notion of amount we make the transition to the category of **quantity**. To be a commodity a good offered for exchange must be delimited quantitatively, and presented as an amount of itself. The striking thing about this quantification is that, although each good has its own index of amount (weight or whatever) in terms of which haggling goes on, these amounts seem unable to refer to any common index because, *ex hypothesi*, as naturally diverse goods, their index of amount differs absolutely (no one would exchange two pounds of gold for two pounds of iron). Hence the **quantum**, the unit of exchange, does not appear as a unit of anything common; it is a pure **number**, or rather a **ratio** of such numbers: 'I'll give you six of these for four of those.' is the quantitative form of the offer for exchange.

Incommensurable as natural bodies, the commodities are bargained over in the abstract, where the haggling is in terms of pure quantitative variation. The contradiction is that the properties that give them the quality of exchangeability – their use values – are too particular to form the basis of a common measure; yet in a bargain a pure quantitative relation must be fixed in spite of such absolute difference. There appears no ground for such determinacy. This is no mere theoretical contradiction, but a practical incoherence. Perhaps, as Aristotle feared, we must accept its theoretical absurdity in the interests of practical expediency; or maybe we must accept the subjective approach of the neo-classicals; or, as here, we must press the objective tendency of the logic further.

As it stands the relation is unstable and insecure; there seems no reason why any particular pair of numbers should form the basis for the striking of a bargain. There is no necessity yet granted to this form in its character as quantitatively determinate. Someone, sometime, for some reason, might accept a certain amount of one commodity for a certain amount of another. Even if a commodity does achieve social recognition in an exchange, the ratio of exchange, the bargain struck, seems purely accidental – arising *ad hoc*, it may vary on the next occasion.

Yet the abstraction of quantity and quality from each other is not absolute. They are as much in unity as opposed. For, after all, one is not in the bargain settling for 'six', one is settling for six *something*; there is a qualitative determinant present as much as suspended in the haggling over amounts. But the 'something' varies in material terms with every transaction as much as the numbers quantifying it. It could be 'anything'. Can all these 'somethings' represent the same thing?

Exchangeable commodities can only actualise themselves in a bargain, that is, in quantitative form. Conversely, the quantitative ratio practically uniting them in the bargain actualises their common character as exchangeables, as having the potential to draw other commodities in exchange for themselves. The **ratio** of exchange is thus implicitly a **measure** of this potentiality, their value in exchange.

To recapitulate: goods entering the circuits of exchange become determined as commodities; their quality as exchangeables requires a complementary quantitative dimension if bargains are to be struck; the ratios of such quantities given in exchange suggest that we have here a measure of exchangeability. But there are as many such exchange values as there are commodities; if a genuine 'measurable' is to be posited it must exist in a form that is **absolutely indifferent** to the way it is measured, to all the specific exchange values; this suggests that there underlies the relations of commodities to one another a common **essence**, a value in itself distinct from any particular relation that might be established between two commodities: it is thereby posited that what is measured externally in the ratio of exchange is an inherent dimension of the commodity just like its volume.

Such a move is in no way a 'proof' of value, as perhaps one reading of Marx's section one would hold. Rather it poses the problem of further grounding such a point. Marx skips over this transition astonishingly quickly. He simply declares that in the exchange relation of iron and corn there is a quantitative identity, which clearly cannot be assimilated to the natural properties of iron and corn, and must therefore represent some 'third thing' present, if not visible, in both: their value. Critics have been vociferous in denying the necessity for any such inference.

The meaningfulness of this transition therefore needs thorough elucidation. It involves grasping the relation with the other as mediatedly a *self-relation*. In the terms of the discourse of bargaining, it is marked by a shift from the simple demand 'offer me more of that other commodity' to the proposition that 'this is worth more than what you are offering' or even more precisely 'this is worth twice that'. Such formulae show the consciousness of 'this' being immediately, in itself, 'of worth', that value has an identity with itself, and thereby grounds some immanent measure which is merely expressed or reflected externally in a satisfactory bargain, one in which no one 'loses anything'. The relation of exchange between A and B is now grasped as no longer a conjunctural external relation but a self-relation in which each, in referring to the other as an embodiment of its value, is indirectly only referring to its own value as reflected in something equivalent to itself. Thus we now say 'A is worth B' or 'as values A=B'.

If the quantitative determination established in an exchange is not to be purely conjunctural, determined extrinsically in the contingencies motivating the agents bearing the goods to market (preference schedules, for example), it requires a dimension intrinsic to both commodities yet distinguishable from their appearance as immediately different. This dimension is such that, for each commodity, it obviously varies in proportion to its own index of amount; but it is itself, in so far as it no longer has anything to do with the particularity of use value, a single quantitative determination – that is value in itself.

