

## The Universal and the Particulars in Hegel's *Logic* and Marx's *Capital*

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I have argued in a number of papers (please see References) that there are two main stages (or levels of abstraction) in Marx's theory in *Capital*. The first stage has to do with the *production of surplus-value* and the *determination of the total surplus-value*, and the second stage has to do with the *distribution of surplus-value* and the *division of the pre-determined total surplus-value into individual parts* (equal rates of profit, commercial profit, interest, and rent). The total amount of surplus-value is determined at the first stage (the production of surplus-value) and then this predetermined magnitude is presupposed in the second stage (the distribution of surplus-value). This key quantitative presupposition of the prior determination of the total surplus-value is repeated many times, in all the drafts of *Capital*, as I have shown in my papers. Thus, there is a clear logical progression from the determination of the magnitude of the total surplus-value in the first stage to the determination of the individual parts in the second stage. Other authors who have presented similar interpretations of the production and distribution of surplus-value and the prior determination of the total surplus-value in Marx's theory include Paul Mattick, Roman Rosdolsky, Enrique Dussel, David Yaffe, and Duncan Foley.

To take the most important example, in Marx's theory of prices of production in Part 2 of Volume 3, the total surplus-value is presupposed, as already determined in Volumes 1 and 2, and the total surplus-value (S) is used to determine the general rate of profit ( $r = S / C$ ), which in turn is a determinant of prices of production. As a result, the predetermined total surplus-value is distributed to individual industries in such a way that all industries receive the same rate of profit.

This logical progression from the determination of the total amount of surplus-value to the determination of the individual parts of surplus-value follows directly from Marx's labor theory of value and surplus-value. According to Marx's theory, all the individual parts of surplus-value come from the same source – the surplus labor of workers. Therefore, the total amount of surplus-value must be determined prior to its division into individual parts. And the total amount of surplus-value is determined by surplus labor, and by surplus labor alone.

I have argued further that this distinction between the production of surplus-value and the distribution of surplus-value is the quantitative dimension of the two basic levels of abstraction in Marx's theory: capital in general and competition (many capitals). *Capital in general* is defined by Marx as *those properties which are common to all capitals* and which distinguish capital from simple commodities or money and other forms of wealth. The most important common (or universal) property of all capitals, which is analyzed at the level of abstraction of capital in general, is the *production of surplus-value* (including absolute and relative surplus-value). Since this all-important property is shared by all capitals, the theory of the production of surplus-value at the level of abstraction of capital in general is concerned with the total surplus-value produced by the total capital of society as a whole. Other common properties of all capitals that are analyzed at the level of abstraction of capital in general include various characteristics of capital in the sphere of circulation (the turnover time of capital, fixed and circulating capital, etc.) and the appearance of surplus-value and the rate of surplus-value as profit and the rate of profit (including the falling rate of profit).

The main question addressed at the level of abstraction of *competition* is the *distribution of surplus-value*, or the division of the total surplus-value into individual parts. Another related question addressed at the level of abstraction of competition is 'revenue and its sources', or the

critique of vulgar political economy's explanation of these individual parts of surplus-value.<sup>1</sup>

Therefore, I argue that the basic logical structure of Marx's theory of capital in the three volumes of *Capital* is as follows:

## **MARX'S THEORY IN *CAPITAL***

### **I. Capital in general**

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|--|---------------------------|
| 1. <b>Production of surplus-value</b>                        | (Volume 1)                |
| 2. Circulation of capital (fixed and circulating capital)    | (Volume 2)                |
| 3. Capital and profit (including the falling rate of profit) | (Parts 1 and 3 of Vol. 3) |

### **II. Competition, or the distribution of surplus-value**

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|---|----------------------|
| 1. General rate of profit and prices of production        | (Part 2 of Volume 3) |
| 2. Commercial profit                                      | (Part 4)             |
| 3. Interest   | (Part 5)             |
| 4. Rent   | (Part 6)             |
| 5. Reveune and its sources (critique of vulgar economics) | (Part 7)             |

This paper argues that this logical structure of the two levels of abstraction of capital in general and competition was heavily influenced by Hegel's logic of the Concept, and the first two moments of the Concept: universality and particularity. The first section will review the key features of Hegel's logic of the Concept, and the following section will discuss Marx's critical appropriation of Hegel's logic in his own theory of the production and distribution of

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<sup>1</sup> It should be clarified that the level of abstraction of competition is not completed in Volume 3. There is much more to the level of abstraction of competition than the distribution of surplus-value into these major parts, including market prices ( $S \neq D$ ), monopoly prices, concentration and centralization (see Dussel, 2001b, Moseley 2001c). Marx in effect divided the level of abstraction of competition into two sublevels: an abstract sublevel that has to do with the distribution of surplus-value and a more concrete sublevel that has to do with these other aspects. These more concrete aspects are not included in Volume 3; Marx promised to deal with them in a 'later book on competition'.

surplus-value. An Appendix to this paper (available at [www.mtholyoke.edu/~fmoseley](http://www.mtholyoke.edu/~fmoseley)) discusses other prior interpretations of the relation between Hegel's logic of the Concept and Marx's theory, that have been presented by Felton Shortall, Chris Arthur, Mark Meaney, and Roberto Fineschi.

In January 1858, while working on the *Grundrisse*, Marx wrote a letter to Engels in which he stated that a recent fortuitous review of Hegel's *Logic* had been 'of great service' in his own theory, especially with respect to the *method* employed in his theory of *profit*. He commented that he had 'overthrown' all previous theories of profit:

By the way, I am discovering some nice arguments. For instance, I have overthrown the whole doctrine of *profit* as it existed up to now. The fact that by mere accident I again glanced through Hegel's *Logik* ... has been of great service to me as regards the *method* of dealing with the material.<sup>2</sup>

What exactly did Marx mean by this obviously important but too cryptic remark? Which specific aspects of Hegel's *Logic* was Marx referring to? And what was the relation between these aspects of Hegel's logic and Marx's theory of profit? Many scholars have called attention to this letter, as evidence of the influence of Hegel on Marx, but no one (to my knowledge) has satisfactorily answered these important questions about the relation between Hegel's logic and Marx's theory of profit. This paper will also suggest answers to these questions, and will explain

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<sup>2</sup> Marx and Engels 1975, p. 93; **bold** emphasis added; *regular italics* emphasis in the original. This convention will be followed throughout this paper.

what Marx meant by this important remark.

## 1. Hegel's logic of the Concept

Hegel's logic begins with immediate appearances, which he calls Being. Hegel's logic then proceeds to Essence, the 'inner nature' of the immediate appearances. Finally, the Concept (*Begriff*) (sometimes translated as Notion) is the 'punchline' of Hegel's logic – the explanation of the immediate appearances in terms of the essence, in a precise logical order.

