The *Grundrisse* (The 1857-58 Manuscript)

The Chapter on Capital: Part 4

Capital as Self-Preserving and Self-Expanding Value (pp. 264-275)

May 22, 2026

(2) Exchange value emerging from circulation, a presupposition of circulation, preserving and multiplying itself in it by means of labour[1]

(At this point Marx inserts a "plan" (the third in the Manuscript so far[2]) for future work.[3])

(Marx then interrupts his flow to engage in a pair of tangential digressions directed against Proudhon. This is the first. "Nothing is more erroneous than the manner in which economists as well as socialists regard *society* in relation to economic conditions," he (Marx) says. Proudhon, he alleges, stated (in reply to Bastiat) that "[f]or *society*, the difference between capital and product does not exist. This difference is entirely *subjective*, and related to individuals." What Proudhon calls "subjective", says Marx, is precisely what is social; society, for Proudhon, is "a subjective abstraction." (Marx 1973, p. 264)

Marx elaborates (and it his here that this digression becomes important):

[1] Marx's subtitle. (Marx 1973 (p. 264) reproduces the title as a paragraph of normal text; Marx 1986 (p. 194) reproduces the title correctly (cf. Marx 2006, p. 187).)

[2] The previous two are on p. 108 (in the "Introduction") and pp. 227-8.

[3] "I. (1) General concept of capital. (2) Particularity of capital: circulating capital, fixed capital. [...] (3) Capital as money. II. (1) Quantity of capital. Accumulation. (2) Capital measured by itself. Profit. Interest. Value of capital: i.e. capital as distinct from itself as interest and profit. (3) The circulation of capitals. (α) Exchange of capital and capital. Exchange of capital with revenue. Capital and prices. (β) Competition of capitals. (γ) Concentration of capitals. III. Capital as credit. IV. Capital as share capital. V. Capital as money market. VI. Capital as source of wealth. The capitalist. After capital, landed property would be dealt with. After that, wage labour. [...] [T]the three classes [...]. Then the state. (State and bourgeois society. - Taxes, or the existence of the unproductive classes. - The state debt. - Population. - The state externally: colonies. External trade. Rate of exchange. Money as international coin. - Finally the world market. Encroachment of bourgeois society over the state. Crises. Dissolution of the mode of production and form of society based on exchange value. Real positing of individual labour as social and vice versa.)"

> This so-called contemplation [of Proudhon's] from the standpoint of society means nothing more than the overlooking of the differences which express the social relation (relation of bourgeois society). Society does not consist of individuals, but expresses the sum of interrelations, the relations within which these individuals stand. (Marx 1973, pp. 264-5)

In the second digression Marx accuses Proudhon of "reduc[ing] the exchange between capital and labour to the simple exchange of commodities as exchange values, to the moments of simple circulation." (Marx 1973, p. 265) For reasons Marx has already set out in the Manuscript, Proudhon (if this is indeed what he said[4]) is clearly mistaken.)

Marx now returns to the main argument. He contrasts simple exchange value and its circulation to the circulation of capital.[5] In the former, exchange value appears *doubly*: either as commodity, or as money. It is either the one or the other; never both. In the latter, on the other hand, exchange value is "posited as the unity of commodity and money [...], and this positing itself appears as the circulation of capital."[6] (Marx 1973, p. 266)

Marx signals that he wants to analyse "the simple aspects [*Bestimmungen* again: better "determinations"; "attributes"; "defining features"]" which pertain to the relation of capital to labour.

First, the two—capital and labour—are *opposed*: "capital stands on one side and labour on the other, both as independent forms relative to each other; both hence also alien to one another." (Marx 1973, p. 266)

In the positing of simple exchange value, the worker produces a product which is not a use value for himself—that is why it is an exchange value, a use value for others. Now, with the capital relation, the use value the worker has to offer the capitalist materialises it not as a *product* but as a "potentiality, as his capacity [...] [which] becomes a reality only when it has been solicited by capital, is set in motion [...]." (Marx 1973, p. 267)

The relation of capital to labour presents itself as capital (exchange value) on the one side and labour (use value) on the the other.[7] This contrasts with simple commodity circulation, in which commodities are alternately the one (use value) and the other (exchange value). The reason that exchange value is not "realised" in simple commodity circulation (argues Marx[8]) is because, in

[4] Marx is very much in paraphrase mode, quoting Proudhon in German from his (Marx's) own research notebooks.

