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Oct. 5, 1949

Dear J:

This letter will be full of "explanations". The reason for this is that I wanted to write my notes on the first ch. of Capital, from the new dialectical view of it, without recourse, on the one hand, for permission from Grace to make the parallels to Logic; and, on the other hand, polemic with everybody from Ricardo through Engels to Trotsky. What I try to do in these notes, then, is to point to the new "discoveries" rather than argue about them. Here they are:

(1) The contrast between private and social in Ch. I is not between private property and social, but between private or individual labor and social labor. What is not only because of the two-fold character of labor, to which we have always pointed, since that is, in turn, "caused" by the social form of production. It is this latter form which imparts the social form to labor and it does so by reducing all kinds of labor to abstract labor. What Marx is doing then is showing the alienation of the individual laborer, his subsumption under the form of production. Property has nothing to do with it. You might say we always knew that. But we didn't; it is impossible "to know before you know" and until we knew the contradiction between private and social labor, pointing to production relation vs. property form meant violence to the actual dialectical development.

(2) Exchange value now turns out to be the only form of value able to expressing the true nature of its content, abstract labor. Previously we counterposed Value to form, thus degrading essence itself to "essenceless being". The interpenetration of essence and form, their indissoluble connection is the only thing that can impel the movement of one into the other, and we rob ourselves also of ability to see the development of form to have as deep objective world connections as that of content. Here, again, then knowing that production relationship was the essence of the economic category gave it an outside evolution instead of an integral development out of the social form of production.

(3) It is this social form of production, which, when contrasted by Marx to other forms of production, that brings out the mere show of independence, even when we are still only in the market, of laborer that arises from the equivalent form of value, and hides the dependence of the laborer. It is true it is not a personal dependence as under slavery; serfdom, but it is dependence all the same, for what this new social form of production, with its value form, hides is that it is a form worthy of the content, the mastery of process of production over man.

As one example of the significance of development of value-form is the bridge it gives Marx from which to jump from general value form to specific social character of human labor. (I.P.ed, p.37)

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A different type of explanation is needed for another thing I try to do in the notes, and that concerns the boldness (but not reckless, I hope) with which I draw parallels to Logic. What gave me the necessary courage is the feeling that just as Dialectical Reason includes Understanding, so it is impossible to ~~xxxxx~~ restrict the development of the commodity to the development of being. It is true that Engels said that the development from commodity to production paralleled the development from Being to Essence in the Logic, but outside of that relationship to production, the development of Commodity involves the whole of the Logic and since I have Lenin's approval for that generalization, I trust the particular "application" has not been far amiss. Here is what I tried to do:

(1) Marx begins with the appearance of wealth as an accumulation of commodities. Out of the apparent identity of wealth and commodities we will have the opposition of the one and the other, and the opposition in each, yet something will persist through all changes in appearance. What Hegel calls the Law of Appearance is, it seems to me, Marx's Law of Value. You have no idea what it does to me as an "economist" to so degrade the law of value; that is all the more reason why I feel I am right in doing. We start, then, not with Being, but with the Appearance of Essence. I shift to Ground and stay there through Form and Essence, Form and Matter, Form and Content; but when I reach the General Form of Value, it seems necessary to return to Doctrine of Being, for Being-for Self and General Form of Value are parallels. And yet it is the "restatement" of General Form of Value as Universal form of Value which brings us, and not violently, to the Notion itself. First, I feel I have Marx with me. (It is important that the 5th, Kautsky edition, which took in all of Marx's notations in his own volume the Fetishism of Commodity does not appear as a separate Section 4; but as part of "D", Universal Form of Value, of Sec. 3, "The Form of Value or Exchange Value.") And I am trying to hold on to Hegel's statement: "On the one hand it enunciates that matter, as such, has no independent subsistence, and on the other that the form does not supervene upon matter from without, but as a totality involves the principle of matter in itself. This free and infinite form will hereafter come before as the notion." (SL, #128)

So here goes

This too should be considered as part of the other; some day something will leap out of all these rough notes.