It is just this notion of an intrinsic value that Samuel Bailey, and others since, objected to. For them, the value posited in exchange is illusory. There is, in truth, nothing lying behind the visible relation. 'A table is worth four chairs' resembles in grammatical form 'This shoe is as long as two of those put together'. But it is not the same; because extension is an inherent dimension of the shoes, whereas exchange value is a purely relative matter, an accidental external relation. Tomorrow, or in the next town, a table might be worth three chairs. We should not be misled by such relations into postulating any identity in the substance of the goods. There is no such thing as 'intrinsic value', only conjunctural correlations of different amounts of use-values.

It seems to me this argument has much more force than most Marxists allow. For at this point we have the *postulate* of identity in essence, and of common measure, only. If the system is to be grounded on itself, rather than being prey to external contingencies, this essence must be actualised. The main point here is that for there to be unity of commodities in a common identity, and determinacy in their relations, they must exist in the same universe and their measure predicated on a common dimension which actualises their commensurability as values.

Although each commodity could be subject to a unique need and a unique supply (e.g. payment for a blackmailer's negatives), for the system of exchanges to be grounded on itself (rather than each transaction registering a specific externally determined conjuncture) the plurality of commodities must be instances of a universal type. There need not be any such identity or resulting immanent determination of exchange ratios. So the further presentation, although it seems to assume that we already know value exists, is really an exploration of its conditions of existence through the development of more concrete concepts which will eventually provide sufficient grounds to set aside any skepticism, and at least validate a research programme based on value.

Before proceeding it would be as well to call attention to the fact that nothing has been said yet about a labour theory of value. People have rightly complained that labour is not common to everything in commodity-form. But in any case it should be noted that – to use an analogy – it is one thing, from having undertaken a number of experiments with a balance, to conclude that material things each have intrinsic to them a definite weight which regularly expresses itself in ratios like 'so much of this balances so much of that', and justifies our speaking of weight as such independent of its expression in such ratios; it is another thing to determine that weight arises from the effect on masses (m) of a gravitational field (g) and that its immanent magnitude is mg.

Before we can even address the Marxian question of 'the source of value' it is necessary to establish what we mean by the value dimension. Can there be such a thing? Its meaning is all the more doubtful when we remember that, unlike weight, value has no connection with anything inherent to the commodity itself as a natural body. It is an alien determination that attaches itself to a good only when the latter is subject to commodity exchange. It does not seem possible to argue that value exists independently of exchange in the same sense as weight exists independently of weighings. It is true that, if the market exists, one can anticipate that a value can be realised on it; but can it make sense to speak of value where there are no markets?

I argue that it is not the case that a pre-existing material content merely takes on the value form; rather, as the form-determined relationships develop, the value content is grasped as result – it is demanded only when the form completes itself in capital. At this stage we have not yet established value – still less an origin in labour. Or rather value has not yet established *itself*. It is not merely that our presentation has not yet reached a proof of value; in so far as it does not pre-exist exchange, value itself only comes to be, and gains any actuality, in the fullest development of the form itself, in money, capital and productive labour, as we shall see. The existence of value is a condition of market exchange being more than an aggregation of accidental transactions, but a systematically unified and ordered process, with some stability, permanence and continuity. But at this stage of the presentation this is by no means secured.

(ii) *Money*

If exchanged commodities are **identified** as substitutable for each other, while yet **different** use-values, this requires a **ground** for its meaningfulness. If such an underlying value **exists** then we can speak of the commodities themselves as 'values' as if value were a **thing**, a **material** that assumed the shape now of corn and now of iron indifferently. But if there is such a **content** hidden away behind the **forms** of exchange, it must prove itself in gaining appropriate expression in the **phenomenal world**.

To speak of a commodity as a thing of value, or simply 'a value', and of things related to one another as values, implies the existence of value in itself as a sort of homogeneous 'matter' underlying the diverse bodily shapes of commodities. According to Hegel, it is an abstraction of the understanding to suppose there is in things 'behind' their phenomenal shape an underlying 'matter'; but here it is not just that the fetishistic consciousness does this; the exchange abstraction itself posits value as this reified essence.

But, as merely implicit, value is a vanishing semblance. To be really of the essence it must become posited for itself; it must gain actuality in its further developed forms of appearance. This is what makes money necessary. Hegel observes that Spirit is 'not an essence that is already finished and complete before its manifestation, keeping itself aloof behind its host of appearances, but an essence which is truly actual only through the specific forms of its necessary self-manifestation'.[13] I would say the same of value. Thus its further concretisations up to market price are not merely more 'finished' forms of value, they are themselves constitutive of its actuality.

