

Marx in 1869: Notebook B113, 'The Economist' and 'The Money Market Review'

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This¹ paper² presents Notebook B113, one of Marx's unpublished manuscripts, and suggests its importance for highlighting the monetary and financial issues which Marx was investigating after 1867. A combination of deciphering an index prepared by Marx and reading the 1868 editions of *The Economist* and *The Money Market Review* may help to improve the understanding of Part Five, Volume III of *Capital*. A preliminary investigation of Marx's references to the crisis of 1866 in Notebook B113, and the lack of references to this same crisis in Volume III of *Capital* supports the conjecture of this paper.

After almost 130 years of Marx's death, a significant part of his writings remains unpublished and therefore unknown to the vast majority of the researchers of his work. Indeed, the problem of publishing Marx's writings goes back to the long and hard work done by Engels to edit and publish the fourth edition of *Capital* – released on 1890 and taken for a long time as its standard or “definitive” version – and to assemble, from Marx's drafts, the second and third books of *Capital*, released in 1885 and 1894, respectively.

During this period, the rise of the socialist movement awakened a growing interest in the work of Marx and Engels, which motivated the translation of some of his classical writings, such as *The Communist Manifesto*, into various languages. It also induced Engels to try to systematically publish a significant part of the two authors' work in its original language, giving birth to new editions of sold-out books such as *The Poverty of Philosophy* and *The Eighteenth Brumaire*, and prompting the appearance in print of texts that were left unpublished by Marx – such as *Critique of the Gotha Program* and the second and third books of

Marx focused himself on new materials and sources, and made some progress with empirical research on issues that would be addressed in Volumes II and III: ground-rent, the monetary and banking systems, the duration of fixed capital, and capital turnover. Both the correspondence of Marx and the copious notes he took during the period are evidences of this vigorous resumption of studies and research in the British Museum.

Capital – and also of new writings by Engels – such as *Anti-Dühring* and *The Origin of the Family, Private Property, and the State*. However, the intention of publishing all of Marx's writings was not present at that time, or even, for that matter, the intention of editing his writings in a way that would allow for the reconstitution of the genesis and development of his thought. The volumes edited by Engels were intended primarily to make available to the socialist militants a group of theoretical writings which constituted, in his opinion, the finished corpus of the doctrine elaborated by himself and Marx (Anderson, 2010: 247; Hobsbawm, 1983: 427).

The idea of publishing a critical edition of Marx's complete works goes back to December 1910, when it was discussed by a prominent group of Austro-Marxists. The plan for the so called “Vienna Edition”, however, did not take place, partially due to difficulties in funding it but also by reason of the problems created by the outbreak of the First World War. Even so, the number of available writings by Marx and Engels was increased through the effort of scholars such as Karl Kautsky – who, between 1905 and 1910, published a part of the manuscripts of 1861-63 known as *Theories of Surplus Value* – Franz Mehring – who edited, in 1902, a compilation of texts written by Marx and Engels during the

years 1841–50 (in addition to letters from 1849-62) – and, finally, David Riazanov, who published two volumes containing the articles written by Marx and Engels in 1850 for newspapers such as the *New York Tribune* and the *People's Paper* (Rojhan, 1998: 3; Hecker, 2010: 282).³

By the time of the First World War, Riazanov was already one of the greatest, if not the greatest expert in Marx's literary legacy. The contacts which he established with Auguste Bebel and Karl Kautsky granted him access to the manuscripts of Marx and Engels, which were in possession of the German Social-Democrat Party (SPD), as well as to Marx's writings preserved by Laura Lafargue.

With the Russian Revolution of 1917, he had the opportunity to engage in the first attempt to produce a complete historical-critical edition of Marx and Engels' work, the *Marx-Engels-Gesamtausgabe* (MEGA). Having been charged by Lenin with establishing and directing the Marx-Engels Institute, Riazanov obtained a significant material and financial support for his organization, as well as some independence to recruit his staff among the available specialists. He assembled a wide net of correspondents across Europe and established an intensive cooperation with the *Institut für Sozialforschung* (Institute of Social Research), in Frankfurt, which at the time was under the direction of Carl Grünberg. Thus, he could gather the material needed to start editing the MEGA: originals or photocopies of the letters, manuscripts and other documents existing in the archives of the German Social-Democrat Party in Berlin.

The editorial plan for the first MEGA predicted the release of 42 volumes divided into four parts or sections. The first

section, with 17 volumes, should gather the writings of Marx and Engels other than those related to *Capital*, which would be the object of the 13 volumes comprising the second section. The third part should gather all the letters written by Marx and Engels, which included the correspondence between the two authors, but also their letters to Lassalle, Weydemeyer, Kugelmann, Freiligrath and others. Finally, the original plan also predicted a fourth part consisting of two volumes containing indexes by themes and names.

Of the planned total, only 11 volumes would appear between 1927 and 1935, including the first editions of the *Economic and Philosophical Manuscripts* and *The German Ideology*. To these tomes were added a special volume with Engels' *Anti-Dühring*, published in 1935, and the two volumes with Marx's manuscripts from 1857-58, the *Grundrisse der Kritik der politischen Ökonomie*, which appeared in 1939 and 1941 in the same format as the MEGA volumes (Cerqueira, 2010: 208-212).

For what matters to the purposes of this article, it is important to emphasize that, despite the rigorous philological and editorial criteria adopted by Riazanov and his team, the MEGA project did not foresee the publishing of a significant part of Marx's manuscripts, made up of his excerpts notebooks. These notebooks gather long fragments collected from the works that Marx studied throughout his life, excerpts that he copied, summarized and commented upon over the course of tens of volumes written for his own use. In a report written in 1923, Riazanov already mentioned the existence of these notebooks which, in his opinion, would be useful especially to the biographers of Marx, but whose publishing was not contemplated in the MEGA project⁴. In fact, the existence of some of these notebooks and the nature of the themes they contained caused surprise in Riazanov: "If in 1881-82 he [i.e., Marx] lost his ability for intensive, independent, intellectual creation, he nevertheless never lost the ability for research. Sometimes, in reconsidering these Notebooks, the question arises: Why did he waste so much time on this systematic, fundamental summary, or expend so much labor as he spent as late as the year 1881, on one basic book on geology,

summarizing it chapter by chapter. In the 63rd year of his life – that is inexcusable pedantry. Here is another example: he received, in 1878, a copy of Morgan's work. On 98 pages of his very miniscule handwriting (you should know that a single page of his is the equivalent of a minimum of 2.2 pages of print) he makes a detailed summary of Morgan. In such manner does the old Marx work". (Riazanov *apud* Anderson, 2010: 248-9)

It is true, however, that over time Riazanov's position concerning the notebooks seems to have evolved. In a text of 1929 he recognized that, given the work method adopted by Marx, it was sometimes difficult to distinguish what should be considered an excerpts notebook from what could be considered a notebook of "preparatory work". The reason is that, even on notebooks that barely contain Marx's own comments, the parts collected are so closely grouped around a particular issue that they should be considered a "preparatory work" for a research already planned.

Moreover, in many notebooks the excerpts are intermingled with Marx's observations, whereas in others he develops long digressions that are already an expression of his thoughts. Aware that the study of the genesis of Marx's criticism of political economy could not forgo the exam of these notebooks, Riazanov expressed in this text his hope that the progress of the historical-philological research on Marx's works would be such that soon the necessity would be felt for a complete edition of the excerpts notebooks (Hecker, 2002: 50-51).