ITS
NOTES ON CH. I OF MARX'S CAPITAL: / RELATION TO HEGEL'S LOGIC

"It is impossible to grasp completely Marx's CAPITAL, and especially its first chapter, if you have not studied through and understood the whole of Hegel's Logic."--Lenin

Appearance and Form

Essence must appear
The appearance of capitalist wealth as "an immense accumulation of commodities", its elementary form being a single commodity, marks the opening of CAPITAL. Since appearance is essential existence, it becomes necessary to examine a single commodity.

Marx, however, no sooner begins his analysis of the two-fold nature of this particular form of appearance of a product of labor than the act of exchange, to realize the commensurability of various kinds of commodities, abstracts from all use-value. In making an abstraction of all use-value, an abstraction is thereby made from all useful kinds of labor. All major contradictions of this specific social form of production are thus present in embryo in the single commodity. ~~is not an empty abstraction, representing an essence, but a very concrete unity of opposites.~~

Form and Essence

Marx began with the Form, exchange value, to get to the Essence, Value. What appears however, as a quantitative relationship shows itself to be the phenomenal form of something that is both contained in the commodity, and common to all other commodities, and yet something that is distinct, and different from all other commodities. The something common turns out to be not the substance of all wealth ~~xxxxxxx~~ regardless of the social form of production--use values--but a substance specific only to the value-form of wealth--human labor in the abstract. Thus what characterized previous societies becomes subordinate here, the mere material repository for value, or congealed labor. Were we, however, to stop at the mere sight of essence, we would merely counterpose Essence to Appearance, thus failing to comprehend their interpenetration in a single commodity.

Essence must appear and the form of its appearance reveals not only the inherent contradiction but the historical origin and development. Direct barter, the natural form of exchange, both impelled and had to give way to another form once the use-value became transformed into a commodity generally. On the other hand, this substance or this cause, had this effect because the form of what was effected was itself undergoing a process of development reflection of the social relations between producers and their products.

Form and Matter and Form and Content

The reduction of various kinds of labor to abstract human labor is a movement from private, individual labor to its social form. This specific social form of labor as an abstract universal is the alienation of private labors, produced independently. It becomes the specifica differentia of the capitalistic form of production. In revealing the indissolubility of the form of labor with the form of production, Marx shows that the substance of value has but one distinguishing feature and that is that it is human. Just as in society "mere man" plays but a shabby part, so in the capitalist labor process it is not the laborer that is the subject of production, but the mere expenditure of his labor power. But in the very expenditure labor ~~xxxxxxxx~~ objectifies itself, becomes transformed from subject to substance, for labor is not expended into a void but into some material form. As substance labor becomes merely the matter of form.

Formed matter is content, or materialized labor. "Content," wrote Hegel, "first has one Form and one Matter which belongs to it and are essential to it; it is their unity. But this unity is also determinate or posited unity, and thus it stands opposed to Form..." (L.II,82) The "posited unity" is the commodity, the "thing" with which Marx started his analysis of capitalist production. It was not a thing-in-itself, an empty abstraction, but something concrete, posited with difference and opposition. The unity of use-value and value in a single form demonstrated its opposition to this form in the struggle between form and essence, form and matter, form and content. From this opposition form and its other, we must now turn to the opposition within form itself. At the same time we shall see that "the activity of Form is equally the proper movement of Matter itself."

Determination of the Form of Value:

- (1)Elementary or Accidental; (2)Expanded;
- (3) General and (4)Universal

Marx states that "The whole mystery of the form of value lies hidden in this elementary form." (I.P.ed,p.16) At the same time the very polarity of the expression of the elementary form--which embodies within it both the relative and equivalent form--contains, in germ, all major contradictions of capitalism.

The complete collapse of society in 1914 gave Lenin such a view of Marx's analysis that he wove tighter yet the connection between the embryo and developed form as well as between the objective world development and the notions, or concepts, man forms of it. What he wrote is of the essence also to Marx's own development, or rather development of his analysis. "Just as the simple value-form, the individual act of exchange of a given commodity with another already includes in undeveloped form all major contradictions of capitalism--so the simplest generalization, the first and simplest forming of notions (judgments, syllogisms, etc.) signifies the ever deeper knowledge of the objective world connections. Here it is necessary to seek the real sense, significance and role of the Hegelian Logic. This NB."

