Excerpt notes of Marx in the late 1860s and the economic crisis of 1866*

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1. Foreword

In the volume 19 of the part IV of the ongoing MEGA® (hereafter IV/19 for short, the other volumes of MEGA® will be indicated in the same way) are to be included the materials supposedly composed by Marx from September 1868 to September 1869: 4 excerpt notebooks

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*This paper is a part of the results of the editorial work of the texts of the volume 19 of the part IV of MEGA® and of their studies, carried out by a group of Japanese researchers including the author of this paper during 4 years from 2011, supported by the grant aid for the scientific researches from Japan Society for Promotion of Science (JSPS) (theme of the research: On the studies of credit and crisis by Marx in the late 1860s (edition of excerpt notes and their use for Marx study), theme number: 23330069, research representative: Susumu Takenaga).
(B101, B102, B105, B106), 3 scrap books (P1, P2, P3) and an almanac in datebook format with notes of Marx entitled *The Illustrated Universal Pocket Diary and Almanack for 1869*. At present, three years after the beginning of the project under the auspices of JSPS, the transcription of these notebooks as digital texts\(^2\) has been almost accomplished except for a still remaining minor part. In relying on the global results of this work in which the author has himself has taken part, this article aims at examining Marx’s studies on the crisis in the mid-1860’s (or rather his preliminary work for collecting basic materials for such studies). The contents of these excerpt notebooks, transformed by our recent work for the first time into digital text easily accessible to everyone (as is well known, the access to the handwritten manuscripts of Marx, notorious cacographer, is limited to a very few native German specialists), have never been made object of researches up to present. Even their existence has hardly been known.

It is therefore impossible to find any preceding researches on the theme of this article in the huge literature on Marx piled up to now. But to our knowledge there exists only one exception. It is an article published in 2013 in *Review of Radical Political Economics* (Vol. 45, 2, June 2013, pp.162-82), co-authored by a group of Brazilian researchers, João Antonio de Paula, Hugo E. A. da Gama Cerqueira, Alexandre Mendes Cunha, Carlos Eduardo Suprinyak, Leonardo Gomes de Deus and Eduardo da Motta e Albuquerque, entitled ‘Notes on a Crisis: The *Exzerpthefte* and Marx’s Method of Research and Composition’. This is an article written for the similar purpose as this article, on the basis of the research in IISH of Marx’s excerpt notebook B105. The authors do not make explicit the reasons for which they have made object of their researches especially the notebook B105 separately from the other correlative excerpt notebooks of Marx belonging to the same period of time. In any case, it is noteworthy that one of the excerpt notebooks of Marx has undergone detailed analyses and estimations on the ground of its original decipherment by the above authors, altogether independently from the

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\(^1\)The numbers for identifying each of the notebooks are not given by Marx who made them, but they are added for convenience by International Institute of Social History (IISH) in Amsterdam, which is now keeping under its control major part of the literary legacy of Marx and Engels including these excerpt notebooks.

\(^2\)For the details on the working process particular to the part IV of MEGA\(^\circledast\) aiming at making a digital text from the original manuscript of Marx and on the problems accompanying this process (the specific difficulties the Japanese editorial group had to face), see the pages 86-9 of my article (in Japanese) ‘Editorial work of MEGA\(^\circledast\) in Japan’ (*Keizai Kenkyu*, Institute of economic research of Daito Bunka University, No.23, 2010).
editorial work of MEGA® then ongoing on the other side of the planet. Of course this article owes much to the results of their article. Particularly the author could learn much from the meticulous descriptions on the process of panic in the financial world of London after May 1866, which Marx explicitly depicted neither in the above excerpt notebooks nor in his contemporaneous writings (his publications including journal and newspaper articles, particularly the first edition of Book One of Capital in 1867, letters and manuscripts). And are suggestive their interpretations on the meaning of the fact that Marx made an amount of excerpts from the book of Feller/Odermann, textbook on the commercial mathematics, just after the excerpts from newspapers in the same notebook B105 (a topic to be taken up at the end of this article). But at the same time it must be point out that, although the notebook B105 has an importance of its own compared with the preceding and following other notebooks (see hereinafter for detailed explanations on this point), its character and significance may become clear only when examining it together with the other related notebooks, since it is one among a series of works Marx carried out along certain lines. While learning from this exceptional foregoing study, in this article we are going to take up the above excerpt notebooks and scrap books to be included in IV/19 as a whole in their mutual relations, further in relation also with a part of the notebooks to be included in IV/183, partly overlapping in the period of time of their making with the former ones.

