

occur because of the presumption that an equivalent exchange-value originally exists in each commodity.

The use-value of a commodity for its owner is a non-use-value. Thinking of Adam Smith's explanations of exchange and division of labour in *The wealth of nations*, Marx writes as follows: 'Exchange and division of labour reciprocally condition one another. Since everybody works for himself but his product is nothing [*Nichts*] for him' (N 158, M 91). The commodity-owner brings his product to exchange. Use-value is non-use-value or 'nothing' for the commodity-owner, but it may be a use-value or 'being' for others. Each use-value is different, but in order to be exchanged, each must be equated to another through 'a third'. What is 'the third'? What really exists in the exchange-relation is the use-value of each commodity. Therefore 'the third' can only be another relation through which products with different use-values are linked. This relation exists only in the minds of persons. It is what is thought (*gedacht*).

It is noteworthy that the relation of 'the third' comes to exist only when persons, who relate to each other, keep it in mind. However, they do not notice this mental action. Though they form the relation of commodity-exchangers, they presume that exchange-value exists originally in a commodity, without an awareness that exchange-value derives from an unconscious reflection of the real exchange-relation between their products. Exchange-value is a relation which is abstracted unawares from exchange and transformed into an immanent factor of the commodity itself. In that way the real exchange-relation is alienated as exchange-value from the exchangers and is materialised in the commodity.

In writing the sentences quoted above, Marx is surely remembering the following passage from Hegel:

Difference is 1. *immediate* difference, i.e. *diversity* [*Verschiedenheit*]. In diversity each of the different things *is by itself* what it is, and is indifferent to its relation to any other. This relation is therefore external to it. Because of the indifference of the diverse things to the difference between them, the difference falls outside them into a third [*ein Drittes*], *something comparable* [*Vergleichendes*] (sect. 117; quotation largely altered).<sup>3</sup>

Hegel does not explain 'the third' any further, but Marx assumes that it is the value-consciousness of commodity-owners,

which they unconsciously project on to their products and take to be an original feature of the commodity itself.

### The commodity-owner and 'ideality of being-for-itself'

In bourgeois society a person must engage in a metabolism with nature through the commodity-money relation. The private nature of this process requires a person to perform this practice by identifying products with 'the third', exchange-value. This is because the private exchange of products, which are different in use-value from each other, is realised through an equation. In that equation the exchange-relation is separated as exchange-value from the persons who form the relationship. This equation is a determination (*Bestimmung*) of the commodity-owner whose 'final cause' is speculation in terms of value, a form of alienated thinking and behaviour.

'Being-for-itself' (*Fürsichsein*) in Hegel's *Logic* is concerned with just this matter. 'Determinate being' (*Dasein*) becomes 'being-for-itself' (*Fürsichsein*) when it is defined as 'something' (*Etwas*) in relation to another 'determinate being', 'another something' (*anderes Etwas*). It is 'being-for-itself' or 'something' that relates to 'another something' and determines itself in relation to it. Hegel writes:

In Being-for-itself enters the determination of *ideality* [*Idealität*]. *Determinate being* has *reality* [*Realität*] in the first instance when it is apprehended only in its being or affirmation (sect. 91); and thus even finiteness in the first instance is in the determination of reality (sect. 95; quotation largely altered).<sup>4</sup>

Hegel derives 'being-for-itself' from the relation between 'something' and 'another something'. 'Being-for-itself' is the relation that is ideal *par excellence*, i.e. 'being-for-itself' is ideality which mediates the reality of 'determinate being' or 'something'.

However, Hegel neither inquires into what actually causes the relation between 'something' and 'another something', nor asks why the reality of 'being-for-itself' cannot subsist as such and must descend into ideality. By contrast Marx investigates the cause, because the ideality in question is the specific characteristic of modern private property.

What Hegel calls 'reality' are the natural attributes and identity of a product when it is observed from the standpoint of political economy. It is 'value in use', in Smith's terminology, material wealth obtained through the metabolic process with nature by 'toil and trouble'. The product cannot continue to exist as mere use-value when it is brought into the relation of private exchange.

What Hegel calls 'ideality' is the abstraction which exchangers keep in mind in equating their products. They form an exchange-relation and abstract the real 'unlikeness' of their products into an ideal 'likeness', in short, exchange-value.

Marx thus interprets the reality of 'determinate being' and the ideality of 'being-for-itself' as use-value and exchange-value respectively. A product has those two factors because the process of metabolism between human beings and nature is carried on through a separation and reintegration in the course of private exchange.

Marx also criticises Hegel directly:

This symbol [money], this material sign of exchange-value, is a product of exchange itself, and not the execution of an idea conceived *a priori* (N 144, M 79).

These *objective* dependency relations [*diese sachlichen Abhängigkeitsverhältnisse*] also appear, in opposition to those of *personal* dependence . . . in such a way that individuals are now ruled by *abstractions* [*Abstraktionen*], whereas earlier they depended on one another. The abstraction, or idea [*Idee*], however, is nothing more than the theoretical expression of those material relations which are their master [*Herr*]. Relations can be expressed, of course, only in ideas . . . (N 164, M 96).<sup>5</sup>

Marx reinterprets Hegel's 'idea'. He sees it as an abstraction which private persons unconsciously but inevitably generate as an equalising factor when they relate to each other in an exchange of products or in 'objective dependency'. He thinks that the subject in bourgeois society is in fact not the 'idea', but the commodity-relation or form of the commodity. Hegel's 'idea' is an abstract expression of this relation.

For Marx the 'propensity to exchange', which Adam Smith emphasised in human nature, has become an axiom for the bourgeoisie. They live within the commodity-relation or 'commercial society'. Exchange-value is what they express ideally in the

commodity-relation, their 'final cause'. The productive ability which is bestowed on human beings in history is alienated in practice and then defined so as to express exchange-value, an ideality. Hegel mistakes this ideality for the 'idea', the demiurgos of the universe.

The bourgeoisie are conscious of exchange-value in the form of prices, so their consciousness is determined as value-consciousness. But at this level they presume that exchange-value as infinity (*Unendlichkeit*) is immanent within the product as finiteness (*Endlichkeit*). Marx's work relates to this comment by Hegel: 'The truth of the finite is rather its *ideality*' (sect. 95).

The product (finiteness) is determined so that it is equated (like, *gleich*) through an ideal 'third' with its reality as a use-value (unlikeness, *Ungleichheit*). In the sentence above Hegel asserts that the product becomes a commodity in private exchange. The commodity is then determined not only as use-value (finiteness or reality), but as exchange-value (infinity or ideality). Unawares he describes a situation in which people must express their private interests in a specific way. He presumes the situation to be natural, although in fact it is historically established.

Marx sees the two aspects of the commodity — use-value and exchange-value — in Hegel's definitions of 'reality of determinate being' and 'ideality of being-for-itself'. He criticises the pseudo-naturalism expressed in Hegel's Doctrine of Being, and he argues that this pseudo-naturalism is shared by the political economists. He does not criticise Hegel's idealism transcendently, but sees within it an ideal expression of private, alienated activity, the social form of private production.

### Money-subject and 'substance as subject'

In the 'Chapter on Money' in the *Grundrisse* Marx finds the genesis of money in a circulation of commodities and money. He attempts to do this by appealing to a contradiction within money itself, though, as we will see later, he touches on the value-form and the process of circulation.

Marx focuses on two aspects of the commodity, 'natural likeness' and 'exchange-value'. However, as noted above, some readers of the 'Chapter on Money' are embarrassed by the fact that he refrains from using the popular term 'use-value', even though he often uses the opposite term 'exchange-value'. No

doubt he was well acquainted with the term 'use-value'. Nevertheless he uses other terms instead, e.g. 'natural properties' (*die natürliche Eigenschaften*), 'natural existence' (*die natürliche Existenz*), 'natural determinate being' (*das natürliche Dasein*) etc. (N 141, M 76).

What is Marx's intention in adopting this terminology? He evidently aims to consider the genesis of money using terms found in the works of Aristotle, one of the first thinkers to examine money. At the beginning of the theoretical sections of the 'Chapter on Money' in the *Grundrisse* (N 140, M 75), he puts the 'individual' thing (*Individuum*)<sup>6</sup> (N 235, M 158) or 'a tangible thing' (*ein handgreifliches Ding*) (N 263, M 187) on the agenda as 'the product'. He calls it 'substance' in the sense of 'primary substance' (*prōtē ousia*) mentioned by Aristotle. Aristotle distinguishes the primary from the secondary substance (*deutera ousiai*):

It follows, then, that substance has two senses, a. the ultimate substratum, which is no longer predicated of anything else, and b. that which is a 'this' and separable [*chōriston*] — and of this nature is the shape [*morphē*] or form [*eidōs*] of each thing.<sup>7</sup>

Marx considers exchange-value with reference to Aristotle's secondary substance. The commodity thus consists of the primary or natural substance and the secondary substance, exchange-value. The commodity is the concrete instantiation (*synolon*) of the two substances. As mentioned above, the secondary substance is 'separable' (*chōriston, abrennbar*),<sup>8</sup> (*abgetrennt*).<sup>9</sup> Aristotle does not stipulate whether the separable substance or form (*eidōs*) is natural or social. Marx comprehends it as social *par excellence*. In actuality it is the relation of exchange separated as exchange-value from persons who relate to each other in a specific way. It is materialised in a product, which thus becomes a commodity. Exchange-value is also separable from the primary substance or matter of the commodity. Marx writes:

Besides its existence in the commodity, exchange-value gained a proper existence in money, was separated [*getrennt*] from its [natural] substance exactly because the natural determinateness of this substance contradicted its general determination as exchange-value (N 150-1, M 84; quotation largely altered).

What is termed 'its [exchange-value's] substance' in the quotation above is the 'natural substance' in which exchange-value exists. It is in fact use-value. Use-values are 'the material bearers [Träger] of . . . exchange-value'.<sup>10</sup> Use-value should not be mistaken for 'abstract human labour', the *social* substance of value.

In the 'Chapter on Capital' we find a similar usage of the term substance: 'the substance in which it [capital] exists'. Here substance refers to particular forms of some natural substance, e.g. the substance of money, commodities, and conditions of production through which capital-value is mediated. Marx uses the word substance, instead of use-value, because he intends to grasp the commodity as a contradiction between primary substance and exchange-value.

Marx states that the two determinations of the commodity contradict each other. 'Contra-diction' means that the commodity contains two contrary aspects. The commodity as a whole is determined as a natural substance, and at the same time as exchange-value. Both aspects are true of it, but mutually exclusive. They then form a contradiction. How is the contradiction resolved or 'dissolved'? Marx answers:

This contradiction can be dissolved only by objectifying it: i.e. by positing the commodity in a double form, first in its natural, immediate form, then in its mediated form, as money. The latter is possible only because a particular commodity becomes, as it were, the general substance of exchange-values [*die allgemeine Substanz der Tauschwerte*], or because the exchange-values of commodities become identified with a particular commodity different from all others (N 168, M 100; quotation partially altered).

Here in the *Grundrisse* Marx makes a distinction between contradictions that can be transcended and those that are merely represented in another form (N 123, M 58).<sup>11</sup> The contradiction mentioned above belongs to the latter category, because it generates a form in which it is represented. The exchange-value of all commodities becomes separated and independent from the original natural substances in which it has existed, and exchange-value is eventually expressed in the particular natural substance of one money-commodity. Exchange-values are founded on their own particular substances, but in the money-commodity they are

represented within one specific substance which possesses natural attributes adequate for fulfilling certain needs. These attributes include unchangeability (inoxidizability) (N 166, M 98), separability, recompoundability and transportability.<sup>12</sup>

This representation is realised through the practice of commodity-owners. They equate the exchange-values of their commodities with a particular natural substance in one commodity such as gold or silver. This common action makes the commodity 'the general substance' in which the exchange-values of all commodities are expressed, to which they are transferred, and in which they exist. One commodity thus becomes money. The theoretical contradiction in the commodity between its two aspects is resolved through the unconscious practice of commodity-owners in generating a form — money — through which the contradiction is represented.

Marx analyses the situation in which the exchange-values of commodities become separated and are expressed in the particular natural substance of one commodity — money. He uses two categories — alienation (*Entfremdung*) and reification (*Versachlichung*):

— it is clear to the economists that the existence of money presupposes the reification [*Versachlichung*] of the social connection . . . But why do they [people] have faith in the thing [*Sache*]? Indeed obviously [they have faith in the thing] only as a reified relation between persons [*als versachlichtem Verhältniss der Personen unter einander*] . . . and it [money] can have a social attribute [*Eigenschaft*], only because the individuals have alienated [*haben entfremdet*] their own social relation as an object from themselves (N 160, M 93; quotation largely altered).