But the notion of the relative form of value Marx had not singled out as a special category until the writing of CAPITAL. In the Critique of Political Economy, the emphasis is on the equivalent form. Yet it is the content of the relative form, though that formally depends on its relationship to another, which discloses both the truth of labor and the mystification inherent in the commodity: "Human labor-power in motion, or human labor, creates value, but is not itself value. It becomes value only in its congealed state, when embodied in the form of some object. In order to express the value of linen as a congelation of human labor, that value must be expressed as having "objective" existence, as being a something materially different from the linen itself, and yet something common to the linen and all other commodities. The problem is already solved." (IP ed., p.19)

The distinction between labor power and labor, i.e., the notion that disclosed clearest the actual objective connection between, and distinction from, the value of the products of labor and the value of labor power, is here tied in with the "objective" show of value as an "attribute" of the commodity. Thus, along with containing, in embryo, the dialectical transition from value to surplus value there is contained here the germ of the fetishism of the commodities inherent in the show of value. It is clear ~~that~~ also that the development of relative form of value reflects also the movement from direct barter of individual use-values to that of social use-values and hence the transformation of products into commodities. The development of matter cannot be separated from the development of value form. While the ~~mutual interdependence~~ interdependence of the relative and equivalent forms emphasizes the polarity in the expression of the value of one product in the use-value of another, the commensurability, or equivalence of different kinds of use-value, brings forth a new measure: labor-time.

Nevertheless, the equivalent form of the expression of value is more than a merely quantitative relation. "The truth being that when a commodity acts as equivalent, no quantitative determination of its value is expression." (Emphasis in Ger. original) This form, in fact, contains 3 distinct peculiarities, each and all of which are grounded in the truth, that the form of manifestation is opposed to the essence manifested, thus: (1) "use-value becomes the form of manifestation, the phenomenal form of its opposite, value;" (2) "concrete labor becomes the form under which its opposite, abstract human labor, manifests itself;" and (3) "the labor of private individuals takes the form of its opposite, labor directly social in its form." (Emphasis in Ger. original)

9228 But there is nothing accidental in these oppositions or in the opposition inherent in the elementary form of value as a whole. It is true that the elementary form of value first shows itself as accidental but the necessity concealed under the semblance of contingency appears in the development of the value form itself from elementary to expanded or total. The action of the world of commodities attracts many commodities to act as equivalent. There is, however, a defect in the total or expanded form since the series is interminable. The activity of form now repels as well as attracts. In the battle the contin-

gency is overcome. "The contingent, roughly speaking, is what has the ground of its being not in itself but in somewhat else." (SL, #145) "...the end of actings of to those have the contingency..."

Now the necessity concealed in the contingency is that the social form of production requires an exclusive and yet universal equivalent. This appears first in the general form of equivalent when a single commodity acts as equivalent. This general value-form is at the same time the "reduction of all kinds of ~~labor~~ actual labor to their common character of being human labor general, of being the expenditure of human labor power."

Now see the ~~key~~ leap which is at the same the connection between the value form and social order: "The general value form, which represents all products of labor as mere congelations of undifferentiated human labor, shows by its very structure that it is the social resume of the world of commodities. That form consequently makes it indisputably evident that in the world of commodities the character possessed by all labor of being human labor constitutes its specific social character." (IP ed, p. 37)

The Money Form of Value and the Notion of Value

"In this syllogism [the syllogism of existence] the notion is at the very height of self-estrangement." SL#183

The transition from the general equivalent to the universal equivalent occurs when the exclusion of one commodity from all others to act as their equivalent has attained consistency and "general social validity." That special social function has been monopolized by money, the ideality of the commodity form. Hegel has stressed the abstractness of such a result: "The ideality of Being-for-Self as totality, thus, first, passes into reality, and into the most fixed and abstract of all, into One." (LL, I, 177)

The egotism and emptiness of this Being-for-Self or money, in the noisy market world, develops into the strangest and most illusory notions: "Independence having reached its quintessence in the One which is for itself, is abstract and formal, destroying itself; it is the highest and most stubborn error, which takes itself for the highest truth;—appearing, more concretely, as abstract freedom..." (LL, I, p. 185)

The "highest and most stubborn error" in the bourgeois theory of money. Marx states that so long as the bourgeois theorist stays with this dazzling commodity as an independent Being-for-Self, so-to-speak, he remains blinded to its true essence which can only be gotten by returning to the simple commodity form as the germ of the money form. Refusing to return to its point of historical origin, he misses also all transitions, connections and stages of development and himself becomes a victim of the glitter of the money and thus remains "at the height of self-estrangement."