2. Synopses of the excerpt notebooks to be included in IV/19 and inferences of the times of their making

3 About the contents and significance of this volume of MEGA® as well as the outline of its editorial work in Japan, see the articles by the editors and foreign and Japanese specialists, included in Teinosuke Ōtani, Tomonaga Tairako (eds.), Reading Marx from his excerpt notebooks: editorial work of the part IV of MEGA® and studies on the notebooks therein published, Sakurai Publisher, 2013 (in Japanese). Concerning the place and significance of the making of excerpts in the research activities of Marx, the chapter one by Richard Sperl, general director of the part IV of MEGA® since long time as specialist, is to be referred to: ‘On the edition of the auxiliary materials for study in the part IV of MEGA®’.  

4 For the details on these notebooks, see the pages 151 to 155 of my article ‘On the volume 19 of the part IV of MEGA® and its editorial work in Japan’ (Economic Journal, Daito Bunk University, No.94, 2010). At present, in view of the newly elucidated points in the course of the editorial work and research activities carried out afterward, some parts of it require corrections and supplements. Nonetheless, it may still serve to inform of the outline of IV/19. In this section, only a summary description of IV/19 will be given as far as necessary for this article, taking into consideration the newly acquired knowledge on it. And, on the whole, we have admitted the
IV/19 is to include materials of three different characters. The first is the excerpt notebooks, containing transcriptions by Marx of the literary documents he read. But these are not always literal 'copying', everywhere mingled with elements preventing it from being a faithful reproduction of the original documents: summary, incomplete sporadic copying, inversion of the order of text, partial translation into German, his mother language, insertion of brief comments, etc. And in the case of newspaper articles, sometimes excerpts are not accompanied with the title, date of publication and page number of the newspaper, and the excerpts from books are not always with page numbers. The second is the notebooks with pasted scraps from newspapers. The title of the newspaper from which the scraps were cut out is not indicated anywhere, we had to identify it\(^5\). As a result of our search, it turned out that almost all of the articles pasted on the pages of the three notebooks belonging to this category had been taken from The Daily News. Just as in the case of the excerpts, the dates of publication of the newspaper from which the scraps were taken were often not given, and the order of the scraps were not always chronological. The third is Marx’s notes written on the pages of an almanac in datebook format, the title of which was indicated above. Together with excerpts from newspapers and books, it contains notes of different character by Marx himself: calculations of the rate of surplus value and profit, figures relating to household economy, list of books and magazines, etc.

a. Excerpts from newspapers

The first category includes the 4 notebooks: B101, B102, B105, B106. Slightly differing from their numbering, these notebooks are supposed to have been filled with excerpts in the order of B102, B101, B105, B106. Among the original documentary sources of the excerpts contained in each of these notebooks, excerpts to a large extent are taken only from the following two. Those in B102 are for the most part from The Money Market Review (from the 19\(^{th}\) May 1866 to the 28\(^{th}\) December 1867). At the end of this notebook is placed a Register of

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\(^5\)How this ‘identification’ was realized in British Library a few years ago is reported on the page 173 of my article mentioned in the note 4 above. But afterward one of our young collaborator of the editorial work made me know that I could have accomplished the same task easily and in far shorter time in making use of the database published on-line from British Library.
the articles excerpted from this newspaper (hereinafter TMMR for short). About the first two thirds of the total space of B101 are occupied by excerpts from The Economist (from the 1st January 1866 to the 28th December 1867). At the end of the excerpts from this newspaper (hereinafter TE for short) is placed a Register of the excerpted articles. In the next place come the excerpts from TMMR (from the 19th May 1866 to the 28th December 1867), i.e. excerpts are made for the second time from the same newspaper during the same period as those in B102. At the end of the notebook B101 is placed a Register of the articles excerpted from TMMR.