Hegel's Concept has three moments: universality (*Allgemeinheit*), particularity (*Besonderheit*), and singularity (*Einzeinheit*) (sometimes translated as individuality). The precise logical order of explanation is the following: The starting point of the Concept is the *universal*, which is the essence or substance that has already been identified in the logic of Essence. The Concept then proceeds to an explanation of the *particulars*, which *presupposes* the nature of the universal, and adds additional determinations in order to differentiate the presupposed universal into its particular forms. In other words, the particulars are explained as particular forms *of the universal itself*, as 'self-particularizations' of the presupposed universal. It is in this sense that the universal substance is also a 'subject' that creates its own particular forms. Finally, the Concept proceeds to *singularity*, in which the universal achieves concrete existence and the perfect embodiment in a particular form.

This logical relation between the universal and the particulars in Hegel's Concept – the universal is the starting point and its nature is presupposed in the explanation of the particulars – is clearest in Hegel's exposition of the Concept in the short version of his logic in the *Encyclopedia of the Philosophical Sciences*. The following are a few passages from the *Encyclopedia*, with my comments:

The *Notion* is the principle of freedom, the power of *substance self-realised*.<sup>3</sup>

In other words, the substance is the universal that realises itself in the particulars. This substance is presupposed in its self-realization as particulars.

The Notion as Notion contains the three following ‘moments’ or functional parts.

(1) The first is *Universality* – meaning that it is in free equality with itself in its specific character. (2) The second is *Particularity* – that is, the specific character, in which the *universal continues serenely equal to itself*. (3) The third is *Individuality* – meaning reflection-into-self of the specific characters of universality and particularity; which negative self-unity has complete and original determinateness, *without any loss of its self-identity or universality*.<sup>4</sup>

Explanation of reality begins with the universal, and its specific character. In the further explanation of the particulars, the universal is presupposed (‘continues serenely equal to itself’, ‘without any loss of its self-identity or universality’).

For Hegel, the universal substance is the Absolute Spirit, which incarnates itself in particular forms of objective reality. This is of course the idealist nature of Hegel’s philosophy, which Marx completely rejected. For Marx, the universal substance is materialist – abstract labor.

In the same section, Hegel emphasised that the universal of the Concept is not a mere

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<sup>3</sup>Hegel 1965 [1830], p. 223.

common property, but is instead a *subject* that ‘*self-particularises*’ *itself* as these particular forms, and ‘finds itself at home’ in these particular forms ‘with undimmed clearness’.

The notion is generally associated in our minds with abstract generality, and on that account it is often described as a general conception. We speak, accordingly, of the notions of colour, plant, animal, etc. They are supposed to be arrived at by neglecting the particular features which distinguish the different colours, plants, and animals from each other, and by retaining those common to them all...

But the universal of the notion is not a mere sum of features common to several things, confronted by a particular which enjoys an existence of its own. It is, on the contrary, *self-particularizing* or *self-specifying*, and *with undimmed clearness finds itself at home* in its antithesis.<sup>5</sup>

The subject that self-particularises itself ‘with undimmed clearness’ is obviously presupposed in the explanation of its particular forms.

In *The Holy Family*, which Marx wrote in 1844, there is a remarkable summary of what he called ‘the essential character of the Hegelian method’, which he labels ‘*substance as subject*’ (in a section entitled ‘The Mystery of Speculative Construction’).<sup>6</sup> The descriptor ‘as subject’ indicates that the substance creates the particular forms, as particular forms *of itself*, as we saw in the *Encyclopedia*.

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<sup>4</sup> Hegel 1965 [1830], p. 225.

<sup>5</sup> Hegel 1965 [1830], p. 227.

<sup>6</sup> Marx 1956 [1844], pp. 78-83. I discovered this remarkable section as a result of rereading Arthur (1978), for which I am grateful.

Marx's discussion in this section is illustrated with the famous example of 'the Fruit' and particular fruits (pear, apple, etc.). A long excerpt from this very interesting section is worth it:

If I form the *general idea* '**Fruit**' from actual apples, pears, strawberries, and almonds, and if I go further to *imagine* that my abstract idea, '*the Fruit*,' derived from actual fruits, is an external entity, and indeed the *true* essence of the pear, the apple, etc., I am declaring – in the language of *speculation* – that '**the Fruit**' is the '**Substance**' of the pear, the apple, the almond, etc...

I then declare apples, pears, almonds, etc. to be merely **forms of existence, modi, of 'the Fruit'**... Particular, actual fruits are taken to be only *apparent* fruits whose true essence is '*the Substance*,' '*the Fruit*'...

Having reduced different actual fruits to *one* abstract 'Fruit', to *the* 'Fruit', speculation must somehow try to **get back again** from *the* 'Fruit', from *Substance* to *different*, actual ordinary fruits such as the pear, the apple, the almond, etc. in order to give the appearance of having some actual content...

If the apple, pear, almond, and strawberry are really nothing but '*the Substance*', '*the Fruit*', then the question arises: **How does it happen that '*the Fruit*' manifests itself to me now as apple, now as pear, and now as almond**; whence this *appearance of diversity* so strikingly in contradiction with my speculative intuition of the *unity*, '*the Substance*', and '*the Fruit*'?

This, answers the speculative philosopher, is because '*the Fruit*' is no dead, undifferentiated static essence but living, self-differentiated, dynamic...

The different ordinary fruits are **different life-forms of the 'one Fruit'**; they are

**crystallizations of ‘the Fruit’ itself...**

One must no longer say as one did from the standpoint of Substance that a pear, an apple, and an almond is ‘the Fruit’ but rather that **‘the Fruit’ posits itself as pear, as apple, as almond.** The differences which distinguish apple, pear, and almond from one another are really **self-differentiations of ‘the Fruit’**, converting the particular fruits into **different members of the life-process of ‘the Fruit’.**

In every member of that series **‘the Fruit’ gives itself a more developed and explicit specific existence** until it is finally the living *unity* as ‘summary’ of all fruits, a unity containing those fruits as dissolved in and also produced from itself...

In the language of speculation, this operation I call conceiving *Substance as Subject*, and *inner Process*, as *Absolute Person*, and this conceiving constitutes the **essential character of the Hegelian method.**<sup>7</sup>

This summary is not explicitly in terms of Hegel’s moments of the Concept, but the logic is the same. The substance ‘Fruit’ is the universal, whose existence is presupposed in the explanation of the particular forms, as particular forms *of itself*. After identifying the universal substance, the theoretical task is to ‘get back again’ to the determination of the particular forms on the basis of the presupposed universal substance.