In comparison to the brevity with which Marx argues in the first couple of sections of chapter one of *Capital*, most people find the third section over-elaborated. Why these dialectical *minutiae*, when all he is saying is that we need a measure of value, analogous to the standard metre in Paris which gives science a common basis for establishing lengths? Gold serves as a exemplar of value, as the standard metre does of extension. Value, however, unlike extension, is merely a virtual dimension; its actuality is posited only in the *relations* commodities bear to one another. Therefore, Marx is right to show how money, as the value measure of commodities, is evolved in those relations. So how is it to be derived?

Thus far the presentation has argued that the form of exchange posits value in itself. The distinction between use value and exchange value points to the possibility of overcoming the contingency implicit in mere barter; for, if there is a value dimension, order and determinacy will characterise exchange. The difficult thing to grasp here is that, although the possibility of determinate measure is grounded if value is of the essence of the commodity, this essence itself is only actualised in the development of the process of commensuration itself. It is that very process of commensuration which posits commodities as value-masses in the first place. The actuality of value and its expression or measure develop together at the same time. The exchange relation has to be grasped as simultaneously *constitutive* of value and serving as its *expression*. For a commodity cannot express its value in itself, because value gains reality only in the relations of commodities to each other; Marx says value 'can only appear in the social relation between commodity and commodity',[14] that is, as exchange value. The value of linen cannot be expressed in linen; but if another commodity acts as its equivalent, a distinction is drawn in reality between the two aspects of the commodity – its use value immediately present in its own shape, and its value present through the mediation of the equivalent commodity's shape.

In truth the value dimension is constituted at the very same time as its measure. This means that it is even more abstract than space, because extension is perceptible as such prior to the evolution of a unified measuring system. To say that this is equivalent in length to that, through laying them side by side, does not in itself give a measure of either (although it presupposes in its form of expression that such a measure is possible); nevertheless extension is naturally inherent in both, we see. The value dimension, however, has a purely virtual existence in so far as its reality is merely the ideality of the unity of commodities in their abstract identity as exchangeable.

If exchange value is to be real measure, then 'value in itself' must ground the truth of commensuration. As soon as we reach that conclusion, however, through reflecting the commodity into itself, we thereby posit a realm of 'values', wherein is distinguished the essence, value, from its forms of appearance, exchange values. Thus value must now reflect back on exchange value, that is to say, make of it its appearance. In so far as the reality of essence is accomplished only in its appearance the latter is thereby just as much ground as grounded.

As we know already, taken in isolation a commodity exhibits use value merely; it can only double into a use value and a value if the latter determination achieves independent expression. But does it not in every exchange? Certainly, of a single 'accidental' exchange relation, Marx says: 'The simple form of value of a commodity is the simple form of appearance of the opposition between use-value and value which is contained within the commodity.'[15]

The 'insufficiency' (Marx's word) of the simple form to establish this opposition explicitly is that the simple form logically posits symmetry, it can be read in either direction, between measure and measured, between the implicit value and its expression; hence it is difficult to keep hold of the polar relation;[16] the relation collapses to an identity of immanence of value, not an articulated ground for it. Furthermore, while the implicit distinction of use value and value is made manifest in every dyadic relation, an aggregation of barters does not constitute a unified homogeneous value system.[17] Thus we must move to a fuller relative form of value, the expanded form in which the commodity expresses its identity as a value in a whole array of different commodities. This establishes the commodity in that form as something with a value expression confronting it in this totality of relations. The very number of these expressions indicates the indifference of the value expression to any particular equivalent body; hence Marx says we can suppose there is some continuing magnitude present unaltered through the series of exchange values.

The 'defect' (Marx's word) is that there is 'no single, unified form of appearance' of it because each expression excludes the others. Although no unified expression of value is thereby provided, the solution is implicit in this form, for the very same action in which the one commodity sets up its value in expanded form posits it as the single equivalent of the others. In the reversed expression, the general form of value emerges. In this, the universal equivalent functions simply as the incarnation of the abstract identity of all the different commodities as values. As such a unity of the differences it articulates explicitly the value dimension we found necessary to secure the independent status of commodities from the idiosyncrasies of their owners. With this unifying form, value (active as a '**force**') gains consistent **expression**. The point we want to restate yet again is that this is not a superficial development of the essence of value. The actuality of these forms is the very condition of the category of value gaining any real meaning. Marx says: 'By this [universal equivalent] form, commodities are, for the first time [*nota bene*], really brought into relation with each other as values, or permitted to appear to each other as exchange-values.'[18]

The identity of commodities as values is not written on their foreheads, Marx observed. It is true that the simple exchange relation posits the equivalent as the bearer of the value of that in the relative expression, but the symmetry of the relation suggests value is an empty abstraction. In the expanded form of value the very multiplicity of value expressions irresistibly suggests there is an identical content, but only when in the general equivalent form all commodities are unified in the same measure can we speak of a form of value that gives a consistent articulation of the distinction between value in itself as the **inner** content and value for itself as its **outer** expression.

