

## **The Writing of Capital: Genesis and Structure of Marx's Critique of Political Economy**

### 1. From the Grundrisse to the Contribution of 1859

Marx started to write *Capital* only many years after he had begun his rigorous studies of political economy. From 1843 onwards, he had already been working, with great intensity, towards what he would later define as his own 'Economy'.<sup>1</sup>

It was the eruption of the financial crisis of 1857 that forced Marx to start his work. Marx was convinced that the crisis developing at international level had created the conditions for a new revolutionary period throughout Europe. He had been waiting for this moment ever since the popular insurrections of 1848, and now that it finally seemed to have come, he did not want events to catch him unpre- pared. He therefore decided to resume his economic studies and to give them a finished form.

This period was one of the most prolific in his life: he managed to write more in a few months than in the preceding years. In December 1857, he wrote to Friedrich

---

Engels: 'I am working like mad all night and every night collating my economic studies, so that I might at least get the outlines *Grundrisse* clear before the deluge.'<sup>2</sup>

Marx's work was now remarkable and wide-ranging. From August 1857 to May 1858, he filled the eight notebooks known as the *Grundrisse*, while as correspondent of the *New-York Tribune* (the paper with the largest circulation in the United States), he wrote dozens of articles on, among other things, the development of the crisis in Europe. Lastly, from October 1857 to February 1858, he compiled three books of extracts, called the *Crisis Notebooks*. Thanks to these, it is possible to change the conventional image of a Marx studying Hegel's *Science of Logic* to find inspiration for the manuscripts of 1857–58. For at that time he was much more pre-occupied with events linked to the long-predicted major crisis.<sup>3</sup> Unlike the extracts he had made before, these were not compendia from the works of economists but consisted of a large quantity of notes, gleaned from various daily newspapers, about major developments in the crisis, stock market trends, trade exchange fluctuations and important bankruptcies in Europe, the United States, and other parts of the world.

The *Grundrisse* were divided in three parts: a methodological 'Introduction', a 'Chapter on Money', in which Marx dealt with money and value, and a 'Chapter on Capital', that was centred on the process of production and circulation of capital, and addressed such key themes as the concept of surplus value, and the economic formations which preceded the capitalist mode of production. Marx's immense effort did not, however, allow him to complete the work. In late February 1858 he wrote to Ferdinand Lassalle: 'the thing is proceeding very slowly because no sooner does one set about finally disposing of subjects to which one has devoted years of study than they start revealing new aspects and demand to be thought out further'.<sup>4</sup>

There was no sign of the much anticipated revolutionary movement, which was supposed to be born in conjunction with the crisis. Marx also abandoned the project to write a volume on the current crisis. Nevertheless, he could not finish the work on which he had been struggling for many years, because he was aware that he was still far away from a

definitive conceptualization of the themes addressed in the manuscript. Therefore, the *Grundrisse* remained only a draft, from which—after he had carefully worked up the ‘Chapter on Money’—in 1859, he published a short book with no public resonance: *A Contribution to the Critique of Political Economy*.

## 2. Critical Analysis of Theories of Surplus Value

In August 1861, Marx again devoted himself to the critique of political economy, working with such intensity that by June 1863 he had filled 23 sizeable notebooks

---

<sup>2</sup> Marx to Engels, 8 December 1857, in MECW, Vol. 40, p. 257. Marx’s writings have been generally quoted from the 50-volume *Marx Engels Collected Works* (MECW), Moscow/London/New York: Progress Publishers/ Lawrence and Wishart/International Publishers, 1975-2005. Sometimes the translations have been modified to conform more closely to the original German.

<sup>3</sup> See the recently published volume MEGA<sup>2</sup>, Vol. IV/14 (Berlin: De Gruyter, 2017).

<sup>4</sup> Marx to Lassalle, 22 February 1858, in MECW, Vol. 40, pp. 270–271.

on the transformation of money into capital, on commercial capital and above all on the various theories with which economists had tried to explain surplus value.<sup>5</sup> His aim was to complete *A Contribution to the Critique of Political Economy*, which had been meant as the first instalment of his planned work. The book published in 1859 contained a brief first chapter, 'The Commodity', differentiating between use value and exchange value, and a longer second chapter, 'Money, or Simple Circulation', dealing with theories of money as a unit of measure. In the preface, Marx stated: 'I examine the system of bourgeois economy in the following order: capital, landed property, wage-labour; the state, foreign trade, world market'.<sup>6</sup>

Two years later, Marx's plans had not changed: he was still intending to write six books, each devoted to one of the themes he had listed in 1859. However, from Summer 1861 to March 1862, he worked on a new chapter, 'Capital in General', which he intended to become the third chapter in his publication plan. In the preparatory manuscript contained in the first five of the 23 notebooks he compiled by the end of 1863, he focused on the process of production of capital and, more particularly, on:

(a) the transformation of money into capital; (b) absolute surplus value; and (c) relative surplus value.<sup>7</sup> Some of these themes, already addressed in the *Grundrisse*, were now set forth with greater analytical richness and precision.

A momentary alleviation of the huge economic problems that had beset him for years allowed Marx to spend more time on his studies and to make significant theoretical advances. In late October 1861 he wrote to Engels that 'circumstances ha[d] finally cleared to the extent that [he had] at least got firm ground under [his] feet again'. His work for the *New-York Tribune* assured him of 'two pounds a week'.<sup>8</sup> Over the past year, he had 'pawned everything that was not actually nailed down', and their plight had made his wife seriously depressed. However, now the 'twofold engagement' promised to 'put an end to the harried existence led by [his] family' and to allow him to 'complete his book'.

Things took a further turn for the worse when the *New-York Tribune*, faced with financial constraints associated with the

American Civil War, had to cut down on the number of its foreign correspondents. Marx's last article for the paper appeared on 10 March 1862. From then on, he had to do without what had been his main source of income since the summer of 1851.