Although in the citation above, the two categories — reification and alienation — suggest a progression from reification to alienation, the order in which the two phenomena occur in reality is the opposite — alienation to reification. ' . . . a mutual relation between people's productive activities' (N 160, M 93) appears separated and independent from the human subjects in the exchange-relation, because their practice mutually equates their products as equivalents. The exchangers can equate them in this way because there is a presupposition that their general or abstract labour is objectified in them as the substance of value. Through

this practice the exchange-relation between 'private' individuals is separated and becomes independent as exchange-value. Marx calls this separation the alienation (*Entfremdung*) through which the exchange-relation is abstracted from the human subjects who form it.

The sense of the word alienation is the same as in the *Economic and philosophical manuscripts (1844)*. In those manuscripts Marx criticises Hegel, remarking that he grasps human labour 'within alienation' or 'within abstraction' in a way similar to the political economists. Marx's early critique refers to a situation in which money is generated through the unconscious and pervasive practice undertaken by commodity-owners in alienating or abstracting their own relationship as exchange-value. These exchangers bring their products into exchange as commodities, because they consciously believe that they have exchange-value. Thus their unconscious practice in alienating their own relation as exchange-value appears in reverse in their consciousness. In that way their commodities seem to have exchange-value themselves, because the exchangers are confident that their products are the phenomenal form of value itself. Marx is perhaps recalling a similar analysis in Hegel's *Phenomenology of spirit*:

The cultivated [*gebildete*] self-consciousness which traversed the world of the self-alienated Spirit has, through its exteriorization [*Entäusserung*], produced the Thing [*das Ding*] as its own self; therefore, it still retains its own self in it and knows that the Thing lacks self-subsistence, that it is essentially only a *being-for-an-other*; or, to give complete expression to the relation [*Verhältnis*], i.e., to what alone constitutes the nature of the object here, the Thing counts for it as something that *exists on its own account*; it declares sense-certainty to be absolute truth, but this *being-for-itself* is itself declared to be a moment that merely vanishes and passes over into its opposite, into a being that is at the disposal of an 'other'.<sup>13</sup>

The parenthesis 'money' (*Geld*), inserted by Marx in his excerpts from the *Phenomenology*, is evidence that he understands that Hegel's 'the thing' (*das Ding*), to which self-consciousness relates, is not a mere thing but a commodity: 'When it [the spirit] declares that what it does, it does out of a conviction of duty, this utterance is the validating (money) [*das Gelten (Geld)*] of its action.'<sup>14</sup>

Marx reads the utterance (*Spruch*) of the 'spirit' as economic

action, and the validating of its action (*das Gelten seines Handelns*) as money. In fact its utterance is an expression of economic value,<sup>15</sup> because the 'spirit' is that of commodity-owners who unconsciously alienate their own relation from themselves as exchange-value, and then become its mediators. They bear value-consciousness, though they do not recognise how it is formed. In that way Marx analyses the pervasive value-consciousness of commodity-owners by using Hegel's concept 'self-consciousness' from the *Phenomenology*.

Marx brings reification (*Versachlichung*) into focus by moving from alienation to exchange-value. Exchange-value is itself invisible and intangible, so therefore: 'As a general object, it can exist only symbolically . . .' (N 168, M 99). Exchange-value must then be represented in 'the thing' (*Sache*) or 'body' (*Körper*) of a particular commodity, which is the most adequate way for it to be expressed. Marx describes the materialisation of alienated (*entfremdet*) value in 'the thing' or 'body', its 'reification' (*Versachlichung*) or 'embodiment' (*Verkörperung*) (N 142, M 77). This process, in which the human subjects in a relation of commodity-exchange posit value 'through abstraction' (N 142, M 77)<sup>16</sup> or through alienation, proceeds simultaneously with the process in which they lose their subjectivity. They are unconsciously engaged in the abstraction of value and in the identification of it with 'the thing' (*Sache*) or 'body' (*Körper*). Unawares they generate money through their common action, and they become subject to it. Money is their alienated intersubjectivity reified in a particular natural substance as gold or silver, which is now 'the general substance' of exchange-value. Later in *Capital* Marx defines money, generated in this way, as a 'materialisation' (*Materiatur*)<sup>17</sup> in which value, i.e. a social form, is expressed in a specific natural substance or matter. In Aristotle's terms the secondary substance (*eidos*, form) becomes separated (*choriston*) from the primary or original substance, and is incarnated in another primary substance. Marx writes: 'Money is the objective medium [*das sachliche Medium*] into which exchange-values are dipped, and in which they obtain the shape [*Gestalt*] corresponding to their general determination' (N 167, M 99; quotation partially altered).

Money as an objective medium or 'objective expression' (*der sachliche Ausdruck*) (N 169, M 100) is 'the money-subject' (*das Geldsubjekt*) (N 167, M 99, etc.) or 'the subject of money' (*das Subjekt des Geldes*) (N 173, M 104). The relation of commodity-exchange is alienated as value from the human subjects who form

the relation, and value is materialised in a particular natural substance such as gold or silver. A specific commodity thus becomes 'the money-subject': 'It arises from the essence of exchange-value itself that one particular commodity appears as the money-subject to the money-attribute [*die Geldeigenschaft*] of all commodities' (N 167, M 98–9; quotation largely altered).

This much arises from what has been developed so far: A particular product (*commodity*) (material) must become the subject of money, which exists as the attribute of every exchange-value. The subject in which this symbol is represented is not a matter of indifference, since the claims to the representing subject are contained in the conditions — conceptual determinations, determinate relations — of what is to be represented (N 173–4, M 104; quotation partially altered).

Within the relation of commodity-exchange people unconsciously lose their subjectivity and become subordinate to money as a subject. The exchange-relation is separated as value, because they abstract it unawares. This abstraction is objectified and identified with a particular substance, so it appears as the money-subject. By tracing the genesis of money as a subject, Marx has clarified why a specific substance, such as gold or silver, becomes the money-subject, and why there exists the fetishism that gold is money by nature. Using this critique, he reveals the real ground of Hegel's thesis that 'substance' is 'subject'. Hegel writes:

It is out of this judgement [*Ur-Teil* = original division] that the Idea is *in the first place* only the one general substance [*Substanz*]; but its developed and true actuality is to be as subject [*Subjekt*] and thus as spirit [*Geist*] (sect. 213; quotation largely altered).

In the *Economic and philosophical manuscripts (1844)* Marx argues that Hegel's 'substance' is 'the alienation' (logically: from the infinite, the abstractly general) or 'the absolute and fixed abstraction'.<sup>18</sup> The most crucial category in Hegel's thesis is 'the spiritual relationship' (*das geistige Verhalten*)<sup>19</sup> or 'the abstractly spiritual (labour)' (*die abstrakt geistige [Arbeit]*),<sup>20</sup> through which 'substance' as 'knowing' (*Wissen*) becomes 'subject'. The labour which Hegel recognises is merely 'to know' (*wissen*). In the *Economic and philosophical manuscripts (1844)* Marx writes that for Hegel, 'Knowing is

its [consciousness's] only objective relationship [*Verhalten*].'<sup>21</sup> For Hegel 'knowing' knows itself, and consciousness is therefore self-consciousness. Self-consciousness confirms that everything exists in 'knowing' by objectifying itself as a subject. What appears as an object to self-consciousness (phenomenological knowledge) is nothing but self-consciousness in the form of its own object-consciousness.

In the *Economic and philosophical manuscripts (1844)* Marx reveals that Hegel's 'substance' in the *Phenomenology* is in fact the alienated relation of commodity-ownership as 'value in potentiality' (*an sich*). In other words Hegel has read into 'substance' a specific economic situation in which the commodity-owner reifies value-consciousness in the product. Marx grasps that Hegel's 'self-consciousness' is 'only abstractly conceived man, man produced by abstraction'. 'Man is selfish', or an 'abstract egoist'.<sup>22</sup> 'Man' is the commodity-owner.

For Marx, Hegel's 'object-consciousness' or 'thingness' (*Dingheit*) is reified egoism or value-consciousness. According to Hegel, 'object-consciousness' is 'exteriorized self-consciousness'<sup>23</sup> or 'an abstract thing, a thing of abstraction'.<sup>24</sup> The abstract thing which the commodity-owner reifies is expressed by Marx in the *Economic and philosophical manuscripts (1844)* as 'money, as the existing and active notion of value',<sup>25</sup> or 'the money of Spirit' (*das Geld des Geistes*). Marx calls the reification of value by commodity-owners in their consciousness 'thingness' (*Dingheit*), using one of Hegel's terms. This 'reification' (*Versachlichung*) is value which appears in a thing, and is value-consciousness reflecting on the product, its property.

In Hegel's view 'substance', which becomes 'subject' through self-objectification or self-knowing, is ideal and abstract, whereas Marx mentions only the concrete natural substance. Aware of this limitation, he introduces another category — labour-time:

Money is labour-time as general object, or the reification of general labour-time, labour-time as *general commodity*. It therefore looks very simple that, while labour-time regulates exchange-values, it is indeed not only the inherent measure of exchange-values, but also their substance itself [*ihre Substanz selbst*] (for, as exchange-values, commodities have no other substance, no natural attribute) . . . (N 168-9, M 100; quotation largely altered).

Marx defines labour-time as the substance of exchange-value. A little later he calls the new category a 'social substance' (*die gesellschaftliche Substanz*) (N 207, M 135), distinguished from 'natural substance' (*die natürliche Substanz*) (N 206, M 134). Using these basic terms, he is able to demonstrate that social substance as 'general labour' (*die allgemeine Arbeit*) (N 205, M 134) is reified in the products of concrete labour through the separation of the exchange-relation as value. This happens through the unconscious actions of commodity-owners. Through this common practice the values of commodities are embodied and reified in a particular natural substance such as gold or silver, which thus appears as the money-subject. Hegel's argument that 'substance' becomes 'subject' is understood by Marx in economic terms as the reification of an alienated relationship. This reification is value embodied in a particular natural substance. That substance, the materialisation of value-consciousness, appears as the money-subject.

### Price and 'quantum'

After using Hegel's work in describing the transformation of products into commodities and the transformation of commodities into money, Marx defines 'price' as follows:

*Exchange-value, posited in the determinateness [Bestimmtheit] of money, is price. Exchange-value is expressed in price as a certain quantum [Quantum] of money. Money as price appears first of all as the unity [Einheit] of all the exchange-values; secondly, it appears as the unit [Einheit] of which they all contain a given amount [Anzahl], so that the equation with money expresses the quantitative determinateness of exchange-values, their quantitative relation to one another (N 189, M 120; quotation partially altered).<sup>26</sup>*

In writing the above passage Marx is evidently recalling the following sentences in Hegel's work on 'quantum' under 'quantity' in his *Doctrine of Being*:

In *number [Zahl]* the quantum [*Quantum*] reaches its development and perfect determinateness. Number has the one as its element, and contains in itself *amount [Anzahl]* according to the moments of discretion, and *unit [Einheit]* according to the

moments of continuity, as its qualitative moments (sect. 102).<sup>27</sup>

Both paragraphs cited above share certain terms such as 'quantum', 'unity' and 'amount'. And there is another common characteristic: 'quantum' is put on the same logical level as 'unity' and 'amount'. At the end of his discussion of 'quality', Hegel explains that 'being-for-itself', or 'determinate being', which determines itself in relation to others, tends to express itself as one (*Eins*) through others, 'the many' (*viele Eins*), as much as possible. At an extreme, each 'one', which has taken on the role of the objective material in which the subjective expresses itself, wants to express itself with the 'many' others as an equal subject. Then the 'many' repulse the 'one'. No 'one' can find any difference between itself and the 'many', because they are the same as the 'one'. Therefore they are a reflection of the 'one' itself. The relation of 'one' to 'many' is but a relation of 'one' to itself. Each 'one' of 'many' mutually attracts the others, so 'quality' abstracts itself into 'quantity' — the transition from quality to quantity.

Using the logical relations between 'one and many' and 'repulsion and attraction', Marx demonstrates that money is generated from the commodity-relation. Then using 'quantum' from the conception of 'quantity' in the *Logic*, he defines price, assuming that money is already given as a presupposition.

Hegel writes: '*Quantum*; limited quantity' (sect. 101). Marx notes that the commodity has value in a limited quantity or quantum. It is expressed using money in a certain amount, and thus expresses a price. Every value is expressed only with money, so in that sense money is unity. Money has both a particular quality and a fixed quantity, i.e. a unit, and it is thus composed of a certain amount. Money's first function is to measure the value of the commodity.