[5] Once again, the subheadings that appear on p. 266 of Marx 1973 are not Marx's: cf. Marx 2006, p. 188.

[6] "Which is, however, a spiral, an expanding curve, not a simple circle," Marx adds parenthetically.

[7] Marx here inserts a long footnote, in which he (rather tentatively) reflects on the relation of the notions of "value", "exchange value" and "price". The issues are important, but tangential to the discussion at hand, and I address them below, at then end of this section of my notes.

[8] "It cannot be said that exchange value as such is realised in simple circulation. It is always realised only in the moment of its disappearance. If the commodity is exchanged via money for another commodity, then its value character disappears in the moment in which it realises itself, and it steps outside the relation, becomes irrelevant to it, merely the direct object of a need. If money is exchanged for a commodity, then even the disappearance of the form of exchange is posited; the form is posited as a merely formal mediation for the purpose of gaining possession of the natural material of the commodity. If a commodity is exchanged for money, then the form of exchange value, exchange value posited as exchange value, money, persists only as long as it stays outside exchange, withdraws from it, is hence a purely illusory realisation, purely ideal in this form, in which the independence of exchange value leads a tangible existence. If, finally, money is exchanged for money—the fourth form in which circulation can be analysed, but at bottom only the third form expressed in the form of exchange—then not even a formal difference appears between the things distinguished; a distinction without a difference; not only does exchange value disappear, but also the formal movement of its disappearance." (Marx 1973, p. 260)

simple circulation, use value does not stand connected to exchange value and defined by it. The unity of use value and exchange value "immediately splits" in exchange; a "real connection of exchange value and use value does not take place." (Marx 1973, p. 269) For money (in exchange) the use value form of the commodity it is exchanged for is an irrelevance.[9] In simple circulation, therefore, "[t]he commodity as such—its particularity—is [...] an irrelevant, merely accidental, and in general imaginary content, which falls outside the relation of economic forms [...]." (Marx 1973, p. 269) In the circulation of capital, by contrast, the exchange value which confronts use value is no longer money "as such", but money as capital. And the use value which confronts capital as exchange value is no longer *any* use value, as it is in simple circulation, but is, necessarily, that use value which "preserve[s] or increase[s]" capital.

When value becomes independent (as money) its motion is no more than quantitative; but a quantity of money is always finite, so that money's "quantitative limit is in contradiction with its quality. It is [...] inherent in its nature constantly to drive beyond its own barrier."[10] (Marx 1973, p. 270) This contrasts with pre-bourgeois ostentatious consumption, Marx notes. In imperial Rome, for example, as "consumption-oriented wealth [...] it [money] [...] appears as limitless waste, which logically attempts to raise consumption to an imaginary boundlessness, by gulping down salads of pearls, etc."[11] (Marx 1973, p. 270) In bourgeois society, money exists as *general* wealth: while specific wealth (a specific sum of money) may serve for specific consumption, general wealth (capital) is driven to self-expansion. "Fixed as wealth, as the general form of wealth, as value which counts as value, it is therefore the constant drive to go beyond its quantitative limit: an endless process. Its own animation consists exclusively in that; it *preserves* itself as a self-validated exchange value distinct from a use value only by *constantly multiplying* itself."[12] (Marx 1973, p. 270)

Capital is (therefore "by definition"[13]) money "in the form of all substances—commodities."

[9] Not so for the *owner* of the money, for whom the use value form of the commodity to be bought is the *raison d'être* of the exchange.

[10] It appears here that Marx is saying that it is in the nature of *money* "constantly to drive beyond its own barrier". He is not (for that would be to endow money with fetish-like properties). He is saying that *value*, which is a manifestation of *labour*, and which finds its expression *as* money, is constantly driven "beyond its own barrier", i.e. to expand. Needless to say, it is only under capitalist conditions that labour takes the form of value, and value expresses the irresistible tendency to self-augment.

[11] According to Pliny the Elder, Cleopatra and Mark Anthony held a wager as to which of them could prepare the most expensive meal, a wager which Cleopatra won when she removed a precious pearl from her earring and drank it, after dissolving it in vinegar; while Suetonius records the emperor Caligula drinking solutions of dissolved pearls during displays of excess in dinners.

[12] "It is damned difficult for Messrs the economists to make the theoretical transition from the self-preservation of value in capital to its multiplication ; and this in its fundamental character, not only as an accident or result."