During the spring, Marx launched into a new area of research: *Theories of Surplus Value*. This was planned to be the fifth<sup>9</sup> and final part of the long third chapter on

---

<sup>5</sup> These notebooks total 1472 quarto pages. See Friedrich Engels, 'Preface to the First German Edition', in Karl Marx, *Capital*, Vol. II, in MECW, Vol. 36, p. 6.

<sup>6</sup> Karl Marx, *A Contribution to the Critique of Political Economy*, in MECW, Vol. 29, p. 261.

<sup>7</sup> These notebooks were ignored for more than a century, before a Russian translation was finally published in 1973, in a supplementary Vol. 47 of the Marx–Engels *Sochinenya*. An original German edition appeared only in 1976 in MEGA<sup>2</sup> Vol. II/3.1.

<sup>8</sup> Marx to Engels, 30 October 1861, in MECW, Vol. 41, p. 323.

<sup>9</sup> It was to have followed: (1) the transformation of money into capital; (2) absolute surplus value; (3) relative surplus value; and (4) a section—one he never actually wrote—on how these three should be considered in combination.

'Capital in General'. Over 10 notebooks, Marx minutely dissected how the major economists had dealt with the question of surplus value; his basic idea was that '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'.<sup>10</sup>

In Notebook VI, Marx started from a critique of the Physiocrats. First of all, he recognized them as the 'true fathers of modern political economy',<sup>11</sup> since it was they who 'laid the foundation for the analysis of capitalist production'<sup>12</sup> and sought the origin of surplus value not in 'the sphere of circulation'—in the productivity of money, as the mercantilists thought—but in 'the sphere of production'. They understood the 'fundamental principle that only that labour is productive which creates a surplus value'.<sup>13</sup> On the other hand, being wrongly convinced that 'agricultural labour' was 'the only productive labour',<sup>14</sup> they conceived of 'rent' as 'the only form of surplus value'.<sup>15</sup> They limited their analysis to the idea that the productivity of the land enabled man to produce 'no more than sufficed to keep him alive'.<sup>16</sup> According to this theory, then, surplus value appeared as 'a gift of nature'.<sup>17</sup>

In the second half of Notebook VI, and in most of Notebooks VII, VIII and IX, Marx concentrated on Adam Smith. He did not share the false idea of the Physiocrats that 'only one definite kind of concrete labour—agricultural labour—creates surplus value'.<sup>18</sup> Indeed, in Marx's eyes one of Smith's greatest merits was to have understood that, in the distinctive labour process of bourgeois society, the capitalist 'appropriates for nothing, appropriates without paying for it, a part of the living labour';<sup>19</sup> or again, that 'more labour is exchanged for less labour (from the labourer's standpoint), less labour is exchanged for more labour (from the capitalist's standpoint)'.<sup>20</sup> Smith's limitation, however, was his failure to differentiate 'surplus-value as such' from 'the specific forms it assumes in profit and rent'.<sup>21</sup> He calculated surplus-value not in relation to the part of capital from which it arises, but as 'an overplus over the total value of the capital advanced',<sup>22</sup> including the part that the capitalist expends to purchase raw materials.

In early June Marx extended his research to other

economists such as Germain Garnier and Charles Ganilh. Then he went more deeply into the question of productive and unproductive labour, again focusing particularly on Smith, who, despite

---

<sup>10</sup> Karl Marx, *Theories of Surplus-Value*, Vol. I, in MECW, Vol. 30, p. 348 (in the MECW these manuscripts are indicated with the less used title *Economic Manuscript of 1861–63*).

<sup>11</sup> *Ibid.*, p. 352.

<sup>12</sup> *Ibid.*, p. 354.

<sup>13</sup> *Ibid.*, p. 354.

<sup>14</sup> *Ibid.*, p. 355.

<sup>15</sup> *Ibid.*, p. 355.

<sup>16</sup> *Ibid.*, p. 357.

<sup>17</sup> *Ibid.*, p. 357.

<sup>18</sup> *Ibid.*, p. 391.

<sup>19</sup> *Ibid.*, p. 388.

<sup>20</sup> *Ibid.*, p. 393.

<sup>21</sup> *Ibid.*, p. 389.

<sup>22</sup> *Ibid.*, p. 396.

a lack of clarity in some respects, had drawn the distinction between the two concepts.

From the capitalist's viewpoint, productive labour

is wage labour which, exchanged against the [...] part of the capital that is spent on wages, reproduces not only this part of the capital (or the value of its own labour capacity), but in addition produces surplus value for the capitalist. It is only thereby that commodity or money is transformed into capital, is produced as capital. Only that wage labour is productive which produces capital.<sup>23</sup>

Unproductive labour, on the other hand, is 'labour which is not exchanged with capital, but directly with revenue, that is, with wages or profit'.<sup>24</sup> According to Smith, the activity of sovereigns—and of the legal and military officers surrounding them—produced no value and in this respect was comparable to the duties of domestic servants. This, Marx pointed out, was the language of a 'still revolutionary bourgeoisie', which had not yet 'subjected to itself the whole of society, the state, etc.':

illustrious and time-honoured occupations – sovereign, judge, officer, priest, etc. – with all the old ideological castes to which they give rise, their men of letters, their teachers and priests, are from an economic standpoint put on the same level as the swarm of their own lackeys and jesters maintained by the bourgeoisie and by idle wealth – the landed nobility and idle capitalists.<sup>25</sup>

In Notebook X, Marx turned to a rigorous analysis of François Quesnay's *Tableau économique*.<sup>26</sup> He praised it to the skies, describing it as 'an extremely brilliant conception, incontestably the most brilliant for which political economy had up to then been responsible'.<sup>27</sup>

Meanwhile, Marx's economic circumstances continued to be desperate. In mid-June, he wrote to Engels:

Every day my wife says she wishes she and the children were safely in their graves, and I really cannot blame her, for the humiliations, torments and alarms that one has to go through in such a situation are indeed indescribable.

