

# Marx's Dialectic

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Replying, in the Postface to the second edition of *Capital*, to the accusation of Hegelianism leveled at him by critics of his publication, Marx insisted that his "dialectical method is, in its foundations, not only different from the Hegelian, but the exact opposite of it." At the same time he avowed himself "the pupil of that mighty thinker," acknowledging that he had "even, here and there in the chapter on the theory of value, coquetted with the mode of expression peculiar to him" (Marx 1976a, 102-3). It is evident that this verbal coquetry cannot be the measure of Marx's pupilship. To begin with, his initial writings are largely dominated by a determined struggle with Hegelian idealism. And, more to our point, his engagement in the project of a critique of political economy in 1857 involved a second phase of attention to Hegel, with a new appreciation of the "mighty thinker."

The remarks in a letter to Engels of 16 January 1858 are well known:

In the *method* of treatment the fact that by mere accident I again glanced through Hegel's *Logic* has been of great service to me. . . . If there should ever be time for such work again, I would greatly like to make accessible to the ordinary human intelligence, in two or three printer's sheets, what is *rational* in the method which Hegel discovered but at the same time enveloped in mysticism. (Marx and Engels 1975b, 121)

The service rendered by Marx's reading of the *Logic* is evident in the rough draft of his critique of political economy now generally referred to as the *Grundrisse*, notably in the chapter on money.<sup>1</sup> That this influence lasted, at least on some level, to the writing of *Capital* can be seen in the corresponding

section of that book, the analysis of money as the form of value in the first chapter of Volume 1, where the verbal flirtation with Hegelian categories is, as Marx said, apparent. In addition, his recourse to Hegel for inspiration in the treatment of the transformation of money into capital is both obvious in the *Grundrisse* and to be inferred from the existence of notes made on Hegel's "Doctrine of Being" between 1860 and 1863, that is, in the period between the publication of *A Contribution to the Critique of Political Economy* and that of the first volume of *Capital*.<sup>2</sup>

The question remains, however, what significance is to be attached to this. The rediscovery of the *Grundrisse* has led to a flood of interpretations of Marx's work as a materialist use of Hegel's dialectical logic, exemplified by Hans-Jürgen Krahl's declaration: "The basic concept of the Marxian critique of political economy, the commodity form of the product in its general validity for the capitalist social formation, can not be explained without Hegel's dialectic of Essence and Appearance" (Krahl 1970, 113–45). Roman Rosdolsky's book, *The Making of Marx's "Capital,"* similarly claimed that the *Grundrisse*, a key to the understanding of *Capital*, was a "massive reference" to Hegel's *Logic*, so that "academic critics of Marx will no longer be able to write without having first studied his method and its relation to Hegel" (Rosdolsky 1977, xiii).

The thought that mastery of Hegel's *Logic* is, as Lenin was one of the first to declare, a *sine qua non* for the comprehension of *Capital* is an alarming one, given the obscurities of the former work. It may even be seen as at loggerheads with Hegel's own conception of dialectic as "not an external form, but the soul and concept of the content," for "it can only be the nature of the content itself which spontaneously develops itself in a scientific manner of knowing" (Hegel 1892, 378; 1969b, 27)—an opinion certainly shared by Marx, though with a somewhat different meaning. Even if Marx's analysis of capital has, as he suggests, the form of an inversion of the Hegelian dialectic, its means and method should be discoverable in that analysis itself. Nonetheless, it is of interest to examine Marx's conception of the dialectic in *Capital*, with an eye both to the *ideengeschichtliche* question of Marx's use of the Hegelian logic and to a clarification of Marx's methodological procedure for its own sake.

Commenting in the Postface on the criticism of his book as overly "German-dialectical," Marx distinguished the "method of presentation" of theoretical material from the "method of inquiry." "The latter has to appropriate the material in detail, to analyze its different forms of development and to track down their inner connection. Only after this work has been done can the real movement be appropriately presented." It is the

success of this presentation, he explains, that has given readers the impression of “an a priori construction” in the Hegelian fashion, while in fact the method employed is “exactly opposite” to such a procedure (Marx 1976a, 102).<sup>3</sup> In the *Grundrisse* Marx had already shown himself aware of this problem, noting (in the chapter on money) that “It will be necessary later . . . to correct the idealist manner of the presentation, which makes it seem as if it were merely a matter of conceptual determinations and of the dialectic of these concepts” (Marx 1973, 151).<sup>4</sup> We may ask both what was at stake for Marx in the differentiation of his method from Hegel’s, and whether it might not have turned out, as the proponents of a neo-Hegelian Marx would have it, that the confusion of the two was not so easy to avoid, because of the logical structure proper to the value categories.