### Value-form and the process of exchange, and 'one and many'

Marx progresses from the first determination of money as measure of value to its second determination as means of circulation and realiser of prices. Those two determinations of money are both based on the first type of circulation: Commodity — Money — Money — Commodity (C-M-M-C). He writes:

At first sight, circulation appears as a *badly infinite process* [*ein schlecht unendlicher Process*]. The commodity is exchanged for money, money is exchanged for the commodity, and this is repeated endlessly. This constant renewal of the same process indeed forms an essential [*wesentlich*] moment of circulation. But, viewed more precisely, it reveals other phenomena as well; the phenomena of completion, or, the return of the point of departure into self. The commodity is exchanged for money; money is exchanged for the commodity (N 197, M 126–7; quotation partially altered).

The passage cited above is based on the definition of ‘becoming’ (*Werden*) and the ‘bad infinity’ in Hegel’s *Logic*:<sup>28</sup> ‘Something becomes an other; but the other is itself a something; therefore it likewise becomes an other, and so on *ad infinitum*’ (sect. 93; quotation partially altered).

This *infinity* is the *bad* or *negative* infinity: it is only a negation of a finite: but the finite arises again the same as ever, and is never transcended. In other words, this infinite only expresses the *ought* [*Sollen*] of transcendence of the finite (sect. 94; quotation partially altered).

Marx sees the ‘bad infinity’ in the formal process C–M–M–C. As long as it appears as an endless, purposeless process, the first commodity is *prima facie* the same as the last. However, if we connect selling (C–M) with purchasing (M–C), it becomes apparent that the hidden purpose of the process consists in the consumption of the use-value of the second commodity outside the process of circulation itself. The process is merely a means. Within this process of circulation, money is determined firstly as a measure of the value of a commodity and secondly as a means of circulation.

Hegel defines the ‘bad infinity’ as an endless process of renewal between one finiteness and another, or between ‘something’ and ‘another something’, forming a contradiction between finitudes to be superseded up to infinity. In what Hegel calls the ‘bad infinity’ Marx traces the actions of obtaining use-value in the process of circulation and consuming it outside the economic process.

With reference to Hegel, Marx then defines circulation as a continuous movement which has its own purpose:<sup>29</sup> ‘It is in the nature of circulation [*Kreislauf*] that every point appears simultaneously as a starting-point and as an ending-point’ (N 203, M 132; quotation

partially altered). Hegel calls this circulation 'the veritable infinite', which forms a circulation. Its ending-point is connected with the next starting-point. He defines 'the veritable infinite' as follows: '. . . the veritable [*wahrhaft*] infinite, which rather consists in being with itself in its other, or, if enunciated as a process, in coming to itself in its other' (sect. 94, Z; quotation partially altered).<sup>30</sup>

Does the form of circulation  $C_1 - M - M - C_2$  correspond to the veritable infinite? This form helps to obtain use-value for individual consumption which is realised outside the economic process. Therefore it is defined neither as 'being with itself in its other', nor 'as process . . . coming to itself in its other'.

What is the economic form which matches the true infinite? It is the opposite type of circulation  $M_1 - C - C - M_2$ . What is the purpose of the second type of circulation? Circulation begins with money ( $M_1$ ) and ends in money, the same thing ( $M_2$ ). There is no qualitative difference between the beginning and the end, but a quantitative distinction, i.e.  $M_2 - M_1 = \Delta M$ , which Marx later calls 'surplus-value' (*Mehrwert*) (N 315, M 233).  $M_2$  is taken to be more than  $M_1$ , and  $M_2$  will then immediately return as the next  $M_1$ . If  $M_2 < M_1$ , then money vanishes, and the second form of circulation cannot subsist. Money increases endlessly, bringing surplus-value as a result. The purpose of this process is 'form as content', i.e. a content into which the type of circulation — the circulation of value — has changed. Money in the second type of circulation has that special purpose.

However, money is nothing but a particular form (as is the commodity) of increasing value. The general subject here is a process of increasing value, so it is abstract. Commodity and money are particular concrete forms within which the abstract subject maintains itself, metamorphosing from one form to another. Not only the commodity but even money descends to 'finiteness', subject to the 'true infinity' or increasing value. In that way Marx grounds Hegel's abstract definition of the 'true infinity' on economic actuality.

Marx then touches on the third determination of money as 'hoard' or 'treasure' (*Schatz*). This is analysed in detail in the next section of the present work. Here Marx inquires how money generates and tries to solve the problem of the value-form in conjunction with the process of exchange. He does this with reference to the 'true infinity' or endless circulation.

Marx analyses an equivalent relation between simple commodi-

ties that lies beneath the definition of money as measure of value:

If I say a pound of cotton is worth 8d., then I am saying that 1 pound of cotton = 1/116 oz. of gold (the ounce at £3.17s.7d.) (913d.) . . . This original relation of the pound of cotton with gold, by means of which the quantity of gold contained in an ounce of cotton is determined, is fixed by the quantity of labour-time realized in one and the other, the real common substance of exchange-values [*die wirkliche Gemeinsame (sic) Substanz der Tauschwerte*] (N 203-4, M 132).

Where in actual fact are the commodity and money (which Marx takes ultimately to be gold) reduced to labour-time as 'the real common substance of exchange-values' or 'social substance' (N 207, M 135)? Marx presumes that the reduction is realised in the bourgeois economy itself.

Competition equates the other working days with that one [a definite amount of gold — HU], *modificandis modificatis*. Directly or indirectly. In a word, in the direct production of gold, a definite quantity of gold directly appears as product and hence as the value, the equivalent, of a definite amount of labour-time (N 204, M 132).

Competition abstracts from the natural attributes of commodities and money (gold) in order to equate them with the labour-time necessary to produce them. This is abstraction *in actu*. The market where the abstraction is actualised has been formed in practice:

The form of barter in which the overflow [*Überfluss*]<sup>31</sup> of one's own production is exchanged by chance for that of others is only the *first occurrence* of the product as exchange-value in general, and is determined by accidental needs, whims, etc. But if it should happen to continue, to become a continuing act which contains within itself the means of its renewal, then little by little, from the outside and likewise by chance, regulation of reciprocal exchange arises by means of regulation of reciprocal production, and the costs of production, which ultimately resolve into labour-time, would thus become the measure of exchange. This shows how exchange comes about, and the exchange-value of the commodity (N 204-5, M 133).

Competitive relationships in bourgeois society are traced back to an original, accidental relation in the exchange of surplus products between communities. If this accidental relation stimulates a division of labour within communities, their surplus product turns into the means of their own reproduction, and they thus produce more surplus product in terms of use-value, even exchanging part of the product of necessary labour. The reciprocal production and exchange of surplus products between communities is gradually repeated in frequency and regularity. The exchange-relation then penetrates communities and changes them into commodity-producing societies.

Marx has defined the process of exchange in logic and history. His next task is to clarify the logical rule which the owner of a commodity unconsciously follows in the practical process of exchange. What is it? What is it grounded on? Marx now demonstrates the value-form or the genesis of money. Here in the *Grundrisse* he is able to undertake a basic analysis of the value-form, making critical use of Hegel's logic of 'one and many'. At the end of Hegel's discussion of 'determinate being' in the *Logic*, 'being' is defined as what has become independent or 'something' (*Etwas*), and it is distinguished from an independent 'other' (*ein Anderes*). The 'other' is 'an other something' and is but 'something' itself, to which it relates negatively. Therefore the relation of 'something' to 'other' is a relation of self-reflection. 'Being' is thus defined as 'being-for-itself' (*Fürsichsein*). 'Something' is then defined as 'one' and 'an other', i.e. 'something' has become two, two then four. Thus 'one' becomes 'many'. Each of the 'many' is also 'one', the 'many' are many 'ones'. Hegel writes:

The One . . . just excludes itself and posits itself as the Many. Each of the Many is, however, itself one One. As it behaves as such, so herewith this all-round repulsion converts into its opposition, *attraction* (sect. 97, Z; quotation largely altered).<sup>32</sup>

What sort of image does Hegel have in mind in 'being-for-itself' when it repulses and attracts itself? In fact the real image is as follows:

We have the readiest instance of Being-for-itself in the *I* [*Ich*]. We know ourselves as existents [*daseiend*], first of all, distinguished from other existents and related thereto. But we also come to know that this width [*Breite*] of determinate being

[*Dasein*] is sharpened, as it were, to the simple form [*einfache Form*] of Being-for-itself. When we say *I*, it is the expression of infinity and, at the same time, negative self-relation (sect. 96, Z; quotation largely altered).<sup>33</sup>

Here we have the modern individual. Hegel imagines modern persons, who mutually repulse and attract, as dependent on their social relations, though they think they are independent. They cannot live without social intercourse. Through competition and dependency they transcend their exclusive 'finite I' for the 'infinite we'. Hegel thinks that their intersubjectivity is expressed in a simple form, but does not explain it further in the *Logic*.

However in his early note, *First philosophy of spirit* (1803–4), not known to Marx, Hegel considers the actual situation of 'one and many' in the economic relations which inevitably generate money as a simple form:

*This manifold labouring at needs as things must likewise realize their concept, their abstraction; their general concept must become a thing like them, but one which, qua universal, represents all needs; money is this materially existing concept, the form of unity, or of the possibility of all things needed.*<sup>34</sup>

Therefore it is possible to say that when Hegel writes 'a simple form' in the *Logic*, he holds the more concrete image of money as 'the form of unity'. This image derives from his critical reading of Adam Smith's *The wealth of nations*, where Smith explains that the real measure of exchange is labour, 'an abstract notion'. Subsequently Smith writes of it as 'a plain and palpable object', i.e. money was introduced by 'persons of prudence'. Hegel finds a crucial gap between labour as a real measure and money as a convenience, and tries to fill the gap with a view or recognition of money as 'the form of unity' which exists as 'the general' in a material thing and represents all needs. However, Hegel is not successful in demonstrating why and how labour is abstracted, and how abstract labour develops into money, though he writes that 'this manifold labouring at needs [division of labour]' must realise the general concept in a material thing.

Although writing in ignorance of Hegel's critique of Smith's theory of money in the *First philosophy of spirit*, Marx finds social reality in Hegel's 'simple form' and reveals that 'being-for-itself' is not a natural phenomenon but relates to historically-determined persons in specific social relationships.

Marx sees natural substance or use-value in Hegel's definition of 'reality of determinate being', and he sees exchange-value in Hegel's 'ideality of being-for-itself'. Independent persons (*daseiend*) in bourgeois society exist as commodity-owners who use these determinations. A commodity-owner exists 'in himself' (*an sich*) as a 'finite I', which corresponds to the immediate existence of the commodity as a product or natural substance. However, the commodity-owner must form the relation of commodity-exchange with other persons, through and in which 'he' supersedes 'finitude as I' for 'infinity as we'. The individual commodity-owner now shares this intersubjectivity with others in commodity-relations.

Marx associates Smith's image of the person as an economic subject with Hegel's definitions of 'determinate being' and 'being-for-itself'. Smith thinks that 'man' is born with the propensity to exchange given by nature which fixes a certain division of labour.<sup>35</sup> Smith insists that this inevitably results in civilised society or commercial society, which is in fact capitalism.

This naturalistic image of capitalism is also found in Hegel. He has the same kind of image, confusing what is specific to capitalism with what is common to all forms of society. In the 'Minor Logic' he writes as follows:

The distinction between Nature and Spirit [*Man*] is not improperly conceived, when the former is traced back to reality, and the latter to ideality as their fundamental determination. Nature, however, is far from being so fixed and complete, as to subsist even without Spirit: in Spirit it first, as it were, attains its goal and its truth. And likewise, Spirit on its part is not merely an abstract other world of Nature, but it is only first true and proved as Spirit, as far as it contains Nature as transcended in itself (sect. 96, Z; quotation largely altered).

Hegel would be correct if he took the above on the level of the 'consistent naturalism or humanism' or 'species-life' detailed by Marx in the *Economic and philosophical manuscripts (1844)*.<sup>36</sup> In Marx's work 'man' develops 'his' nature through exploring the essence of objective nature (material cause) by *poiesis* (formal cause).

However, Hegel's transition from the reality of 'determinate being' to the ideality of 'being-for-itself' does not express a humanisation of nature in history, as we see in Marx. Hegel leaps

to the historical dimension without any mediation. What he defines abstractly as 'being-for-itself' implies modern alienation or the division of human species-life into physical and mental labour. In alienated life people mutually repulse each other in competition and nevertheless attract in exchange. Hegel expressed this implicitly in 'one and many'.

Marx translates 'repulsion and attraction' in the *Logic* into economic terms as competition among commodity-owners and their mutual dependency in commodity-exchange. How are competition and dependency mediated? This is not considered by Smith, who is satisfied with a view of money that lacks proof why and how labour becomes abstract, and whether or not there is any relationship between this abstraction and money.