An interesting reversal has in fact taken place in that it seemed originally that the power of exchange possessed by each commodity expressed itself in the equivalent as its passive material, that the commodity actively distinguished its value from itself in positing another simply as its equivalent. But as a consequence of the development of a universal equivalent it is the latter that gains the power of immediate exchangeability insofar as all other commodities value themselves in it. It seems now that the other commodities gain value only when they have it bestowed on them by their recognition in the universal equivalent which solicits them to solicit it. In this **reciprocity of forces**, value and its expression keep changing places.

While a purely formal positing of a universal equivalent would be enough for the function of measure of value, value can gain **actuality** only if such a universal equivalent gains immediate existence, i.e. becomes money. In money, as distinct from commodities, value gains real **substance** and can function as means of payment, medium of exchange, and store of value, powers that will be important in what follows.

To digress: It is important to notice that the presentation of money as a 'substance' is a very different use of the term 'substance' from that of Marx when he derives labour as the substance *of* value in his first chapter; here we are concerned with value *as* substance (corresponding to Marx's use of the term in a later chapter where he speaks of value in motion as 'a self-moving substance').[19] Marx's first use of the term equates with 'stuff' or 'material', with what value is 'made of', so to speak, or – better perhaps – what makes it. Here, in the development of the value form, the dialectic generates categories *of value* that become more concrete and complex. So, as commodity, value seems to 'inhere' so to speak in a use value as a quasi-*property* of it. But, as money, the inverse is true: value is itself a *substance* of which the particular use value (e.g. gold) is merely a transubstantiated outer shell. With capital, we shall argue, value becomes *subject*.[20] (Living labour as the source of value lies *outside* this self-referring system of value forms.)[21]

To resume: Marx's theory of money is very different from both Ricardian and neo-classical conventionalisms. His 'universal equivalent' is no convenient *numéraire*, it is essential that it has actuality. The transition from the implicit immediacy of value in a commodity, and its mediation in the universal equivalent, to the reality of money is necessary because (as we must always remind ourselves) the forms we are concerned with are not pure thoughts but borne by matter, namely commodities. Hence the unity in form of these commodities must be more than thought, it must be practically posited: thus the necessity for a material bearer of the universal equivalent, i.e. the necessity for money.

Money also makes measure explicit. Because, as the universal equivalent, money is posited as value for itself, which is now distinguished from its implicit existence in the integument of the other commodities, it is capable of being applied to them as their measure. To adopt a well-known language, money does not merely solve the *quantitative* problem of providing a measure common to values, it solves the *qualitative* problem of establishing the very commensurability of commodities through relating them to each other as values. Marx argues that goods do not confront one another as commodities (that is, as values) but as use values only, until there exists in *practice* a universal equivalent: it is through 'the social action' of commodities on one another that there is set apart a particular commodity in which they all represent their values. 'Through the agency of the social process it becomes the specific function of the commodity that has been set apart to be the universal equivalent, it thus becomes – money.'[22]

The first function of money as the expression of value, as the existent appearance of the value dimension, is to serve as the measure of value. What exactly is measured? Analogies with other measures such as rulers or weights are very misleading here; for money *constitutes* value in a unity rather than serving as *exemplar* of some property the commodities possessed prior to their commensuration. Money is the 'external' measure of exchangeability of which value is the immanent measure. But in so far as value is – as yet – *determined as pure form*, there is nothing substantial (analogous to mass or extension) to measure. (Commodities are not yet, we stress, determined as products in our presentation; hence we know nothing here of such an immanent determinant as socially necessary labour-time.)

In so far as money unifies the world of commodities, it has the form of *immediate exchangeability*. Although being 'the same value' in the abstract as the commodity it measures, it successfully actualises the posited immanence of value, the essence lying behind the appearance of equivalent exchange, and thereby provides for value to appear in immediate existence, and with determinate measure. Money, Marx says in his *Grundrisse*, is 'value for itself'.[23]

In a peculiar sense, therefore, in the money form value measures itself against itself. Exchangeability is measured by exchangeability. For this self-identity to gain adequate form requires the doubling of the values into commodities and money, into value in itself and value for itself. Thereby, value measures itself *in* itself by itself *for* itself. As immediate equivalent of all commodities money solves the qualitative value problem, through its pure ideality creating a virtual space – the value dimension. Marx speaks of the price form of commodities, as, 'like their form of value generally, quite distinct from their palpable and real bodily form; it is therefore a purely ideal or notional form'.[24]

Both rulers and money allow a unified commensuration. But, in so far as a ruler is itself extended, the relation of equivalence in length follows the logic of transitivity, symmetry, and reflexivity; and it is not too absurd to say the standard metre measures one metre itself. But money cannot measure its own value because money is in effect *measure as such*. Money has no price: money is price.