In the Postface Marx singled out the review of *Capital* by I. I. Kaufmann for its accurate depiction of the dialectical method. This depiction has two main aspects. First, Marx has sought to construct a social theory on the model of the natural sciences, understood as the attempt to discover the laws governing some domain of phenomena on the basis of empirical investigation. In social as in natural science, the facts that are to serve as material for theoretical generalization are to be determined by the researcher, independently (in the former domain) of the conceptions that the people studied have about their social circumstances. Whatever people imagine the character of their social life to be, “The only things of importance for this inquiry are that the facts be investigated as accurately as possible, and that they actually form different aspects of development vis-à-vis each other.” Second, objects in the particular domain of knowledge investigated—society—are unlike those studied by physics and chemistry, but are like the objects investigated by biology in being characterized by laws of their evolution “from one form into another, from one series of connections into a different one.” That is, there are no general laws of social life; “on the contrary, in [Marx’s] opinion, every historical period possesses its own laws” (Marx 1976a, 100–101).

It is this second aspect of his theory that Marx identifies as its specifically dialectical one. The first constitutes the core of the “inversion” necessary to transform the dialectic from what he calls the “mystified form” it has in Hegel’s hands to the “rational form” in which “it regards every historically developed form [of society] as being in a fluid state, in motion, and therefore grasps its transient aspect as well” (Marx 1976a, 103). The dialectic, that is, is identified not with a logic of theory construction, but with the idea of the essentially historical character of social formations, and so (in its “rational form”) with the principle of the nonexistence of transhistorical laws of social reality.

Marx restated this principle in November 1877 in correspondence with another Russian student of his work, Mikhailovski, who had questioned what he took to be a general theory of history requiring passage of all social systems through a series of necessary stages. On the contrary, Marx replied, it was only his critic who

must absolutely transform my sketch of the genesis of capitalism in Western Europe into an historico-philosophical theory of the general march, fatally imposed on all peoples, . . . [towards socialism]. But I beg his pardon. This is to do me at once too great honor and too great shame. (Marx 1968a, 1555)

One can of course come to more or less general conclusions, wrote Marx, by comparing the results of detailed studies of different areas and times. But a scientific understanding of social phenomena will never be achieved “with the master-key of a historico-philosophical theory whose supreme virtue consists in being supra-historical” (Ibid.).<sup>5</sup>

The rejection of such a “historico-philosophical theory” was at the heart of the youthful critique of Hegelianism—as represented by the work of the master himself and by the (in Marx’s eyes) inadequate criticism of that work by the Young Hegelians—which culminated in Marx’s collaboration with Engels on the writing of *The German Ideology*. “Where speculation ends,” Marx wrote here,

where real life starts, there consequently begins real, positive science, the expounding of the practical activity, of the practical process of development of people. Phrases about consciousness end, and real knowledge has to take their place. When reality is described philosophy as an independent pursuit loses its medium of existence. At the best its place can only be taken by a summing-up of the most general results, abstractions which are derived from the observations of the historical development of people. These abstractions in themselves, divorced from real history, have no value whatever. They can only serve to facilitate the arrangement of historical material. (Marx and Engels 1976, 37)<sup>6</sup>

This, of course, gives the choice of abstractions fundamental importance; in a passage prefiguring the remarks on the two methods (of inquiry and presentation) in the Postface, Marx describes the difficulty of comprehending history as beginning “when one sets about the examination and arrangement of the material—whether of a past epoch or the present—and its actual presentation” (Ibid.).

It is this difficulty that we find Marx confronting directly when in 1857–58 he began work on the critique of political economy. Summarizing his critique of the economists’ assumption of the existence of general laws of

production, Marx insists that although "there are characteristics which all stages of production have in common, and which are established as general ones by the mind . . . the so-called *general preconditions* of all production are nothing more than these abstract moments with which no historical stage of production can be grasped" (Marx 1973, 88). In the absence of a general theory of social life, how is the scientific study of a particular social formation to formulate its basic conceptual apparatus? Such "premises," Marx had explained in *The German Ideology*, are to be discovered through "the study of the actual life-process and the activity of the individuals of each epoch" (Marx and Engels 1976, 36).

The "study of the actual life-process," writes Marx in the Introduction to the *Grundrisse*, may seem to begin necessarily with consideration of a given population, the subject of economic activity. But this is wrong, because "population is an abstraction if I leave out, for example, the classes of which it is composed. These classes in turn are an empty phrase if I am not familiar with the elements on which they rest, e.g., wage labor, capital, etc. These latter in turn presuppose exchange, division of labor, prices, etc." That is, the concept *population*, insofar as it applies indifferently to all identifiable populations, does not serve to identify the particular character of a specific population. In order to do so it is necessary to add specifications (in Marx's terminology, "further determinations") to this high-level abstraction, until the analysis disengages the "simplest determinations" of this population's existence, that is, those on the basis of which an explanatory theory of the specific characteristics of its social order can be constructed (Marx 1973, 100).

These specifications are themselves abstractions, of course. "For example, the simplest economic category, say e.g., exchange value, presupposes population, moreover a population producing in specific relations. . . . It can never exist other than as an abstract, one-sided relation within an already given, concrete whole" (Marx 1973, 101). Its simplicity is not ontological but theoretical: That is, it is simple in relation to the particular explanatory project in which it plays a part, in that it is used to identify the system of social relations under investigation. Thus Marx commends Hegel for beginning his *The Philosophy of Right* with the concept of *possession*, for, although "there is no possession preceding the family or master-servant relations," this concept names the simplest juridical relation (Marx 1973, 102).