An integral part of this self-estrangement is the notion of abstract freedom. So overwhelming a force is show of the existent that even classical political economy which has ~~made~~ ~~xxxxxxxxxxxxxxxx~~ the epochal discovery that labor is the source of value ~~xxxxxxxxxxxxxxxx~~ are victims of the fetishism of commodities and hence could not dispel "the objective show of the social character of labor," and continued to consider value as an attribute of the commodity. Hence the equality in the market of commodities, that is, of congelations of human labor, it mistook for equality of living labor. Hence it continued to see freedom where reduction of all kinds of labor to uniform, simple, average labor, under which the individual, private labor, was completely subsumed. Hence it failed to see the peculiarity of social labor under this specific form of the social process or mode of production, where its "social" form is attained only through the medium of exchange, or the mediation of an outside, not human, force. The equality of labors of different individuals achieved through alienation of their private persons could have been mistaken for freedom only by him who had so abstract a conception of it, ~~xxxxxxxxxxxxxxxx~~ see that he himself was the victim of a process of production that had the mastery over men, and thus missed all the links that the form of value had to the form of social production.

Marx leaves this mist-enveloped world and returns us to the beginning, first of the commodity-form, then of form of production. He stresses that the commodity form is a mysterious thing "simply because in it the social character of men's labour appears to them as the objective character stamped upon the product of that labor, because the relation of the producers to the sum total of their own labor is presented to them as a social relation, existing, not between themselves, but between the products of their labor." (I.F.ed., pp.42-3) (The fantastic form \checkmark) that the social relation between men assumes as if it were a relation between things, in the eyes of men in the commodity world is fantastic, not because unreal in the market, but because it is an unreal, that is not truly social, as a relation between men.

That the fantastic form is the truth of the inverted relations in a society where the process of production has the mastery over men Marx states in unambiguous terms when he writes that they appear what they really are: "...the relations connecting the labour of one individual with that of the rest appear not as direct social relations between individuals at work, but as what they really are, material relations between persons and social relations between things." (I.F.ed., p.44, emphasis in original German ed.)

and abstract freedom
Marx goes on to prove that categories of value/are only the "forms of thought expressing with social validity the conditions and relations of this historically-determined mode of production" by contrasting it to other modes of production where "Personal dependence here characterizes the social relations of production just as much as it does the other spheres of life organized on the basis of that production." And he stresses: "But for the very reason that personal dependence forms the groundwork of society, there is no necessity for labour and its products to assume a fantastic form different from their reality." (I.F.ed., pp.48-9)

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It is lack of personal dependence, then, under capitalism which lends the fantastic form to the product of labor. But ~~since~~ the independence is illusory ~~because~~, the machine ~~man~~ is complete master of him. At this stage in the development of his analysis, where the labor process, and hence the machine, has not yet come into its own, Marx must state the question only negatively: indeed there is no personal dependence under capitalism and a product of labor does have a fantastic form. But what will be explicitly analyzed in the actual process of production is very implicitly present here. And to emphasize that not further "discoveries" will strip the veil of the fetishism of commodities--the discovery of classical economy was epochal enough without accomplishing any such result since it is an achievement not within the reach of men "for whom the production of commodities is the ne plus ultra of human freedom and individual independence." Marx stresses that only freely associated men can achieve it in action:

"The life-process of society, which is based on the process of material production, does not strip off its mystical veil until it is treated as production by freely associated men and is consciously regulated by them in accordance with a settled plan."

Until then the specific differentia of the value-form remains a secret even to a Ricardo, just as much as the equivalent form remained a secret to an Aristotle who lived in a Greek society founded upon slavery. How could it be otherwise when the most unnatural and fantastic form of all--the new commodity-form of labor, labor power, is accepted by this society as a matter of course?