The value in itself possessed by commodities is now seen to be articulated in a common expression, in money as value for itself. In the case of coined money value is indeed 'written on its forehead'. It is important to recognise the reciprocal determination of these inner and outer moments of value. Our argument went from the phenomenal level down to value as a common ground, and then came up again through the forms of value to demonstrate that value expresses itself in perfected form only as money. This means that money is itself 'of the essence' of the world of value, that it grounds the possibility of such a posited universe of value being actualised as much as it is itself rooted in the simple immediacy of the underlying value substance. It is perfectly useless to discuss here which is **cause** and which **effect**; whether value produces money as its visible form, or whether only money produces the value dimension as a virtual reality in the first place. The dialectical view to take is that each is mediated in the other. For value to be actual requires this doubling and the **reciprocal action** of money and commodities.

(iii) *Capital*

But in such a doubling of the value form there is still an unmediated unity of immediacy and mediation, i.e. of commodities and money. **Universality** (the money form of value) and **particularity** (commodities) have here fallen apart. True they are related: each gains sense only in relation to the other. But if value is to be conceptually coherent it must supersede this doubling of its determinations into separable, if related, manifestations. Its unitary **individuality**, i.e. its true **concept**, is constituted just in so far as it posits itself as being both but neither commodities and money; it is in fact nothing but the **relatedness** of which we have been speaking; the price form posits it in the form of the **judgment**: 'What does this bushel of corn cost? Two pounds' (or 'How much corn can I buy with two pounds? One bushel.'). Value is neither particular (the corn) nor universal (the coin) but the combination of the two definitions is a single **conclusion** (*Schluss*) through the comprehension of these moments as a **totality**.

But this conceptual unity is purely **subjective**, purely formal. We think it when we understand what a price list is, i.e. when we grasp the unity of the two sides. The next step is to elucidate the conditions for this concept of value to be **objectively** determining of itself. This begins with the concluding of bargains, the closing of sales. (Interestingly *Schluss*, the term employed in Hegel's logic for inference or syllogism, is the same as that used in market exchange for closing a sale, just as in English an argument is conclusive and a bargain is concluded.) It is completed in what Marx accomplishes in the section on the metamorphoses of commodity circulation.

In the price of sale the particular and universal determinations of value are *distributed* between the commodity and money; and their identity is merely formal. But in the metamorphoses of commodities both determinations get expressed as moments of a *whole* in so far as the contradiction between the forms of appearance of value (commodities and money) is brought into motion and their unity established in the fluidity of circulation whereby each passes over into the other; the self-same value, doubled into different shapes of existence, appears now as commodity, now as money, now yet again as commodity. But the circulation of commodities through the mediation of money, conceptualised as C-M-C', has no necessity, because the motivation for it is external to the process itself, in that the ends of the chain pass out of circulation. Hence the renewal of circulation depends on the continuance of demand and of supply. The interesting point about the possibility of a temporary hiatus in circulation is that the determination of money as a store of value now emerges; with money in hand the possibility of renewing the circuit when required, or when conditions are favourable, is present. Starting from money gives rise to the movement M-C-M', and therewith a systematic advance is made possible in the interweaving of money and commodities, namely that the M-C-M' circuit has built into it greater possibilities of continuity and self-reproduction than the C-M-C' circuit. Value is now immanent in the activity of exchange; it is itself the object, not the effect and medium of other motives. With the form of capital, value becomes its own end rather than mediator of other relations; that is to say that with capital we have before us an individual **'subject'**.[25]

With M-C-M' the extremes are unified in a spiral of valorisation. Money goes from a passive medium in C-M-C' to a dynamic unifying and initiating role in M-C-M'. Marx says:

> The path C-M-C proceeds from the extreme constituted by one commodity, and ends with the extreme constituted by another, which falls out of circulation and into consumption. Consumption, the satisfaction of needs, in short use-value, is therefore its final goal. The path M-C-M, however, proceeds from the extreme of money and finally returns to that same extreme. Its driving and motivating force, its determining purpose, is therefore exchange-value.[26]

From the circulation of commodities and money emerges capital, we now see. The following passages are reminiscent of Hegel's 'doctrine of the concept':

> The simple circulation of commodities – selling in order to buy – is a means to a final goal which lies outside circulation, namely the appropriation of use-values, the satisfaction of needs. As against this, the circulation of money as capital is an end in itself, for the valorisation of value takes place only within this constantly renewed movement. The movement of capital is therefore limitless.[27]