We may isolate two aspects of this conception of theory construction that correspond to the methods of inquiry and presentation discussed in the Postface to *Capital*. First the "simple" or elementary abstractions are discovered through analysis, on the basis of observation of the domain under study. "Observation," of course, itself denotes a complex operation, which makes use of the concepts made available by an existing discourse (in this

case, that of political economy)—concepts that, in Marx's view, must themselves be critically rethought in terms of their relation, as products of it, to the specific historical period to whose description they are to be applied.<sup>7</sup> To the second method corresponds the subsequent construction of a theoretical system from the elementary concepts. The basis for this construction is the systematic relation between the elementary concepts discovered in the process of analysis ("For example, capital is nothing without wage labor, without value, money, price, etc.") (Marx 1973, 100).

Is there in this methodological conception an echo of the Doctrine of Being in Hegel's *Logic*? Population, though it may seem to designate a concrete object of economic analysis, is, says Marx, in reality a very abstract term, since it applies to all populations in all territories under all social-historical conditions. If it is to be used for explanatory purposes, it must be related to more specific determinations. Similarly, "Being," according to Hegel, seems the most "immediate" and simple concept for the description of reality because it applies to everything; but for this very reason it is inadequate for such description. It is an empty abstraction: "being, the indeterminate, is in fact *nothing*, and neither more nor less than *nothing*" (Hegel 1969b, 82). To acquire conceptual content, things described as being must be distinguished from other things by some features, thus becoming "determinate beings." Similarly, Hegel's conception that the further progress of logic involves the demonstration of the systematic interconnection of the elementary categories of thought is paralleled by Marx's "return journey" from the "simplest determinations" to a synthesized "rich totality of many determinations and relations" (Marx 1973, 100).

✓ However striking this parallel may be, however, what Hegel and Marx have in common here is only the idea that the most abstract concept employed in an area of investigation, to be usefully applied in the analysis of specific objects, requires analytic specification. Although the *Logic* was undoubtedly in Marx's mind when he wrote his Introduction (which at any rate he omitted as inessential when he came to publish the results of his work), his text employs not a logic of being or even a logic of concepts, but an image of the theoretical analysis and synthesis of empirical data.

Marx demonstrates that a knowledge of Hegel is not required for this theoretical practice by observing that the correct method of inquiry was in fact "the path originally followed by economics at the time of its origins." The seventeenth-century founders of political economy "always begin with the living whole, with population, nation, state, several states, etc.; but they always conclude by discovering through analysis a small number of determinant, abstract general relations such as division of labor, money, value, etc." (Marx 1973, 100).<sup>8</sup> Unlike population, these abstractions identify

fundamental traits of the particular social system—early capitalism—that the economists were concerned to analyze (though they mistakenly believed that they were discovering sociohistorical universals). Subsequently, the principle of synthesis was exemplified by “the economic systems” that followed these beginnings and “which ascended from the simple relations . . . to the level of the state, exchange between nations, and the world market” (Marx 1973, 100–101).

Moreover, Marx is at pains to emphasize that at every point in the process of empirical analysis and subsequent synthesis we are dealing with “a product of the working-up of observation and conception into concepts,” that is, with “a product of a thinking head, which appropriates the world in the only way it can.” A philosopher like Hegel, for whom (as a result of his place in the division of labor) “the conceptual world as such is the only reality,” and to whom “the movement of the categories appears as the real act of production,” may fall into the illusion of mistaking the resulting system of categories “as a product of the concept which thinks and generates itself” (Marx 1973, 101).<sup>9</sup> It was this illusion that Marx wished to ward off by correcting “the idealist manner of the presentation.”

Though Marx speaks of “the concrete” reality that is the object of analysis as “the concentration of many determinations,” these determinations are themselves categories, any of which “can never exist other than as an abstract, one-sided relation within an already given, concrete, living whole.” The “concrete totality” achieved through theoretical synthesis following the process of analysis “is a totality of thoughts, concrete in thought, in fact a product of thinking and comprehending” (ibid.).<sup>10</sup> Here the employment of a Hegelian mode of speech makes for confusion. The use of “abstract” and “concrete” as terms for the analysis of theories is unambiguous only for a system like Hegel’s, in which both terms refer to cognitive elements, since the synthesis of a cognitive “concrete” from (relatively) “abstract” concepts is treated as ultimately identical with the really evolving structure of the natural and social world. It is because as “conceptions” abstractions are not aspects of reality but aspects of the conceptual appropriation of reality that concepts cannot, according to Marx, be said to have a life of their own, to be exhibited at work either in the process of history or in the arrangement of categories in a theoretical construction. The presentation of categories cannot, that is, be said to follow an “immanent logic,” but must be understood as governed by the effort to account for the fundamental features of the social system under investigation.

We must then ask, however, what principles, if not those of a putative dialectical derivation, guide the sequence of categories in the construction of

the Marxian theory. In attempting to answer this question, we may at the same time cast light on why Marx found the categories of the *Logic* so suitable a mode of speech for the unriddling of the nature of money by the working out of the value-form. There are two central issues to be discussed. The first is that of the choice of elementary concepts as a starting point; the second is that of the method by which the conceptual structure of commodity value is revealed.