By contrast, Hegel claims that the independent person brings about 'a simple form' with which 'he' transcends finite existence as an 'I' for 'we' and is thus organised as 'the superseded I', i.e. abstract intersubjective consciousness. Hegel is aware of the problem of the value-form or the genesis of money in his own logic of 'being-for-itself' or 'one and many'. But he does not develop this awareness into an analysis of the simplest form of value, the relation of one commodity to another, in which the commodity as subject expresses its own value in the use-value of another commodity.

Marx begins to analyse the form of value in the 'Chapter on Money' of the *Grundrisse*, obtaining his results by using Hegel's *Logic*. Hegel defines the special characteristic of 'spirit', which is distinguished from 'nature', as 'ideality'. The substance of this definition is specific to modern private property or value consciousness, which the commodity-owner unconsciously objectifies in his product as exchange-value, and which the commodity owner mistakenly assumes is inherent within it.

This value-consciousness is the alienated thought of the modern persons who form the exchange-relation. It is not a determination specific to the labour-process as such (natural formal cause) but a determination specific to persons in practical commodity-relations (alienated formal cause). Although Hegel does not explicitly define the 'ideality of being-for-itself' in that sense, he implies this substantive content.

By reading Hegel's definition of 'one and many' in that context, Marx applies it to his study of the value-form. He analyses the first form of value, where the value of one commodity is expressed in the use-value of another, as follows:

A commodity is *exchange-value* only as far as it is expressed in another, i.e. as a relation [*Verhältnis*]. A bushel of wheat is worth so many bushels of rye; in this case wheat is exchange-value in as much as it is expressed in rye, and rye is exchange-value in as much as it is expressed in wheat (N 205, M 134; quotation partially altered).

In this citation Marx makes a clear distinction between the commodity as exchange-value and the commodity as equivalent. The owner of wheat in fact makes a value-thing (*ein Wertding*) of the wheat by expressing its value in rye. The owner speculates that wheat may be related to rye in this way, because wheat has an exchange-value in rye, or alternatively the owner speculates that the exchange-value is originally in the wheat itself. This speculation *de facto* abstracts exchange-value from the exchange-relation and mediates it. This thought (*Sache*) is one of value-abstraction, and the thought has a generality because it is ideal.

The wheat is related not only to rye, but to all commodities except itself, according to the specific abstraction made by its owner. It repulses and attracts other commodities as media for expressing its value. The value of one commodity is expressed in the use-values of many others. One commodity may be exchanged with many others, so it thus attains general exchangeability.

Here we see Marx's breakthrough in tackling the problem of the value-form. Because of the ideality and generality in the first value-form — the expression of the value of one commodity in the use-value of another — the first value-form necessarily leads to the second in Marx's analysis. In the second value-form, the value of one commodity is expressed in the use-values of many others. Hegel's 'being-for-itself' and 'one and many' reveal the logical character of the transition from the first value-form to the second, even though 'being-for-itself' in Hegel's *Logic* is not explicitly related to value. Reference to Hegel's *Logic* also shows us that Marx's presentation of the value-form in the *Grundrisse* is much closer to his final view, found in the second edition of *Capital*, than appears at first glance.

What takes place in the second form of the expression of value — the value of one commodity expressed in the use-values of many others? Each of the 'many' other commodities is also one 'one', and each has been used for the expression of value of one commodity. There are 'many ones'. The more these many other commodities take on the role of medium for the expression of

value, the stronger their impulse to express their own value. Each of the 'many' also turns to 'one', with the same warrant to express its own value. This occurs in proportion to the maturity of the second form of value. These mutual claims to be the value-subject bring about the conversion of the second form to the third. In the third form commodities as 'many ones' express their values in the use-value of but one commodity, which they repulse and attract in common.

Marx defines the 'one' commodity as 'one general', in the following way:<sup>37</sup>

It is posited as a *relation* [*Verhältnis*], more precisely as a relation in general [*allgemein*], not to one commodity but to every commodity, to every possible product. It expresses, therefore, a general relation [*ein allgemeines Verhältnis*]; the product which relates to itself as the realization of a *determinate quantum* [*ein bestimmtes Quantum*] of general labour, of social labour-time, and is therefore the equivalent of every other product in the proportion expressed in its exchange-value. Exchange-value presupposes social labour as the substance [*Substanz*] of all products, quite apart from their naturalness [*Natürlichkeit*]. Nothing can express a relation [*ein Verhältnis*] without relating to One [*zu Einem*], and there can be no general relation [*kein allgemeines Verhältnis*] unless it relates to one general thing [*zu einem Allgemeinen*] (N 205, M 133–4; quotation largely altered).

This conversion is defined as the transition from the second form of value to the third in *Capital*. In that context, as well as in *A contribution to the critique of political economy* of 1859, Marx says that the second form contains the third, which can be understood more easily with reference to Hegel's 'one and many', as interpreted above. In *A contribution to the critique of political economy* Marx writes as follows:

Therefore the exchange-value of *this single commodity* [*diese einzelne Ware*] expresses itself exhaustively only in the infinitely many equations [*in den unendlich vielen Gleichungen*], where the use-values of all other commodities form their equivalent. Only in the sum of these equations or in the totality of different proportions where one commodity is exchangeable with any other commodity, and it is expressed exhaustively as *general equivalent*.<sup>38</sup>

occur because of the presumption that an equivalent exchange-value originally exists in each commodity.

The use-value of a commodity for its owner is a non-use-value. Thinking of Adam Smith's explanations of exchange and division of labour in *The wealth of nations*, Marx writes as follows: 'Exchange and division of labour reciprocally condition one another. Since everybody works for himself but his product is nothing [*Nichts*] for him' (N 158, M 91). The commodity-owner brings his product to exchange. Use-value is non-use-value or 'nothing' for the commodity-owner, but it may be a use-value or 'being' for others. Each use-value is different, but in order to be exchanged, each must be equated to another through 'a third'. What is 'the third'? What really exists in the exchange-relation is the use-value of each commodity. Therefore 'the third' can only be another relation through which products with different use-values are linked. This relation exists only in the minds of persons. It is what is thought (*gedacht*).

It is noteworthy that the relation of 'the third' comes to exist only when persons, who relate to each other, keep it in mind. However, they do not notice this mental action. Though they form the relation of commodity-exchangers, they presume that exchange-value exists originally in a commodity, without an awareness that exchange-value derives from an unconscious reflection of the real exchange-relation between their products. Exchange-value is a relation which is abstracted unawares from exchange and transformed into an immanent factor of the commodity itself. In that way the real exchange-relation is alienated as exchange-value from the exchangers and is materialised in the commodity.

In writing the sentences quoted above, Marx is surely remembering the following passage from Hegel:

Difference is 1. *immediate* difference, i.e. *diversity* [*Verschiedenheit*]. In diversity each of the different things *is by itself* what it is, and is indifferent to its relation to any other. This relation is therefore external to it. Because of the indifference of the diverse things to the difference between them, the difference falls outside them into a third [*ein Drittes*], *something comparable* [*Vergleichendes*] (sect. 117; quotation largely altered).<sup>3</sup>

Hegel does not explain 'the third' any further, but Marx assumes that it is the value-consciousness of commodity-owners,

which they unconsciously project on to their products and take to be an original feature of the commodity itself.

### The commodity-owner and 'ideality of being-for-itself'

In bourgeois society a person must engage in a metabolism with nature through the commodity-money relation. The private nature of this process requires a person to perform this practice by identifying products with 'the third', exchange-value. This is because the private exchange of products, which are different in use-value from each other, is realised through an equation. In that equation the exchange-relation is separated as exchange-value from the persons who form the relationship. This equation is a determination (*Bestimmung*) of the commodity-owner whose 'final cause' is speculation in terms of value, a form of alienated thinking and behaviour.

'Being-for-itself' (*Fürsichsein*) in Hegel's *Logic* is concerned with just this matter. 'Determinate being' (*Dasein*) becomes 'being-for-itself' (*Fürsichsein*) when it is defined as 'something' (*Etwas*) in relation to another 'determinate being', 'another something' (*anderes Etwas*). It is 'being-for-itself' or 'something' that relates to 'another something' and determines itself in relation to it. Hegel writes:

In Being-for-itself enters the determination of *ideality* [*Idealität*]. *Determinate being* has *reality* [*Realität*] in the first instance when it is apprehended only in its being or affirmation (sect. 91); and thus even finiteness in the first instance is in the determination of reality (sect. 95; quotation largely altered).<sup>4</sup>

Hegel derives 'being-for-itself' from the relation between 'something' and 'another something'. 'Being-for-itself' is the relation that is ideal *par excellence*, i.e. 'being-for-itself' is ideality which mediates the reality of 'determinate being' or 'something'.

However, Hegel neither inquires into what actually causes the relation between 'something' and 'another something', nor asks why the reality of 'being-for-itself' cannot subsist as such and must descend into ideality. By contrast Marx investigates the cause, because the ideality in question is the specific characteristic of modern private property.

What Hegel calls 'reality' are the natural attributes and identity of a product when it is observed from the standpoint of political economy. It is 'value in use', in Smith's terminology, material wealth obtained through the metabolic process with nature by 'toil and trouble'. The product cannot continue to exist as mere use-value when it is brought into the relation of private exchange.

What Hegel calls 'ideality' is the abstraction which exchangers keep in mind in equating their products. They form an exchange-relation and abstract the real 'unlikeness' of their products into an ideal 'likeness', in short, exchange-value.

Marx thus interprets the reality of 'determinate being' and the ideality of 'being-for-itself' as use-value and exchange-value respectively. A product has those two factors because the process of metabolism between human beings and nature is carried on through a separation and reintegration in the course of private exchange.

Marx also criticises Hegel directly:

This symbol [money], this material sign of exchange-value, is a product of exchange itself, and not the execution of an idea conceived *a priori* (N 144, M 79).

These *objective* dependency relations [*diese sachlichen Abhängigkeitsverhältnisse*] also appear, in opposition to those of *personal* dependence . . . in such a way that individuals are now ruled by *abstractions* [*Abstraktionen*], whereas earlier they depended on one another. The abstraction, or idea [*Idee*], however, is nothing more than the theoretical expression of those material relations which are their master [*Herr*]. Relations can be expressed, of course, only in ideas . . . (N 164, M 96).<sup>5</sup>

Marx reinterprets Hegel's 'idea'. He sees it as an abstraction which private persons unconsciously but inevitably generate as an equalising factor when they relate to each other in an exchange of products or in 'objective dependency'. He thinks that the subject in bourgeois society is in fact not the 'idea', but the commodity-relation or form of the commodity. Hegel's 'idea' is an abstract expression of this relation.

For Marx the 'propensity to exchange', which Adam Smith emphasised in human nature, has become an axiom for the bourgeoisie. They live within the commodity-relation or 'commercial society'. Exchange-value is what they express ideally in the

commodity-relation, their 'final cause'. The productive ability which is bestowed on human beings in history is alienated in practice and then defined so as to express exchange-value, an ideality. Hegel mistakes this ideality for the 'idea', the demiurgos of the universe.

The bourgeoisie are conscious of exchange-value in the form of prices, so their consciousness is determined as value-consciousness. But at this level they presume that exchange-value as infinity (*Unendlichkeit*) is immanent within the product as finiteness (*Endlichkeit*). Marx's work relates to this comment by Hegel: 'The truth of the finite is rather its *ideality*' (sect. 95).

The product (finiteness) is determined so that it is equated (like, *gleich*) through an ideal 'third' with its reality as a use-value (unlikeness, *Ungleichheit*). In the sentence above Hegel asserts that the product becomes a commodity in private exchange. The commodity is then determined not only as use-value (finiteness or reality), but as exchange-value (infinity or ideality). Unawares he describes a situation in which people must express their private interests in a specific way. He presumes the situation to be natural, although in fact it is historically established.

Marx sees the two aspects of the commodity — use-value and exchange-value — in Hegel's definitions of 'reality of determinate being' and 'ideality of being-for-itself'. He criticises the pseudo-naturalism expressed in Hegel's Doctrine of Being, and he argues that this pseudo-naturalism is shared by the political economists. He does not criticise Hegel's idealism transcendently, but sees within it an ideal expression of private, alienated activity, the social form of private production.

### Money-subject and 'substance as subject'

In the 'Chapter on Money' in the *Grundrisse* Marx finds the genesis of money in a circulation of commodities and money. He attempts to do this by appealing to a contradiction within money itself, though, as we will see later, he touches on the value-form and the process of circulation.

Marx focuses on two aspects of the commodity, 'natural likeness' and 'exchange-value'. However, as noted above, some readers of the 'Chapter on Money' are embarrassed by the fact that he refrains from using the popular term 'use-value', even though he often uses the opposite term 'exchange-value'. No

doubt he was well acquainted with the term 'use-value'. Nevertheless he uses other terms instead, e.g. 'natural properties' (*die natürliche Eigenschaften*), 'natural existence' (*die natürliche Existenz*), 'natural determinate being' (*das natürliche Dasein*) etc. (N 141, M 76).