Marx ridiculed the idealism of Hegel’s speculative method, and argued that Hegel’s claims to derive particular fruits from the universal Fruit were mere empty assertions. Since the universal Fruit has no content, no properties of its own, it cannot be used to derive the properties of particular fruits. The speculative method can only *appear* to derive the properties of the

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<sup>7</sup>Marx 1956 [1844], pp. 78-83.

particular fruits by ‘giving these properties *names*’, and asserting that these names of actual things are (somehow) ‘created’ by the Fruit (pp. 81-82).<sup>8</sup>

However, Marx eventually utilised a logical structure that is similar to Hegel’s moments of the Concept (the nature of the universal is presupposed in the further determination of the particular forms of itself) in his theory of the production and distribution of surplus-value, without the idealist universal, and with a materialist universal (abstract labor); the logical structure of Marx’s theory will be examined at length in the next section.

## 2. Marx’s logic in his theory of capital and surplus-value

Hegel’s logic of the Concept is appropriate for Marx’s theory of surplus-value because they both assume a similar logical relation between the universal and the particulars. Hegel’s Concept begins with the determination of the universal, and then explains the particular forms as particular forms of the (predetermined and presupposed) universal. Similarly, Marx’s theory begins with the general form of surplus-value, and then explains the particular forms of surplus-value, with the predetermined general form of surplus-value presupposed, along with additional particular determinations. The reason why Marx’s theory begins with the general form of surplus-value is that it based on the assumption that all the particular forms of surplus-value *come from the same source* – the surplus labor of workers. Therefore, the general form of surplus-value must be determined first, and then the particular forms, which depend on

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<sup>8</sup> Marx 1956 [1844], pp. 81-82. In the last three paragraphs of this section, Marx further ridiculed Herr Szeliga’s Hegelian presentation of the ‘Mysteries of Paris’:

Having previously reduced such actual relationships as law and civilization to the category of mystery, thereby converting ‘*the Mystery*’ into a substance, he now rises to a truly speculative Hegelian height and transforms ‘*the Mystery*’ into a self-existing Subject. This subject *incarnates itself* in actual situations and persons ... But *nowhere does he develop any actual content*, so his speculative construction is free from all disturbing complications, from all ambiguous disguises, and strikes the eye in its naked beauty.

other factors besides surplus labor, can be determined. The particular forms of surplus-value are ‘different life forms’ of the universal surplus labor; they are ‘incarnations’ or ‘crystallizations’ of surplus labor.

Therefore, Marx divided his theory of surplus-value into two basic levels of abstraction, which correspond to Hegel’s first two moments of the Concept: *capital in general* (the production of surplus-value), which corresponds to Hegel’s moment of *universality*, and *competition (or many capitals)* (the distribution of surplus-value), which corresponds to Hegel’s moment of *particularity*. Singularity is much less important in Marx’s logic, and will be discussed briefly below (we will see that Marx related *credit capital* to Hegel’s moment of *singularity*, although with a very different meaning).

Marx added a *quantitative dimension* to Hegel’s logic of the Concept, because Marx’s theory is a theory of capitalism, and *quantity is the main thing* about capitalism. More precisely, the main phenomenon of capitalism that Marx’s theory explains is  $\Delta M$ , the total *quantity* of surplus-value produced in the capitalist economy as a whole. The first level of abstraction of Marx’s theory (capital in general, which corresponds to Hegel’s universality) explains the quantity of surplus-value produced by *each and every* capital (more precisely by each and every worker), and thus explains the *total surplus-value* produced by *all capitals (and all workers) together* in the economy as a whole. The second level of abstraction of Marx’s theory (competition, which corresponds to Hegel’s particularity) explains how the total surplus-value is distributed among individual capitals, i.e. how the total it is *divided up* or *split into* individual parts, with the predetermined total surplus-value presupposed.

This connection between Marx’s theory of surplus-value and Hegel’s logic is strongly suggested by the fact that Marx used the *same German word* for his logical category as Hegel did

for his logical category – *allgemein*. This obvious connection between Marx’s logic and Hegel’s logic has been obscured all these years by the fact that this same German word has been translated into *two different English words*: *general* in translations of Marx, and *universal* in translations of Hegel.<sup>9</sup> Ironically, the misleading translation of *allgemein* in Marx’s theory as ‘general’ was initiated by Marx himself in the French edition of Volume 1 and by Engels in the English edition, apparently in a misguided attempt to popularise Marx’s Hegelian theory. This is clearly a cosmetic change, which does not change the logic of Marx’s theory, and which has done much more harm than good. In any case, everyone should now understand that Marx used the same German word for ‘capital in general’ that Hegel used for ‘universal’, which suggests that Marx was using similar logic in this all-important aspect of his logical method (the determination of the universal prior to the particulars).<sup>10</sup>

The remainder of this paper will review the various drafts of *Capital* and relevant letters, with emphasis on Marx’s explicit use of Hegel’s moments of the universality and particularity as the logical structure of his own theory of the production and distribution of surplus-value.

### **The *Grundrisse* (1857-58)**

A very strong indication that Marx was utilizing Hegel’s logic of the Concept in his

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<sup>9</sup> I learned this important linguistic similarity from Fineschi 2005, p. 3, for which I am grateful.

<sup>10</sup> Geert Reuten states in his chapter in this volume (p. xx) that Marx’s frequent use of the terms of general (or universal) and particular is not evidence that Marx is using the logic of the Concept, because these terms could also refer to Essence logic. However, Hegel’s own use of these terms is certainly within the logic of the Concept. They are introduced in the first chapter of Volume II on the logic of the Concept (or the Subjective Logic) and are the fundamental concepts in the rest of the volume, including Chapter 3 on the Syllogism. Universal and particular do not appear in a systematic way in Book II of Volume I on the logic of the Essence. Therefore, it would seem that the most reasonable interpretation is that, when Marx uses the terms universal and particular, using the same words as Hegel, and with the same meaning (the logical priority of the universal over the particulars), this was also within a framework similar to Hegel’s logic of the Concept. Roberto Fineschi (this volume and previous papers) presents a similar interpretation.

theory of capital are two sketchy, exploratory outlines early in the *Grundrisse* that Marx inserted into the first draft of what later became Part 2 of Volume 1 of *Capital* (pp. 264 and 275, in Section One ('The Production Process of Capital' ) of the 'Chapter on Capital' in Notebook II (written in November 1857). The basic structure of both of these outlines is Hegel's three moments of the Concept: universality (translated as generality), particularity, and singularity (U-P-S). I will focus on the second outline (p. 275) because it is the clearest:

### *Capital*

#### I. *Generality*

##### (1) [Generality of capital]

- a. Emergence of capital out of money
- b. Capital and Labour
- c. Elements of capital (Product. Raw material. Instrument)