The first 10 pages of B105 are filled with a series of tables made up of numerical data during the year 1868, entitled ‘Bank of England and Money Market, Operation of Clearing House’. Marx made these tables for himself in processing and editing the numerical data expressing the indices of the state of management of Bank of England, published every week during that year in TMMR (issued banknotes in circulation, reserves, deposits etc.). The following 6 pages entitled ‘Notes to Movement of Money Market’ are filled with incomplete sporadic excerpts from the explanatory notes suffixed in the issue of every week of TMMR during the same year after the numerical data concerning Bank of England. Though Marx does not indicate the provenance of these tables and notes occupying the first 16 pages (from page 3 to 18) of B105, it becomes evident by comparing them with the original of TMMR during the year 1868. In the next place come excerpts from TMMR (from the 4th January to the 26th December, i.e. during the period immediately following the excerpts in B102 and B101), then there are excerpts from TE (during just the same period as TMMR). After these excerpts from these two newspapers, Marx allotted 3 pages to a Register of the articles excerpted from the two newspapers, entitled ‘Inhaltsregister f. 1868 Jahrgang. („Money Market Review“ und „Economist“)’. In the articles appearing in this Register are included many of those which are excerpted on the first 16 pages of B105 with numerical tables and notes on them, which shows that the contents on these first pages are taken from TMMR. In the next place of B105 there are excerpts extending to 21 pages from G. J. Goschen, The Theory of the Foreign Exchange, London, 1866, followed by more extensive excerpts over 30 pages from E.F. Feller/ C.G. Odermann, Das Ganze der kaufmännischen Arithmetik, 1859 (The excerpts from Goschen continue in the next notebook B106 over 36 pages. See below). In this way a considerable quantity of excerpts from a few books are made in the notebooks filled during one year of 1868 mainly with excerpts and scraps from newspapers. We will see afterwards why Marx excerpted from these books.

In the last fourth notebook B106 of the first category, following the excerpts from the
book of Feller/ Odermann beginning from the last pages in B105, further excerpts are made from several other books. But IV/19 is to include up to the end of the excerpts from the book of Feller/ Odermann, all the other posterior excerpts contained in B106 being reserved for IV/21 because of their time of making inferred to be after September 1869. Hence the 15 pages of excerpts from John Leslie Foster, *An Essay on the Principles of Commercial Exchange*, 1804, which follow those from Feller/ Odermann, will not be included in IV/19. But there is some doubt about the inference of *Allgemeiner Prospekt* placing after September 1869 the time of making of the excerpts from the book of Foster. It is not only because the grounds of such an inference are not shown. In response to the letter from Engels of the 25th February 1869 announcing that ‘Foster on *Exchanges* is being sent to you today by GLOBE PARCEL.’ (MEW, Bd.32, S.261. In principle the quotations from Marx and Engels are from *MEGA*®, except for the texts not yet included in its already published volumes at the moment of writing this article, in such cases the texts of MEW are made use of.), Marx makes Engels know that he has just received the book in his letter of the 1st March (i.e. four days later) (‘Ditto received Foster on Sunday [the 27th February] evening’ (Ebenda, S.262)), and he makes detailed comments on it in the same letter. Marx seems to have read this book and made excerpts from it in a day or two immediately after its reception. Therefore, he read the books of Goschen and Feller/ Odermann just after having made an enormous amount of excerpts from TMMR and TE, and he read successively the book of Foster he had barely procured. Considering such circumstances, it would not be reasonable to think that the excerpts from it were made after September 1869, i.e. more than half a year later\(^6\).

The two books of Goschen and of Foster have in common the problems of foreign commerce as their theme, and Marx read these books evidently in order to pursue this common

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\(^6\) In his letter to Engels of the 25th September 68, shortly after having begun excerpts from newspapers, Marx asks him as follows: ‘Moore should send me Foster’s *On Exchange* from his lending library, since it is not in the library here. I shall send it back immediately.’ (Ebenda, S.165) As Engels did not respond soon to this request, he repeatedly sent him letters of reminder on the 15th and the 24th February 1869. And it was only after this third letter that Engels made him know in his letter of the 25th February that it had been sent. As Marx told it in his first letter of request, the book was to be borrowed from a third person hence to be returned soon. Also Engels indicates in his letter quoted above how to send it back at the same time as informing him of its sending: ‘Best you should return it in the same way.’ (Ebenda, S.261) If Marx read it immediately after having received it, it was because he had to return it soon hence could not retain it for a long time as well as because he had been waiting for it as long as for half a year. The comments on it in his letter of the 1st March 1869 quoted above show that he read it through in taking excerpts at the same time.
theme. There may have been some connection between this theme and the excerpts from the two newspapers. In other words, Marx may have felt the need for a study on the foreign exchange soon after having begun excerpts from newspapers. We will try to make clear concretely such a connection in the last section of this paper in examining the contents of B102 and B101. Incidentally, in the above mentioned article on B105 by João Antonio de Paula et al., the reason for Marx to have made excerpts from Goschen in this notebook is explained as follows: it ‘aimed to provide a theoretical framework to support the Bank of England’s role as lender of last resort’ (ibid. p.178). But in this book the author argues exclusively about the foreign exchange and does not inquire about the role of the Bank of England (this can be shown from the contents of the related passages in the text file for IV/19 elaborated from B105). Rather it seems to be pertinent to relate the excerpts from Goschen with those from Foster. The relation between these two excerpts is made unclear, since between them intervene the excerpts from Feller/Odermann, more than twice as long as the sum of them, besides extending over two successive notebooks. The reason for such a collocation is to be found in how and when Marx could manage to procure the book of Foster as seen above.