The fact is that the MEGA editorial effort succumbed in the 1930s, a victim of Nazism and Stalinism, indefinitely postponing the appearance of a complete edition of Marx and Engels' works. In the 1950s, the death of Stalin and the political overturns which followed it made room for the plan of a critical edition to be discussed again both in Moscow and in Berlin. The problems related to this initiative were many, starting with the high costs of the project, but also involving ideological concerns – the fear that such an edition could weaken the primordial function served by the texts of Marx and Engels for the Communist parties and Eastern European governments, as intellectual support for Marxism-Leninism.

Overcoming the resistance, by the end of the 1960s the Marxism-Leninism Institutes (IML) of Moscow and Berlin began the edition of a second MEGA (Bellofiore; Finneschi, 2009: 8; Rojhan, 1998: 3 ss.).

Amongst the editorial principles that should rule over the new MEGA, which were discussed throughout its period of preparation, it was established that it should be absolutely complete, including the whole of Marx and Engels' excerpts and notebooks, as well as the letters authored by third parties and addressed to both. Thus, the second MEGA was scheduled to contain over 100 volumes⁵, divided into four sections: the first, with texts and drafts not related to *Capital*; the second, with the various editions of *Capital* and the preparatory material related to the book; the third, with the letters of (and to) Marx and Engels; and the fourth, containing the extracts, annotations and marginal notes.⁶

The execution of this project, however, depended crucially on the cooperation of the *Internationaal Instituut voor Sociale Geschiedenis* (International Institute of Social History), the IISG, keeper of most of Marx and Engels' original manuscripts. After Hitler's rise to power, the papers which were under possession of the German Social-Democrat Party were taken abroad, being later acquired by a Dutch insurance company, which donated them to the newly-established IISG, where they remain until today (Rojhan, 1998: 3-4).⁷

The institute's *Karl Marx / Friedrich Engels Papers* collection covers a vast amount of material: personal documents, correspondence with Engels, Bruno Bauer, Nikolai Danielson, Moses Hess, Ludwig Kugelmann, Ferdinand Lassalle, Wilhelm Liebknecht, Pierre-Joseph Proudhon, Arnold Ruge and many others; correspondence with family members; manuscripts of Marx's doctoral thesis; parts of the manuscripts of *Critique of Hegel's Philosophy of Right* and *The German Ideology*, amongst others texts; the economic manuscripts of 1857-58 and parts of *Capital*, including the corrections and additional notes made on a printed copy for the second edition of the first book; and almost 200 notebooks with excerpts from books and other publications on economics, history, philosophy and other scientific disciplines.

Figure 1:

Description of the contents of Notebook B113, according tot the *Karl Marx/Friedrich Engels Papers* (IISH, 2008)

B113 [Heft CV] [Titel] “1869 I Heft”, bis V. 1869, englisch u. deutsch. 139 S.
S. 1: Inhalt von Engels;
S. 2: Titel;
S. 3-18: *Bank of England* (Wochenberichte), 1868;
S. 19-58: *The Money Market Review*, 1868;
S. 59-86: *The Economist*, 1868;
S. 87-89: Register zu *The Money Market* u. *The Economist*, 1868;
S. 89-109: G.J. Goschen, *The Theory of the Foreign Exchange*, 1866;
S. 109-138: Kaufmännische Rechnung (Lehrbuch);
S. 139: Inhaltsverzeichnis.

Source: *International Institute for Social History* (2008, p. 54)

Among Engels’ papers, there can be found private documents, his correspondence with Marx, Victor Adler, August Bebel, Eduard Bernstein, Karl Kautsky, Antonio Labriola, Paul Lafargue, Georgij Plekhanov, the manuscripts of *Dialectics of Nature*, preparatory works for *Anti-Dühring*, notes, book excerpts and other publications. This material was organized by the IISG between 1959 and 1965, and it is divided in 18 parts, identified by letters from A to S.⁸

Part B of the Marx and Engels Archive contains the excerpts prepared by Marx, in boxes numbered from B1 to B168. It is in this part that the box containing Notebook B113 can be found. It consists of a notebook with 139 pages, containing excerpts in English and German prepared by Marx in 1869.

The content of Notebook B113 is described in Figure 1. It involves five different sources: reports by the Bank of England; notes taken from *The Economist* (1868); notes taken from *The Money Market Review* (1868); notes about the book *The Theory of Foreign Exchange*, by G. J. Goschen (1866); and notes about the book *Kaufmännische Rechnung* (*Das Ganze der kaufmännischen Arithmetik*, für Handels-, Gewerb- und Real-Schülen, so wie zum Selbstunterricht für Geschäftsmänner) by Feller and Oderman (1866).

This paper presents Notebook B113 and suggests its importance to highlight monetary and financial issues which Marx was investigating at that time. A combined effort to deciphering (as far as possible)

the pages and indexes prepared by Marx in this notebook, on the one hand, and analyzing the 1868 editions of *The Economist* and *The Money Market Review*, on the other, may help to improve the current understanding of Part Five, Volume III of *Capital*. A preliminary investigation of Marx’s references to the crisis of 1866 in Notebook B113, and the lack of references to this very same crisis in Volume III of *Capital* supports the paper’s initial conjecture.

The argument is structured around five sections. The first one describes the main aspects of Marx’s biography in its historical context in 1868-69. The second section presents a preliminary description of Notebook B113. The third section shows how the edition of Volume II used information reviewed in Notebook B113. The fourth section contrasts Marx’s interest in the crisis of 1866 with the complete lack of any references to it throughout the whole of Volume III, and stresses the importance of Notebook B113 for following Marx’s investigations about the crisis. The fifth section concludes the paper.

I. Marx in 1868 and 1869

In April 1867 Marx traveled to Hamburg to deliver to his publisher, Otto Meissner, the originals of Volume I of *Capital*. Relieved and satisfied with the outcome, Marx could, after years, rest in the company of his friend Kugelmann and his family in Hanover, while waiting for the proofs of his work. After a really insane task which, as he said, “sacrificed his health, happiness and family”, these weeks spent in the

company of his friend were a peaceful and joyful time.

After coming back to London, Marx corrected the proofs and sent them to his editor in August 16, 1867. The book was then published in the third week of September 1867, with a print run of 1.000 copies.

The relief (or as he called it, “the nightmare’s suspension”) which the book’s publication brought was only partial and temporary. The recurring problems soon started to anguish him again. At this time, not only his health was deteriorating, but Marx was also facing increasing material difficulties, in spite of Engels’ support.

Coming back to London meant coming back to the British Museum and to his responsibilities as member of the General Council of the International Workingmen’s Association.

Between 1868 and 1869, Marx wrote 14 documents in the name of the IWA’s General Council. Four of them are particularly relevant: the Fourth Annual Report of the General Council, adopted by the General Council on September 1, 1868; the message to the workingmen of Europe and the US denouncing the bloody conflict between the Belgian Government and the Miners of Charleroi on May 1869; the Report of the General Council about the Right of Inheritance on October 1869; and the Report of the General Council to the Fourth Annual Congress in Basle on September 1869.

In this latter report, Marx developed a comprehensive account of the current conditions in world politics, stressing the critical points for the class struggle. This text can be considered, together with the IWA's Inaugural Manifest published in 1864, as a singular example of the critical possibilities of political economy and its capacity for synthesizing the economic, political and social determinations of capitalist reality in its totality. It works, in this sense, as a confirmation of the analytical and political potentiality of the critique of political economy, as a decisive instrument in the struggle against capital and for the construction of socialism.