The situation was so extreme that Jenny made up her mind



to sell some books from her husband's personal library—although she could not find anyone who wanted to buy them.

Nevertheless, Marx managed to 'work hard' and he compiled Notebooks XI, XII and XIII in the course of the summer. They focused on the theory of rent, which he had decided to include as 'an extra chapter'<sup>28</sup> in the text he was preparing for publication. Marx critically examined the ideas of Johann Rodbertus, then moved on to an extensive analysis of the doctrines of David Ricardo.<sup>29</sup> Denying the existence of absolute

---

<sup>23</sup> Marx, *Theories of Surplus Value*, Vol. I, in MECW, Vol. 31, p. 8.

<sup>24</sup> *Ibid.*, p. 12.

<sup>25</sup> *Ibid.*, p. 197.

<sup>26</sup> Marx to Engels, 18 June 1862, in MECW, Vol. 41, p. 381.

<sup>27</sup> Marx, *Theories of Surplus Value*, Vol. I, in MECW, Vol. 31, p. 240.

<sup>28</sup> Marx to Engels, 2 August 1862, in MECW, Vol. 41, p. 394.

<sup>29</sup> These notebooks form part of *Theories of Surplus Value*, Vol. II, in MECW, Vol. 31.

rent, Ricardo had allowed a place only for differential rent related to the fertility and location of the land. In this theory, rent was an excess: it could not have been anything more, because that would have contradicted his 'concept of value being equal to a certain quantity of labour time';<sup>30</sup> he would have had to admit that the agricultural product was constantly sold above its cost price, which he calculated as the sum of the capital advanced and the average profit.<sup>31</sup> Marx's conception of absolute rent, in contrast, stipulated that 'under certain historical circumstances [...] landed property does indeed put up the prices of raw materials'.<sup>32</sup> In a letter to Engels, Marx wrote that it was 'a real miracle' that he 'had been able to get on with [his] theoretical writing to such an extent'.<sup>33</sup> His landlord had again threatened to send in the bailiffs, while tradesmen to whom he was in debt spoke of withholding provisions and taking legal action against him. In September, Marx communicated to Engels that he might get a job 'in a railroad office' in the new year.<sup>34</sup> In December, he repeated to Ludwig Kugelmann that things had become so desperate that he had 'decided to become a "practical man"'; nothing came of the idea, however. Marx reported with his typical sarcasm: 'Luckily—or perhaps I should say unluckily?—I did not get the post because of my bad handwriting'.<sup>35</sup> During this span of time, Marx filled another two notebooks, XIV and XV, with extensive critical analysis of various economic theorists. He noted that Thomas Robert Malthus, for whom surplus value stemmed 'from the fact that the seller sells the commodity above its value', represented a return to the past in economic theory, since he derived profit from the exchange of commodities.<sup>36</sup> Marx accused James Mill of misunderstanding the categories of surplus value and profit; highlighted the confusion produced by Samuel Bailey in failing to distinguish between the immanent measure of value and the value of the commodity; and argued that John Stuart Mill did not realize that 'the rate of surplus value and the rate of profit' were two different quantities,<sup>37</sup> the latter being determined not only by the level of wages but also by other causes not directly attributable to it.

Marx also paid special attention to various economists opposed to Ricardian theory, such as the socialist Thomas Hodgskin. Finally, he dealt with the anonymous text *Revenue and Its Sources*—in his view, a perfect example of ‘vulgar economics’, which translated into ‘doctrinaire’ but ‘apologetic’ language the ‘standpoint of the ruling section, i.e. the capitalists’.<sup>38</sup> With the study of this book, Marx concluded his analysis of the theories of surplus value put forward by the leading economists

---

<sup>30</sup> Ibid., p. 359.

<sup>31</sup> Karl Marx to Friedrich Engels, 2 August 1862, in MECW, Vol. 41, p. 396.

<sup>32</sup> Ibid., p. 398.

<sup>33</sup> Ibid., p. 394.

<sup>34</sup> Marx to Engels, 10 September 1862, in MECW, Vol. 41, p. 417.

<sup>35</sup> Marx to Kugelmann, 28 December 1862, in MECW, Vol. 41, p. 436.

<sup>36</sup> Karl Marx, *Theories of Surplus Value*, Vol. III, in MECW, Vol. 32, p. 215.

<sup>37</sup> Ibid., p. 373.

<sup>38</sup> Ibid., p. 450.

of the past and began to examine commercial capital, or the capital that did not create but distributed surplus value.<sup>39</sup> Its polemic against 'interest-bearing capital' might 'parade as socialism', but Marx had no time for such 'reforming zeal' that did not 'touch upon real capitalist production' but 'merely attacked one of its consequences'. Following the studies of commercial capital, Marx moved on to what may be thought of as a third phase of the economic manuscripts of 1861–1863. This began in December 1862, with the section on 'capital and profit' in Notebook XVI that Marx indicated as the 'third chapter'.<sup>40</sup> Here Marx drew an outline of the distinction between surplus value and profit. In Notebook XVII, also compiled in December, he returned to the question of commercial capital (following the reflections in Notebook XV<sup>41</sup>) and to the reflux of money in capitalist reproduction. At the end of the year, Marx gave a progress report to Kugelmann, informing him that 'the second part', or the 'continuation of the first instalment', a manuscript equivalent to 'about 30 sheets of print' was 'now at last finished'. Four years after the first schema, in the *Contribution to the Critique of Political Economy*, Marx now reviewed the structure of his projected work. He told Kugelmann that he had decided on a new title, using *Capital* for the first time, and that the name he had operated with in 1859 would be 'merely the subtitle'.<sup>42</sup> Otherwise he was continuing to work in accordance with the original plan. What he intended to write would be 'the third chapter of the first part, namely Capital in General'.<sup>43</sup> The volume in the last stages of preparation would contain 'what Englishmen call "the principles of political economy"'. Together with what he had already written in the 1859 instalment, it would comprise the 'quintessence' of his economic theory. Marx thought he would be able to produce a 'fair copy' of the manuscript in the new year, after which he planned to take it to Germany in person. Then he intended 'to conclude the presentation of capital, competition and credit'.<sup>44</sup> A few days later, at the start of the new year, Marx listed in greater detail the parts that would have comprised his work. In a schema in Notebook XVIII, he indicated that the 'first section (*Abschnitt*)', 'The Production Process of Capital', would be divided as follows:

- 1) Introduction. Commodity. Money. 2)

Transformation of money into capital. 3) Absolute surplus value. [...] 4) Relative surplus value. [...] 5) Combination of absolute and relative surplus value. [...] 6) Reconversion of surplus value into capital. Primitive accumulation. Wakefield's theory of colonization. 7) Result of the production process. [...] 8) Theories of surplus value. 9) Theories of productive and unproductive labour.<sup>45</sup>

---

<sup>39</sup> These are the final notebooks that form part of *Theories of Surplus Value*, Vol. III.

<sup>40</sup> Karl Marx, *Zur Kritik der politischen Ökonomie (Manuskript 1861-1863)*, in MEGA<sup>2</sup>, Vol. II/3.5, pp. 1598-1675.

<sup>41</sup> *Ibid.*, pp. 1682-1773.

<sup>42</sup> Marx to Kugelmann, 28 December 1862, *op. cit.*, p. 435.

<sup>43</sup> See the index to the *Grundrisse*, written in June 1858 and contained in Notebook M (the same as that of the '1857 Introduction'), as well as the draft index for the third chapter, written in 1860: Marx, 'Draft Plan of the Chapter on Capital', in MECW, Vol. 29, pp. 511-517.

<sup>44</sup> Marx to Kugelmann, 28 December 1862, *op. cit.*, p. 435.

<sup>45</sup> Marx, *Theories of Surplus Value*, Vol. III, in MECW, Vol. 33, p. 347.

Marx did not confine himself to the first volume but also drafted a schema of what was intended to be the 'third section' of his work: 'Capital and Profit'. This part, already indicating themes that were to comprise *Capital*, Volume III was divided as follows:

- 1) Conversion of surplus value into profit. Rate of profit as distinguished from rate of surplus value.
- 2) Conversion of profit into average profit. [...]
- 3) Adam Smith's and Ricardo's theories on profit and prices of production.
- 4) Rent. [...]
- 5) History of the so-called Ricardian law of rent.
- 6) Law of the fall of the rate of profit.
- 7) Theories of profit. [...]
- 8) Division of profit into industrial profit and interest. [...]
- 9) Revenue and its sources. [...]
- 10) Reflux movements of money in the process of capitalist production as a whole.
- 11) Vulgar economy.
- 12) Conclusion. Capital and wage labour.<sup>46</sup>

In Notebook XVIII, which he composed in January 1863, Marx continued his analysis of mercantile capital. Surveying George Ramsay, Antoine-Elisée Cherbuliez and Richard Jones, he inserted some additions to the study of how various economists had explained surplus value.

Marx's financial difficulties persisted during this period and actually grew worse in

early 1863. At the same time, new health problems had appeared. He developed a new liver disorder that was destined to plague him for a long time to come. During this period, apart from brief moments when he studied machinery, Marx had to suspend his in-depth economic studies. In March, however, he resolved 'to make up for lost time by some hard slogging'.<sup>47</sup> He compiled two notebooks, XX and XXI, that dealt with accumulation, the real and formal subsumption of labour to capital, and the productivity of capital and labour. His arguments were correlated with the main theme of his research at the time: surplus value.

In late May, he wrote to Engels that in the previous weeks he had also been studying the Polish question<sup>48</sup> at the British Museum. In May and June he collected working notes in eight additional notebooks (A-H), which contained hundreds of more pages summarizing economic studies of the 18th and

19th centuries.<sup>49</sup> Marx also informed his friend that, feeling 'more or less able to work again', he was determined to 'cast the weight off his shoulders' and therefore intended to 'make a fair copy of the political economy for the printers (and give it a final polish)'.<sup>50</sup> He returned to the British Museum and in mid-July reported to Engels that he had again been spending 'ten hours a day working at economics'. These were precisely the days when, in analysing the reconversion of surplus value into capital, he prepared in Notebook XXII a

---

<sup>46</sup> Marx, *Theories of Surplus Value*, Vol. I, in MECW, Vol. 33, pp. 346–347. The first chapter had already been outlined in Notebook XVI of the economic manuscripts of 1861–63. Marx prepared a schema of the second in Notebook XVIII, see *ibid.*, p. 299.

<sup>47</sup> Marx to Engels, 24 March 1863, in MECW, Vol. 41, p. 461.

<sup>48</sup> See the more than 60 pages contained in International Institute of Social History (IISH), Marx–Engels Papers, B 98. On the basis of this research, Marx began one of his many unfinished projects, see Karl Marx, *Manuskripte über die polnische Frage (1863–1864)* (S-Gravenhage: Mouton, 1961).

<sup>49</sup> IISH, Marx–Engels Papers, B 93, B 100, B 101, B 102, B 103, B 104 contain some 535 pages of notes. To these should be added the three notebooks RGASPI f.1, d. 1397, d. 1691, d. 5583. Marx used some of this material for the compilation of notebooks XXII and XXIII.

<sup>50</sup> Marx to Engels, 29 May 1863, in MECW, Vol. 41, p. 474.

recasting of Quesnay's *Tableau économique*.<sup>51</sup> Then he compiled the last notebook in the series begun in 1861—no. XXIII—which consisted mainly of notes and supplementary remarks. At the end of these two years of hard work, and following a deeper critical re-examination of the main theorists of political economy, Marx was more determined than ever to complete the major work of his life. Although he had not yet definitively solved many of the conceptual and expository problems, his completion of the historical part now impelled him to return to theoretical questions.