However, the theoretical interest of Marx in the foreign exchange was only temporary. The name of Goschen and his work appear neither in the letters Marx wrote during the period when he made excerpts from the above book nor in his later writings. And the name of Foster and his book appear some times only in his letters during the above half a year. On the whole Marx spoke very little of the foreign exchange in his economic studies. At least he never discussed it systematically. It may be natural, given the place of external economic relations in the plan of ‘critique of political economy’ (to be treated in a part far behind Capital really published and its manuscripts).

Now, according to Allgemeiner Prospekt mentioned in the note 4, B102, B101 and B105 are presumed to have been made respectively from September to December 1868, from October 68 to January 69, before May 69. The excerpts from Feller/Odermann contained in B106 are continuations of the excerpts from the same book in B105, hence it would be natural to consider that these two were made consecutively. According to the above inference, the making of B105 continued till May 1869, which alludes to a scenario in which the latter part of the excerpts from Feller/Odermann in B106 came into existence after that and the following excerpts from Foster still later. What seems to have served as the ground for the inference situating in May the connecting point of time between B105 and B106 may be the date of the 19th May 1869 written by Marx in the margin of the newspaper article pasted in the central blank part of the first
unnumbered page of B106'. In the upper middle part of this page is found only the title ‘Heft II. 1869’ written by Marx’s hand. The numbering by Marx begins from the next page, the first page of the excerpts from Feller/Odermann. If these excerpts (and the following excerpts from other books) began after the time when this article had been pasted, B106 would have been made after late May, and correlative the end of B105 would have been a little earlier than that (the continuity of the contents of these two notebooks allows to suppose their continuity, at least an uninterruptedly in time of their making.).

By the way, just as in the upper middle part of the unnumbered first page of B106 the title ‘Heft II. 1869’ is written by the hand of Marx, in the upper middle part of the second page of B105 preceding the page where begin the numerical tables (unlike B106, Marx numbers B105 from the previous first page) a similar title ‘Heft I. 1869’ is written by his hand. But, the rest of the page is left totally blank. From this we can suppose that Marx regarded theses titles in the upper part of the page as a meta-information on the notebook for indicating the time of its making. And so this page may have been originally considered as a space reserved only for such information. This is of course a mere inference suggesting one possibility but can be a sufficient reason for casting doubt on adopting the date of the newspaper article pasted on this page as the ground immediately allowing to suppose the following parts of the notebook to be of later dates.

The title of the newspaper from which the article was cut out is not given. As a result of our search, the same article has been found in the issue of the 20th May 1869 of *The Daily News*. The date of the 19th written by Marx seems to be an error of his.

There exist still other two examples of Marx cutting out and pasting newspaper articles on the notebooks to be included in IV/19. As the above seen case at the beginning of B106, in *Allgemeiner Prospekt*, the dates of both of them are adopted as grounds for inferring the times of making of the notebooks on which they are pasted.

1. The article cut out from the issue of the 4th December 1868 of the daily newspaper *The Standard* (both the title of the newspaper and the date are entered by Marx. We confirmed both in checking the original.), pasted on the page 79 of B102, next to an excerpt from TMMR. The following 4 pages are left blank, and on the last 3 pages of this notebook (i.e. till just before the back cover) a Register is written. As has been seen above, in *Allgemeiner Prospekt*, the making of B102 is considered to have ended in December 1868, this inference may be founded on the date of *The Standard*. But, what we can say definitely from the above seen state of B102 is only that Marx cut out the pasted article after the 4th December, and there is no way for determining till what time he continued (or when he ended) the excerpts including the Register, because it must have been anytime, only if after the 4th December, possible to paste a scrap in a blank space in a notebook with other parts already filled with writing.