After the publication, in 1867, of Volume I, which dealt with the production of capital, Marx turned his attention to the elaboration of Volumes II and III (on the circulation of capital and on the global process of production and circulation, respectively), previously drafted between 1865 and 1866.

Marx focused himself on new materials and sources, and made some progress with empirical research on issues that would be addressed in Volumes II and III: ground-rent, the monetary and banking systems, the duration of fixed capital, and capital turnover. Both the correspondence of Marx and the copious notes he took during the period are evidences of this vigorous resumption of studies and research in the British Museum. It is interesting to highlight, in particular, the increase of his correspondence on issues relating to *Capital*, as seen in table 1.

In effect, between 1868 and 1869, Marx wrote 19 letters, most of them to Engels, discussing and developing arguments, asking for information, and testing hypotheses. Such is the case of the letter to Engels dated April 30, 1868, in which Marx presented the draft structure he intended to use for Volume II and Volume III: there, he expounded the core of his theory of profit, of the rate of profit, and of the tendency of the rate of profit to fall, and also introduced issues regarding commercial capital, the division of profit into interest and profit of enterprise, interest-bearing capital, and the transformation of surplus-profit into ground-rent (Marx, 1974, pp. 163-168).

1868 and 1869 were both years of intense research and of permanent concern with political organizational issues within the International Workingmen Association. It is in this period that the political dispute with the Proudhonian currents intensifies, the fight against Bakunin and his partisans begins, and the attempts to unify the German communist movement – divided by sectarianism and legitimate disputes, but also mistaken amongst Becker/Hess/Borkheim/Bebel/Schweitzer/Libknecht – are pursued.

These were years of intensifying international conflicts. There was, for instance, the threat of war between England and the United States. In England, Gladstone's reformist policy was defeated and there was a return to Disraeli's conservatism in government. In France, Napoleon III sank into a terminal crisis, while Bismarck's Prussia advanced striving to bring hegemony to Europe. The Austro-Hungarian Empire, defeated by Prussia in 1866, worked as a counterbalance, although in a selective manner, for an Italy that could never unify and modernize itself.

On the other side, the International Workingmen Association and the labor union movement in general experienced their heyday. The Basle Congress, in September 1869, received 78 delegates representing 9 countries. It occurred within a favorable conjuncture for the socialist struggle in many European countries and even in the US. Marx's report in the name of the General Council to the Fourth Annual Congress held at Basle bears testimony to how his intellectual activity during those years was in tune with the dedication to the political and organizational issues of the IWA, concretely expressing the inseparability of theory and practice which was a distinctive trait of Marx's activities.

It is in this broad historical and existential context that Marx organized his Notebook B113⁹.

II. Notebook B113, 'The Economist' and 'The Money Market Review'

This section focuses on Marx's excerpts from *The Economist* and from *The Money Market Review*. Marx read the whole volumes which compiled those two weekly

TABLE 1
Marx's active correspondence about *Capital*

1843-1881

Years	Letters
1845-1850	2
1851-1855	10
1856-1860	20
1861-1865	19
1866-1870	60
1871-1875	12
1876-1880	2
1881	3

business journals, taking notes about every relevant issue he found on them - a fact which may be checked by observing the dates of the issues excerpted by Marx.

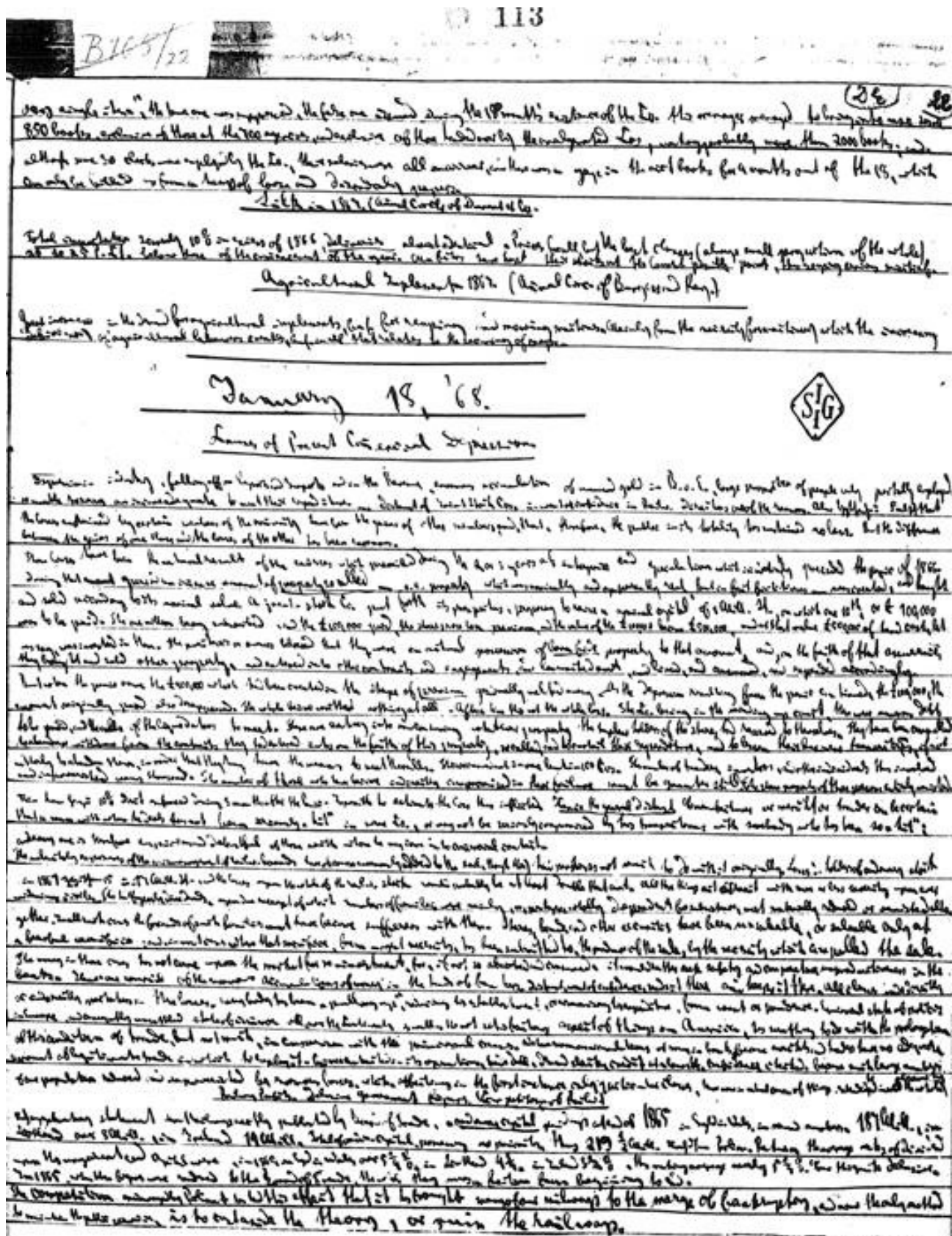
As Figure 1 describes, the notes regarding the 1868 issues of *The Money Market Review* are located between pages 19 and 58, while the ones related to *The Economist* can be found between pages 59 and 86. On pages 87, 88, and 89 Marx organizes his own notes in an index. Figure 2 shows the first page of this index in his own handwriting (Notebook B113, page 87). Chronologically, this index must have been prepared after he took the notes about both journals.