### 3. The Writing of the Three Volumes

Marx gritted his teeth and embarked on a new phase of his labours. From summer 1863, he began the actual composition of what would become his *magnum opus*.<sup>52</sup> Until December 1865, he devoted himself to the most extensive versions of the various subdivisions, preparing drafts in turn of Volume I, the bulk of Volume III (his only account of the complete process of capitalist production),<sup>53</sup> and the initial version of Volume II (the first general presentation of the circulation process of capital). As regards the six-volume plan indicated in 1859 in the preface to *A Contribution to the Critique of Political Economy*, Marx inserted a number of themes relating to rent and wages that were originally to have been treated in Volumes II and III.

Marx kept up the furious pace throughout the autumn, concentrating on the writing of Volume I. However, his health rapidly worsened as a result, and November saw the appearance of what his wife called the 'terrible disease' against which he would fight for many years of his life. It was a case of carbuncles, a nasty infection that manifested itself in abscesses and serious, debilitating boils on various parts of the body. Because of one deep ulcer following a major carbuncle, Marx had to have an operation and 'for quite a time his life was in danger'. According to his wife's later account, the critical condition lasted for 'four weeks' and caused Marx severe and constant pain, together with 'tormenting worries and all kinds of mental suffering'.<sup>54</sup>



Marx was able to resume his planned work only towards the middle of April of 1866, after an interruption of more than five months. In that time, he continued to concentrate on Volume I, and it seems likely that it was precisely then that he drafted the so-called 'Results of the Immediate Process of Production', the only part of the initial version that has been preserved.

---

<sup>51</sup> Marx to Engels, 6 July 1863, in MECW, Vol. 41, p. 485.

<sup>52</sup> See Michael Heinrich, 'Entstehungs- und Auflösungsgeschichte des Marxschen *Kapital*', pp. 176–179, in Werner Bonefeld and Michael Heinrich (eds) *Kapital & Kritik. Nach der 'neuen' Marx-Lektüre* (Hamburg: VSA, 2011), pp. 176–179, which argues that the manuscripts from this period should be regarded not as the third version of the work begun with the *Grundrisse*, but as the first draft of *Capital*.

<sup>53</sup> Karl Marx, *Marx's Economic Manuscript of 1864–1865*, Fred Moseley (ed.) (Leiden: Brill, 2015).

<sup>54</sup> Jenny Marx, in Hans Magnus Enzensberger (ed.) *Gespräche mit Marx und Engels* (Frankfurt/Main: Insel, 1973), p. 288.

The arrival of summer did not change his precarious circumstances. Only in August Marx began the new period of writing with Volume III: Part Two, 'The Conversion of Profit into Average Profit', then Part One, 'The Conversion of Surplus Value into Profit' (which was completed, most probably, between late October and early November 1864). During this period, he assiduously participated in meetings of the International Working Men's Association, for which he wrote the *Inaugural Address* and the *Statutes* in October.<sup>55</sup>

Having resumed work after a pause for duties to the International, Marx wrote Part Three of Volume III, entitled 'The Law of the Tendency of the Rate of Profit to Fall'. His work on this was accompanied with another flare-up of his disease. In November, 'yet another carbuncle appeared below [his] right breast'<sup>56</sup> and confined him to bed for a week; it then continued to give him trouble when he 'leaned forward to write'.<sup>57</sup>

From January to May 1865, Marx devoted himself to Volume II. The manuscripts were divided into three chapters, which eventually became Parts in the version that Engels had printed in 1885: (1) The Metamorphoses of Capital; (2) The Turnover of Capital; and (3) Circulation and Reproduction. In these pages, Marx developed new concepts and connected up some of the theories in Volumes I and III.

In the new year too, however, the carbuncle did not stop persecuting Marx, and around the middle of February, there was another flare-up of the disease. In addition to the 'foruncles' the International took up an 'enormous amount of time'. Still, he did not stop work on the book, even if it meant that sometimes he 'didn't get to bed until four in the morning'.<sup>58</sup> A final spur for him to complete the missing parts soon was the publisher's contract. Otto Meisner in Hamburg had sent him a letter on 21 March that included an agreement to publish 'the work *Capital: A Contribution to the Critique of Political Economy*'. It was to be 'approximately 50 signatures'<sup>59</sup> in length [and to] appear in two volumes'.<sup>60</sup>

In the final part of the spring, Marx also wrote Part Four of Volume III, entitling it 'Conversion of Commodity-Capital and Money-Capital into Commercial Capital and Money-Dealing Capital (Merchant's Capital)'. At the end of July 1865,

he gave Engels another progress report:

There are 3 more chapters to be written to complete the theoretical part (the first 3 books). Then there is still the 4th book, the historical-literary one, to be written, which will, comparatively speaking, be the easiest part for me, since all the problems have been resolved in the first 3 books, so that this last one is more by way of repetition in historical form. But I cannot bring myself to send anything off until I have the whole

---

<sup>55</sup> Cf. Musto, 'Introduction', in Musto (ed.) *Workers Unite! The International 150 Years Later* (London: Bloomsbury, 2014), pp. 1–68.

<sup>56</sup> Marx to Engels, 4 November 1864, in MECW, Vol. 42, p. 12.

<sup>57</sup> *Ibid.*, p. 22.

<sup>58</sup> Marx to Engels, 13 March 1865, in MECW, Vol. 42, pp. 129–130.

<sup>59</sup> Fifty signatures were equivalent to 800 printed pages.