What is Marx's intention in adopting this terminology? He evidently aims to consider the genesis of money using terms found in the works of Aristotle, one of the first thinkers to examine money. At the beginning of the theoretical sections of the 'Chapter on Money' in the *Grundrisse* (N 140, M 75), he puts the 'individual' thing (*Individuum*)<sup>6</sup> (N 235, M 158) or 'a tangible thing' (*ein handgreifliches Ding*) (N 263, M 187) on the agenda as 'the product'. He calls it 'substance' in the sense of 'primary substance' (*prōtē ousia*) mentioned by Aristotle. Aristotle distinguishes the primary from the secondary substance (*deuterai ousiai*):

It follows, then, that substance has two senses, a. the ultimate substratum, which is no longer predicated of anything else, and b. that which is a 'this' and separable [*chōriston*] — and of this nature is the shape [*morphē*] or form [*eidōs*] of each thing.<sup>7</sup>

Marx considers exchange-value with reference to Aristotle's secondary substance. The commodity thus consists of the primary or natural substance and the secondary substance, exchange-value. The commodity is the concrete instantiation (*synolon*) of the two substances. As mentioned above, the secondary substance is 'separable' (*chōriston, abrennbar*),<sup>8</sup> (*abgetrennt*).<sup>9</sup> Aristotle does not stipulate whether the separable substance or form (*eidōs*) is natural or social. Marx comprehends it as social *par excellence*. In actuality it is the relation of exchange separated as exchange-value from persons who relate to each other in a specific way. It is materialised in a product, which thus becomes a commodity. Exchange-value is also separable from the primary substance or matter of the commodity. Marx writes:

Besides its existence in the commodity, exchange-value gained a proper existence in money, was separated [*getrennt*] from its [natural] substance exactly because the natural determinateness of this substance contradicted its general determination as exchange-value (N 150-1, M 84; quotation largely altered).

What is termed 'its [exchange-value's] substance' in the quotation above is the 'natural substance' in which exchange-value exists. It is in fact use-value. Use-values are 'the material bearers [Träger] of . . . exchange-value'.<sup>10</sup> Use-value should not be mistaken for 'abstract human labour', the *social* substance of value.

In the 'Chapter on Capital' we find a similar usage of the term substance: 'the substance in which it [capital] exists'. Here substance refers to particular forms of some natural substance, e.g. the substance of money, commodities, and conditions of production through which capital-value is mediated. Marx uses the word substance, instead of use-value, because he intends to grasp the commodity as a contradiction between primary substance and exchange-value.

Marx states that the two determinations of the commodity contradict each other. 'Contra-diction' means that the commodity contains two contrary aspects. The commodity as a whole is determined as a natural substance, and at the same time as exchange-value. Both aspects are true of it, but mutually exclusive. They then form a contradiction. How is the contradiction resolved or 'dissolved'? Marx answers:

This contradiction can be dissolved only by objectifying it: i.e. by positing the commodity in a double form, first in its natural, immediate form, then in its mediated form, as money. The latter is possible only because a particular commodity becomes, as it were, the general substance of exchange-values [*die allgemeine Substanz der Tauschwerte*], or because the exchange-values of commodities become identified with a particular commodity different from all others (N 168, M 100; quotation partially altered).

Here in the *Grundrisse* Marx makes a distinction between contradictions that can be transcended and those that are merely represented in another form (N 123, M 58).<sup>11</sup> The contradiction mentioned above belongs to the latter category, because it generates a form in which it is represented. The exchange-value of all commodities becomes separated and independent from the original natural substances in which it has existed, and exchange-value is eventually expressed in the particular natural substance of one money-commodity. Exchange-values are founded on their own particular substances, but in the money-commodity they are

represented within one specific substance which possesses natural attributes adequate for fulfilling certain needs. These attributes include unchangeability (inoxidizability) (N 166, M 98), separability, recompoundability and transportability.<sup>12</sup>

This representation is realised through the practice of commodity-owners. They equate the exchange-values of their commodities with a particular natural substance in one commodity such as gold or silver. This common action makes the commodity 'the general substance' in which the exchange-values of all commodities are expressed, to which they are transferred, and in which they exist. One commodity thus becomes money. The theoretical contradiction in the commodity between its two aspects is resolved through the unconscious practice of commodity-owners in generating a form — money — through which the contradiction is represented.

Marx analyses the situation in which the exchange-values of commodities become separated and are expressed in the particular natural substance of one commodity — money. He uses two categories — alienation (*Entfremdung*) and reification (*Versachlichung*):

— it is clear to the economists that the existence of money presupposes the reification [*Versachlichung*] of the social connection . . . But why do they [people] have faith in the thing [*Sache*]? Indeed obviously [they have faith in the thing] only as a reified relation between persons [*als versachlichtem Verhältniss der Personen unter einander*] . . . and it [money] can have a social attribute [*Eigenschaft*], only because the individuals have alienated [*haben entfremdet*] their own social relation as an object from themselves (N 160, M 93; quotation largely altered).

Although in the citation above, the two categories — reification and alienation — suggest a progression from reification to alienation, the order in which the two phenomena occur in reality is the opposite — alienation to reification. ' . . . a mutual relation between people's productive activities' (N 160, M 93) appears separated and independent from the human subjects in the exchange-relation, because their practice mutually equates their products as equivalents. The exchangers can equate them in this way because there is a presupposition that their general or abstract labour is objectified in them as the substance of value. Through

this practice the exchange-relation between 'private' individuals is separated and becomes independent as exchange-value. Marx calls this separation the alienation (*Entfremdung*) through which the exchange-relation is abstracted from the human subjects who form it.

The sense of the word alienation is the same as in the *Economic and philosophical manuscripts (1844)*. In those manuscripts Marx criticises Hegel, remarking that he grasps human labour 'within alienation' or 'within abstraction' in a way similar to the political economists. Marx's early critique refers to a situation in which money is generated through the unconscious and pervasive practice undertaken by commodity-owners in alienating or abstracting their own relationship as exchange-value. These exchangers bring their products into exchange as commodities, because they consciously believe that they have exchange-value. Thus their unconscious practice in alienating their own relation as exchange-value appears in reverse in their consciousness. In that way their commodities seem to have exchange-value themselves, because the exchangers are confident that their products are the phenomenal form of value itself. Marx is perhaps recalling a similar analysis in Hegel's *Phenomenology of spirit*:

The cultivated [*gebildete*] self-consciousness which traversed the world of the self-alienated Spirit has, through its exteriorization [*Entäusserung*], produced the Thing [*das Ding*] as its own self; therefore, it still retains its own self in it and knows that the Thing lacks self-subsistence, that it is essentially only a being-for-an-other; or, to give complete expression to the relation [*Verhältnis*], i.e., to what alone constitutes the nature of the object here, the Thing counts for it as something that exists on its own account; it declares sense-certainty to be absolute truth, but this being-for-itself is itself declared to be a moment that merely vanishes and passes over into its opposite, into a being that is at the disposal of an 'other'.<sup>13</sup>

The parenthesis 'money' (*Geld*), inserted by Marx in his excerpts from the *Phenomenology*, is evidence that he understands that Hegel's 'the thing' (*das Ding*), to which self-consciousness relates, is not a mere thing but a commodity: 'When it [the spirit] declares that what it does, it does out of a conviction of duty, this utterance is the validating (money) [*das Gelten (Geld)*] of its action.'<sup>14</sup>

Marx reads the utterance (*Spruch*) of the 'spirit' as economic

action, and the validating of its action (*das Gelten seines Handelns*) as money. In fact its utterance is an expression of economic value,<sup>15</sup> because the 'spirit' is that of commodity-owners who unconsciously alienate their own relation from themselves as exchange-value, and then become its mediators. They bear value-consciousness, though they do not recognise how it is formed. In that way Marx analyses the pervasive value-consciousness of commodity-owners by using Hegel's concept 'self-consciousness' from the *Phenomenology*.

Marx brings reification (*Versachlichung*) into focus by moving from alienation to exchange-value. Exchange-value is itself invisible and intangible, so therefore: 'As a general object, it can exist only symbolically . . . ' (N 168, M 99). Exchange-value must then be represented in 'the thing' (*Sache*) or 'body' (*Körper*) of a particular commodity, which is the most adequate way for it to be expressed. Marx describes the materialisation of alienated (*entfremdet*) value in 'the thing' or 'body', its 'reification' (*Versachlichung*) or 'embodiment' (*Verkörperung*) (N 142, M 77). This process, in which the human subjects in a relation of commodity-exchange posit value 'through abstraction' (N 142, M 77)<sup>16</sup> or through alienation, proceeds simultaneously with the process in which they lose their subjectivity. They are unconsciously engaged in the abstraction of value and in the identification of it with 'the thing' (*Sache*) or 'body' (*Körper*). Unawares they generate money through their common action, and they become subject to it. Money is their alienated intersubjectivity reified in a particular natural substance as gold or silver, which is now 'the general substance' of exchange-value. Later in *Capital* Marx defines money, generated in this way, as a 'materialisation' (*Materiatur*)<sup>17</sup> in which value, i.e. a social form, is expressed in a specific natural substance or matter. In Aristotle's terms the secondary substance (*eidōs*, form) becomes separated (*chōriston*) from the primary or original substance, and is incarnated in another primary substance. Marx writes: 'Money is the objective medium [*das sachliche Medium*] into which exchange-values are dipped, and in which they obtain the shape [*Gestalt*] corresponding to their general determination' (N 167, M 99; quotation partially altered).

Money as an objective medium or 'objective expression' (*der sachliche Ausdruck*) (N 169, M 100) is 'the money-subject' (*das Geldsubjekt*) (N 167, M 99, etc.) or 'the subject of money' (*das Subjekt des Geldes*) (N 173, M 104). The relation of commodity-exchange is alienated as value from the human subjects who form

the relation, and value is materialised in a particular natural substance such as gold or silver. A specific commodity thus becomes 'the money-subject': 'It arises from the essence of exchange-value itself that one particular commodity appears as the money-subject to the money-attribute [*die Geldeigenschaft*] of all commodities' (N 167, M 98–9; quotation largely altered).

This much arises from what has been developed so far: A particular product (*commodity*) (material) must become the subject of money, which exists as the attribute of every exchange-value. The subject in which this symbol is represented is not a matter of indifference, since the claims to the representing subject are contained in the conditions — conceptual determinations, determinate relations — of what is to be represented (N 173–4, M 104; quotation partially altered).

Within the relation of commodity-exchange people unconsciously lose their subjectivity and become subordinate to money as a subject. The exchange-relation is separated as value, because they abstract it unawares. This abstraction is objectified and identified with a particular substance, so it appears as the money-subject. By tracing the genesis of money as a subject, Marx has clarified why a specific substance, such as gold or silver, becomes the money-subject, and why there exists the fetishism that gold is money by nature. Using this critique, he reveals the real ground of Hegel's thesis that 'substance' is 'subject'. Hegel writes:

It is out of this judgement [*Ur-Teil* = original division] that the Idea is *in the first place* only the one general substance [*Substanz*]; but its developed and true actuality is to be as subject [*Subjekt*] and thus as spirit [*Geist*] (sect. 213; quotation largely altered).

In the *Economic and philosophical manuscripts (1844)* Marx argues that Hegel's 'substance' is 'the alienation' (logically: from the infinite, the abstractly general) or 'the absolute and fixed abstraction'.<sup>18</sup> The most crucial category in Hegel's thesis is 'the spiritual relationship' (*das geistige Verhalten*)<sup>19</sup> or 'the abstractly spiritual (labour)' (*die abstrakt geistige [Arbeit]*),<sup>20</sup> through which 'substance' as 'knowing' (*Wissen*) becomes 'subject'. The labour which Hegel recognises is merely 'to know' (*wissen*). In the *Economic and philosophical manuscripts (1844)* Marx writes that for Hegel, 'Knowing is

its [consciousness's] only objective relationship [*Verhalten*].'<sup>21</sup> For Hegel 'knowing' knows itself, and consciousness is therefore self-consciousness. Self-consciousness confirms that everything exists in 'knowing' by objectifying itself as a subject. What appears as an object to self-consciousness (phenomenological knowledge) is nothing but self-consciousness in the form of its own object-consciousness.

In the *Economic and philosophical manuscripts (1844)* Marx reveals that Hegel's 'substance' in the *Phenomenology* is in fact the alienated relation of commodity-ownership as 'value in potentiality' (*an sich*). In other words Hegel has read into 'substance' a specific economic situation in which the commodity-owner reifies value-consciousness in the product. Marx grasps that Hegel's 'self-consciousness' is 'only abstractly conceived man, man produced by abstraction'. 'Man is selfish', or an 'abstract egoist',<sup>22</sup> 'Man' is the commodity-owner.