With goodwill and luck it is possible to decipher at least Marx's chosen entries. It is possible to see that the index is organized at first by countries. On page 87, figure 2 shows the first part of the entry related to the United Kingdom. In its turn, this entry is divided into sub-parts. Page 87 shows four topics: 1) money market, Bank of England, currency, exchange; 2) crisis of 1866 "und Nachwirkungen" (utter consequences); 3) commercial morality; and 4) railways. Each of these subtopics contains specific entries about subjects

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[illegible]

Figure 3: Marx notes on the 18 January, 1868 issue of *The Money Market Review* – a long note on “Causes of present commercial depression” (Note that on Figure 2, under the topic “Crisis of 1866”, it is written “causes of present depression, with the numbers 22 and 25 between brackets – page 22 is the one reproduced below. Figure 4 shows the excerpted article in its original form).



Source: Notebook B113, p. 22, Marx-Engels Archives, IMES, Amsterdam.

which deserved attention, from Marx's standpoint. For instance, under sub-topic 2 (crisis of 1866), the second line reads: "causes of present depression (22, 25)". These numbers refer to the pages of Marx's notebook where the excerpts related to those articles can be found.

With this information in hand, it is possible to go to the relevant page (for instance, page 22) and find out to which issue this article refers. Figure 3 shows page 22, which contains one reference to the "causes of present depression". This article is from the January 18, 1868 issue, and the title used by Marx is "causes of present commercial depression". Unfortunately, it is still not possible at this stage to read the actual notes taken by Marx.

But it is possible now to check the January 18, 1868 issue of *The Money Market Review* and read the same article that Marx had read. Figure 4 shows page 3 of the aforementioned newspaper issue, with an article entitled "What are the causes of the present depression in the commercial world, and what their probable duration?".

This proceeding has helped our research group decipher the whole index elaborated by Marx, since his notes and page references may lead us to the original article, and the latter's title in its turn may help us decode Marx's handwriting. With this intuitive and pragmatic "method", our research group prepared a preliminary transcription of Marx's index, which result is shown in Figure 5 (see: <http://www.cedeplar.ufmg.br/pesquisas/td/TD%20417.pdf>).

This transcription thus reveals what Marx thought to be most important among his notes. The topics, as previously mentioned, are organized by country and subjects. There are notes about nine countries (United Kingdom, Italy, Russia, Belgium, France, United States, India, South Africa, and Australia). The largest entry is about the United Kingdom, followed by France, United States, India and Australia.

In the case of the United Kingdom, the entry is divided in ten sub-topics, with a clear preponderance of topics related to monetary and financial issues – railways, as will be discussed later on, seem to matter because they are at the avant-garde of

institutional and financial changes which were taking place at that time.

Figure 5 is important, therefore, because it shows how Marx worked with his notes, and also, in the specific case of Notebook B113, what were the most important topics of those two journals as defined by Marx's reviewing of his own notes. In this sense, it may help to define a specific agenda of research for this material, and it also may signal Marx's intentions for an edition of Volumes II and III of *Capital*. Figure 5 confirms the information presented by Kraetke (2005, p. 149) regarding Marx's return to the British Museum in order to resume his investigations, especially regarding money, finance and crisis.

With these preliminary transcriptions, and with an initial appreciation of the material accumulated and prepared by Marx to be used for the development of his major work, it is possible to ask if he would have used those notes afterwards, and what could be their potential usefulness for the completion of *Capital*. This is the issue which will be addressed in the next two sections.

III. The manuscripts of Volume II and the 'Money Market Review'

According to Rosdolsky (1948: 27), the definitive plan for *Capital* was announced by Marx in a letter to Engels from 1865. However, this plan was to be established during the writing of the *Economic Manuscript of 1861-1863*, which can be shown by examining the section "The revenue and its sources", where Marx exposes the complete logical system of *Capital*. In fact, many important questions were set during this period, and only then would Marx write and re-write his work in a way that resulted in the three complete volumes. At first, he worked on some manuscripts that resulted in the published Volume I, in 1867 (MEGA II/4.1), and then on a series of manuscripts that were used by Engels to publish the two remaining volumes in 1885 and 1894. Those manuscripts are now available to be discussed and compared with the Engelsian work, and also, fundamentally, to find out if Marx pursued and accomplished the plan set out in the 1860's. Indeed, as with the first book, the creative process and all the manuscripts have been known for quite a

while¹⁰, and thus the greatest interest still centers around the recently published manuscripts of the second and third volumes.

For the purposes of this paper, we intend to read the volume MEGA II/11 as the volume II/3, for example, was once read. Indeed, in the *Manuscript of 1861-1863*, Marx took important notes that were to appear in a very synthetic way in Volume I of *Capital*, such as those on the *Factory Reports*.

The editing of the preparatory manuscripts for Volumes II and III allows us to adopt the same analytical procedure.

It is quite evident from the *Grundrisse* that Marx developed the contents of Volume III prior to those of Volume II, and that he did so still during the period 1863-65, when he wrote important manuscripts (MEGA II/4) short after finishing the so-called *Theories of Surplus Value* (MEGA II/3).

Nevertheless, after the editing of Volume I in 1867, he inverted his writing method and was able to begin with Volume II, or with subjects related to Volume II, so to speak. In 1868, the notes he took were thus meant to help in the writing process of Volume II, and he kept quoting his *Exzerptheft* in his manuscripts of the period.¹¹

The manuscripts related to Volume II were written from 1865 to 1881, and they display a remarkable unity of content, making things easy for Engels when the time came to publish the book.

The sole interruption occurred during the years of 1866 and 1867, when Marx worked once again on Volume I¹². He worked on Volume II in two different periods, in 1868 and 1876-81, writing a set of eight manuscripts. In 1868, he was able to solve many problems with his theory which he had not been able to cope with back in 1865, such as the conception and turnover of capital, the exchange of capital against and revenue, the reproduction schemes¹³, and the circulation of capital with and without money. On the other hand, from 1876 to 1886, in *Manuscripts V to VIII*, Marx could establish a difference between the monetary and capital functions of the money-capital, and the particularity of the commodity-capital's circuit. Finally, in *Manuscript VIII* Marx was able, for the

Figure 4: Partial reproduction of the January 18, 1868 issue of *The Money Market Review*, containing the article "What are the causes of the present depression in the commercial world, and what their probable duration?"

JAN. 18, 1868.

THE MONEY MARKET REVIEW.

F. L. and C. For COAST, FREIGHT, INSURANCE, and COMMISSION, and all other business connected with the Money Market, 80, Lombard-street, London.

TRADE OF SUBSCRIPTIONS, PUBLISHED BY F. L. and C. For COAST, FREIGHT, INSURANCE, and COMMISSION, 80, Lombard-street, London.

TERMS OF SUBSCRIPTIONS, PUBLISHED BY F. L. and C. For COAST, FREIGHT, INSURANCE, and COMMISSION, 80, Lombard-street, London.

TO BE MADE PAYABLE TO ENGLAND BY BANK.

THE MONEY MARKET.

LONDON, SATURDAY, JANUARY 18, 1868.

The exports of the precious metals to the Continent have been trifling during the week, and the gold and silver bullion at the Bank of England have somewhat increased. The demand for the service is trifling, although there appear to have been further borrowings by the Chancellor of the Exchequer on Deficiency Bills. Altogether the appearance of the Money Market is one of extreme and undiminished case. The following are the figures of the week:

BANK OF ENGLAND.		BANK OF FRANCE.		BANK OF GERMANY.	
Increase in coin and bullion	£34,448	...	...	...	...
Increase in loans (other securities)	90,081	...	...	...	...
Increase in notes with the public	90,015	...	...	...	...
Department	...	...	...	...	...
Total reserve	64,773	...	...	...	...
Minimum rate of discount	12,761,443	...	...	...	...
Increase in coin and bullion	2 per cent.	...	...	...	...
Increase in loans	£68,000	...	...	...	...
Increase in notes with the public	1,026,600	...	...	...	...
Minimum rate of discount	2 1/2 per cent.	...	...	...	...
Increase in coin and bullion	1,024,410	...	...	...	...
Increase in loans	1,016,915	...	...	...	...
Increase in notes with the public	48,806,315	...	...	...	...
Total	£61,465,053	...	...	...	...