<sup>60</sup> 'Agreement between Mr. Karl Marx and Mr. Otto Meissner, Publisher and Bookseller', in MECW, Vol. 20, p. 361.

thing in front of me. Whatever shortcomings they may have, the advantage of my writings is that they are an artistic whole, and this can only be achieved through my practice of never having things printed until I have them in front of me in their entirety.<sup>61</sup>

When unavoidable slowdowns and a series of negative events forced him to reconsider his working method, Marx asked himself whether it might be more useful first to produce a finished copy of Volume I, so that he could immediately publish it, or rather to finish writing all the volumes that would comprise the work. He preferred the latter solution, but reassured Engels that he would 'no spare no effort to complete as soon as possible'; the thing was a 'nightmarish burden' to him. It prevented him 'from doing anything else' and he was keen to get it out of the way before a new political upheaval: 'I know that time will not stand still for ever just as it is now'.<sup>62</sup>

Although he had decided to bring forward the completion of Volume I, Marx did not want to leave what he had done on Volume III up in the air. Between July and December 1865, he composed, albeit in fragmentary form, Part Five ('Division of Profit into Interest and Profit of Enterprise. Interest-Bearing Capital'), Part Six ('Transformation of Surplus-Profit into Ground-Rent') and Part Seven ('Revenues and Their Sources').<sup>63</sup> The structure that Marx gave to Volume III between Summer 1864 and the end of 1865 was therefore very similar to the 12-point schema of January 1863 contained in Notebook XVIII of the manuscripts on theories of surplus value.

The lack of financial difficulties that had allowed Marx to forge ahead with his work was not to last long; they reappeared after a year or so had passed, and his health took another turn for the worse in the course of the summer. On top of this, his duties for the International were particularly intense in September, in connection with its first conference, in London.

#### 4. The Completion of Volume I

At the beginning of 1866, Marx launched into the new draft of

*Capital*, Volume I. In a letter sent to Kugelmann, he spoke of being 'busy 12 hours a day writing out the fair copy',<sup>64</sup> but hoped to take it to the publisher in Hamburg within two months.

Contrary to his predictions, however, the whole year would pass in a struggle with the carbuncles. In February, Marx was struck by the most virulent attack yet and was in

---

<sup>61</sup> Marx to Engels, 31 July 1865, in MECW, Vol. 42, p. 173.

<sup>62</sup> Ibid.

<sup>63</sup> This division was followed by Engels when he published *Capital*, Volume III in 1894. See Carl-Erich Vollgraf, Jürgen Jungnickel and Stephen Naron, 'Marx in Marx's Words? On Engels' Edition of the Main Manuscript of Volume III of *Capital*', *International Journal of Political Economy*, 32:1 (Spring, 2002), pp. 35–78. See also the more recent: Carl-Erich Vollgraf, 'Das Kapital – bis zuletzt ein "Werk im Werden"', in *Marx–Engels Jahrbuch*, Vol. 2012/13, pp. 113–133; and Regina Roth, 'Die Herausgabe von Band 2 und 3 des *Kapital* durch Engels', in *ibid.*, pp. 168–182. For a critical assessment of Engels's editing, see Michael Heinrich, 'Engels' Edition of the Third Volume of *Capital* and Marx's Original Manuscript', *Science & Society*, 60:4 (1996–1997), pp. 452–466. A different point of view is contained in: Michael R. Krätke, *Kritik der politischen Ökonomie Heute* (Hamburg: VSA, 2017), especially the final chapter 'Gibt es ein Marx-Engels-Problem?'

<sup>64</sup> Marx to Kugelmann, 15 January 1866, in MECW, Vol. 42, p. 221.

danger of losing his life. When he recovered enough to start writing again, he confided to Engels: 'It was a close shave this time. My family did not know how serious the case was. If the matter recurs in that form three or four times more, I shall be a dead man'.<sup>65</sup>

The situation was now seriously alarming Engels. Fearing the worst, he intervened firmly to persuade Marx that he could no longer go on in the same way. He wanted to be sure that Marx had given up the far from realistic idea of writing the whole of *Capital* before any part of it was published. 'Can you not so arrange things,' he asked, 'that the first volume at least is sent for printing first and the second one a few months later?'<sup>66</sup> Marx replied that

this 'damned' book (...) was ready at the end of December. The treatise on ground rent alone, the penultimate chapter, is in its present form almost long enough to be a book in itself.<sup>67</sup> (...) I had to plough through the new agricultural chemistry in Germany, in particular Liebig and Schönbein, which is more important for this matter than all the economists put together, as well as the enormous amount of material that the French have produced since I last dealt with this point. I concluded my theoretical investigation of ground rent 2 years ago. And a great deal had been achieved, especially in the period since then, fully confirming my theory incidentally.<sup>68</sup>

Daytime study at the library, to keep abreast of the latest discoveries, and night-time work on his manuscript: this was the punishing routine to which Marx subjected himself in an effort to use all his energies for the completion of the book. On the main task, he wrote to Engels: 'Although ready, the manuscript, which in its present form is gigantic, is not fit for publishing for anyone but myself, not even for you'.

In the end, he accepted Engels's advice to spread out the publication schedule: 'I agree with you and shall get the first volume to Meissner as soon as it is ready'. 'But', he added, 'in order to complete it, I must first be able to sit'.<sup>69</sup> In fact, Marx's health was continuing to deteriorate. Towards the end of February, two huge new carbuncles appeared on his body, and he attempted to treat them alone. He told Engels that he

used a 'sharp razor' to get rid of the 'upper one', lancing 'the cur'<sup>70</sup> all by himself.

Following this harrowing account, Engels rebuked his friend more severely than ever before. Finally, Marx let himself be persuaded to take a break from work. On 15 March he travelled to Margate, a seaside resort in Kent. Early in April, Marx told his friend Kugelmann that he was 'much recovered'. However, he complained that, because of the interruption, 'another two months and more' had been entirely lost, and the completion of his book 'put back once more'.<sup>71</sup>

---

<sup>65</sup> Marx to Engels, 10 February 1866, in MECW, Vol. 42, p. 223.

<sup>66</sup> Ibid., p. 226.

<sup>67</sup> Marx later inserted the section on ground rent into Part Six of Volume III: 'Transformation of Surplus Profit into Ground Rent'.