The starting point is determined by the character of the enterprise: as Marx explained it in a letter to Lassalle of 22 February 1858, a “critique of the economic categories or, if you like, the system of bourgeois economy critically presented. It is a presentation of the system and simultaneously, through this presentation, a criticism of it” (Marx and Engels 1975b, 125). *Capital* is thus at once an attempt “to reveal the economic law of motion of modern society” (Marx 1976a, 92) and, as the subtitle reminds us, a “critique of political economy.” As Marx conceived it, his enterprise constituted a response to a specific historical condition. The founders of political economy, as we saw, first worked out the elementary categories; these were then employed in the construction of theoretical systems. But economics “can only remain a science while the class struggle remains latent or manifests itself only in isolated and sporadic phenomena.” The development of that struggle after 1830 “sounded the death knell of scientific bourgeois economics”; henceforth scientific progress could only take the form of the *critique* of that science (Marx 1976a, 96–97).

By designating his writings on economics with the word *Kritik*, Marx continued Kant’s use of the word to denote an inquiry into the limits of application of a set of concepts in certain spheres of inquiry. The question of limits arises when the application of a system of concepts in some area leads to problems unsolvable by means of this system.<sup>11</sup> A critique in this sense corresponds to what Hegel called *Aufhebung* (translated hopelessly, but traditionally, as “supercession” or “sublation”). *Aufheben* has a double meaning, as Hegel explains it: “(1) to clear away, or annul . . . ; (2) to keep or preserve” (Hegel 1892, 180, §96). With respect to the critique of a conceptual system (or theory), the idea of *Aufhebung* involves a new system that replaces the prior one but “preserves” it at the same time, in the sense that it explains both the phenomena that formed the subject matter of the prior theory and its limitations.

But more is at stake in Marx’s work than a relation between two theories, even when it is of the sort now commonly described as a scientific revolution. Since in Marx’s conception theories are to be understood as representations of socially regulated experience, theoretical critique here echoes

Hegel's remark that dialectical consciousness is not "peculiarly confined to the philosopher," so that it "would be truer to say that dialectic gives expression to a law which is felt in all other grades of consciousness, and in general experience" (Hegel 1892, 149–50, §81). In this, Hegel's formulation of dialectic goes well beyond Kant's. Marx's represents a further, and distinct, development of the idea, since he regards his theoretical *Aufhebung*, the critique of political economy, as a response not to some inherent necessity located in the inadequacy of the conceptual structure of classical economics but as called for and rendered possible by the experienced crisis tendency of capitalism and the workers' movement responding to it. It was experience of the limits of capital that suggested the limits of political economy.

Marx's theory of capitalist society is not meant to be a replacement for political economy. It aims not just to demonstrate the analytic limits of economic theory but also to explain the hold of that theory over the inhabitants of the system. Thus the opening chapter of *Capital* ends with a discussion, under the heading of the "fetishism of commodities," of the way in which the money form obscures the working of the system by concealing "the social character of private labor and the social relations between the individual laborers" (Marx 1976a, 168–69). The discussion of the "Trinity Formula" at the conclusion of Volume 3 aims to demonstrate how not only "vulgar economics" but even the "best representatives" of classical theory, by accepting as fundamental categories for social analysis the representations of social relations developed within the system itself, inevitably "fell more or less into inconsistencies, half-truths and unresolved contradictions" (Marx 1982, 969).

In his *Contribution to the Critique of Political Economy* of 1859, the first published fruits of the labors undertaken in the *Grundrisse*, Marx described the crisis in economic theory at the time as follows:

Since the determination of exchange-value by labor-time has been formulated and expounded in the clearest manner by Ricardo, who gave to classical political economy its final shape, it is quite natural that the arguments raised by economists should be primarily directed against him.

There follows a list of the four points to which the disagreements of the post-Ricardian economists can be reduced:

*One.* . . . given labor-time as the intrinsic measure of value, how are wages to be determined on this basis? . . .

*Two.* . . . how does production on the basis of exchange-value solely determined by labor-time lead to the result that the exchange-value of labor is less than the exchange-value of its product? . . .

*Three.* . . . The exchange-value of commodities is . . . determined not by the labor-time contained in them, but by the relation of demand and supply. In fact, this strange conclusion only raises the question how on the basis of exchange-value a market-price differing from this exchange-value comes into being. . . .

*Four.* . . . how does the exchange-value of natural forces arise? (Marx 1970a, 61–63)

A striking fact about this list of problems is that it contains a summary of the *main questions to which classical political economy had addressed itself*: an explanation of the distribution of the social product among the three great classes of workers, capitalists, and landlords, to be made possible by an explanation of the market-price system as a regulator of social production.