Cheques and bills cleared during the week ended Wednesday, January 15, for choice bills 1 1/2 per cent. £235,000 was taken from the Bank for Egypt in sovereigns.

The latest quotations for money on the Continent are as follows, viz.:—At Paris, 1 1/2 per cent.; at Brussels, 2; at Hamburg and Frankfurt, 2 1/2; at Amsterdam, 3; at Berlin, 3 1/2; at Vienna, 4; at Tunis, 5; and at St. Petersburg, 8 per cent.

WHAT ARE THE CAUSES OF THE PRESENT DEPRESSION IN THE COMMERCIAL WORLD, AND WHAT THEIR PROBABLE DURATION?

Wherever we go, and whomsoever we meet, on the Exchange, in the banks, or at the clubs, there is but one universal cry and complaint of the present depression in the commercial world, and that is, "What are the causes of the present depression in the commercial world, and what their probable duration?"

It is not more important to know the causes of the present depression, than it is to know the probable duration of the same. It is not more important to know the causes of the present depression, than it is to know the probable duration of the same. It is not more important to know the causes of the present depression, than it is to know the probable duration of the same.

first time, to make a comprehensive critique of Smith's dogma of the revenue and its sources, which led him to new considerations about the total reproduction schemes and also the circulation of money.

When Engels had to write down Volume II, he had an immense amount of writing that showed the demarche of a thought, but never a chaotic one. It was the object itself that took so much of Marx's time to be developed, but his methods of work were the main cause of delay in the publishing of *Capital*. Marx would take many notes on any subject which concerned his book, an example of modesty and *rigueur* that is not comprehensible under contemporary academic standards. *Exzerptheft* B113, for instance, which is quoted throughout the manuscripts of Volume II, contains many examples of this procedure.

In the beginning of *Manuscript II*, one of Marx's main concerns was with fixed capital and its depreciation. He would quote many articles about railways and their maintenance, including *The Money Market Review* (MEGA II/11, p. 121 e ss.). As he always did, there was also a quote from Thomas Morus' *Utopia*, considered "*sehr naiv*". It is exactly the same procedure he had adopted years earlier in the *Manuscript 1861-1863*. This text contains pages and pages on every theme concerning absolute and surplus value, sometimes only for the author's own information¹⁴.

But Marx had something in mind besides information when he took the notes that would appear in the preparatory manuscripts, and eventually in the book published by Engels¹⁵. Marx left behind his plan for the six books, and incorporated all of them into the main theme of capital as its categories. At this stage of his reasoning, he was about to develop important questions on credit, crisis and the circuit of capital. All those themes should be treated in his book on capital, and would emerge from the circulation of capital - that is, in Volume II. His research and careful notes on railways were one of the starting points on that matter, which had even been referred in Volume I and on the *Manuscript of 1865*. Throughout all the manuscripts of Volume II, Marx continuously developed a reflection about credit, which allowed capital to perform its circuit by keeping

the reproductive process in motion while capital had to circulate as money, surplus value and commodities. This process generated monied capital (*zinstragendes Kapital*), concentration of capitals, and stock markets.

En somme, it can be shown in these manuscripts how Marx was pursuing exactly the plan established around 1865 (or even before that), and also that, at each step, the details of the whole enterprise demanded more of his efforts, including major research that is registered in his *Exzerptheft*.

If the task was not concluded, one cannot say it was not complete. All the manuscripts recently published demonstrate once more the logical completeness of the critique of political economy.

IV. 'Capital', Volume III and the potential use of the excerpts

The discussion about Volume II shows that a reasonably well-organized edition was available to Engels after Marx's death. It also shows that, in his rework of the original manuscripts, Marx had included references and information organized in Notebook B113 - as section III shows, references to *The Money Market Review* of 1868 were used by Marx.

This level of preparation for Volume II may be contrasted with the equivalent for Volume III.

In his introduction to the first edition of the third volume, in 1894, Engels described the state of the manuscripts for Volume III. Now, after the MEGA-2 edition of volumes II.4.2, II.14 and II.15, it is possible to follow what Engels had described in his well-known introduction, where he explained his editorial problems. It is noteworthy to mention that, although there were general problems, and not easy ones, Engels stressed that "it was Part Five that presented the major difficulty, and this was also the most important subject in the entire book. Marx was engaged in elaborating precisely this Part, when he was attacked by one of the serious illnesses referred to above" (Engels, Preface to the Third Volume of *Capital*, p. 94, in Marx, 1894). Part Five deals with "The division of profit into interest and profit of enterprise", including

chapters on "interest-bearing capital", "credit and fictitious capital", "accumulation of money capital", "the role of credit in the capitalist production", "banking capital's components parts", and "precious metals and the rate of exchange".

This comment by Engels about Marx's engagement with this subject is important, because Notebook B113 may serve as a demonstration of his unfinished effort. A comparison among volumes II.4.2, II.14 and II.15 shows that Marx had re-worked passages of Volume III, but that he had not reached Part Five. Especially in MEGA II.14, it is possible to grasp the topics to which Marx dedicated himself between 1870 and 1882, which were: "Formeln und berechnungen zu Mehrwert und Profitrate", "Rate des Mehrwerts und Profitrate", "Mehrwert und Profitrate mathematisch behandelt", "Differentialrente und Rente als blosser Zins der Boden einverleibten Kapitals", "Mehrwert und Profitrate formeln"; "Über Profitrate, Kapitalumschlag, Zins und Rabbat".¹⁶ Therefore, the final edition (II.15) kept Part Five as originally conceived by Marx (II.4.2), with his rework concentrated in Parts I, II and III, and with the editorial work by Engels as explained in his Preface of 1894.

The conjecture of this section is simple: Marx had taken all notes of Notebook B113 aiming to use them in a revision of Part Five. Unfortunately, given time and health problems, he could not properly use those notes.

Why can we speculate that Marx would use such notes? One reason would be the statistics produced by the Bank of England regarding bullion and notes, which Marx quoted from sources such as the Bank Committee of 1858 (*Capital*, III, p. 629). The "credit swindles" mentioned there are another example, which Marx quoted from an 1847 issue of *The Economist* (*Capital*, III, p. 629 and 631).

The question we are faced with therefore is: Marx had fresher data from 1866-68, as demonstrated by his notes on the reports of the Bank of England (Notebook B113, pages 3-18) and by the information contained in articles he had read in *The Money Market Review* (see, for instance, the article of January 4, 1868, page 5 - "the Bank

of England accounts for the past year”); he also had excerpts of news about more modern and complex swindles such as the one involving Overend, Gurney & Co. Why, then, would Marx not use them, updating statistics and case studies for Volume III?

IV.1. The Failure of Overend, Gurney & CO.

The case of Overend, Gurney & Co. is a good example of unused available information prepared for Volume III. It seems warranted, therefore, to delve a little deeper into the specifics of this rather peculiar financial episode.