<sup>68</sup> Marx to Engels, 13 February 1866, in MECW, Vol. 42, p. 227.

<sup>69</sup> Ibid.

<sup>70</sup> Marx to Engels, 20 February 1866, in MECW, Vol. 42, p. 231.

<sup>71</sup> Marx to Kugelmann, 6 April 1866, in MECW, Vol. 42, p. 262.

In July, Marx had to confront what had become his three habitual enemies: Livy's *periculum in mora* (danger in delay) in the shape of rent arrears; the carbuncles, with a new one ready to flare up; and an ailing liver. In describing the state of things to his friend Kugelmann, and explaining the reasons for the delay, Marx set out the plan he now had in mind:

My circumstances (endless interruptions, both physical and social) oblige me to publish Volume I first, not both volumes together, as I had originally intended. And there will now probably be 3 volumes. The whole work is thus divided into the following parts:

Book I. The Process of Production

of Capital. Book II. The Process of

Circulation of Capital. Book III.

Structure of the Process as a

Whole. Book IV. On the History of

the Theory.

The first volume will include the first 2 books. The 3rd book will, I believe, fill the second volume, the 4th the 3rd.<sup>72</sup>

Reviewing the work, he had done since the *Contribution to the Critique of Political Economy*, which was published in 1859, Marx continued:

It was, in my opinion, necessary to begin again from the beginning in the first book, i.e. to summarize the book of mine published by Duncker in one chapter on commodities and money. I judged this to be necessary, not merely for the sake of completeness, but because even intelligent people did not properly understand the question, in other words, there must have been defects in the first presentation, especially in the analysis of commodities.<sup>73</sup>

Extreme poverty also marked autumn season of 1866 and the beginning of 1867, but at the end of February 1867 Marx was able to give Engels the long-awaited news that the book was finished. Now he had to take it to Germany, and once again he



was forced to turn to his friend so that he could redeem his 'clothes and timepiece from their abode at the pawnbroker's';<sup>74</sup> otherwise he would not have been able to leave.

Having arrived in Hamburg, Marx discussed with Engels the new plan proposed by Meissner:

He now wants that the book should appear in 3 volumes. In particular he is opposed to my compressing the final book (the historico-literary part) as I had intended. He said that from the publishing point of view [...] this was the part by which he was setting most store. I told him that as far as that was concerned, I was his to command.<sup>75</sup>

---

<sup>72</sup> Ibid., p. 328.

<sup>73</sup> Ibid., pp. 328–329.

<sup>74</sup> Marx to Engels, 2 April 1867, in MECW, Vol. 42, p. 351.

<sup>75</sup> Marx to Engels, 13 April 1867, in MECW, Vol. 42, p. 357.

*Capital*, Volume I, was put on sale on 14 September 1867.<sup>76</sup> Following the final modifications, the table of contents was as follows:

#### Preface

1. Commodity and money
2. The transformation of money into capital
3. The production of absolute surplus value
4. The production of relative surplus value
5. Further research on the production of absolute and relative surplus value
6. The process of accumulation of capital Appendix to Part 1, 1: The form of value.<sup>77</sup>

Despite the long correction process and the final addition, the structure of the work would be considerably expanded over the coming years, and various further modifications would be made to the text. Volume I therefore continued to absorb significant energies on Marx's part even after its publication.

#### 5. In Search of the Definitive Version

In October 1867, Marx returned to Volume II. However, this brought a recurrence of his medical complaints: liver pains, insomnia and the blossoming of 'two small carbuncles near the *membrum*'. Nor did the 'incursions from without' or the 'aggravations of home life' leave off; there was a certain bitterness in his sage remark to Engels that 'my sickness always originates in the mind'.<sup>78</sup> As always, his friend helped out and sent all the money he could, together with a hope that it 'drives away the carbuncles'.<sup>79</sup> That is not what happened, though, and in late November Marx wrote to say: 'The state of my health has greatly worsened, and there has been virtually no question of working'.<sup>80</sup>

The new year, 1868, began much as the old one had ended. The state of Marx's health continued to fluctuate. A new interruption came just as he was recommencing work on the second version of Volume II—after a gap of nearly three years since the first half of 1865. He completed the

first two chapters in the course of the spring,<sup>81</sup> in addition to a group of preparatory manuscripts—on the relationship between surplus value and rate of profit, the law of the rate of profit and the metamorphoses of capital—which occupied him until the end of 1868.<sup>82</sup>

---

<sup>76</sup> See Karl Marx, *Das Kapital. Kritik der Politischen Ökonomie. Erster Band, Hamburg 1867*, in MEGA<sup>2</sup>, Vol. II/5, p. 674.

<sup>77</sup> *Ibid.*, pp. 9–10.

<sup>78</sup> Marx to Engels, 19 October 1867, in MECW, Vol. 42, p. 453.

<sup>79</sup> Engels to Marx, 22 October 1867, in MECW, Vol. 42, p. 457.

<sup>80</sup> Marx to Engels, 27 November 1867, in MECW, Vol. 42, p. 477.

<sup>81</sup> Karl Marx, 'Manuskripte zum zweiten Buch des "Kapitals" 1868 bis 1881', in MEGA<sup>2</sup>, Vol. II/11, pp. 1–339.

<sup>82</sup> These texts have recently been published in Karl Marx, *Ökonomische Manuskripte 1863–1868*, in MEGA<sup>2</sup>, Vol. II/4.3, pp. 78–234, and pp. 285–363. The last part constitutes Manuscript IV of Volume II and contains new versions of Part One, 'The Circulation of Capital', and Part Two, 'The Metamorphoses of Capital'.