> It is constantly changing from one form into the other, without becoming lost in this movement; it thus becomes transformed into the subject of a process in which, while constantly assuming the form in turn of money and commodities, it changes its own magnitude, throws off surplus-value from itself considered as original value, and thus valorizes itself independently. For the movement in the course of which it adds surplus-value is its own movement, its valorization is therefore self-valorization.[28]

In investigating the form of capital Marx speaks of M-C-M' as being 'value-in-process'. But this 'self-moving substance' does not merely assume the form of commodities and money, it enters into a 'relationship with itself', as it were, because it 'differentiates itself as original value from itself as surplus-value', only, when both are united in the new capital, to supersede this difference, and 'become one' again.[29] It is, so to speak, 'absolute form' (Hegel).[30]

In *thought* we analyse concepts into moments, e.g. we distinguish within a thing the universal and particular determinations (my humanness on the one hand, and the man before you on the other). Empirically, these are not perceptible distinctions, being mere abstract moments of real being. But the self-development of the value form 'analyses' the concept of value in *reality*; the universal moment is dominant in money and the particular in commodities. If we describe our investigation as value form analysis, we now realise that we just 'look on' while really the restless movement of capital carries out the analysis itself! Capital makes value actual in the sense that it now has a form that posits itself as its own end. That is to say, with the form of capital we have before us an individual 'subject' (Marx's word) that expressly aspires to the totalisation of its determinations and to include within its effectivity all its conditions of existence. The motive of our presentation so far in seeking to elucidate the conditions of existence of value has now become the motive of the form itself!

(iv) *Production*

Hegel concludes the *Logic* by speaking of the Absolute Idea, and its mystifying and mystified transition 'which is not a transition' to the real world through an act of perfect freedom. This idealist distortion of dialectic is firmly rejected here. The logical form of capital is by no means absolute but totally insufficient to maintain itself and it requires a transition to a domain of reality regulated by the form but by no means inessential to it; capital is not free to develop in its concept alone, but must confront the problem of its lack of self-subsistence as mere concept of self-valorisation.

What, then, is the condition next required to grant necessity to the existence of capital as self-valorisation? Capital is defined as 'self-valorising value'; but how can this form maintain itself? The main point here is that while capital has the *form* of self-realisation it still lacks control over its bearers. It is here we remember that at the outset we stated that a primary condition of exchange is the world of use values. With capital we reach a form of circulation of commodities that is its own end, but the self-valorisation process still rests for its possibility on the emergence into being of the goods themselves from some external source. The concept of unconditioned self-development of the value form is undercut by the fact that the appearance of goods in the market place is utterly contingent so far. Clearly, therefore, there is still a large element of conditionedness in the mere possibility of valorisation. It is not *self-grounded*. Circulation in 'its immediacy is therefore pure semblance', a play of forms.[31] Exchange could fade away (as during the decline of the Roman Empire); so capital must take charge of sustaining and developing the value circuit. Hence to make a reality of its concept capital must itself undertake the production of commodities and reduce them to moments in its own circuit. Only on this condition does value in and for itself pass from a mere formal potential to embed itself in a real material process.

To be self-grounded, value must be produced by value. This means that only those goods produced by capital itself count as values, as true commodities both in form and content. Only capitalistically produced commodities have adequacy in both form and content to value in and for itself. The activity of production is an activity of labour. Hence, capital must set itself to make that activity its own activity. Capital makes that activity its own activity insofar as it thoroughly subsumes labour as a content penetrated through and through by the value form. Only now does the presentation find it necessary to address labour. The limitlessness of accumulation inherent in the form of capital is given a solid *ground* in productive labour. Capital can guarantee a surplus only by sinking into production and bringing that activity within its own circuits.

Our presentation has reached the point at which non-produced commodities are now seen to retain the value form but only, as such, the semblance of value; they are lacking in the substance of value because they do not originate within the value circuit itself as it is driven by valorisation. They play no essential role in the dynamic of capitalist development (although two, labour-power and land, as inputs are materially essential, but cannot be treated in this chapter). Products, on the other hand, if capitalistically produced as commodities for sale, gain both determinations of value, being both produced as values and sold as values. In so far as capital conquers the sphere of production it gains reality and permanence instead of being dependent on external conditions to provide the values on which it feeds.