In 1867, in the first edition of *Capital*, Marx had already included a note about the very recent, at that point, crisis of 1866, where he stressed its particular nature: “the crisis assumed this time a predominately financial character” (MEGA II.5, p. 540). The origin of this crisis had its epicentre in a very specific institution: “[i]ts outbreak in May 1866 was signalled by the failure of a giant London bank, immediately followed by the collapse of countless swindling companies”. The editors of MEGA II.8 (p. 1289) explain that this “giant London bank” was Overend, Gurney & Co., whose bankruptcy took place in May 10, 1866.

Overend, Gurney & Co. was a traditional and prestigious London discount house, which had dominated the market for broking and discounting bills of exchange in England during the first half of the 19th century. By the 1850's, however, the company had engaged in a series of ill-fated ventures, and found itself on the verge of bankruptcy (Barnes, 2007, p. 34; Wood, 2000, p. 207). In a bold attempt to rescue the business, the directing board decided in 1865 to float its capital as a limited company, under the provisions of the 1862 Act of Companies. This piece of legislation, which expanded and amended previous acts promulgated in 1855 and 1856, made it possible for business enterprises to issue shares for private investors with limited liability over the company's obligations – a remarkable legal innovation which resulted, among other things, in the separation between ownership and control of firms and the emergence of a class of investors which had little or no expertise in the technical aspects involved in the business ventures

they took part in (Barnes, 2007, pp. 32-3; Foucaud, 2006, p. 6).

Overend, Gurney & Co. capitalizing on its solid reputation, carried out a very successful public subscription, raising around £1,500,000 in new capital – a result which was greeted with mixed reactions by the specialized press. However, the financial strains through which the company went were not appropriately disclosed to the prospective investors. From the last months of 1865, a conjunction of adverse factors started to put pressure on Overend, Gurney's operations. The railway contracting company Watson Overend & Co. – which, despite its name, had no connection whatsoever with Overend, Gurney – went bankrupt, taking with it Joint Stock Discount, the discount house which supported its operations. This crash introduced a premium on liquidity in a financial system which was already tight due to imbalances in foreign exchange markets – the Bank of England's discount rate had risen from three to seven percent during the last months of 1865, and then to eight percent after the failure of Watson Overend. The new scenario made unviable the operations of numerous companies which had been formed in the speculative boom which followed the introduction of limited liability in share-ownership, and a general downward pressure was felt on the valuation of shares of all companies which adopted such structure. With the failure of Pinto, Perez & Co., a Spanish merchant firm with which Overend, Gurney had close business associations, and the judicial liquidation of its holdings of railway company shares on May 9, public confidence was shaken for good. Depositors frantically searched for liquidity and the company crashed on May 10, leading to a widespread run on the English banking system on “Black Friday” May 11 (Barnes, 2003, pp. 8-10; Kindleberger, 1993, pp. 199, 269).

The collapse of Overend, Gurney & Co. and the systemic complications it occasioned offered glaring evidence of some of the features and difficulties associated with the developing structure of financial markets in Britain – an event which must have certainly caused a strong impression on such a close and interested observer of monetary and financial phenomena as Marx. In fact, the episode brought to



Crowds gather outside Overend, Gurney & CO

public attention several issues of agency, informational asymmetry, and moral hazard which were embedded in the limited-liability company structure in its rudimentary stages. Limited companies were offered for public subscription by means of a prospectus, and with the help of specialized professionals known as promoters or financial agents.¹⁷ The process was, in its essence, one of advertising, but with the significant difference that those in charge of the advertising were also directly financially involved with the dealing – the promoters actually purchased the business from its original owners before reselling it to private investors. Thus, there was a strong incentive to highlight the positive aspects of a given business' performance while omitting structural frailties which might afflict it. The legislation on joint stock companies did not, at that time, regulate the elaboration of business' prospectuses; even more importantly, it did not offer any rules regarding the disclosure of financial information for prospective investors or current shareholders. Private investors were thus at a clear disadvantage towards company management, who could benefit from their privileged access to information. The conversion of Overend, Gurney & Co. into a limited liability company was one such case. Although *The Economist* expressed doubts at the time about the company's financial health, the prestige it had acquired in the past was enough to attract a vast number of investors who were not aware of the company's present difficulties (Barnes, 2007, p. 34).

One of the consequences of the Overend, Gurney collapse was a sudden shift from enthusiasm to distrust in the public attitude towards limited liability companies. In a

subsequent judicial decision regarding the legality of collections of outstanding calls on shareholders, it was stated that, although the subscription process had been morally objectionable, there was no evidence to implicate the company with intentional fraudation (Barnes, 2007, p. 35). It thus became clear that the regulatory framework for the operation of limited liability companies was defective, and in the absence of significant legal amendments, public concern was naturally geared towards a more strict control of business practices. This meant, in practice, a growing reliance on professional auditors and more adequate accounting procedures – something which had only been pursued in very rudimentary forms prior to the Overend, Gurney crisis. It seems reasonable to speculate that part of the interest in accounting that Marx demonstrated on Notebooks B113 and B114 had its roots on his willingness to understand exactly what was behind the shady deals which culminated in the financial collapse of 1866. But there is yet another issue brought to light by the dramatic events of that year that seems to have exerted a strong impact on his mind.

The generalization of limited liability in Britain from 1862 onwards induced the proliferation of financial companies which followed the model offered by the *Crédit Mobilier* in France.¹⁸ For all practical purposes, these were banking institutions, which collected local deposits in order to offer credit, but which, in contrast to the traditional banking houses, enjoyed the privileges of limited liability in share-ownership (Foucaud, 2006, pp. 5-6; Kindleberger, 1993, p. 95). Consequently, the financial companies exhibited less risk-aversion in their credit operations than their traditional banking counterparts, therefore being more prone to invest in speculative ventures. The main effects of this change in regulatory standards and consequent expansion of financial companies were felt in the finance conditions which prevailed in the railway sector. The railway business was, at that time, becoming increasingly dominated by the activities of so-called “contractors” – public-works entrepreneurs who engaged in partnerships with railway companies, accepting their payment in companies’ shares and securities. Up until 1864, while the railway sector went through an expan-

sionary phase, contractors were mostly limited to their role as railway constructors, with the companies issuing shares and raising capital directly on financial markets. However, the market for railway equity suffered a reversal in 1864, forcing companies to seek alternative sources of credit (Foucaud, 2006, pp. 8-9).

Railway contractors started developing close connections with the flourishing financial companies, which were still willing to pour resources into the railway business due to their bias in favor of speculative investment. The financial companies emitted bills of exchange which the contractors could discount for liquidity, taking their railway shares as collateral. Thus, even if the financial company did not have capital at its disposal, it could offer credit against future assets which were linked to the very enterprise which was being financed. The problem with this practice was, of course, that if the business failed, the value of its assets would drop until they eventually became unrealisable. This was exactly what happened in Britain throughout 1865 and 1866. As already mentioned, the failure of Watson Overend & Co. brought about the crash of its financial partner Joint Stock Discount, and put an initial strain on the British money market. Other financial companies failed during the next months, triggering a cumulative process where financial tightness made it impossible for unsound railway companies to continue operating, and the consequent fall in the valuation of their assets caused the bankruptcy of financial partners who held them as collateral for past loans.