[13] "[...] [*S*]*einem Begriff nach*": "according to its *Begriff* ["concept"]". (Compare Marx 2006, p. 195 and Marx 1986, p. 202.) *Begriff* is a word that Marx will use a lot, both in the 1857-58 Manuscript, as well as in later writings, so it is worth elaborating here on its meaning a little. Marx will have taken the word and its sense from Hegel, for whom it indicates what it is about something that reveals to us (who try to conceive of it) its essential nature. As we have already seen, this last—the "essence" of a thing, so to speak, what is fundamental to it, as opposed to what is accidental and contingent—can be thought of as the combination of "determinations" (*Bestimmungen*) that pertain to it. The *Begriff* of something then refers to how—and the degree to which—that set of determinations is revealed to us in our mental apprehension of the thing in question. So sometimes in Marx the *Begriff* of something (as here) can be taken to refer approximately to what is essential or most important to the nature of a thing. Other times, however, Marx will refer to something *lacking* a *Begriff* (when, for example, he uses the word "*Begrifflos*"—"-los" being the equivalent to the English suffix "-less"). In these cases, he emphasises that the "determinations" (*Bestimmungen*) of the thing in question stand *occluded*: but not because

(Marx 1973, p. 271) What Marx means by this is the following. What we might call "non-capital" money stands in opposition in exchange in each case to specific commodities; money as capital by contrast stands opposed to *all* commodities, to commodities *in general*: "not this commodity or that commodity, but all commodities." (Marx 1973, p. 271)

In turn, the "communal substance" of all commodities, "i.e. their substance not as material stuff," is "*objectified labour*". (Marx 1973, pp. 271-2) "Objectified labour" stands contrasted with "*non-objectified* labour, labour which is still objectifying itself, *labour* as subjectivity." Objectified labour, as past labour, is labour which is "present in space"; labour which is still objectifying itself is labour which is "present in time." If the latter "is to be present in time, alive, then it can be present only as the *living subject*, in which it exists as capacity, as possibility; hence as *worker*." As a consequence, "The only *use value* [...] which can form the opposite pole to capital is *labour* (*to be exact, value-creating, productive labour*[ ])." (Marx 1973, p. 272)

(Marx comments here that what he has just said is a "marginal remark", "an anticipation" and needs to "be developed, by and by." (Marx 1973, p. 272))

Marx now expands on what he means by "value-creating, productive labour". "Labour as mere performance of services for the satisfaction of immediate needs has nothing whatever to do with capital, since that is not capital's concern."

> If a capitalist hires a woodcutter to chop wood to roast his mutton over, then not only does the woodcutter relate to the capitalist, but also the capitalist to the woodcutter, in the relation of simple exchange. The woodcutter gives him his service, a use value, which does not increase capital; rather, capital consumes itself in it; and the capitalist gives him another commodity for it in the form of money. The same relation holds for all services which workers exchange directly for the money of other persons, and which are consumed by these persons. This is consumption of revenue, which, as such, always falls within simple circulation; it is not consumption of capital. (Marx 1973, p. 272)

The labour carried out in this way is not *productive*, since neither of the "contracting parties" acts in the exchange as a capitalist.[14] Marx notes here that, in this respect, Adam Smith "was *essentially correct* with his *productive* and *unproductive* labour, correct from the standpoint of bourgeois economy", while he dismisses other economists as advancing "horse piss" ("*Seichbeutelei*", perhaps "bullshit" in more modern English), insofar as they argue that all actions are productive of something, be they those of "the pickpocket" or "when somebody picks the lice out of his hair". No, says Marx; productive workers are productive to the extent that "they increase the capital of their master" (independently of the nature of the product they produce[15]). (Marx promises to return to the subject of this "digression"—the distinction between "productive" and "unproductive"—in more detail.)

(or not just because) we have insufficiently understood the thing, but because it is in the *nature* of the thing itself so to occlude its determinations. (The interest on interest-bearing capital, which appears to be a natural property of the money involved, but is in reality distributed surplus value, this last in turn being someone's unpaid labour, would be an example of something that is *Begriffslos*.)