The fact that the presentation only found it necessary to turn to productive labour when the capital form required a ground implies that there are inadequate grounds for positing a labour theory of value at the level of commodity exchange alone. The 'fit' between form and content would be too loose, the relation still too indeterminate. Marx moves so quickly to his 'substance' of value that we lose sight of the fact that value is actual only in the fully developed concept (namely capital). Hence sometimes the impression is given in his discussion that a prior content, labour, reduces the value form to its mere phenomenal expression. The dialectic of commodity production is better presented, I think, as one in which the form sinks into the matter and then develops it as its own content (which, with Marx, we can analyse in terms of such categories as 'labour-power' and 'surplus labour'). Within the value form, instead of the content developing itself through the mediation of its form, the form seeks to secure and stabilise itself through subsuming the matter and turning it into a bearer of self-valorisation. What we are arguing in relation to Hegel's work is that his speculation about an Absolute seeking to actualise and reproduce its entire conditions of existence has reality in capital which has such a drive implicit in its form. Hegel's supposedly universal logic is also the specific logic of capital. At the same time, the logic of the development can issue only in tendencies, which in truth depend on material premises. Unfortunately for capital it cannot actualise itself and conquer all its presuppositions of existence as easily as Hegel's Idea is supposed to. For the true reality is material. As pure form, capital spins in a void. The logic of capital accumulation would run into the buffers pretty quickly were it not for the material fact that workers produce more than they themselves consume. Moreover the labourers are liable to resist their incorporation as internal moments of capital's ideality, i.e. the Idea of capital made real.

Conclusion

In this chapter I developed four main points.

1. The first was presented as an answer to the question how Hegel's logic could be used in Marx's project to do a critique of political economy. I argued that the critical edge of his work does not merely lie in substantive demonstrations of just how exploitation is possible in a system founded on equal exchanges but penetrates to the very structures of the value form, whose logic is a manifestation of the fact that capital is a structure of estrangement founded on the inversion of form and content, universal and particular etc. insofar as exchange value dominates use value. The material abstraction inherent in the system of commodity exchange gives rise to this. The 'autonomization of value' through 'the movement of industrial capital' is 'this abstraction in action' (Marx).[32] The logic of the value forms in their self-relating abstraction is an incarnation in social terms of the self-movement of thought in Hegel's logic. This means that Hegel's logic can be drawn on in our presentation of this ideal character of capital as a value form, and at the same time this demonstration of its ideality means that the system of bourgeois economy is thus presented critically.

2. Secondly, in demonstrating how far capital becomes a real power as self-valorising value we can use the same method of exposition as Hegel did in showing how the Absolute is self-subsistent, namely by starting from an

abstract beginning which gives rise to further categories precisely because of its insufficiency to produce a stable reality. Thus every move in my argument was not one from an established truth to a valid implication but, contrariwise, a movement towards truth away from a hopelessly provisional starting point. Thus the turn made to production in this presentation is a turn to 'the truth of capital', as Hegel might put it.

3. Thirdly, I gave an outline of the dialectic of the value form itself which concluded with an argument that capital lacks assurance of its permanence and growth unless it can control and reproduce all its conditions of existence. The most glaring insufficiency of the definition of capital as self-valorising value is that the bearers of value, namely the commodities as use values, are necessary for capital to feed off but only contingently available to it. Thus to gain control of its conditions of existence capital must produce these commodities. The activity of productive labour as form-determined by capital is thus the next domain to be investigated. It must be established how far capital can make that activity its own activity, both in form, and in the determination of its motive and dynamic.

4. The ontological presupposition of my argument is that commodity exchange creates an 'inverted reality', in which, instead of abstractions being the pale efflorescence of matter, they take possession of it. With the ever-extending commodification of all material things and persons, and the inscribing of all relations within the value form, then mere abstraction is loosed upon the world. Pure forms which develop themselves, and enter into relations with each other, are objectively present in a realm other than thought. But their conditions of existence are material; hence capital drives to shape matter into a content penetrated through and through by the value form.

As we said at the outset, in so far as the presentation traces the imposition of alien forms on the material content of economic life it is itself just on that account immanently critical of the system. However, this is immaterial unless that system is itself immanently unstable and produces the contradiction that will overturn it. The germ of the diagnosis to this effect is seen in our identification of productive labour as a necessary ground for capital. For the further development of this side of the matter can show that confronting the 'subject' capital is another subject, the proletariat, emerging as its contradiction brought forth in the development of capital itself. To this extent it could be shown that, after all, capital cannot reach the infinite self-subsistence of Hegel's Idea, that no genuine unity in difference is achieved, and that the material and ideal sides of the economy remain estranged from one another no matter how much mediating complexes attempt to secure 'room to move' for the contradictions.

APPENDIX

The Categories of Logic and the Forms of Value

Hegel *Encyclopaedia* §18

- I Logic: the science of the Idea in and for itself
- II The Philosophy of Nature: as the science of the Idea in its otherness
- III The Philosophy of Spirit: as the Idea that returns to itself out of its otherness.