##### (2) *Particularization of capital*

- a. circulating capital, fixed capital, turnover of capital

##### (3) *Singularity of Capital*

Capital and profit

Capital and interest

Capital as *value*, distinct from itself as interest and profit

#### II. *Particularity*

##### (1) Accumulation of capitals

##### (2) **Competition** of capitals

##### (3) Concentration of capitals

#### III. *Singularity*

- (1) Capital as credit
- (2) Capital as stock capital
- (3) Capital as money market

We can see that this outline has two sets of U-P-S triads, a broad triad as sections of Capital and a narrower triad as subsections within the broad section of Generality. The contents of the broad Generality as a section of Capital is similar to what was later included in capital in general (i.e. the first two volumes of *Capital* and Part 1 of Volume 3). The narrow Generality as a subsection of the broad Generality is essentially the theory of surplus-value (Parts 2 and 3 of Volume 1), the most important part of capital in general. The narrow Particularity as a subsection of the broad Generality includes fixed capital, circulating capital, etc. More importantly, the broad Particularity as a section of Capital includes accumulation, competition, and concentration. The meaning of ‘competition’ is not specified here, but we will see that later in the *Grundrisse* competition includes the equalization of the profit rate, the most important aspect of the distribution of surplus-value. As Marx’s thinking developed, accumulation and concentration were moved from Particularity to Generality (because they have to do with capital as a whole), and Particularity would include only competition (i.e. the distribution of surplus-value). The narrow Singularity as a subsection of the broad Generality includes profit and interest, and the broad Singularity as a section of Capital includes credit, stock capital, and the money market. Marx’s thinking on Singularity in both senses remained essentially the same, although this was much less important in Marx’s theory.

Thirty-five pages after the second outline (in Notebook III), Marx inserted an important methodological comment, which explains what subject his theory was concerned with at this early stage, and what subjects his theory was not yet concerned with, and this comment again

clearly utilises Hegel's three moments of the Concept:

To the extent that we are considering it here, as a relation distinct from that of value and money, capital is *capital in general*, i.e. the incarnation of the qualities which distinguish value as capital from value as pure value or as money. Value, money, circulation, etc., prices etc are presupposed, as is labour etc. But we are still concerned neither with a *particular* form of capital, nor with an *individual* capital as distinct from other individual capitals etc. ***We are present at the process of its becoming.*** This dialectical process of its becoming is only the ideal expression of the real movement through which capital comes into being. ***The later relations are to be regarded as developments coming out of this germ.*** But it is necessary to establish the specific form in which it is posited at a *certain* point. Otherwise confusion arises.<sup>11</sup>

We can see that capital in general is described in Hegelian terms as 'we are present at the process of its becoming'. In other words, Marx's theory of capital in general explains how capital produces surplus-value, i.e. how a given quantity of money becomes more money, and in this way becomes capital. The main quality that distinguishes capital from value and money is the production of surplus-value. The 'later relations' are the particular forms of surplus-value which will be explained as 'developments coming out of this germ' of surplus-value in general.

Marx's manuscript then goes on in the rest of Notebook III to sketch out for the first time his theory of surplus-value, including absolute and relative surplus-value and the transfer of

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<sup>11</sup> Marx 1973 [1857-58], p. 310.

constant capital. Dussel (2008 and 1985, Capítulo 8) has emphasised Marx's 'discovery' of his theory of surplus-value in these pages in Notebook III of the *Grundrisse*.

The important letter that Marx wrote in January 1858, in which he stated that he had found Hegel's method 'of great service' in his theory of profit (discussed in the introduction), was written while Marx was writing Notebook IV of the *Grundrisse*. Notebook IV begins with a section that Marx titled 'Confusion of profit and surplus-value'. The main 'confusion' discussed by Marx in this section was that of Carey and Bastiat and Ricardo (separately), who confused the rate of profit with the share of profit of total income, and thus argued that a fall in the rate of profit was caused by a fall in the share of profit (ignoring altogether the composition of capital and its effect on the rate of profit). Marx summarised:

But at bottom, *surplus value* – the foundation of profit, but still distinct from profit so called – *has never been developed*.<sup>12</sup>

This is precisely what Marx's theory of surplus-value accomplished – it first explained surplus-value, as distinct from profit and as the foundation of profit.

Notebook IV continues with the theory of surplus-value, and then moves on to Section Two of the 'Chapter on Capital' ('The Circulation Process of Capital', the subject matter of Volume 2 of *Capital*). In the middle of a discussion of overproduction and a critique of Proudhon, Marx briefly discussed (2 pages) the *general rate of profit* for the first time in his published writings, and he clearly stated (at this early stage) that a consideration of the general rate of profit has to do with the *distribution of surplus-value* and belongs 'in the section on

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<sup>12</sup> Marx 1973 [1857-58], p. 385.

*competition*’:

A *general rate of profit* as such is possible only if ... a part of the surplus value – which corresponds to surplus labour – is transferred from one capitalist to another...

The *capitalist class thus to a certain extent distributes the total surplus value* so that, to a certain degree, it [shares in it] evenly in accordance with the *size* of its capital, instead of in accordance with the surplus values actually created by the capitals in the various branches of business... *Competition cannot lower this level itself, but merely has the tendency to create such a level. Further developments belong in the section on competition.*<sup>13</sup>

Fifteen pages later, Marx interjected another interesting methodological passage, which again utilises Hegel’s moments of the Concept:

<Before we go any further, just one remark. *Capital in general*, as distinct from particular capitals, does indeed appear (1) *only as an abstraction*; not an arbitrary abstraction, but an abstraction which grasps the specific characteristics which distinguish capital from all other forms of wealth ... These are aspects which are common to every capital as such, or which make every specific sum of values into capital.... (2) however, capital in general, as *distinct* from the particular real capitals, is itself a *real* existence.. For example, capital in this *general form*, although

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<sup>13</sup>Marx 1973 [1857-58], p. 435-36.

belonging to individual capitalists, in its *elemental form* as capital, forms the capital which accumulates in the banks or is distributed through them ... While the general is therefore on the one hand only a mental mark of distinction, it is at the same time a *particular* real form alongside the form of the particular and the individual. (We will return later to this point, which, while having more of a logical than an economic character, will nevertheless have a great importance in the course of our inquiry. The same also in algebra. For example, *a*, *b*, and *c* are numbers as such; in general; but then again they are whole numbers as opposed to *a/b*, *b/c*, *c/b*, *c/a*, *b/a* etc., which latter, however *presuppose* the former as their general elements.><sup>14</sup>

We can see from this passage that: (1) Capital in general is an abstraction which grasps the essential characteristics of capital (which is of course primarily the production of surplus-value). (2) In addition to this theoretical abstraction, capital in general has a real existence in a particular capital – as bank capital or credit capital. Credit capital can be invested in any industry in the economy, and in that sense it is general; but it also belongs to particular individuals and is a real particular form of capital. In Hegel's terms, credit capital could be considered as the *singularity* of capital – the real existence of capital in general in a particular capital (as in Marx's outline discussed above).

