The *Grundrisse* (The 1857-58 Manuscript)

The Chapter on Capital: Part 3

Capital and Circulation (pp. 261-263)

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(1) Circulation and exchange value deriving from circulation, the presupposition of capital[1]

In order to develop the concept of capital we need to start with value; specifically with exchange value (i.e. commodities) in circulation. We cannot start directly from labour; it is too far away from the result, with too many intermediate steps. ("It is [...] as impossible to make the transition directly from labour to capital as it is to go from the different human races directly to the banker, or from nature to the steam engine." (Marx 1973, p. 259))

In money ("as such"), exchange value can acquire a form independent of circulation, and insofar as it does acquire this form (money independent of circulation) it—says Marx—is capital. "That money is the first form in which exchange value proceeds to the character of capital" is "a historical fact". (Marx 1973, p. 259).[2]

The "first quality [*Bestimmung*, better "determination"[3]]" of capital is therefore that "the exchange value originating from circulation and thus presupposing it [i.e. capital] is preserved in and through it [i.e. capital]." (Marx 1973, pp. 259-60, translation modified in line with Marx 2006, p. 183) Unlike exchange value (i.e. commodities) that is not capital, for which its circu-

[1] Marx's subtitle; punctuation modified according to Marx 2006, p. 183.

[2] That money is the first form of capital, says Marx, is what leads to money being *equated* with capital, either by being confused with capital, or being seen as the only adequate form of capital.

[3] In Hegel (which is where Marx would have got the sense of the word), the noun *Bestimmung* combines two meanings. First, it indicates a feature of something that is intrinsic or specific to it. In this sense, something given and specific can be represented by the set of determinations (*Bestimmungen*) that pertain to it. The second sense is that of a thing's "destiny", in the sense of what it is to realise in the full development of its potentiality. For this complex meaning, "defining feature" might be a common-or-garden rendering in English (Marx 1986 (p. 190) has "attribute"). Cf. also Inwood 1992, pp. 77-8.

lation represents its negation, its disappearance, capital in circulation is exchange value that is "self-positing", or "self-realising". (Marx 1973, p. 260)

Marx identifies the possible forms in which circulation can be analysed. First, there is the exchange of a commodity for another commodity, via money. Second, a commodity exchanged for money. Third, money for a commodity. And fourth, money exchanged for money. We can exclude the last form, since here "not even a formal difference appears between the things [being exchanged is] distinguished", while the first is already represented in the other two; we have therefore two possible forms—commodity for money, money for commodity—"which [...] coincide in themselves; the distinction [between them] consist[ing] in the different placing of the emphasis, the accent; which of the two moments—money and commodity—forms the point of departure." (Marx 1973, p. 260)

In the case of money being exchanged for a commodity, the exchange itself is posited as disappearing, since it exists "as a merely formal mediation for the purpose of gaining possession of the natural material of the commodity". In that of the commodity (exchange value) being exchanged for money (the latter representing "exchange value *posited* as exchange value"), then the money "persists only as long as it stays outside exchange, withdraws from it, [and] is hence a purely illusory realisation, purely ideal in [...] form". "In the first case, the form of exchange value is extinguished; in the second, its substance; in both, therefore, its realisation is its disappearance." (Marx 1973, p. 260)

Capital is different (says Marx): "[o]nly with *capital* is exchange value posited as exchange value in such a way that it preserves itself in circulation; i.e. it neither becomes substanceless, nor constantly realises itself in other substances or a totality of them; nor loses its specific form, but rather preserves its identity with itself in each of the different substances." (Marx 1973, p. 260) "Capital values are self-perpetuating," says Marx, referencing Say.[4] Money (as money) only self-perpetuates by being withdrawn from circulation (as a hoard); capital self-perpetuates "precisely by abandoning itself to circulation." (Marx 1973, p. 261)

(What does Marx mean by "self-perpetuating"? Simple exchange is C-M-C: each of its cycles ends with the consumption of a commodity. The circulation of capital is M-C-M; here a new cycle is posited by the end point, the second M. Simple circulation is selling a commodity to buy a commodity to consume; capital circulation is advancing money so as to receive (more) money, which is then to be advanced, for more money, *ad infinitum*.)

Capital becomes money and commodity alternatively (and infinitely): it is "constant metamorphosis"; (Marx 1973, p. 262) it is "*exchange value which preserves and perpetuates itself in and through circulation*." (Marx 1973, p. 262)

Simple circulation resolves itself both "simply negative[ly]", in the form in which the commodities cast into circulation drop out into consumption; and "positively negative[ly]" insofar as money is negated as "merely abstract generality" (as the residue of commodity exchange). (Marx 1973, p. 263) *Capital*, by contrast, "to become real", must emerge from circulation, not as a "simple object of need, consumed as such", but as an object of need "consumed by labour, and thereby [to] reproduce itself anew." In other words, capital must "posit [...] its point of departure from circulation [...] now no longer as a simple equivalent or as a simple objectification of labour, but rather as objectified exchange value, now become independent, which yields

[4] But, says Marx, not yet "self-multiplying", for that "does not belong here as yet".

itself to labour, becomes its material, only so as to renew itself and to begin circulating again by itself." (Marx 1973, p. 263) Even more plainly: capital as exchange value

> posits itself as exchange value only by realizing itself; i.e. increasing its value. *Money* (as returned to itself from circulation), *as capital*, *has lost its rigidity*, *and from a tangible thing has become a process*. But at the same time, labour has changed its relation to its objectivity; it, too, has returned to itself. But the nature of the return is this, that the labour objectified in the exchange value posits living labour as a means of reproducing it, whereas, originally, exchange value appeared merely as a product of labour. (Marx 1973, p. 263)

References

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