Arthur

- I Circulation: the science of Capital in its general formula
- II Production: Capital sunk into its otherness
- III Accumulation: as the unity of Circulation and Production

Hegel *Encyclopaedia* §83

Logic falls into three parts:

- I the Doctrine of Being
- II the Doctrine of Essence
- III the Doctrine of the Concept and Idea

In other words, into the Theory of Thought:

- I In its immediacy: the Concept implicit and in germ.
- II In its reflection and mediation: the being-for-self and show of the Concept.
- III In its return into itself, and its developed abiding-with-itself: the Concept in and for itself.

Arthur

The dialectic of the value form falls into three parts:

- I Commodity
- II Money
- III Capital

In other words, into the theory of exchange

- I In its immediacy: Value implicit and in germ .
- II In its reflection and mediation: 'value for-itself', the showing forth of Value.
- III In its return into itself, and its development of itself: Value in and for itself.

Hegel: *Logic*	Arthur: *Dialectic of Value Form*
I The Doctrine of *Being*	I *Commodity*
A. Quality	A. Exchangeability of commodities
B. Quantity	B. Quantity of commodities exchanged
C. Measure	C. Exchange Value of commodities
II The Doctrine of *Essence*	II *Money*
A. Ground	A. Value in itself
B. Appearance	B. Forms of Value
C. Actuality	C. Money
III The Doctrine of *Concept*	III *Capital* (General Formula)
A. The Subjective Concept	A. Price List
B. The Objective Concept	B. Metamorphoses of money and commodities
C. The Idea	C. Self-Valorisation

1 Marx, K. 1975 'Contribution to the Critique of Hegel's Philosophy of Law' p. 91.

2 Marx to Engels, 16 January, 1858: Marx, Karl and Frederick Engels, 1983, Letters 1856–59, p. 249.

3 Marx, K. 1976 *Capital* Volume I pp. 102–3.

4 For a detailed explanation see Alfred Sohn-Rethel 1978 *Intellectual and Manual Labour* (finished by 1951, not published until 1970), esp. pp. 5, 6, 23, 19–20.

5 Marx to Lassalle, 22 February, 1858: Marx, Karl and Frederick Engels, 1983, Letters 1856–59, p. 270.

6 For a development of this argument see Arthur, C. J. 2000 'From the Critique of Hegel to the Critique of Capital'.

7 Hegel, G. W. F. 1975 *Hegel's Logic* §50.

8 Marx, K. 1976 *Capital* Volume I p. 125.

9 For a critique of such mistakes see Chapter 2.

10 More particularly, it is necessary to spell out the *constitutive context* of the value form (corresponding to Hegel's 'Preliminary Notion': Hegel, G. W. F. 1975 *Hegel's Logic* §19–25).

11 Reuten, G. and M. Williams 1989 *Value-Form and the State.*

12 There is a case for arguing that the category of value springs from that of 'Nothing' rather than 'Being': see Chapter 9.

13 Hegel, G. W. F. 1971 *Hegel's Philosophy of Mind* §378 *Zusatz*, p. 3.

14 Marx, K. 1976 *Capital* Volume I p. 139.

15 Marx, K. 1976 *Capital* Volume I, p. 153.

16 Marx, K. 1976 *Capital* Volume I p. 160.

17 See Marx, K. 1973 *Grundrisse* pp. 204–05.

[18] Marx, K. 1976 *Capital* Volume I, p. 158.

[19] Marx, K. 1976 *Capital* Volume I, p. 256.

[20] Marx, K. 1976 *Capital* Volume I, p. 255.

[21] This point has been stressed by E. Dussel: *Towards an Unknown Marx* (2001).

[22] Marx, K. 1976 *Capital* Volume I, pp. 180–81.

[23] Marx, K. 1973 *Grundrisse*, p. 459.

[24] Marx, K. 1976 *Capital* Volume I, p. 189.

[25] Patrick Murray has made a similar point: 'In the concept of capital, that *substance* [value] reveals itself as self-activating – as *subject*.': 1988 *Marx's Theory of Scientific Knowledge,* p. 216. Cf. Hegel, G. W. F. 1975 *Hegel's Logic* §213.

[26] Marx, K. 1976 *Capital* Volume I, p. 250.

[27] Marx, K. 1976 *Capital* Volume I, p. 253. For capital as 'limitless' see Chapter 7.

[28] Marx, K. 1976 *Capital* Volume I, p. 255.

[29] Marx, K. 1976 *Capital* Volume I, p. 256.

[30] Hegel, G. W. F. 1975 *Hegel's Logic,* §164.

[31] Marx, K. 1973 *Grundrisse* p. 255.

[32] Marx, K. 1978 *Capital* Volume II, p. 185.