The algebraic example in this passage is also interesting: *a*, *b*, and *c* are whole numbers, numbers in general, which are *presupposed* in the determination of the fractions *a/b*, etc. In similar fashion, surplus-value in general (or the total surplus-value) is a whole number, which is presupposed in the determination of the fractions into which the total surplus-value is divided.

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<sup>14</sup> Marx 1973 [1857-58], p. 449-50.

It seems reasonable to conclude from the above discussion of the first four notebooks of the *Grundrisse* that the aspects of Hegel's logic that Marx was referring to in his famous letter about the 'great service' of Hegel's method in his theory of profit must have been the *three moments of Hegel's Concept: universality, particularity, and singularity*.<sup>15</sup> Marx had already figured out that his theory of capital and surplus-value would be structured in a similar way. The two outlines in Notebook II are clearly in terms of Hegel's three moments, and there are other methodological comments in Notebooks III and IV that are also in terms of Hegel's three moments, and Notebook IV begins with a section of 'Confusion of profit and surplus value'. And, most importantly, the logic of Marx's theory of capital and surplus-value is similar to that of Hegel's logic of the Concept: Marx's theory begins with capital in general – the essential characteristics of capital, mainly the production of surplus-value – which corresponds to Hegel's moment of universality (the same German word!). Marx's theory then proceeds to competition (or many capitals) – the theory of the general rate of profit and other aspects of the distribution of surplus-value – which corresponds to Hegel's moment of particularity. And finally Marx's theory proceeds to credit capital – the general form of capital in a real particular capital – which corresponds to Hegel's moment of singularity.<sup>16</sup>

Further evidence will be presented below from the rest of the *Grundrisse* and from the later drafts of *Capital* to support this conclusion, but the evidence discussed so far seems sufficient to me. What other aspects of Hegel's logical method could Marx have been referring

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<sup>15</sup> In this letter, Marx used the term 'profit' here as a synonym for what he later called 'surplus-value'. As we have seen, he had been working on his theory of surplus-value, not his theory of profit as later defined. He had recently discovered the distinction between surplus-value and profit, and had probably not yet explained this distinction to Engels, and that is probably why he used the more familiar term profit in his letter to Engels.

<sup>16</sup> However, as Tony Smith (this volume) has emphasized, Marx's use of the term singularity is very different from Hegel's singularity. In Hegel's singularity, a particular form is the perfect embodiment of the true nature of the universal; whereas for Marx, credit capital is the opposite of the true nature of capital – it is the *most fetishised* form of capital, which makes it appear as if interest comes from capital itself, without any relation to labor and the

to in this letter? How would these other aspects of Hegel's method provide a logical framework for Marx's theory of *profit* (surplus-value)? And what textual evidence from the *Grundrisse* exists to support any different interpretation of Marx's meaning in this letter?

In the rest of the *Grundrisse*, there are a half dozen brief comments on the equalization of the rate of profit, and it is usually stated in these passages that the analysis of equal rates of profit *belongs to the part of the theory on competition* (or many capitals), after the part on capital in general. Two important examples will be discussed here (see also pp. 552, 557, 669, 761, and 767).

In Notebook VII (the last notebook of the *Grundrisse*), in a discussion of the confusion of economists who think that fixed and circulating capital somehow produce profit independently of surplus labor, Marx comments on the 'confusion' of previous economists:

The greatest *confusion* and mystification has arisen because the doctrine of surplus profit has not been examined *in its pure form* by previous economists, but rather *mixed in together* with the doctrine of real profit, which leads up to *distribution*, where the various capitals participate in the *general rate of profit*. The *profit of the capitalists as a class, or the profit of capital as such, has to exist before it can be distributed, and it is extremely absurd to try to explain its origin by its distribution*.<sup>17</sup>

In this important passage, Marx criticises previous economists because they 'mixed up' the

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production process.

<sup>17</sup>Marx 1973 [1857-58], p. 684.

theory of surplus-value ‘in its pure form’ (surplus-value in general and the determination of the total profit of the capitalist class as a whole) and the theory of ‘real profit’ (the particular forms of surplus-value and the distribution of the total surplus-value among individual capitalists). With the help of Hegel’s logic, Marx did not make this mistake. Marx did not ‘mix up’ these two stages of the theory; instead Marx kept these two stages strictly separate and logically sequential. First the general form and total amount of surplus-value are theorised, and then the particular forms and the individual amounts of profit are theorised, with the general form and the total amount of surplus-value presupposed.

It is interesting to recall that Marx stated in his famous letter about Hegel’s method that he had ‘overthrown’ all previous theories of profit. We can now have a better idea what Marx meant by ‘overthrow’ – that he had clearly distinguished between the theory of capital and surplus-value in general and the theory of the particular forms of capital and surplus-value.

Later in Notebook VII, in Section Three (‘Capital and Profit’) of the ‘Chapter on Capital’, there is another brief but important comment about the equalization of the profit rate. Marx commented again that the equalization of the profit rate has to do with the distribution of surplus-value among different capitals, which should be examined at the subsequent stage of many capitals, not in the initial stage of capital in general, which is what Marx was working on at the time:

The *total surplus-value*, as well as the *total profit*, which is only the *surplus value itself, computed differently*, can **neither grow nor decrease** through this operation [the equalization of profit rates; FM], **ever**; what is *modified thereby* is not it, but only *its distribution among the different capitals*. However, **this examination belongs only**

*with that of the many capitals*, it does not yet belong here [i.e. in the stage of capital in general; FM].<sup>18</sup>

In March 1858, while Marx was finishing the *Grundrisse*, he wrote a letter to LaSalle in which he stated that he was working on the first part of his ‘book on capital’ – the part on ‘capital in general’ – and that capital in general would be divided into three sections: (1) the **production** process, (2) the **circulation** process, and (3) the unity of the two, or **capital and profit** and interest.<sup>19</sup>

We can see that these are the same three sections of the *Grundrisse*. However, these sections are now sections of ‘capital in general’, rather than sections of the ‘Chapter on Capital’. Thus, Marx appears to have realised more clearly as a result of his work on the *Grundrisse* that his theory of capital should be divided into capital in general and competition, etc., and that his theory in the *Grundrisse* was only about capital in general; it was not a complete theory of capital. The theory of competition would come later. Marx began to develop his theory of competition in the *Manuscript of 1861-63*, and developed it much more thoroughly in the *Manuscript of 1864-65*, and this theory includes the general rate of profit and other particular forms of surplus-value that have to do with the distribution of surplus-value.