For Marx, Hegel's 'object-consciousness' or 'thingness' (*Dingheit*) is reified egoism or value-consciousness. According to Hegel, 'object-consciousness' is 'exteriorized self-consciousness'<sup>23</sup> or 'an abstract thing, a thing of abstraction'.<sup>24</sup> The abstract thing which the commodity-owner reifies is expressed by Marx in the *Economic and philosophical manuscripts (1844)* as 'money, as the existing and active notion of value',<sup>25</sup> or 'the money of Spirit' (*das Geld des Geistes*). Marx calls the reification of value by commodity-owners in their consciousness 'thingness' (*Dingheit*), using one of Hegel's terms. This 'reification' (*Versachlichung*) is value which appears in a thing, and is value-consciousness reflecting on the product, its property.

In Hegel's view 'substance', which becomes 'subject' through self-objectification or self-knowing, is ideal and abstract, whereas Marx mentions only the concrete natural substance. Aware of this limitation, he introduces another category — labour-time:

Money is labour-time as general object, or the reification of general labour-time, labour-time as *general commodity*. It therefore looks very simple that, while labour-time regulates exchange-values, it is indeed not only the inherent measure of exchange-values, but also their substance itself [*ihre Substanz selbst*] (for, as exchange-values, commodities have no other substance, no natural attribute) . . . (N 168-9, M 100; quotation largely altered).

Marx defines labour-time as the substance of exchange-value. A little later he calls the new category a 'social substance' (*die gesellschaftliche Substanz*) (N 207, M 135), distinguished from 'natural substance' (*die natürliche Substanz*) (N 206, M 134). Using these basic terms, he is able to demonstrate that social substance as 'general labour' (*die allgemeine Arbeit*) (N 205, M 134) is reified in the products of concrete labour through the separation of the exchange-relation as value. This happens through the unconscious actions of commodity-owners. Through this common practice the values of commodities are embodied and reified in a particular natural substance such as gold or silver, which thus appears as the money-subject. Hegel's argument that 'substance' becomes 'subject' is understood by Marx in economic terms as the reification of an alienated relationship. This reification is value embodied in a particular natural substance. That substance, the materialisation of value-consciousness, appears as the money-subject.

### Price and 'quantum'

After using Hegel's work in describing the transformation of products into commodities and the transformation of commodities into money, Marx defines 'price' as follows:

*Exchange-value, posited in the determinateness [Bestimmtheit] of money, is price. Exchange-value is expressed in price as a certain quantum [Quantum] of money. Money as price appears first of all as the unity [Einheit] of all the exchange-values; secondly, it appears as the unit [Einheit] of which they all contain a given amount [Anzahl], so that the equation with money expresses the quantitative determinateness of exchange-values, their quantitative relation to one another (N 189, M 120; quotation partially altered).<sup>26</sup>*

In writing the above passage Marx is evidently recalling the following sentences in Hegel's work on 'quantum' under 'quantity' in his Doctrine of Being:

In number [Zahl] the quantum [Quantum] reaches its development and perfect determinateness. Number has the one as its element, and contains in itself amount [Anzahl] according to the moments of discretion, and unit [Einheit] according to the

moments of continuity, as its qualitative moments (sect. 102).<sup>27</sup>

Both paragraphs cited above share certain terms such as 'quantum', 'unity' and 'amount'. And there is another common characteristic: 'quantum' is put on the same logical level as 'unity' and 'amount'. At the end of his discussion of 'quality', Hegel explains that 'being-for-itself', or 'determinate being', which determines itself in relation to others, tends to express itself as one (*Eins*) through others, 'the many' (*viele Eins*), as much as possible. At an extreme, each 'one', which has taken on the role of the objective material in which the subjective expresses itself, wants to express itself with the 'many' others as an equal subject. Then the 'many' repulse the 'one'. No 'one' can find any difference between itself and the 'many', because they are the same as the 'one'. Therefore they are a reflection of the 'one' itself. The relation of 'one' to 'many' is but a relation of 'one' to itself. Each 'one' of 'many' mutually attracts the others, so 'quality' abstracts itself into 'quantity' — the transition from quality to quantity.

Using the logical relations between 'one and many' and 'repulsion and attraction', Marx demonstrates that money is generated from the commodity-relation. Then using 'quantum' from the conception of 'quantity' in the *Logic*, he defines price, assuming that money is already given as a presupposition.

Hegel writes: 'Quantum; limited quantity' (sect. 101). Marx notes that the commodity has value in a limited quantity or quantum. It is expressed using money in a certain amount, and thus expresses a price. Every value is expressed only with money, so in that sense money is unity. Money has both a particular quality and a fixed quantity, i.e. a unit, and it is thus composed of a certain amount. Money's first function is to measure the value of the commodity.

### **Value-form and the process of exchange, and 'one and many'**

Marx progresses from the first determination of money as measure of value to its second determination as means of circulation and realiser of prices. Those two determinations of money are both based on the first type of circulation: Commodity — Money — Money — Commodity (C-M-M-C). He writes:

At first sight, circulation appears as a *badly infinite process* [*ein schlecht unendlicher Process*]. The commodity is exchanged for money, money is exchanged for the commodity, and this is repeated endlessly. This constant renewal of the same process indeed forms an essential [*wesentlich*] moment of circulation. But, viewed more precisely, it reveals other phenomena as well; the phenomena of completion, or, the return of the point of departure into self. The commodity is exchanged for money; money is exchanged for the commodity (N 197, M 126–7; quotation partially altered).

The passage cited above is based on the definition of ‘becoming’ (*Werden*) and the ‘bad infinity’ in Hegel’s *Logic*:<sup>28</sup> ‘Something becomes an other; but the other is itself a something; therefore it likewise becomes an other, and so on *ad infinitum*’ (sect. 93; quotation partially altered).

This *infinity* is the *bad* or *negative* infinity: it is only a negation of a finite: but the finite arises again the same as ever, and is never transcended. In other words, this infinite only expresses the *ought* [*Sollen*] of transcendence of the finite (sect. 94; quotation partially altered).

Marx sees the ‘bad infinity’ in the formal process C – M – M – C. As long as it appears as an endless, purposeless process, the first commodity is *prima facie* the same as the last. However, if we connect selling (C – M) with purchasing (M – C), it becomes apparent that the hidden purpose of the process consists in the consumption of the use-value of the second commodity outside the process of circulation itself. The process is merely a means. Within this process of circulation, money is determined firstly as a measure of the value of a commodity and secondly as a means of circulation.

Hegel defines the ‘bad infinity’ as an endless process of renewal between one finiteness and another, or between ‘something’ and ‘another something’, forming a contradiction between finitudes to be superseded up to infinity. In what Hegel calls the ‘bad infinity’ Marx traces the actions of obtaining use-value in the process of circulation and consuming it outside the economic process.

With reference to Hegel, Marx then defines circulation as a continuous movement which has its own purpose:<sup>29</sup> ‘It is in the nature of circulation [*Kreislauf*] that every point appears simultaneously as a starting-point and as an ending-point’ (N 203, M 132; quotation

partially altered). Hegel calls this circulation 'the veritable infinite', which forms a circulation. Its ending-point is connected with the next starting-point. He defines 'the veritable infinite' as follows: '. . . the veritable [*wahrhaft*] infinite, which rather consists in being with itself in its other, or, if enunciated as a process, in coming to itself in its other' (sect. 94, Z; quotation partially altered).<sup>30</sup>

Does the form of circulation  $C_1 - M - M - C_2$  correspond to the veritable infinite? This form helps to obtain use-value for individual consumption which is realised outside the economic process. Therefore it is defined neither as 'being with itself in its other', nor 'as process . . . coming to itself in its other'.

What is the economic form which matches the true infinite? It is the opposite type of circulation  $M_1 - C - C - M_2$ . What is the purpose of the second type of circulation? Circulation begins with money ( $M_1$ ) and ends in money, the same thing ( $M_2$ ). There is no qualitative difference between the beginning and the end, but a quantitative distinction, i.e.  $M_2 - M_1 = \Delta M$ , which Marx later calls 'surplus-value' (*Mehrwert*) (N 315, M 233).  $M_2$  is taken to be more than  $M_1$ , and  $M_2$  will then immediately return as the next  $M_1$ . If  $M_2 < M_1$ , then money vanishes, and the second form of circulation cannot subsist. Money increases endlessly, bringing surplus-value as a result. The purpose of this process is 'form as content', i.e. a content into which the type of circulation — the circulation of value — has changed. Money in the second type of circulation has that special purpose.

However, money is nothing but a particular form (as is the commodity) of increasing value. The general subject here is a process of increasing value, so it is abstract. Commodity and money are particular concrete forms within which the abstract subject maintains itself, metamorphosing from one form to another. Not only the commodity but even money descends to 'finiteness', subject to the 'true infinity' or increasing value. In that way Marx grounds Hegel's abstract definition of the 'true infinity' on economic actuality.

Marx then touches on the third determination of money as 'hoard' or 'treasure' (*Schatz*). This is analysed in detail in the next section of the present work. Here Marx inquires how money generates and tries to solve the problem of the value-form in conjunction with the process of exchange. He does this with reference to the 'true infinity' or endless circulation.

Marx analyses an equivalent relation between simple commodi-

ties that lies beneath the definition of money as measure of value:

If I say a pound of cotton is worth 8d., then I am saying that 1 pound of cotton = 1/116 oz. of gold (the ounce at £3.17s.7d.) (913d.) . . . This original relation of the pound of cotton with gold, by means of which the quantity of gold contained in an ounce of cotton is determined, is fixed by the quantity of labour-time realized in one and the other, the real common substance of exchange-values [*die wirkliche Gemeinsame (sic) Substanz der Tauschwerte*] (N 203-4, M 132).

Where in actual fact are the commodity and money (which Marx takes ultimately to be gold) reduced to labour-time as 'the real common substance of exchange-values' or 'social substance' (N 207, M 135)? Marx presumes that the reduction is realised in the bourgeois economy itself.

Competition equates the other working days with that one [a definite amount of gold — HU], *modificandis modificatis*. Directly or indirectly. In a word, in the direct production of gold, a definite quantity of gold directly appears as product and hence as the value, the equivalent, of a definite amount of labour-time (N 204, M 132).

Competition abstracts from the natural attributes of commodities and money (gold) in order to equate them with the labour-time necessary to produce them. This is abstraction *in actu*. The market where the abstraction is actualised has been formed in practice:

The form of barter in which the overflow [*Überfluss*]<sup>31</sup> of one's own production is exchanged by chance for that of others is only the *first occurrence* of the product as exchange-value in general, and is determined by accidental needs, whims, etc. But if it should happen to continue, to become a continuing act which contains within itself the means of its renewal, then little by little, from the outside and likewise by chance, regulation of reciprocal exchange arises by means of regulation of reciprocal production, and the costs of production, which ultimately resolve into labour-time, would thus become the measure of exchange. This shows how exchange comes about, and the exchange-value of the commodity (N 204-5, M 133).

Competitive relationships in bourgeois society are traced back to an original, accidental relation in the exchange of surplus products between communities. If this accidental relation stimulates a division of labour within communities, their surplus product turns into the means of their own reproduction, and they thus produce more surplus product in terms of use-value, even exchanging part of the product of necessary labour. The reciprocal production and exchange of surplus products between communities is gradually repeated in frequency and regularity. The exchange-relation then penetrates communities and changes them into commodity-producing societies.

Marx has defined the process of exchange in logic and history. His next task is to clarify the logical rule which the owner of a commodity unconsciously follows in the practical process of exchange. What is it? What is it grounded on? Marx now demonstrates the value-form or the genesis of money. Here in the *Grundrisse* he is able to undertake a basic analysis of the value-form, making critical use of Hegel's logic of 'one and many'. At the end of Hegel's discussion of 'determinate being' in the *Logic*, 'being' is defined as what has become independent or 'something' (*Etwas*), and it is distinguished from an independent 'other' (*ein Anderes*). The 'other' is 'an other something' and is but 'something' itself, to which it relates negatively. Therefore the relation of 'something' to 'other' is a relation of self-reflection. 'Being' is thus defined as 'being-for-itself' (*Fürsichsein*). 'Something' is then defined as 'one' and 'an other', i.e. 'something' has become two, two then four. Thus 'one' becomes 'many'. Each of the 'many' is also 'one', the 'many' are many 'ones'. Hegel writes:

The One . . . just excludes itself and posits itself as the Many. Each of the Many is, however, itself one One. As it behaves as such, so herewith this all-round repulsion converts into its opposition, *attraction* (sect. 97, Z; quotation largely altered).<sup>32</sup>

What sort of image does Hegel have in mind in 'being-for-itself' when it repulses and attracts itself? In fact the real image is as follows:

We have the readiest instance of Being-for-itself in the *I* [*Ich*]. We know ourselves as existents [*daseiend*], first of all, distinguished from other existents and related thereto. But we also come to know that this width [*Breite*] of determinate being

[*Dasein*] is sharpened, as it were, to the simple form [*einfache Form*] of Being-for-itself. When we say *I*, it is the expression of infinity and, at the same time, negative self-relation (sect. 96, Z; quotation largely altered).<sup>33</sup>

Here we have the modern individual. Hegel imagines modern persons, who mutually repulse and attract, as dependent on their social relations, though they think they are independent. They cannot live without social intercourse. Through competition and dependency they transcend their exclusive 'finite I' for the 'infinite we'. Hegel thinks that their intersubjectivity is expressed in a simple form, but does not explain it further in the *Logic*.