At the end of April 1868, Marx sent Engels a new schema for his work, with particular reference to 'the method by which the rate of profit is developed'.<sup>83</sup> In the same letter, he made it clear that Volume II would present the 'process of circulation of capital on the basis of the premises developed' in Volume I. He intended to set out, in as satisfactory a manner as possible, the 'formal determinations' of fixed capital, circulating capital and the turnover of capital—and hence to investigate 'the social intertwining of the different capitals, of parts of capital and of revenue (=m)'. Volume III would then cover 'the conversion of surplus value into its different forms and separate component parts'.<sup>84</sup>

In May, however, the health problems were back. In the second week of August, he told Kugelmann of his hope to finish the entire work by 'the end of September' 1869.<sup>85</sup> However, the autumn brought an outbreak of carbuncles, and in spring 1869, when Marx was still working on the third chapter of Volume II,<sup>86</sup> his liver took yet another turn for the worse. His misfortunes continued in the following years, with troublesome regularity, and prevented him from ever completing Volume II.

There were also theoretical reasons for the delay. From Autumn 1868 to Spring 1869, determined to get on top of the latest developments in capitalism, Marx com- piled copious excerpts from texts on the finance and money markets that appeared in *The Money Market Review*, *The Economist* and similar publications.<sup>87</sup> Moreover, in autumn 1869, having become aware of new (in reality, insignificant) literature about changes in Russia, he decided to learn Russian so that he could study it for himself. He pursued this new interest with his usual rigour, and in early 1870 Jenny told Engels that, 'instead of looking after himself, [he had begun] to study Russian hammer and tongs, went out seldom, ate infrequently, and only showed the carbuncle under his arm when it was already very swollen and had hardened'.<sup>88</sup> Engels hastened to write to his friend, trying to persuade him that 'in the interests of the Volume II' he needed 'a change of life-style'; otherwise, if there was 'constant repetition of such sus- pensions', he would never finish the book.<sup>89</sup>

The prediction was spot on. In early summer, summarizing what had happened in the previous months, Marx told Kugelmann that his work had been 'held up by illness throughout the winter', and that he had 'found it necessary to mug up on [his] Russian, because, in dealing with the land question, it ha[d] become essential to study Russian landowning relationships from primary sources'.<sup>90</sup>

After all the interruptions and a period of intense political activity for the Inter- national following the birth of the Paris Commune, Marx turned to work on a new

---

<sup>83</sup> Marx to Engels, 30 April 1868, in MECW, Vol. 43, p. 21.

<sup>84</sup> Ibid.

<sup>85</sup> Marx to Kugelmann, 10 August 1868, in MECW, Vol. 43, p. 82.

<sup>86</sup> Marx, 'Manuskripte zum zweiten Buch des "Kapitals" 1868 bis 1881', op. cit., pp. 340–522.

<sup>87</sup> Still unpublished, these notes are included in the IISH notebooks, Marx–Engels Papers, B 108, B 109, B 113 and B 114.

<sup>88</sup> Jenny Marx to Engels, 'About 17 January 1870', in MECW, Vol. 43, p. 551.

<sup>89</sup> Engels to Marx, 19 January 1870, in MECW, Vol. 43, p. 408.

<sup>90</sup> Marx to Kugelmann, 27 June 1870, in MECW, Vol. 43, p. 528.

edition of Volume I. Dissatisfied with the way in which he had expounded the theory of value, he spent December 1871 and January 1872 rewriting the first chapter.<sup>91</sup> On this occasion, apart from a small number of additions, he also modified the entire structure of the book.<sup>92</sup>

Corrections and reworking also affected the French translation. From March 1872, Marx had to work on correcting the drafts, which were then sent to the printer in instalments between 1872 and 1875. In the course of the revisions, he decided to make further changes to the basic text, mostly in the section on the accumulation of capital. In the postscript to the French edition, he did not hesitate to attach to it 'a scientific value independent of the original'.<sup>93</sup>

Although the rhythm was less intense than before—because of the precarious state of his

health and because he needed to widen his knowledge in some areas—Marx continued to work on *Capital* during the final years of his life. In 1875, he wrote another manuscript for Volume III entitled 'Relationship between Rate of Surplus-Value and Rate of Profit Developed Mathematically',<sup>94</sup> and between October 1876 and early 1881 he prepared new drafts of sections of Volume II.<sup>95</sup> Some of his letters indicate that, if he had been able to feed in the results of his ceaseless research, he would have updated Volume I as well.<sup>96</sup>

The critical spirit with which Marx composed his *magnum opus* reveals just how distant he was from the dogmatic author that both most of his adversaries and many self-styled disciples presented to the world. Unfinished though it remained,<sup>97</sup> those who today want to use essential theoretical concepts for the critique of the capitalist mode of production still cannot dispense with reading Marx's *Capital*.

---

<sup>91</sup> Marx, *Das Kapital. Kritik der Politischen Ökonomie*, op. cit., pp. 1–55.

<sup>92</sup> In 1867 Marx had divided the book into chapters. In

1872 these became sections, each with much more detailed subdivisions.

<sup>93</sup> Karl Marx, 'Afterword to the French Edition' to *Capital*, Vol. I, in MECW, Vol. 35, p. 24.

<sup>94</sup> Karl Marx, 'Manuskripte und redaktionelle Texte zum dritten Buch des "Kapitals". 1871 bis 1895', in MEGA<sup>2</sup>, Vol. II/14, pp. pp. 19–150.

<sup>95</sup> Marx, 'Manuskripte zum Zweiten Buch des des "Kapitals". 1876 bis 1881', op. cit., pp. 525–828.

<sup>96</sup> Marx to Danielson, 13 December 1881, in MECW, Vol. 46, p. 161.

<sup>97</sup> The editorial work that Engels undertook after his friend's death to prepare the unfinished parts of *Capital* for publication was extremely complex. It should be borne in mind that the text in question was prepared on the basis of incomplete and often heterogeneous material that Marx had written in various periods of his life, some of which contained observations different from others to be found elsewhere in *Capital*. Nevertheless, Engels published Vol. II in 1885 and Vol. III in 1894.