Several weeks later (April 2), Marx wrote a letter to Engels in which he outlined the overall logical structure of his book on capital:

*I. Capital* contains four sections:

- a) *Capital in general* (this is the *subject-matter of the first part*).
- b) *Competition*, or the action of the many capitals upon one another.

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<sup>18</sup>Marx 1973 [1857-58], p. 760.

- c) *Credit*, here capital as the general principle confronts the individual capitals.
- d) *Share capital* as the most highly developed form (turning into communism) together with all its contradictions.<sup>20</sup>

Evidently, Marx's work on the *Grundrisse* on his theory of the production of surplus-value, at the level of abstraction of capital in general, and the brief discussions of the general rate of profit which he realised 'must be analyzed later in the section on competition', had given him sufficient clarity about the relation between capital in general and competition (essentially the production and distribution of surplus-value, or the general form of surplus-value and its particular forms), and about the overall logical structure of his theory, that he was able to write down these new improved outlines.

Although Marx did not use the Hegelian U-P-S triad in this outline, the logical structure of this outline is essentially the same as the earlier outlines, but with much greater clarity and precision, especially about competition. Marx's capital in general corresponds to Hegel's universality; Marx's competition corresponds to Hegel's particularity; and Marx's credit capital and share capital corresponds to Hegel's singularity. Competition is about the particular forms and individual parts of surplus-value, which will be analyzed *after* the general form and the total amount of surplus-value have been explained at the level of abstraction of capital in general. The three volumes of *Capital* are almost entirely about sections (a) and (b) in this outline. Marx never really got to sections (c) and (d) (although there is some material in Part 5 of Volume 3 that belongs to section (c) on credit capital).

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<sup>19</sup> Marx and Engels 1983, p. 287.

### *Manuscript of 1861-63*<sup>21</sup>

The second draft of *Capital* was the *Manuscript of 1861-63* (a huge work, 23 notebooks in all, and eventually published in six volumes in German and 5 volumes in English).<sup>22</sup> The recent publication of this manuscript in its entirety sheds new light on the development of Marx's theory of the distribution of surplus-value, which was eventually published in Volume 3 of *Capital*. About two-thirds of this manuscript is the previously published *Theories of Surplus-Value*, much of which is about the distribution of surplus-value.<sup>23</sup> The other third of the manuscript was published for the first time in the new MEGA edition, and includes a hitherto unknown second draft of Parts 2-4 of Volume 1 of *Capital* (theory of absolute and relative surplus-value) and also first drafts of Parts 1, 3, and 4 of Volume 3.

The manuscript begins with the second draft of Marx's theory of surplus-value. This second draft is essentially the same as the first draft in the *Grundrisse*, but it is much more clearly developed than the rough and exploratory first draft. By this time, Marx had a very clear idea of the overall logical structure of Volume 1, and he was able to write these chapters in close-to-final form.

While working on relative surplus value (what later became Part 4 of Volume 1 of *Capital*),

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<sup>20</sup> Marx and Engels 1975, p. 97.

<sup>21</sup> See Moseley (2009) for an extensive discussion of the further development of Marx's theory of the distribution of surplus-value in the *Manuscript of 1861-63*, including a summary table on p. 146 that traces in detail the subjects Marx discussed in this manuscript.

<sup>22</sup> The *Manuscript of 1861-63* was published for the first time in its entirety in German in the *Marx-Engels Gesamtausgabe*, abbreviated as MEGA, in 1976-82. The English translation was published in 1988-94 by International Publishers, as Volumes 30 to 34 of the 50-volume *Marx-Engels Collected Works*. The publication of this entire manuscript is an important event in Marxian scholarship. This manuscript is an important link between the *Grundrisse* and *Capital* and provides many valuable insights into the logical structure and content of *Capital*, especially Marx's theory of the distribution of surplus-value in Volume 3. It should be carefully studied by all those who wish to understand Marx's *Capital*. See Dussel 2001b for a detailed textual study of this manuscript, and Moseley 2001b for an introduction to Dussel's book.

<sup>23</sup> The *Theories of Surplus-Value* rearranges some of the material in Marx's original *Manuscript of 1861-63* and omits some passages. See Moseley 2009 for further discussion.

Marx broke off and began to write in a new notebook (Notebook VI), which he entitled ‘Theories of Surplus Value’. It appears that Marx’s original intention was to follow his own theory of surplus value, just presented, with a brief critical summary of previous theories of surplus value of the classical economists, similar to what he had done earlier in the *Contribution to a Critique of Political Economy* for theories of value and theories of money. In any case, Marx’s work on the ‘Theories of Surplus Value’ soon greatly expanded into many new topics that have to do with the distribution of surplus-value (not just the production of surplus-value), and thus belong to the level of abstraction of competition, beyond capital in general. Marx began his critical survey of the classical economists’ theories of surplus-value with the following clear opening statement, which is very important and has not received the attention it deserves:

All economists share the error of examining *surplus-value not as such*, in its *pure form*, but in the *particular forms of profit and rent*. What theoretical errors must necessarily arise from this will be shown more fully in Chapter III, in the analysis of the greatly changed form which surplus value assumes as profit.<sup>24</sup>

Thus, Marx had this crucial distinction between the general form of surplus-value and its particular forms, which he first articulated in the *Grundrisse* (p. 684), clearly in mind as he began the *Theories of Surplus-Value*; this was the main theme which Marx wished to explore.

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<sup>24</sup> Marx and Engels 1988, p.348; Marx 1963, p. 40. References to parts of the *Manuscript of 1861-63* that are also in *Theories of Surplus-Value* will refer to both texts in this double form. All such passages are quoted from the *Manuscript of 1861-63* (the two translations are not always the same).

Marx avoided the theoretical error of previous economists by doing precisely what they had failed to do: he first examines *surplus-value as such* (the total surplus-value of capital as such) at the level of abstraction of capital in general, and then later examines the particular forms and individual parts of surplus-value at the level of abstraction of competition.

Marx repeated this general theme many times throughout the *Theories of Surplus-Value*; I will just discuss a few highlights here. With respect to Smith, Marx argued that Smith actually had a theory of surplus-value in general – that surplus-value is the excess of the value produced by workers over the wages they are paid – and that this excess value produced by the unpaid labor of workers includes the particular forms of surplus-value of profit and rent. However, Smith’s lack of clarity about this distinction led to many errors.