Thus the theoretical difficulties that produced the “disintegration of the Ricardian school” and called for a “scientific revolution” (Marx 1972, 8; Marx and Engels 1975b, 196–97) lay at the heart of the classical theory itself, and indeed (as Marx was to show) in the very concept of *labor* used to define the basic concept of *value*. Marx’s critique—his “scientific revolution”—therefore involved not merely a reworking of economic categories but the construction of another set of concepts, explicitly social and historical ones. As Engels explained the break effected in the theory of capitalist society by the critique of political economy, that field

begins with *commodities*, begins from the moment when products are exchanged for one another. . . . The product . . . is, however, a commodity solely because a relation between two persons or communities attaches to the *thing*, the product. (Engels 1970, 226)

The starting point of Marx’s critique, accordingly, must be the category that is most elementary with respect to capitalist society *as theorized by classical theory*: the commodity. Its conclusion will be the replacement of this category as fundamental by that of the class relation between laborers and capitalists.

Hence the opening sentences of *Capital*: “The wealth of societies in which the capitalist mode of production prevails appears as an ‘immense collection of commodities’; the individual commodity appears as its elementary form” (Marx 1976a, 125). The word “appears” (*erscheint*) is the first point at which we may, if we wish, detect the influence of Hegel’s *Logic* on Marx’s book, for in Hegel’s usage it indicates a distinction between visible phenomenon and underlying essence (see Hegel 1892, 239ff., §131ff.). Here it points to the place at which Marx’s critique will transform classical theory, by demonstrating the inadequacy of the concept of “commodity” for the analysis of capitalism as a mode of accumulation of wealth.

Marx begins, therefore, with the analysis of the commodity. He makes it clear that what is being analyzed is the commodity as theorized by the classical tradition, with footnotes relating basic statements in his text to classical writings. The result of this analysis is the description of the commodity as an object with both use-value and exchange-value, "the quantitative relation . . . in which use-values of one kind exchange for use-values of another kind" (Marx 1976a, 126). The form of use-value, the shape in which it is to be recognized, is the same as that of the commodity as a kind of thing itself; for exchange-value to be knowable it must also have some "form of appearance." As always, "appearance" indicates that exchange-value represents some more fundamental property of a commodity, its value. In section 3 of this first chapter Marx considers exchange-value as the form of value in great detail. It is here that his coquetry with the Hegelian vocabulary is the most visible, where Marx wishes "to trace the development of the expression of value contained in the value-relation of commodities from its simplest, almost imperceptible outline to the dazzling money-form" (Marx 1976a, 139). Here if anywhere we will find a dialectical logic. Let us look, therefore, at the mode of this development.

The dialectic that Hegel aims to follow in the argument of the *Logic* may be described (with all the distortions of concision) as follows: a category, originally found at play in ordinary language, is shown to be necessary for the description or reality but is also found to lead to an incoherent, or "contradictory," characterization of reality. This provides the demonstration of the indispensability of a further category, which makes possible the resolution of the contradiction discovered in the application of the earlier one. The chain of categories constructed in this manner is to demonstrate (to quote Charles Taylor's lucid commentary) "that our categorial concepts as we ordinarily understand them, unrelated by radical necessity, are in some way contradictory; and that this contradiction can only be resolved (or, in fact, reconciled) by seeing them as linked in a rational structure" (Taylor 1975, 227). In fact, as Taylor among other students of Hegel has pointed out, the actual sequence of concepts in Hegel's *Logic* does not strictly follow this scheme, nor are the transitions from one category to the next often convincingly shown to be necessary. Even in the best cases, it must be said, the *necessity*, as opposed to the plausibility or illuminating character, of the transition between categories in the Hegelian dialectic—and hence of its being a *logic*—has not been convincingly made. Hegel, at any rate, simply asserts it. Nevertheless, the pattern of this "dialectical logic" does seem the model for Marx's analysis of the value-form in *Capital*.

Thus he begins section 3 of the first chapter with the results as

demonstrated (in section 1) that commodities have a dual nature, as both use-values and exchange-values, so that they can “only appear as commodities . . . insofar as they possess a double form, i.e., natural form and value form.” The value form required is known to all in money, which represents the values of commodities in contrast to “the motley natural forms of their use-values.” Value, a property of all commodities, is represented only in the form of a particular commodity, the money commodity.<sup>12</sup> But how can this be? How does money represent the value of commodities? Section 2 has demonstrated that as values commodities are expressions of a “social substance,” abstract labor, so that their character as values “is therefore purely social. From this it follows self-evidently that it can only appear in the social relation between commodity and commodity,” that is, in exchange-value. This produces the following apparent contradiction: Value, a property of commodities, is visible only in the relation between commodities. Value, that is, seems to be at once an individual and a relational property. It is by resolving this contradiction that Marx attempts to explain the form of value, money, on the basis of the category of exchange-value (Marx 1976a, 138–39).

How is the value of a commodity represented? In line with his methodological prescription, Marx begins with “the simplest value-relation,” that of one commodity to another of a different kind. Basic to this relation as “the simplest expression of the value of a single commodity” is the difference between the roles played by the two commodities involved. If  $y$  amount of commodity B is the exchange-value of  $x$  amount of commodity A, then A’s natural form represents its use-value, and B’s represents A’s value:  $y$  is what, in B terms,  $x$  amount of A is worth. The equation of A and B as exchangeable represents their character as values as opposed to their character as use-values, with respect to which they are different and not exchangeable. But the value character of each is therefore visible only in the use-value body of the other.