[14] "From whore to pope, there is a mass of such rabble. But the honest and 'working' lumpenproletariat belongs here as well [...]." (Marx 1973, p. 272)

[15] "In fact, of course, this 'productive' worker cares as much about the crappy shit he has to make as does the capitalist himself who employs him, and who also couldn't give a damn for the junk." (Marx 1973, p. 273)

The exchange between capital and labour is an exchange between "posited exchange value" (capital) and the use value which confronts it; this latter is "*not-capital*, the negation of capital, without which it is not capital."[16] (Marx 1973, p. 274) This exchange is in reality split into two processes, "not only formally but also qualitatively different, and even contradictory". (Marx 1973, p. 274)

On the one hand, "[t]he worker sells his commodity, labour, which has a use value, and, as commodity, also a price, like all other commodities, for a specific sum of exchange values, specific sum of money, which capital concedes to him." (Marx 1973, p. 274)

On the other, "[t]he capitalist obtains labour itself, labour as value-positing activity, as productive labour; i.e. he obtains the productive force which maintains and multiplies capital, and which thereby becomes the productive force, the reproductive force of capital, a force belonging to capital itself." (Marx 1973, p. 274)

The separation of these two processes is such that each process can take place at a different time. (The completion of the second process, for example, requires the completion of the production of the product; that of the first does not, and cannot.) This is not the case with regard to simple circulation:

> [i]f commodity A is exchanged for money B, and the latter then for the commodity C, which is destined to be consumed—the original object of the exchange, for A—then the using-up of commodity C, its consumption, falls entirely outside circulation; is irrelevant to the form of the relation; lies beyond circulation itself, and is of purely physical interest, expressing no more than the relation of the individual A in his natural quality to an object of his individual need. (Marx 1973, p. 274)

In the case of the exchange of capital with labour, on the other hand, "the use value of that which is exchanged for money appears as a particular economic relation, and the specific utilization of that which is exchanged for money forms the ultimate aim of both processes." (Marx 1973, p. 274, italicisation suppressed)

Further: the difference between the act of simple exchange and that of the exchange of capital with labour lies precisely in the second of the two processes set out above. "In the exchange between capital and labour, the first act is an exchange, falls entirely within ordinary circulation; the second is a process qualitatively different from exchange, and only by misuse could it have been called any sort of exchange at all. It stands directly opposite exchange [...]" (Marx 1973, p. 275, italicisation suppressed)

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In his discussion on the relation in exchange between capital and labour, Marx, in a footnote (see note 7 above), posed the following question. "Is not *value* to be conceived as the unity of use value and exchange value?" asks Marx: "is value as such the general form, in opposition to use value and exchange value as *particular* forms of it?"

Use value ("the content, the natural particularity" of a good), Marx notes, is presupposed even in barter. In the exchange of capital with labour, however, use value has no standing as an

[16] The italicised subheading that appears at the top of p. 274 of Marx 1973 is an addition by this edition's editors to the original text (cf. Marx 2006, p. 198),

"economic form";[17] the economic form is *exchange value*, and the content apart from this form is irrelevant, i.e. has nothing to do with the economic relation. But, Marx asks, how is this possible? "Does not use value as such enter into the form itself, as a determinant of the form itself, e.g. in the relation of capital and labour?" (Marx cites the different forms of labour (agriculture, industry, etc.), ground-rent, the effect of the seasons on the prices of raw materials, as examples.) "How is it that the physical composition of the soil suddenly drops out of the sky in Ricardo?"

The key to this, Marx suggests, lies in the connection between "good" (*Gut* in German, *denrée* in French) and commodity (*Ware*, *marchandise*), in which "price appears as a merely formal aspect", which exchange value is the "predominant aspect". "[U]se does not come to a halt because it is determined only by exchange; although of course it obtains its direction [*Richtung*, perhaps "tendency"] thereby."

Marx signals the need to examine the matter "with inexactitude". (It will need to be determined "to what extent use value exists not only as presupposed matter, outside economics and its forms, but to what extent it enters into it," he says.) Ricardo, Marx says, simply abstracts away from the matter. Say just "puffs himself up with the mere presupposition of the word 'utility'." Proudhon, in this respect, Marx dismisses as "nonsense". In summary,

> [I]n exchange we have (in circulation) the commodity—use value—as price [...] The two aspects in no way enter into relation with each other, except in so far as the particular use value appears as the natural limit of the commodity and hence posits money, i.e. its exchange value, simultaneously as an existence apart from itself, in money, but only formally.

In addition, Marx notes, money too is a commodity, and "has a use value for its substance."

[17] Marx says "*ökonomische Formbestimmung*": "economic form-dermination", the *specifics* of economic form.

References

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