Thus Adam Smith conceives *surplus value ... as the general category*, of which ***profit proper and rent of land are merely branches***. Nevertheless, he ***does not distinguish surplus value as such*** as a category on its own, ***distinct from the specific forms*** it assumes in profit and rent. This is the source of much error and inadequacy in his inquiry, and of even more in the work of Ricardo.<sup>25</sup>

A few pages later, Marx made a similar comment, again in terms of the general form of surplus-value and its particular forms:

We have seen how Adam Smith explains *surplus value in general*, of which the ***rent of land and profit are only different forms and component parts***... Because Adam

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<sup>25</sup> Marx and Engels 1988, pp.388-89; Marx 1963, p. 82.

makes what is in substance an analysis of surplus value, *distinct from its special forms*, he subsequently *mixes it up* directly with the further developed form of profit.

This error persists with Ricardo and all his disciples... [T]he *confusion* creeps in immediately not when he is dealing *ex professo* [specifically] with profit or rent – those *particular forms of surplus value* – but where he is thinking of them only as *forms of surplus value in general*, as DEDUCTIONS FROM THE LABOUR BESTOWED BY THE LABOURERS UPON THE MATERIAL.<sup>26</sup>

As Adam Smith resolves surplus value not only into profit but also into the rent of land – two *particular kinds of surplus value*, whose movement is determined by quite different laws – he should certainly have seen from this that he *ought not to treat the general abstract form as directly identical with any of its particular forms*.<sup>27</sup>

With respect to Ricardo, Marx made a similar criticism – that Ricardo also failed to separate the theory of surplus-value in general and the theory of its particular forms:

In the critique of Ricardo, *we have to separate what he himself failed to separate*.

*His theory of surplus value*, which of course exists in his work, although he does not define *surplus value* as distinct from its *particular forms*, profit, rent, interest.

Secondly, his *theory of profit*.<sup>28</sup>

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<sup>26</sup> Marx and Engels 1988, pp.394-95; Marx 1963, p. 89; capitalised emphasis in the original.

<sup>27</sup> Marx and Engels 1988, p.398; Marx 1963, p. 92.

<sup>28</sup> Marx and Engels 1989a, p.397; Marx 1968, p. 169.

Nowhere does Ricardo consider *surplus value separately and independently from its particular forms* – profit (interest) and rent.<sup>29</sup>

Marx argued that Ricardo was not able to provide a satisfactory theory of the general rate of profit precisely because he failed to follow the correct logical method with respect to the general form of surplus-value and its particular forms. Specifically, Ricardo assumed the rate of profit in his very first chapter on value, without explaining how the rate of profit is determined. Marx argued that, instead of assuming the rate of profit in the beginning, Ricardo should have *abstracted altogether* from the rate of profit at the beginning of his theory, because the rate of profit is a particular form of surplus-value that has to be explained through a ‘number of intermediate stages’. Marx summarised his criticism of Ricardo’s faulty logical method as follows:

Instead of postulating this *general rate of profit*, Ricardo should have examined how far its existence is consistent with the determination of value by labor-time and he would have found that instead of being consistent with it, *prima facie*, it contradicts it, and that its existence would therefore *have to be explained through a number of intermediary stages*, a procedure very different from merely including it under the law of value. He would then have gained an altogether different insight into the nature of *profit* and would not have identified it directly with *surplus-value*.<sup>30</sup>

The main ‘intermediate stage’ is the determination of surplus-value in general and the total

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<sup>29</sup> Marx and Engels 1989b, p.9; Marx 1968, p. 373.

<sup>30</sup> Marx and Engels 1989a, p.401; Marx 1968, p. 174.

amount of surplus-value at the level of abstraction of capital in general.

In another passage, Marx criticised Ricardo for his ‘lack of the power of abstraction’:

The equalization of the surplus-values in the different trades *does not affect the absolute size of this total surplus-value*; but merely *alters its distribution* among the different trades. The *determination of this surplus-value itself*, however, only arises out of the determination of value by labor-time. Without this, the average profit is the average of *nothing*, pure fancy. And it could then equally well be 1,000% or 10%... One can see that though Ricardo is accused of being too abstract, one would be justified in accusing him of the opposite: *lack of the power of abstraction*, inability, when dealing with the values of commodities, to *forget profits*, a factor which confronts him as a result of *competition*.<sup>31</sup>

In other words, Ricardo was unable to forget the particular forms of surplus-value when dealing with the general form of surplus-value.<sup>32</sup>

The last chapter of *Theories of Surplus-Value* is a long first draft of ‘Revenue and Its Sources’, which includes a critique of ‘vulgar economics’, according to which the particular forms of surplus-value are determined *separately and independently*, and the total surplus-value, if it is considered at all, is determined by *adding up* the autonomous individual parts, so that an increase in one of the parts would result in an increase in the total. Marx argued that this apparent mutual

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<sup>31</sup> Marx and Engels 1989a, p. 416; Marx 1968, pp. 190-91.

<sup>32</sup> In the rest of the *Manuscript of 1861-63*, Marx made the same important point with respect to a number of authors; e.g. James Mill (Marx and Engels 1989b, p.275; Marx 1971, p. 85), J.S. Mill (Marx and Engels 1989a, p.69; Marx 1971, p. 228), anonymous pamphlet (Marx and Engels 1989b, pp. 388-89; Marx 1971, p. 254), Cherbuliez (Marx and Engels 1992, pp.299-300; Marx 1971, p. 376-77).

independence of the particular forms is an illusion; the fundamental determinant of all these particular forms is surplus labor, and the total amount of surplus-value is determined by surplus labor prior to the *division of this total* into individual parts, so that an increase in one of the parts would result in a reduction in some other part, with the total unchanged.

The *breakdown of surplus-value*, that is, of part of the value of commodities, into these special headings or categories, is very understandable and does not conflict in the least with the law of value. But the whole matter is mystified because these *different parts of surplus-value acquire an independent form*, because they accrue to different people, because the titles to them are based on different elements, and finally because of the autonomy with which certain parts [of surplus-value] confront the process as its conditions. *From parts into which value can be divided, they become independent elements which constitute value*, they become *constituent elements*.<sup>33</sup>

Thus we can see that Marx's critical examination of classical economics in the *Manuscript of 1861-63* also helped him to develop in this manuscript his own theory of the particular forms of surplus-value, i.e. theory of the distribution of surplus-value, at the level of competition, beyond capital in general. In Moseley (2009), I discuss at length the development in this manuscript of Marx's theory of the particular forms of surplus-value – the general rate of profit (and prices of production), rent, interest, and commercial profit. Marx maintained throughout this manuscript, with clarity and emphasis, the distinction between the general form

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<sup>33</sup> Marx and Engels 1989b, p.511; Marx 1971, p. 511; brackets in the translation.

of surplus-value and the particular forms of surplus-value, which he patterned after Hegel's moments of the Concept of universality and particularity. The general form and the total amount of surplus-value must be determined prior to the particular forms and individual amounts of surplus-value. The four-section outline of May 1858 (discussed above on p. 23) remained the basic logical structure of Marx's theory of the production and distribution of surplus-value. The *Manuscript of 1861-63* started out in Section (a) of this outline (capital in general) and moved progressively into section (b) (competition). Sections (c) and (d) were still 'beyond the scope'.