The classical economists’ analysis of value as labor explains why commodities have value, but it does not explain why we should find out what that value is in the act of exchange. But once we realize that this act, as an equation of two commodities, is thereby an equation of the kinds of labor that produced them, we can understand why the general character of being products of labor finds representation in exchangeability. “It is only the expression of equivalence between different sorts of commodities which brings to view the special character of value-creating labor, by actually reducing the different kinds of labor embedded in the different kinds of commodity to their common quality of being human labor in general” (Marx 1976a, 139–42). (This follows from Marx’s conclusion in section 2

that "only the products of mutually independent acts of labor, performed in isolation, can confront each other as commodities" [Marx 1976a, 132]. Under such conditions of production there is no representation of social labor in abstraction from the particular kinds that make it up outside of exchange.)

That is: Value can be expressed only in the relation between two different things equated by the act of exchange; in its value-relation to B, A "signifies more than it does without it, just as some men count for more when inside a gold-braided uniform than they do otherwise" (Marx 1976a, 143). The analogy is not just a stroke of wit. Like the use of gold braid to signify authority, the use of commodity exchange to signify the social character of labor is a social-historical institution, not a fact of nature. This is shown, according to Marx, by the fact that commodity exchange could not be fully understood, even by as brilliant a theorist as Aristotle, until the advent of a form of society in which a generally accepted conception of human equality had rendered possible the idea of equating all forms of labor—a conception that became "possible only in a society where the commodity-form is the universal form of the product of labor, hence the dominant social relation is the relation between men as possessors of commodities." Thus "it is only a historically specific epoch of [social] development which presents the labor expended in the production of a useful article as an 'objective' property of that article, i.e., as its value" (Marx 1976a, 152–54).

So far, what Marx claims to have shown is that under certain historical conditions—those of capitalism, in fact—the labor expended in individual units of production is made into social labor (only) when the products of those units are exchanged, so that the social character of the labor expended in the production of any commodity is represented (only) by its exchangeability and the quantity of that social labor is represented (only) by the quantity of goods for which it can be exchanged. In the vocabulary of economics, value is represented (only) by exchange-value. Marx claims further that to have explained this is already to have in principle explained the riddle of money. He introduces his justification of this claim by a most Hegelian set of phrases:

We perceive straight away the insufficiency of the simple form of value: it is an embryonic form which must undergo a series of metamorphoses before it can ripen into the price-form [in which value is represented by a quantity of money]. (Marx 1976a, 154)

Here we have one of Hegel's favorite metaphors for conceptual development, that of organic growth, and more fundamentally the suggestion that it is the "insufficiency" of the simple form that requires the appearance of

\*  
commodity  
2a  
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the price form—of money. But the appearance of “dialectical logic” here is misleading. The insufficiency of the simple form is not logical but practical and material: It would not suffice as a mode of representation of value in a system in which all goods are conceived as products of homogeneous (social) labor. For this to be accomplished, value must be represented in the form of a commodity to which all other commodities can be simultaneously equated by exchange.

As Marx says a few paragraphs later, “the simple form of value automatically passes over into a more complete form” (Marx 1976a, 154). Although this rhetoric (“passes over”) also derives from Hegel, Marx again has something very straightforward in mind. Given that the value of a commodity is represented in the form of another, the natural form of that other commodity does not matter. What does matter is that some one commodity should play this role in relation to all others, because only in this way can value as such, as opposed to the value of one or another particular commodity, be represented. The value-form is not, that is, a form that “value takes” (like the appearance of essence in Hegel) but a form in which people represent something, the social character of their labor. The argument depends not on a purported logic of contradiction and resolution but on the gradual exposition of the (practical) requirements of a social practice.

To put it in the terms of Marx’s two methods, the analysis of money begins by conceptual isolation of the elementary form of the relationship between a commodity and a sum of money, namely, that of a relation of exchange between commodities. In combination with the further basic conception that exchange functions in a capitalist economy as a means for the socialization of private labor, the necessity of a form, based in the exchange-relation, for the representation of value as a property shared by all commodities (as contributions to the social product) is demonstrated. In this way Marx explains the fact that commodity value is representable (in Hegelian terms, “appears”) only in the form of the money equivalent.

It is true that the vocabulary of the *Logic* is present throughout this argument in forms that I have not discussed here; thus, much of the discussion in section 3 recalls the dialectic of quantity and measure, which links the Doctrine of Being to the Doctrine of Essence. But here too the appearance of “an a priori construction” due to the mode of expression is belied by the actual matter of the argument. Thus, for example, the important contention that “the magnitudes of different things only become comparable in quantitative terms when they have been reduced to the same unit” (Marx 1976a, 141) is not in its origins a “materialist inversion” of Hegel’s treatment of quantity but derives directly from Sismondi’s discussion of value in the *Etudes sur l’economie politique* studied and excerpted by

Marx in his preparatory studies for the *Grundrisse* (Schrader 1980, 128ff.). In short, there is no reason why we should not, as Fred Schrader suggests, accept Marx's own explanation of the place of Hegel's logic in his work from the *Grundrisse* on: "There is no portentous reception of Hegel, no World Spirit unmasked as Capital, and no need to decode an identity between the movements of Being and Value." There is rather the pragmatic utilization of Hegel's mode of expressing the systematic interconnection of categories "to bring propositions of the theory of money, already worked out for all essentials" on the basis of the ideas of Storch and Sismondi, "into a systematic interrelation" (Schrader 1980, 136).