However in his early note, *First philosophy of spirit* (1803–4), not known to Marx, Hegel considers the actual situation of 'one and many' in the economic relations which inevitably generate money as a simple form:

*This manifold labouring at needs as things must likewise realize their concept, their abstraction; their general concept must become a thing like them, but one which, qua universal, represents all needs; money is this materially existing concept, the form of unity, or of the possibility of all things needed.*<sup>34</sup>

Therefore it is possible to say that when Hegel writes 'a simple form' in the *Logic*, he holds the more concrete image of money as 'the form of unity'. This image derives from his critical reading of Adam Smith's *The wealth of nations*, where Smith explains that the real measure of exchange is labour, 'an abstract notion'. Subsequently Smith writes of it as 'a plain and palpable object', i.e. money was introduced by 'persons of prudence'. Hegel finds a crucial gap between labour as a real measure and money as a convenience, and tries to fill the gap with a view or recognition of money as 'the form of unity' which exists as 'the general' in a material thing and represents all needs. However, Hegel is not successful in demonstrating why and how labour is abstracted, and how abstract labour develops into money, though he writes that 'this manifold labouring at needs [division of labour]' must realise the general concept in a material thing.

Although writing in ignorance of Hegel's critique of Smith's theory of money in the *First philosophy of spirit*, Marx finds social reality in Hegel's 'simple form' and reveals that 'being-for-itself' is not a natural phenomenon but relates to historically-determined persons in specific social relationships.

Marx sees natural substance or use-value in Hegel's definition of 'reality of determinate being', and he sees exchange-value in Hegel's 'ideality of being-for-itself'. Independent persons (*daseiend*) in bourgeois society exist as commodity-owners who use these determinations. A commodity-owner exists 'in himself' (*an sich*) as a 'finite I', which corresponds to the immediate existence of the commodity as a product or natural substance. However, the commodity-owner must form the relation of commodity-exchange with other persons, through and in which 'he' supersedes 'finitude as I' for 'infinity as we'. The individual commodity-owner now shares this intersubjectivity with others in commodity-relations.

Marx associates Smith's image of the person as an economic subject with Hegel's definitions of 'determinate being' and 'being-for-itself'. Smith thinks that 'man' is born with the propensity to exchange given by nature which fixes a certain division of labour.<sup>35</sup> Smith insists that this inevitably results in civilised society or commercial society, which is in fact capitalism.

This naturalistic image of capitalism is also found in Hegel. He has the same kind of image, confusing what is specific to capitalism with what is common to all forms of society. In the 'Minor Logic' he writes as follows:

The distinction between Nature and Spirit [*Man*] is not improperly conceived, when the former is traced back to reality, and the latter to ideality as their fundamental determination. Nature, however, is far from being so fixed and complete, as to subsist even without Spirit: in Spirit it first, as it were, attains its goal and its truth. And likewise, Spirit on its part is not merely an abstract other world of Nature, but it is only first true and proved as Spirit, as far as it contains Nature as transcended in itself (sect. 96, Z; quotation largely altered).

Hegel would be correct if he took the above on the level of the 'consistent naturalism or humanism' or 'species-life' detailed by Marx in the *Economic and philosophical manuscripts (1844)*.<sup>36</sup> In Marx's work 'man' develops 'his' nature through exploring the essence of objective nature (material cause) by *poiēsis* (formal cause).

However, Hegel's transition from the reality of 'determinate being' to the ideality of 'being-for-itself' does not express a humanisation of nature in history, as we see in Marx. Hegel leaps

to the historical dimension without any mediation. What he defines abstractly as 'being-for-itself' implies modern alienation or the division of human species-life into physical and mental labour. In alienated life people mutually repulse each other in competition and nevertheless attract in exchange. Hegel expressed this implicitly in 'one and many'.

Marx translates 'repulsion and attraction' in the *Logic* into economic terms as competition among commodity-owners and their mutual dependency in commodity-exchange. How are competition and dependency mediated? This is not considered by Smith, who is satisfied with a view of money that lacks proof why and how labour becomes abstract, and whether or not there is any relationship between this abstraction and money.

By contrast, Hegel claims that the independent person brings about 'a simple form' with which 'he' transcends finite existence as an 'I' for 'we' and is thus organised as 'the superseded I', i.e. abstract intersubjective consciousness. Hegel is aware of the problem of the value-form or the genesis of money in his own logic of 'being-for-itself' or 'one and many'. But he does not develop this awareness into an analysis of the simplest form of value, the relation of one commodity to another, in which the commodity as subject expresses its own value in the use-value of another commodity.

Marx begins to analyse the form of value in the 'Chapter on Money' of the *Grundrisse*, obtaining his results by using Hegel's *Logic*. Hegel defines the special characteristic of 'spirit', which is distinguished from 'nature', as 'ideality'. The substance of this definition is specific to modern private property or value-consciousness, which the commodity-owner unconsciously objectifies in his product as exchange-value, and which the commodity-owner mistakenly assumes is inherent within it.

This value-consciousness is the alienated thought of the modern persons who form the exchange-relation. It is not a determination specific to the labour-process as such (natural formal cause) but a determination specific to persons in practical commodity-relations (alienated formal cause). Although Hegel does not explicitly define the 'ideality of being-for-itself' in that sense, he implies this substantive content.

By reading Hegel's definition of 'one and many' in that context, Marx applies it to his study of the value-form. He analyses the first form of value, where the value of one commodity is expressed in the use-value of another, as follows:

A commodity is *exchange-value* only as far as it is expressed in another, i.e. as a relation [*Verhältnis*]. A bushel of wheat is worth so many bushels of rye; in this case wheat is exchange-value in as much as it is expressed in rye, and rye is exchange-value in as much as it is expressed in wheat (N 205, M 134; quotation partially altered).

In this citation Marx makes a clear distinction between the commodity as exchange-value and the commodity as equivalent. The owner of wheat in fact makes a value-thing (*ein Wertding*) of the wheat by expressing its value in rye. The owner speculates that wheat may be related to rye in this way, because wheat has an exchange-value in rye, or alternatively the owner speculates that the exchange-value is originally in the wheat itself. This speculation *de facto* abstracts exchange-value from the exchange-relation and mediates it. This thought (*Sache*) is one of value-abstraction, and the thought has a generality because it is ideal.

The wheat is related not only to rye, but to all commodities except itself, according to the specific abstraction made by its owner. It repulses and attracts other commodities as media for expressing its value. The value of one commodity is expressed in the use-values of many others. One commodity may be exchanged with many others, so it thus attains general exchangeability.

Here we see Marx's breakthrough in tackling the problem of the value-form. Because of the ideality and generality in the first value-form — the expression of the value of one commodity in the use-value of another — the first value-form necessarily leads to the second in Marx's analysis. In the second value-form, the value of one commodity is expressed in the use-values of many others. Hegel's 'being-for-itself' and 'one and many' reveal the logical character of the transition from the first value-form to the second, even though 'being-for-itself' in Hegel's *Logic* is not explicitly related to value. Reference to Hegel's *Logic* also shows us that Marx's presentation of the value-form in the *Grundrisse* is much closer to his final view, found in the second edition of *Capital*, than appears at first glance.

What takes place in the second form of the expression of value — the value of one commodity expressed in the use-values of many others? Each of the 'many' other commodities is also one 'one', and each has been used for the expression of value of one commodity. There are 'many ones'. The more these many other commodities take on the role of medium for the expression of

value, the stronger their impulse to express their own value. Each of the 'many' also turns to 'one', with the same warrant to express its own value. This occurs in proportion to the maturity of the second form of value. These mutual claims to be the value-subject bring about the conversion of the second form to the third. In the third form commodities as 'many ones' express their values in the use-value of but one commodity, which they repulse and attract in common.

Marx defines the 'one' commodity as 'one general', in the following way:<sup>37</sup>

It is posited as a *relation* [*Verhältnis*], more precisely as a relation in general [*allgemein*], not to one commodity but to every commodity, to every possible product. It expresses, therefore, a general relation [*ein allgemeines Verhältnis*]; the product which relates to itself as the realization of a *determinate quantum* [*ein bestimmtes Quantum*] of general labour, of social labour-time, and is therefore the equivalent of every other product in the proportion expressed in its exchange-value. Exchange-value presupposes social labour as the substance [*Substanz*] of all products, quite apart from their naturalness [*Natürlichkeit*]. Nothing can express a relation [*ein Verhältnis*] without relating to One [*zu Einem*], and there can be no general relation [*kein allgemeines Verhältnis*] unless it relates to one general thing [*zu einem Allgemeinen*] (N 205, M 133-4; quotation largely altered).

This conversion is defined as the transition from the second form of value to the third in *Capital*. In that context, as well as in *A contribution to the critique of political economy* of 1859, Marx says that the second form contains the third, which can be understood more easily with reference to Hegel's 'one and many', as interpreted above. In *A contribution to the critique of political economy* Marx writes as follows:

Therefore the exchange-value of *this single commodity* [*diese einzelne Ware*] expresses itself exhaustively only in the infinitely many equations [*in den unendlich vielen Gleichungen*], where the use-values of all other commodities form their equivalent. Only in the sum of these equations or in the totality of different proportions where one commodity is exchangeable with any other commodity, and it is expressed exhaustively as *general equivalent*.<sup>38</sup>

... of money, his distinct determinations compared with the final version, because the value-form and the process of exchange are grasped as immediately related, so his analysis of the theoretical expression of value and the simultaneous realisation of exchange-value and use-value are not clearly separated in the *Grundrisse*. This is because he has not yet distinguished between value and exchange-value.<sup>39</sup>

### Means of circulation and 'measure'

After analysing the value-form and its relation to the two types of circulation, Marx turns to money in its three determinations. He takes up his analysis with the second determination, money as means of circulation and realiser of prices:

When we now go over the second determination [*Bestimmung*] of money, money as medium of exchange and realiser of prices, then we have found that in this case it must be present in a certain *quantity*; that the given weight of gold and silver which has been posited as a unit [*Einheit*] is required in a certain amount [*Anzahl*] in order to be adequate to this determination (N 208, M 136; quotation partially altered).

In the second determination of money 'this reality' (N 211, M 139), 'the material substance' (N 212, M 140) or 'material substratum' (ibid.) of money temporarily exists in the seller's hand, and soon vanishes (*verschwinden*) from it. The purpose of money in the first type of circulation  $C_1 - M - M - C_2$  is to exchange  $C_1$  with  $C_2$ , or to obtain  $C_2$  with  $C_1$ . Here money is 'a semblance, a fleeting mediation' (*ein Schein, verschwindende Vermittlung*) (N 210, M 138), acting to realise this purpose.

He confirms that the first determination of money (measure of value) and the second (means of circulation and realiser of prices) appear, for the present, independent of each other:

... within the process [of circulation], as we have seen, the quantity, the amount of these objective symbols of the monetary unit is essential [in the second determination of money].

standing in opposition to commodities . . . it is there only a *quantum* for a certain amount of this unit; in its [first] determination as measure, however, where it was introduced only ideally, its material substratum was essential, but its quantity and even its existence as such were indifferent (N 212, M 140, quotation partially altered).

These two determinations of money are analysed, using two facts, person (*Person*) and thing (*Sache*). In the first determination — measure of value — the person or commodity-owner is concerned with the existence or material substance of money (thing) as a purely theoretical entity (*in der Theorie* or *theoria*). However, in the second determination — means of circulation and realiser of prices — the person is indifferent in practice (*in der Praktik* or *praxis*) to the material substance of money, but interested instead in a certain nominal amount of money.

Monetary 'metallism' or realism and monetary nominalism are derived from the ideal representation of the real existence of money (money in its first determination as measure of value), and the practical realisation of imagined money in a certain amount of nominal money (money in its second determination as means of circulation and realiser of prices).

The metallist or realist speculates that money, which a person represents in the mind as an idea of value, exists in reality in the commodity, and realises itself in the practice of exchange; whereas the nominalist presumes that the value of money in circulation derives from a value that does not really exist in the commodity but is merely an idea in the minds of exchangers.