### ***Manuscript of 1864-65 (Volume 3 of Capital, 1894)***

The *Manuscript of 1864-65* is the basis of what we know as Volume 3 of *Capital*, which was heavily edited by Engels.<sup>34</sup> This manuscript is mainly about the particular forms of surplus-value – the general rate of profit (and prices of production), rent, interest, and mercantile profit, and further develops Marx’s theory of these particular forms that he first developed in the *Manuscript of 1861-63*. In other words, this manuscript is mainly about the distribution of surplus-value, at the level of abstraction of competition, beyond capital in general. In this draft, there is less use of the Hegelian term ‘particular forms of surplus-value’ than in the *Manuscript of 1861-63*, but the logic of the theory of these particular forms of surplus-value is the same as in the earlier drafts – the general form and total amount of surplus-value are determined first, and then presupposed in the further determination of the particular forms of surplus-value. The same theory is worked out in greater detail and greater depth in this manuscript. Thus the logic of Marx’s theory of the production and distribution of surplus-value continues continued to be similar to the logic of Hegel’s moments of the Concept, universality and particularity – the universal is determined first, and then the particulars are determined as particular forms *of the presupposed universal*.

Because of a space constraint, I will not discuss this manuscript in detail. See Moseley 2002 for an extensive discussion of Marx’s theory of the particular forms of surplus-value in Volume 3 of *Capital*, with emphasis on this Hegelian feature of Marx’s logical method.

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<sup>34</sup> This draft of Volume 3 is the only full draft of this volume, and was published for the first time in German in the MEGA, Volume II/4.2 (1993). Unfortunately, it has not yet been translated into English, although thankfully there is a translation in the works (by Ben Fowkes), which should be published soon, and English Marxist scholars will finally have the opportunity to study this important manuscript in the original.

The draft of Volume 3 in the *Manuscript of 1864-65* is the basis of Engels’ edited version of Volume 3 with which we are familiar. There are some differences between Marx’s manuscript and Engels’ Volume 3, mainly that Engels made Marx’s manuscript look a lot more organized and complete than it actually was, especially Part 5 on interest, and to a lesser extent Part 3 on the falling rate of profit. However, these differences do not affect the

## Volume 1 of *Capital* (1867)<sup>35</sup>

The first German edition of Volume 1 of *Capital* was of course published two years later in 1867. Volume 1 presents Marx's theory of surplus-value in general at the level of capital in general. The exposition is much more complete and polished than in previous drafts, but the logic of Marx's theory of surplus-value in general is essentially the same – surplus-value is determined by surplus labor, and the total amount of surplus-value is determined by the total amount of surplus labor.

One week after Marx finally finished Volume 1 (and wrote to Engels in a triumphant mood at 2 am in the morning that 'this volume is finished!')<sup>36</sup>, he wrote another letter to Engels (August 24) in which he stated that one of the two 'best points' of his book was the treatment of the general form of surplus-value prior to and independently of its particular forms (continuing to use the same Hegelian concepts first utilized in the *Grundrisse*):

The best points in my book are: ... 2) the treatment of *surplus-value independently of its particular forms* as profit, interest, rent, etc. This will be seen especially in the second volume. The treatment of the *particular forms* by classical economy, which always *mixes them up*, is a regular hash.<sup>37</sup>

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subject of this paper; the theory of the particular forms of surplus-value is the same in both.

<sup>35</sup> See Moseley (2003) for an extensive discussion of Marx's final presentation of his theory of surplus-value in general at the level of abstraction of capital in general in the Volume 1 of *Capital*.

<sup>36</sup> Marx and Engels 1975, p. 180.

<sup>37</sup> Marx and Engels 1975, p. 180. According to Marx's plans at that time, the 'second volume' would include both 'Book II' on the circulation process and 'Book III' on the particular forms of surplus-value (see C.I. 93).

This statement is similar to the opening statement of the *Theories of Surplus Value* discussed above, and also to the first articulation of this important point in the *Grundrisse* (p. 684), all in similar Hegelian terms. Clearly, Marx considered this distinction between the general form of surplus-value and its particular forms to be an extremely important part of his logical method, and it was patterned after Hegel's moments of the Concept. This must have been what Marx meant in his famous 1858 letter about Hegel's 'great service'.<sup>38</sup>

Five months later (in January 1868), Marx made a similar comment in another letter to Engels. This time the prior treatment of the general form of surplus-value is described as the first of the 'three fundamentally new elements' of his book:

1) That in contrast to *all* former political economy, which *from the very outset* treats the *different fragments of surplus value* with their fixed form of rent, profit, and interest as already given, *I first deal with the general form of surplus value*, in which all these fragments are still undifferentiated - in solution, as it were.<sup>39</sup>

In this sentence, 'particular forms of surplus-value' is expressed as 'different fragments of surplus-value', but the meaning is obviously the same. Here Marx seems to be suggesting a metaphor from chemistry to illustrate the relation between the general form of surplus-value (undifferentiated solution) and its particular forms (differentiated fragments).<sup>40</sup>

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38 The other 'best point' mentioned by Marx in this letter was the distinction between abstract labor and concrete labor.

<sup>39</sup> Marx and Engels 1975, p. 186.

<sup>40</sup> The two other 'new elements' mentioned in this letter are abstract / concrete labor and the explanation of wages as an irrational expression of the value of labor-power.

## Conclusion

I conclude that, while Marx was working on the *Grundrisse*, he figured out the logical relation between surplus-value in general and the particular forms of surplus-value, with the help of Hegel's moments of universality and particularity, and this is what Marx meant in his important January 1858 letter, in which he wrote that Hegel's method had been 'of great service' in developing his own theory of profit. Marx's general form of surplus-value was patterned after Hegel's universality, and Marx's particular forms of surplus-value was patterned after Hegel's particularity. In both theories, the general or the universal is determined prior to the determination of the particulars, and the universal is presupposed in the determination of the particulars, i.e. the particulars are explained as particular forms of *the presupposed universal*. Marx maintained this Hegelian logical structure for this theory of the production and distribution of surplus-value throughout all the drafts of *Capital*, and Marx considered this logical structure to be one of the two best points of his theory.

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