This still leaves us with the questions why Marx found the Hegelian mode of expression so congenial, and what, finally, it might mean to speak of a Marxian dialectic.

The *Grundrisse*, as Schrader has demonstrated, provides a key to the answer to the first of these questions. It is important to remember that Marx undertook his critical investigation of political economy not with the aim of working out a logic of economic categories but out of a desire to understand the nature of the crisis tendency of the capitalist economy (its "law of motion"). This brought him, through the literature on money and banking, into a confrontation at once with bourgeois economic theorizing and with Proudhonian (and English utopian socialist) attempts to elaborate a socialist currency policy, which would revolutionize the relations of production and distribution "by a change in the instrument of circulation, in the organization of circulation." In opposition to such views, Marx argued that no form of money "is capable of overcoming the contradictions inherent in the money relation," and that such projects can "only hope to reproduce these contradictions in one or another form" (Marx 1973, 122-23). Thus it was in the first place a concrete political issue that led Marx to concentrate on the questions: "Does not the bourgeois system of exchange itself necessitate a specific instrument of exchange? Does it not necessarily create a specific equivalent for all values?" (Marx 1973, 127).

This Marx argues by demonstrating that in a commodity-market system, social labor time cannot be represented directly, but only in the form of exchange-value, specifically in the price form, so that any attempt to represent abstract labor, say by "time-chits," would only result in the creation of a new form of money. In the course of working out this demonstration, Marx comes suddenly to the realization that provides the key to his theory of money: "Because labor time as the measure of value exists only ideally, it cannot serve as the material for price comparisons. (Here at the same time it becomes clear how and why the value relation

obtains a separate material existence in money. This to be developed further)" (Marx 1973, 140).<sup>13</sup> The understanding of value as an abstract idea Marx had discovered in Sismondi, and that of money as a "common term of comparison" between all commodities he found in Storch's *Cours d'économie politique* (Schrader 1980, 126ff.). Marx's own insight was the idea that the abstract relation between commodities as products of social labor had to be represented by something distinct from the commodities themselves. Money as value-form thus provides a means for the representation of abstract labor time. It is the material incarnation of an idea: "Such a symbol presupposes general recognition; it can only be a social symbol; it expresses, indeed, nothing more than a social relation" (Marx 1973, 142).

This idea has arisen, in fact, as a representation of the social relations that constitute capitalism as a system. Although "individuals are now ruled by *abstractions*," these abstractions, or ideas, are "nothing more than the theoretical expression[s] of those material relations which are their lord and master" (Marx 1973, 164). Those relations are ultimately—in the progress of theory in *Capital* (as before it in the *Grundrisse*)—to be described in terms of the relation between the controllers of the means of production and those who have nothing but their ability to work. To put it crudely, labor can be socialized as commodity-producing labor only when the ability to labor has itself become a commodity. In order for the product of labor to have the character of value represented by its exchangeability against money, that labor must be wage labor. Alternatively put, wage labor and capital are not only types of commodity but the fundamental types, whose existence alone makes the existence of a social system governed by value relations possible (see Marx 1973, 224–25).

The revelation of this truth is the ultimate outcome of Marx's critique of political economy. That critique aims to demonstrate how the categories of economic theory represent a systematization of the representations of the social relations definitive of capitalist society in everyday language and thinking. These representations are taken for logically ultimate descriptions of structures and forces—"the economy"—regulating social experience just because, in capitalism, the social relations of production have no other form of representation than those of commodity-value and money. As Marx explained this in the concluding section of the first chapter of *Capital*:

The private producer's brain reflects [the] twofold social character of his labor [as concrete and abstract] only in the forms which appear in practical intercourse, in the exchange of products. . . . The value character of the products of labor becomes firmly established only when they act as magnitudes of value. These magnitudes vary continually, independently of the will, foreknowledge and actions of the exchangers.

Hence, though only forms of thought, the categories of bourgeois economics are "socially valid and therefore objective" (Marx 1976a, 166–69). They have, that is, the character of an autonomous system, even though "the characteristic which objects of utility have of being values is as much men's social product as is their language" (Marx 1976a, 167).

For this reason, one can understand how Hegel's dialectical logic provided Marx with an irresistibly attractive rhetoric for the depiction of the system of economic categories that structure social action in capitalist society. Hegel's illusion that his concepts themselves generated the movement of his systematic treatment of cognition mirrors the illusion of humankind under capitalism that the social relations that are their own historical product have an ineluctable life of their own.<sup>14</sup> At the same time, although not strictly speaking a logic, the Hegelian system included a highly sophisticated account of theory construction, in particular in the social sciences, stressing the interconnectedness of theoretical categories.