The two determinations of money are externally independent, an analytical phase based on 'measure' in Hegel's *Logic*:

The identity between quality [= *the first determination*] and quantity [= *the second determination*], which is found in Measure, is at first only *implicit* [*an sich*], and not yet explicitly *posited*. In other words, each of these two determinations, the unification of which Measure is, likewise make themselves independent. On the one hand, the quantitative determinations of determinate being may be altered, without affecting its quality. On the other hand, this indifferent increase and

decrease has its limit by exceeding which the quality is changed (sect. 108, Z; quotation largely altered).

Though Hegel gives an example of the change from water to steam or ice in the same section above, Marx continues to consider money in its two determinations:

It is these contradictory determinations of money, [first] as measure, [and second] as realization of prices and as mere medium of exchange, which explains the otherwise inexplicable phenomenon that the *debasement* of metallic money, of gold, silver, through admixture of inferior metals, causes a depreciation of money and a rise in prices (N 212, M 140).

Here Marx is thinking of the dispute between John Locke and William Lowndes concerning the recoinage of silver.<sup>40</sup> Lowndes, the monetary nominalist, proposed a devaluation, i.e. renaming the old coins one shilling, even though they had been debased to four-fifths of their standard value in silver. His proposal was intended to settle the question of the real depreciation of silver coin with a merely nominal change. Locke, on the other hand, was a monetary realist or metallist, insisting on a restoration of the coinage, i.e. restoring the quantity of silver in the one shilling coin from its debased state to the old Elizabethan standard. He argued for a real adjustment in the coinage by increasing the amount of silver in it. Locke won the battle.

Marx took up the recoinage case in order to show that the two determinations of money are mutually influential. If the quality of material money as gold or silver decreases, its quantity as coinage increases.

### Treasure and 'contradiction dissolves itself'

Marx then advances to the third determination:

We now pass on to the third determination of money [treasure], which results from the second form of circulation:  $M-C-C-M$ ; in which money appears not only as *medium* [second determination], nor as *measure* [first determination], but as an end-in-itself [third determination] (N 215, M 142; quotation partially altered).

Why does money appear as an end in itself? This is because the second type of circulation presents no qualitative difference at its end. At the beginning money is the same in its quality as at the end. The purpose of the second type of circulation,  $M_1 - C - C - M_2$  is to obtain an  $M_2$  greater than  $M_1$ , or to realise a surplus ( $M_2 - M_1 = \Delta M$ ). Otherwise  $M_2 < M_1$ , and money decreases to zero, so the second form of circulation will cease to exist. Or if money is debased in quality, the same consequences will occur.

The purpose of the first type of circulation is individual consumption outside the economic process, whereas the purpose of the second type is an infinite movement, so money increases without qualitative change. Marx describes the third determination of money as follows:

The *third determination* of money in its complete development presupposes the first two and is their unification. Money, therefore, has an independent existence outside circulation; it has stepped outside it. As a *particular* [*besondere*] commodity it can be transformed out of its form of money into that of luxury articles, gold and silver jewellery . . . or, as money, it can be *accumulated* to form a *treasure* [*Schatz*] (N 216, M 143; quotation partially altered).

Money is a specific form of community (*Gemeinwesen*). In bourgeois society, human abilities that derive from social relations are deformed into money. Money is not only a presupposition (*Voraussetzung*) but a resultant ('the posited') in the second form of circulation. Money changes everything into a commodity, including labour-power, because the products necessary for its reproduction are turned into commodities as alien property, which workers must buy with their money-wages:

In order to function productively, money in its third determination, as we have seen, must be not only the presupposition but equally the result of circulation . . . It is inherent in the simple determination of money itself that it can exist as a developed moment of production only where [*wo*] *wage-labour* exists; that in this case, far from dissolving the social formation, it is rather a condition for its development and a driving-wheel for the development of all forces of production, material and spiritual (N 223, M 147-8; quotation partially altered).

As a consequence of wage-labour, 'the individual's industriousness has no limit' (N 224, M 148; quotation partially altered). The determination 'no limit' applied to wage-labour relates to its opposite pole, capital:

Wherever it does not arise out of circulation — as in Spain — but has to be discovered corporeally, the nation is impoverished, whereas the nations which have to work in order to get it from the Spaniards develop the sources of wealth and really become rich (N 225, M 149; quotation partially altered).

In contrast to Spanish mercantilism, commercial capital in the Netherlands and England developed 'the sources of wealth' in their woollen industry. Commercial capital changed small-scale independent producers into wage-labourers through the putting-out system, even though these producers still appeared to be independent after the change. A large influx of gold and silver from the New World also caused real decreases in wages and rents, which benefited commercial capital even more. Commercial capital was thus originally accumulated capital, and it was transformed into industrial capital through manufacture.

In the *Grundrisse* Marx traces the path by which independent producers became industrial capitalists, and he argues that this was exceptional, without significance for his historical account.<sup>41</sup> His view of the transition from feudalism to capitalism changed, however, in the third manuscript version of *Capital*, dating from 1863–5,<sup>42</sup> although this change began during 1861–3, whilst he was writing the second manuscript version.<sup>43</sup>

Commercial capital seeks more money without limit. For that reason it forces immediate producers to work without limits, and they gradually become wage-labourers. Their forced wage-labour becomes 'measureless', an expression which comes from Hegel:

*Measureless [das Masslose]* is, first of all, a quantitative excess of a qualitatively determined measure. However, this quantitative relation which lacks Measure, is still qualitative as well, so Measureless is also a measure. These two transitions, from quality to quantum and from quantum to quality, can be represented as *an infinite progress* — as the abrogation and restoration of measure in Measureless (sect. 109, quotation largely altered).<sup>44</sup>

In the transition from 'quality' to 'quantum', Marx traces the

first determination of money (measure of value) in its transition to the second (means of circulation). In the transition from 'quantum' to 'another quality', he traces the third determination (treasure) as a unification of the first and second. Money in its third determination is surplus-money removed from circulation. How are the first and second determinations unified in the third? Marx writes as follows:

Money . . . in the form in which it independently steps outside of and against circulation, is the negation (negative unity) [*die Negation (negative Einheit)*] of its determination as medium of circulation and measure (N 228, M 152).

Why are they negatively unified? This is because they subsist through mutual negation. Money in one determination is negated by money in its other determinations, as follows:

1. Money as measure of value (first determination) negates money as means of circulation (second determination), because the first is qualitative and the second quantitative.

2. Money as measure of value (first determination) negates money as a means for realising prices (second determination), because the first is qualitative and the second quantitative.

3. Money as measure of value (first determination) is negated by money as means of circulation (second determination), because the second is quantitative and the first qualitative.

4. Money as measure of value (first determination) is further negated by money as surplus-money (third determination), because the third is quantitative and the first qualitative.

Marx writes:

As money in this third determination, the amount of itself as of a definite material quantum is essential. If its quality as general wealth is given, then there is no difference within it, other than the quantitative. It represents a greater or lesser amount of general wealth, depending on whether it possesses a given quantum of the general wealth in a greater or lesser amount (N 229, M 153; quotation largely altered).

Therefore money seeks more money with a standard quality, and is measureless. How can we see that historically? Commercial

capitalists gathered together producers who became only nominally independent, and were in fact transformed into wage-labourers in manufacture. Corresponding to that change, commercial capitalists were transformed into industrial capitalists, and that resulted in the transition from mercantilism to industrial capitalism.

Presupposing this historical transition, Marx looks for the beginning of the logical transition from money to capital, and he finds it in the third determination of money, treasure. He accomplishes this by using Hegel's conception 'contradiction dissolves itself'.

As we have just noted, money in the third determination is the negative unity of the first and second determinations, in which each determination is negated by its opposite: 'Money in its final, completed determination now appears in all aspects as a contradiction, which dissolves itself, and drives towards its own dissolution' (N 233, M 157; quotation partially altered).

Either in its first or in its second determination, money negates money in its opposing determinations by a process of self-determination. In other words, each determination attains self-affirmation through the negation of its opposite, which negates it, so it negates its own negation. Therefore the determination 'quality' (the first determination) is the negation of its opposite 'quantity', i.e. the negation of 'quality', so in short, the determination 'quality' is equivalent to the negation of its own negation, 'quantity'.

In the same way and in the same sense, the determination 'quantity' negates its opposite determination 'quality', i.e. the negation of 'quantity'. Thus the determination 'quantity' is equivalent to the negation of its own negation, 'quality'. Each of the two determinations is a determination or affirmation mediated through the negation of the negation. Marx's quotation of Spinoza's thesis that 'determination is negation' (*determinatio est negatio*) (N 90, M 27) is utilised in his analyses of the negative unity of the first two determinations of money.

'Quality' now persists through mediation, or the negation of the negation, and is not self-subsistent. It is not a fixed particular quality, but the abstract quality or the generality which mediates and maintains itself through as many concrete sorts of quality as possible. 'Quantity' is now also mediated. It is not a fixed quantum in a particular quality, but a variable quantity, indeed a quantity increasing through metamorphoses.

Marx analyses money in its third determination as treasure in accordance with Hegel's description of the transition from 'being' to 'essence' in the last section of the 'Minor Logic':

The Infinity, the affirmation as negation of the negation [*die Affirmation als Negation der Negation*] now has its aspects in Quality and Quantity, instead of the more abstract aspects of Being and Nothing or Something and Other. These aspects . . .  
*a.* have in the first place *transited* [*übergegangen*] from quality to quantity (sect. 98), and from quantity to quality (sect. 105), and thus are both shown up as *negations* [*Negationen*]. *b.* But in their *unity* (in measure [*dem Masse*]) they are first of all distinct, and the one is only *by means of* [*vermittels*] the other. And *c.* after the immediacy of this unity has turned out to be self-annulling, this unity is now *posited* as what is *implicit* [*an sich*], as simple relation-to-itself, which contains Being-in-general and those forms that are annulled in it. — Being or immediacy, which is mediation *with itself* and relation to itself through negation of itself, and which is consequently likewise a mediation which annuls itself into relation to itself, or into immediacy, is *Essence* [*das Wesen*] (sect. 111; quotation largely altered).<sup>45</sup>

Marx grasps the third determination of money as an 'affirmation as negation of the negation'. Money in the third determination is doubly mediated by the first and second determinations.

Firstly, money in the third determination does not now merely measure the value of a commodity, but is transformed into a value which subsists through a ceaseless transition from one form to another.

Secondly, value is no longer a nominal, fixed quantum but a variable quantum, an increasing quantity.

Therefore money in its third determination is no longer simple money but implicitly a form of capital. Correspondingly value-consciousness now implies a consciousness of increasing value or a capitalist consciousness.

Marx finds these implications of capital in value itself by using Hegel's definition of 'essence' as 'being and immediacy', which is 'mediation *with itself* and relation to itself through negation of itself'. Marx concludes his discussion in the 'Chapter on Money' as follows:

With circulation, the *determined* price is presupposed, and circulation as money posits it only formally. The *determinateness* of exchange-value itself, or the measure [*das Mass*] of price, must now itself appear as an act of circulation. Posited in this way, exchange-value is *capital* [*das Kapital*], and circulation is posited at the same time as an act of production (N 235, M 158).

In the first, simple type of circulation  $C_1-M-M-C_2$ , the owner of commodity  $C_1$  determines its price. This price, determined ideally, is realised in money, which is used to purchase another commodity  $C_2$ . Therefore in simple circulation, price or exchange-value is not as such the purpose of the activity, but a mere temporary form which mediates a material transition from  $C_1$  to  $C_2$ . However, in the third determination of money as treasure, money has another potential mission. It accomplishes this in an act of circulation, the purpose of which is an increase of exchange-value itself as value is measured and prices realised. That second type of circulation is capital. Since capital is an expanding value-relation in which exchange is carried out in terms of equivalent values, capital cannot subsist merely by 'an act of circulation'. It must be mediated through 'an act of production', in which it extracts surplus-labour and realises it as surplus-value in circulation. In that way capital can persist.

As previously noted, Marx grasps money in its third determination as a negative unity or 'a contradiction which dissolves itself', a reference to Hegel, who wrote that contradiction dissolves itself into 'ground':

This contradictory side of course dissolves itself into nothing, it withdraws into its negative unity. Now the thing [*das Ding*], the subject, the Notion, is just this negative unity itself; it is inherently self-contradictory, but it is no less the *dissolved contradiction* [*der aufgelöste Widerspruch*]: it is the *ground* [*der Grund*] that contains and supports its determinations.<sup>46</sup>

Marx grasps the contradiction of money as follows. The contradiction of money as 'negative unity' dissolves itself when money moved from circulation as treasure returns to circulation in order to transform the conditions of production as the 'ground' of exchange-value. Marx develops this insight at the beginning of the 'Chapter on Capital' in the *Grundrisse*.