The Overend, Gurney crisis thus reflected the workings of two novel features of the developing British financial system. First, it put in evidence the agency and informational problems which were occasioned by the separation between ownership and control brought about by the limited liability principle. In that sense, the events of 1866 resulted in increased public awareness with respect to fraudulent corporate behavior and the need for more adequate accounting and auditing procedures.¹⁹

Second, the crisis was the climax of a systemic failure which had its roots in the over-speculative behavior of new financial institutions which had not yet been properly

regulated, and could thus get deeply involved in the financing of unsound ventures in a fragile economic sector.²⁰

Marx’s interest in this particular bankruptcy is clear from the references revealed by his own index, and also from the articles directly and indirectly dealing with this key event in the crisis of 1866 (see Figures 2 and 5). Furthermore, his interest in the episode can also be inferred from his correspondence (MEW, volume 43, note 43, p. 599). Four different letters make reference to the Overend, Gurney failure, and there is also a revealing letter from Jenny Marx to Kugelman (December 27, 1869) in which she writes: “I have looked through several hundred newspapers in order to make extracts from them to the Moor of financial swindling concerns etc (... Overend & Gurney)” (MEW, v. 43, page 548). And, it must be stressed once again, his attention towards this case was already registered in the 1867 edition of *Capital* (MEGA II.5, p. 657).

IV.2. Central Banking, Railways, and the Art of “Cooking” Accounts

Apart from the excerpts and notes taken from *The Economist* and *The Money Market Review*, two other items stand out in the table of contents for Notebook B113: Marx’s notes about Goschen’s *The Theory of Foreign Exchange* (1862) and about Feller & Oderman’s *Kaufmännische Rechnung* (1866). Bearing in mind the historical context which surrounded Marx’s activities at that time, it is possible to better understand his interest in both these literary pieces.

George Joachim Goschen – who would later become a peer of the kingdom of England – belonged to a London merchant family, and his business experience earned him a position as a director of the Bank of England during the late 1850’s. From the 1860’s on, he entered a prolific public career, joining parliament on several occasions as a member of the House of Commons, and eventually becoming Chancellor of the Exchequer in 1887. In 1862, Goschen published *The Theory of the Foreign Exchange*, a book which provided the theoretical framework to support the Bank of England’s role as lender of last resort. At the time of the 1866 financial collapse,

the Bank of England actually hesitated to provide additional liquidity to the nation's banking system, preserving for some time its strict adherence to the precepts of the Bank Charter Act of 1844 (Wood, 2000, p. 207). This led some voices – chief among them that of Walter Bagehot – to argue that the Bank was actually responsible for aggravating the financial turmoil, turning it into a system-wide crisis. Goschen's book served as a standard reference for those who advocated a fundamental role for the Bank of England in times of financial strain. One such occasion, obviously, had come about with the failure of Overend, Gurney & Co., and Goschen was duly invoked in the public arena – as, for example, in the article published by *The Economist* in the issue of June 2, 1866, entitled “The Money Market”, where his “valuable treatise” was extensively quoted. Given that Goschen was such an important theoretical reference in the debates about the crisis, it only was natural that Marx would be interested in his work.

Furthermore, the references to the crisis of 1866 in Notebook B113, in which the Overend, Gurney & Co. episode occupied such an important place, can support a conjecture about why Marx had read and taken notes from the Feller & Oderman (1866) book: his interest had something to do with the nature of that crisis. Marx read *Kaufmännische Rechnung (Das Ganze der kaufmännischen Aritmetik, Für Handels-, Gewerb- und Real-Schülen, so wie zum Selbstunterricht für Geschäftsmänner)* (1866) with attention and care. This book was reviewed by him in Notebooks B113 (30 pages) and B114 (36 pages). The question then is: why was Marx so interested in a book about basic accountancy?²¹

A preliminary reading of the news articles reviewed by Marx may inform a conjecture. Through his index (see Figures 2 and 3) we learn how important for him were the crisis of 1866 and issues related to “commercial morality” (this expression was taken from *The Money Market Review* – see the article from April 11, 1868, page 419: “Commercial credit and morality, and the new bankruptcy law”).

Tracking the articles excerpted in his notebook, we may discover in *The Money Market Review* one important (new) feature of

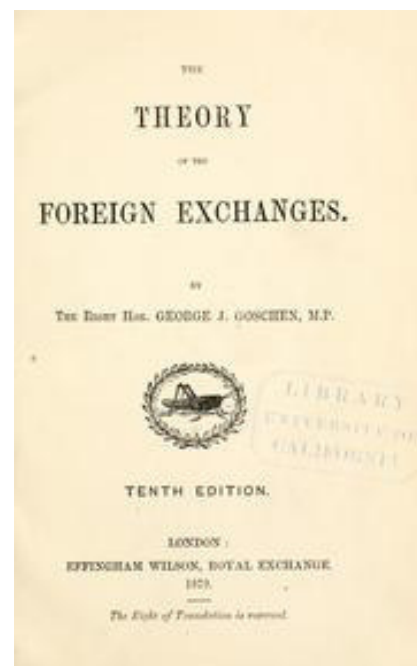
this crisis: accountancy tricks (Enron case has historical precedents...). Notebook B113, page 19, presents Marx's notes about the article published in the January 4, 1868 edition, page 3 – “The year 1867 in its commercial and financial aspect – its lessons and its warnings”. At this stage, as has been put forward, we cannot read Marx's notes. But we can read the newspaper's article, which comments on the failure of Overend, Gurney & Co. “and the enormous amount of their uncovered liabilities, together with that of Joint Stock Discount Company, and other financial associations”. The article mentions that “there was a general suspicion and distrust of the boards of directors of joint stock companies, and that distrust has continued throughout the year”. Those directors had developed a new art, according to *The Money Market Review*: “[t]he art of deceiving by fictitious reports and ‘cooked’ accounts and balance-sheets seems to have been well studied by them, and proficiency in it appears to have been regarded as a high Recommendation” (page 3).

Furthermore, this article helps to understand why Marx had paid such attention to railways, in a notebook focused on monetary and financial matters – according to *The Money Market Review*, “[i]n no branch of joint-stock enterprise has this breakdown been more conspicuous than that in which we might have expected it would have been least conspicuous, viz., the railways”. And the article presents a long list of “embarrassments”: “London, Chatter and Dover Company”, “London, Brighton and South Coast Railway”, “North British Company”, “Great Eastern”, “Caledonian”, and “Great Western Company”.

Therefore, if accountancy matters for the understanding of contemporary swindles, this may have pushed (or stimulated) Marx to understand the inner world of accountancy. Hence our conjecture about why Marx excerpted so many pages from Feller & Oderman.

V. An agenda for further research

A preliminary finding of this paper is the clear contrast between all curiosity and information gathering effort on Marx's part and the final version of Volume III, where no reference to the crisis of 1866 is to be



found (MEGA, II.15).²² Engels, the editor of Volume III, also had a clear understanding of the meaning of that episode.²³ Why, then, is there not a single reference to the crisis of 1866 in Volume III, while Marx was clearly aware of its meaning and significance? The relevance and extension of the crisis of 1866 were very clear to Marx, as shown by the reference to it in the first edition of *Capital*. Furthermore, Marx had stressed the financial nature of this crisis in that original reference, which naturally leads to the following question: why would Marx choose not to discuss it in Part Five of Volume III, given his own evaluation of its financial nature – a subject which is intimately related to the theme of Part Five?

Notebook B113 apparently highlights Marx's plans to update Part Five of Volume III, as he had already partially done with Volume II, as shown in section III above. However, it may also indicate that Marx was planning to write a new book – a book about crisis, as the contents of other notebooks may suggest (see, for instance, Notebook B91 – “The book of commercial crisis”, IISG, 2008, p. 44).²⁴

These preliminary findings shape an agenda for further research.