But the fundamental feature of the Hegelian viewpoint for which Marx honored him as a "mighty thinker" was the idea of the dialectic as realized in social history, as the principle (as Marx put it in the Postface to *Capital*) according to which "every historically developed form" is to be conceived as being in a fluid state, in motion, and therefore as "transient." Hegel's expression of this idea indeed represented a "mystification," due, as Marx explained it in *The German Ideology*, to the tendency of intellectuals (he is thinking of the tradition that began with the Enlightenment and took on new forms in the German philosophers of the first half of the nineteenth century) to see ideas, the stuff of their profession, as the determinants of history. It is only too easy then for someone like Hegel to "bring an order into this rule of ideas, prove a mystical connection among the successive ruling ideas [in different historical periods], which is managed by regarding them as 'forms of self-determination of the concept' (this is possible because by virtue of their empirical basis these ideas are really connected with one another and because, conceived as *mere* ideas they become self-distinctions, distinctions made by thought)" (Marx and Engels 1976, 62).

In contrast, the Marxian dialectic is neither a theory of history nor a special "method" of theory construction, but the principle of the critique of ideology. This critique is not primarily logical but anthropological and historical, in that it aims to demonstrate that the insufficiencies of economic theory for the comprehension of capitalist reality are due to its practice of taking the forms of social interactions—in reality the product of human history—for ineluctable structures. As a result, "something which is only valid for this particular form of production, . . . namely the fact that the specific social character of private labors carried on independently of each

other consists in their equality as human labor, and, in the product, assumes the form of the existence of value, appears to those caught up in the relations of commodity production . . . to be just as ultimately valid as the fact that the scientific dissection of the air into its component parts left the atmosphere itself unaltered in its physical configuration” (Marx 1976a, 167).<sup>15</sup> The critique of this view is an attempt, therefore, not to display the “self-development of concepts” but to explain the development of concepts by the “real individuals” (as Marx puts it in *The German Ideology*) whose activity constitutes the history of society.

## Notes

1. For a detailed discussion of Hegelian categories in the *Grundrisse*, see Schrader 1980, 113–45.
2. See O’Malley and Schrader 1977.
3. Cf. Marx’s criticism of Lassalle’s attempt at a Hegelianization of political economy: “He will learn to his cost that to bring a science by criticism to the point where it can be dialectically presented is an altogether different thing from applying an abstract ready-made system of logic to mere inklings of such a system.” Marx to Engels, 1 February 1858, in Marx and Engels 1975b, 123.
4. As John Mepham has observed, the treatment of money in *Capital* is quite different from that in the *Grundrisse*, in which Marx indeed undertakes “a thoroughly Hegelian discussion of ‘the transition from value to money’”—a discussion replaced in the later work by the analysis of what Marx called “real relations” of society (see Mepham 1979, 161).
5. For further discussion of Marx’s denial that he had a theory of history, in the context of his rejection of the possibility of a general theory of society altogether, see Mattick, Jr. 1986a, ch. 6.
6. The translation has been amended. Cf. Marx and Engels 1962, 27.
7. Hence he wrote in the 1880 “Notes on Wagner” that in *Capital* “I do not start out from ‘concepts,’ hence I do not start out from ‘the concept of value’” but from “the simplest social form in which the labor-product is presented in contemporary society,” the commodity. Accordingly he insists that his “analytic method . . . has nothing in common with the academic German method of connecting concepts” (Marx 1975b, 198, 201).
8. A few pages earlier we find production, distribution, exchange, and consumption described as forming “a regular syllogism” as exemplars of the triad of generality, particularity, and singularity from the Doctrine of Essence in the *Logic*. “This is admittedly a coherence,” Marx says—“but a shallow one” (Marx 1973, 89). The same model is followed in the arrangement of material in one of the plans for the analysis of capital sketched out in the *Grundrisse* (Marx 1973, 275), only to be dropped from further discussion.
9. Marx did not, of course, deny that the phenomena conceptualized by the simpler categories may “have an independent historical or natural existence predating” the more complex ones. Thus money, basic to the capitalist system

of production, existed before capital came into being. But it is not in general the case that "the path of abstract thought, rising from the simple to the combined, [corresponds] to the real historical process." Thus the explanatory priority of concepts relative to the analysis of one or another specific social system neither reflects nor explains the historical sequence of social institutions but is entirely a function of the nature of the specific system under investigation (see Marx 1973, 102).

10. Compare Hegel's description of the progress of the notion's dialectical advance as "determined as beginning from simple determinednesses, the succeeding ones becoming ever *richer and more concrete*" (Hegel 1969b, 840).
11. See the interesting discussion in Witt-Hansen 1960, 9ff.
12. Cf. Marx's letter to Engels of 2 April 1858: "From the contradiction between the general character of value and its material existence in a particular commodity, etc. . . . arises the category of money" (Marx and Engels 1975b, 127).
13. Translation amended. See the discussion in Schrader 1980, 113ff.
14. Indeed it has been suggested by Herbert Schnädelbach, in a very stimulating essay, that "the Hegelian form of logic itself is not as a system independent of the world view in which the bourgeoisie imagines its own social relationships" (Schnädelbach 1970, 59).
15. Further discussion of this principle would lead to Marx's conception of the relation between what he called the "material foundation" and the "ideological superstructure" of social reality; see Mattick, Jr. 1986b, especially ch. 5.