Oct. 12, 1949

Dear Grace:

This is not a commentary upon your Notes on Bukharin, which I have just received and have not yet had a chance to study. It is a brief question mark to one of the concepts you deal with --that of law--and that only because I sense what appears to me a wrong direction in the development, or perhaps I should say rather a certain impatience to have done with Ricardo and the law of value. I, on the other hand, am keeping away from any polemic against Ricardo for I wish to deal with him only after I have reread the whole of Capital and Theories plus Ricardo's own work. That is because I wish to miss none of the transitions, which is one reason for my notes on Ch. I being so cumbersome--I was feeling my way by a restatement of the fundamental points in terms of the determinations of essence and of form, and linking the one to the other as tightly as the particular is linked to the universal in the realm of notion.

Naturally, all of our notes are just notes and there will be fuller development as we go along. But you put a terrific stress on the fetishism of law when you say "Capital cannot be understood without this concept of Hegel." Hegel, however, had not only that concept, which Lenin both emphasized and also worried about, but also the concept of law as essential relation. You will recall that Lenin right after quoting Hegel on Appearance as against Law being the totality, remarked:

"But, further, although it is clear, it is acknowledged, it seems (pp. 136ff) that law can overcome this inadequacy, include also the negative side, and Totalitat der Erscheinung. Must return here!"

Ricardo's

Marx carefully leads the attack against/ignoring of the form under which value becomes exchange value, on the one hand, and the reduction of private labor to social labor, on the other hand. You write: "In Capital, what Marx attacks in Smith and Ricardo is precisely the reduction of the form of value with its contradictions and transitions into opposite to the law of value, or determination of value by labor time." But it is not that they reduced the form of value to value; it is that they "treat the form of value as a thing of no importance" and thus "overlook that which is the differentia specifica of the value form..." And that precisely because they had already reduced labor to its social form, without even knowing that they had done so. It is not that consciousness, or knowing, would have solved the riddle. But it is that they had approached Essential Relation with value concept and stopped there. (Hegel may also have stopped there, and this may prove an important transition point from dialectical idealism to dialectic materialism; cf. esp. Marx in his Critique of Hegelian Dialectic, the section where he speaks of Hegel having the standpoint of classical political economy.) Marx, on the other hand, passed there. That is why, where the Ricardian law of value was a simple question of determination of value by labor time, and a violent abstraction of everything that contradicted that law apparently, Marx's law of value is permitted to undergo a self-development which has it reach to the "general absolute law" of the reserve army of labor. ~~XXXXXXXXXXXX~~

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In other words, in the law of value, Marx discerns the law of motion of society as a whole. He begins with the reduction of private labor, that is the individual laborer, to a social form brought about not by a social relation but by a material relation, by the mediation of exchange. He concludes his analysis of capitalist production by the degradation of the laborer as an individual and as a mass to an expenditure of a machine. And it is the growth of misery, degradation, slavery that brings about the growth of revolt, etc. etc. That is why I want to go so slow and skip none of the stages. In my letter to J I merely mentioned that I have concluded that the Law of Value in Marx is the Law of Appearance, but I did not develop the point, and I don't want to as yet. You can if you wish, of course, but there are pitfalls. For example, on p.46 of the IP ed., where Marx speaks of the discovery of labor as source of value, "while removing all appearance of mere accidentality of the determination of the magnitude of the values of products, yet in no way alters the material form in which that determination takes place," you remark: "Labor -- theory makes necessity out of contingency." That isn't true. The necessity was enclosed or hidden in the contingency as its further development showed. What the "labor theory" of Ricardo failed was precisely in not showing how it (ex.v.) necessarily developed out of the elementary form of value which from the start based itself on the opposition of use-value to value.

I have Bukharin's Historical Materialism and will read it along with your ~~Marx~~ commentary, which I am looking forward as I note it is not concluded. One thing that has me concerned is in what form to put my notes on Capital. I note with great jealousy that Marx never allowed himself to be involved in an abstract debate, and insisted on the concrete, beginning with the concrete commodity, the concrete revolution. Luxemburg, Bukharin, Bogdanov et al, however, all began abstractly: what is political economy? what is its history? etc. etc. and landed in an awful abyss; you should just see the mess Luxemburg is in-- there is nothing in her book on Political Economy but anarchy on the side of capitalism, plan on the side of socialism. Absolutely nothing else. I would appreciate therefore suggestions from you (and naturally J) as to the form (without quotation marks) these notes, even ad hoc ones, should be cast in. Or should I wait till my deeper comprehension of the world objective connections give the content the proper form?

Yours,

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