Firstly, regarding Notebook B113, it is worthwhile to investigate its composition by Marx as a coherent arrangement of rea-



dings and notes. It seems that the five different sources used by Marx in this notebook (see Figure 1) were closely articulated – a coherence shaped by the crisis of 1866 and its specific nature. Therefore, further investigations on the Bank of England's reports and on the contents of Goschen's book could prove useful.

Secondly, it would be interesting to deepen the investigation about the potential contribution of Notebook B113 for the understanding of Part Five, Volume III of *Capital*. This paper explored the crisis of 1866, but there are other equally interesting subjects, such as the previous failure of *Crédit Mobilier* or references to developments in the United States.

Thirdly, Notebook B113 presents guidelines for the investigation of relevant events which took place during those years – investigations on economic history.

Fourthly, a closer look into B113 would help us understand Marx's method of information gathering.

Finally, a closer investigation about the crisis of 1866 may be attained through the reading of the 1868 issues of *The Economist* and *The Money Market Review* – especially the articles therein contained which Marx thought to be important. This may be complemented by the investigation of other notebooks which Marx prepared with excerpts from either of these two newspapers: Notebook B108 (with excerpts from *The Money Market Review* between 1866 and 1867) and Notebook B109 (containing excerpts from *The Economist* and *The Money Market Review* between 1866 and

1867), in particular, appear as ideal candidates for the further development of this research. The "methodology" employed to deal with Notebook B113 may also be used to investigate those two other sets of documents.

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Notes:

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² This research is part of the activities of the Research Group on Contemporary Political Economy at Cedeplar-UFGM.

³ Kautsky, Karl (ed.). *Theorien über den Mehrwert aus dem nachgelassenen Manuskript “Zur Kritik der politischen Ökonomie” von Karl Marx*. (Volume 1: Die Anfänge der Theorie vom Mehrwert bis Adam Smith; Volume 2. David Ricardo; Volume 3. Von Ricardo zur Vulgärökonomie) Stuttgart: J.H.W. Dietz, 1910; Mehring, Franz (org.), *Aus dem literarischen Nachlass von Karl Marx, Friedrich Engels, und Ferdinand Lassalle*, 4 volumes, Stuttgart: J. H. W. Dietz Nachf., 1902; Riazanov, David (org.), *Gesammelte Schriften von Karl Marx und Friedrich Engels, 1852 bis 1862*. 2 volumes, Stuttgart: J.H.W. Dietz Nachf., 1917. Facsimile editions of these books can be found in the website: <http://www.archive.org/>.

⁴ The exception was “some math books” of Marx, which were edited in the 1920s by a young German mathematician, Julius Gumbel, but that were published only in 1968.

⁵ Each volume consists of two tomes: the first, containing the texts, and the second, with the critical apparatus of the edition.

⁶ At the time of writing (early 2011), 55 volumes have been published. Of the 32 volumes planned for the first section, 17 are available. Regarding the second section, work is further ahead: of all the 15 planned volumes, only the last part of volume 4, containing the manuscripts of 1863-67, remains to be published, thus completing the project. 12 of the 35 volumes planned for the third section have already been published. Finally, 11 of the 32 volumes planned for the

fourth section have been released until today (cf. Anderson, 2010: 251-252 and the *Internationale Marx-Engels-Stiftung* and *Akademie Verlag* websites).

⁷ During this time, Bukharin, sought to acquire the papers for the Soviet archives, acting under direct orders from Stalin. The attempt was unsuccessful and was later used as part of the charges made against him at his trial (Hecker, 2010: 284-5).

⁸ Information available at the IISG site. See <http://www.iisg.nl/archives/en/files/m/10760604full.php>.

⁹ According to a chronology prepared for the new German edition of the *Marx und Engels Werke* (MEW), it was during January and February 1869 that Marx read *The Economist* and *The Money Market Review* and took excerpts from them. According to Rubel (1963, p. 115) mentions that between January and March “Marx resumes his scientific work and studies books on banks and credit”.

¹⁰ The titles concerning the first book have been published for some years now, although the MEGA's fourth section remains unfinished and thus may still disclose new aspects of the Marxian research process as well.

¹¹ There was even a reference used by Marx in his edition of Volume II that Engels deleted during his final edition. In MEGA II.11, page 194, there is a reference to an article from *The Money Market Review* (issue of 19 December 1868) which was excerpted by Marx in page 56 of Notebook B113. The Heaton Process was mentioned in *The Money Market Review* issue of November 19, 1868, and also excerpted by Marx in page 49 of Notebook B113. In MEGA II.12 and II.13 the references to the Heaton Process (and to the article in *The Money Market Review*) are suppressed by Engels.

¹² Not to mention the years of political turmoil in France.

¹³ Cf. MEGA II/11, Apparatus, p. 852 and ss.

¹⁴ Still in the *Manuscript II*, Marx considers the difference between labour time and production time. Giving a series of examples, he refers to a chemical process applied to steel-making which spared time, which was also described in *The Money Market Review*. (MEGA II/11, 194).

¹⁵ The notes would eventually appear in the book in an abbreviated form.

¹⁶ There is one reference to Feller and Oderman in this topic (“Über Profitrate, Kapitalumschlag, Zins und Rabbat”) (MEGA II.14, p. 155).

¹⁷ See the article of *The Money Market Review*, January 11, 1868, page 34: “limited liability, the real and the true, the false and delusive”. The excerpt of this article is in Notebook B113, page

21, under the title “Contract Corporation (Limited)”, one of the subjects broached in the article.

¹⁸ Marx's interest in the *Crédit Mobilier* is well-known (see his articles in the *New York Tribune*, and the references in *Grundrisse* and in *Capital*). Such interest is also very clear in Notebook B113 (see Figure 5, containing six references to the entry related to the French bank).

¹⁹ The discussions about the need for regulation of business are described in *The Money Market Review*: see the article of 11 January, 1868, page 31 (“Railway reform, uniform accounts, and a government audit”), excerpted by Marx (Notebook B113, page 21, under the heading “state control” [see Figure 5]).

²⁰ The systemic nature of the crisis initiated with the failure of Overend, Gurney & Co. is stressed by Marx's comment in the first edition of *Capital* (MEGA II.5, p. 657). Articles in *The Money Market Review* excerpted by Marx also stress the same issue in the language of the time (see, for instance, the article in the January 4, 1868 issue, page 3).

²¹ It is important to stress that there are both a previous reference (MEGA II.4.2, p. 386) and a later reference to Feller & Oderman's book within Marx's writings (MEGA, II.14, p. 155). Regarding the latter, the MEGA editors mention that Marx would have resumed his reading of this book in 1878 (MEGA, II.14, p. 390-391).

²² In Marx (1894) – a Penguin edition – as well as in the Brazilian editions, there is one reference to the crisis of 1866 in Volume III, but it is in the Appendix written by Engels (Supplement to Volume 3 of *Capital*, page 1046, under the topic “the stock exchange”). When MEGA II.15 is searched for the crisis of 1866, there is no reference to it – in this case, the Supplement prepared by Engels is in MEGA II.14.

²³ Writing in 1893, Engels discusses the “significantly increased role” of the “stock exchange of today” (p. 1045). Engels mentions that “since the crisis of 1866, accumulation has proceeded at an ever growing pace...”. Those were times of institutional change, as Engels notes, where “in order to aid the investment of the mass of money capital thus afloat, new legal forms of company with limited liability were devised wherever they did not exist yet...” (p. 1046).

²⁴ Rolf Hecker suggested that uses other than changes in Part Five could have crossed Marx's mind. He also gave notice of an initiative by the MEGA-Project to edit these “Books of Crisis”.