2. On the pages 21-22 of B101, intervening in an excerpt from TE, is pasted the scrap of a page from the issue of the 1st October 1868 of the monthly newspaper *The Social Economist*, founded in 1867 (including the part indicating the title and date. We confirmed both in checking the original.). In this case we can confirm only: that the excerpts coming after the pasted scrap
In taking this into consideration together with the fact that Marx read scrupulously the book of Foster in one day or two from the evening of the 27\textsuperscript{th} February to the 1\textsuperscript{st} March 1869 (cf. his letter to Engels of the 1\textsuperscript{st} March), the relatively short excerpts from Foster covering 17 pages may be regarded to have been made at that time. If so, the excerpts included in B106 were not made after the 20\textsuperscript{th} May (Marx erroneously noted the date as 19\textsuperscript{th}), the excerpts from Feller/Odermann coming before those from Foster were made during the last days of February at latest, and the preceding part of the excerpts from the same book coming at the end of B105 were made still earlier than that.

From all of this we cannot agree with the inference of Allgemeiner Prospekt situating the latest possible time of the making of B105 in May. It should have been at the end of February or earlier than this. And the excerpts from TMMR and TE in B105 preceding those from Goschen and Feller/Odermann should have been made during a time somewhat remounting from the end of February 1869. On the other hand, considering the title ‘Heft I. 1869’ written on the second page of B105, the making of the excerpts contained in B101 coming just before this must have been accomplished by the end of 1868. In the following, we try to narrow down the inferred time span of the making of the excerpts of B101 in showing how far Marx went at some particular points of time, making reference to Marx’s contemporaneous letters and articles supposed to be written in using newspaper articles excerpted in B101.

Marx quotes in his letter to Engels of the 14\textsuperscript{th} November 1868 the following passage taken from TE: ‘No “LAW” OF DEMAND AND SUPPLY, IN ANY SENSE WHICH HAS YET BEEN ASSIGNED TO THESE WORDS, EXISTS; NEITHER IN FACT, NOR IN TENDENCY, DO MARKET PRICES CONFORM TO THE RULE COMMONLY SUPPOSED TO GOVERN THEM.’ (MEW, Bd.32, S.202) This quotation is third-hand from an article published in TE of the 3\textsuperscript{rd} November 66 excerpted on page 105 of B101. This shows that his extracts went as far as to page 105 at latest on the 14\textsuperscript{th} November 68. But there exists a following fact testifying the advancement of Marx’s work indeed more rapid than this. He published in the issue of the 2\textsuperscript{nd} were made after the 1\textsuperscript{st} October, and that, given the continuity concerning the dates and contents between the excerpts from TE coming before and after the scrap, at least the excerpts immediately preceding the scrap must have been made nearly at the same time as those immediately following it, i.e. they did not made far before the 1\textsuperscript{st} October. As seen above, in Allgemeiner Prospekt, B101 is inferred to have been made in October 1868, probably on the basis of the date of The Social Economist. Approximately this inference may be pertinent.

All in all, of the three scraps pasted on notebooks, it is only this last one which was more or less of use for inferring the time of making of excerpts. The other two scraps could not serve to indicate the time of making of the excerpts before and after them.
December 68 of the quarterly journal *The Diplomatic Review* an article entitled ‘How Mr. Gladstone’s Bank Letter of 1866 Procured a Loan of Six Millions for Russia’. (I/21, S.101-3) In the text Marx indicates the 09th November as the date of drafting. In this article he attributes the reason why a great amount of Russian bonds, altogether unsalable up to then in London market, could be accepted, to the run-up of the discount rate of the Bank of England just after the panic in May 1866 and its sudden fall by reaction. This story draws on the articles of TMMR issues of the 24th November 1866, of the 1st December 66 and of the 26th January 67, excerpted on pages 234, 235 and 251 of B101. This allows to infer that Marx’s work for making excerpts advanced at least as far as to page 234 (or possibly to page 251) of B101 on the 09th November 66 at latest. In other words, at the beginning of November Marx had already made at least a little more then 80% of the excerpts in this notebook of 287 pages in total. Then, it would be possible to suppose that the excerpts of the whole of this notebook finished in November.

In *Allgemeiner Prospekt*, the excerpts in the preceding notebook B102 are said to have continued up to December 68 and those in B101 begun from October 68. According to this inference, the time periods of the making of these two notebooks must partially overlap each other. Hence it would follow that, while excerpting from TMMR, Marx began to make excerpts from TE in going back to the issues dating from a time prior to that of TMMR. Then we should think that Marx read alternately two different newspapers of distant issue dates to take excerpts from each of them in two different notebooks, which would be a very complicated and troublesome task, hardly justifiable unless founded on some clear convincing reasons for it. And, as indicated in note 8, the ground for considering that the making of B102 continued till December 68 is not persuasive. It would be more reasonable to think that Marx started the excerpts from TE in B101 after having finished those from TMMR in B102. And if the excerpts in B101 advanced so much before the 09th November that there remained only less than 20%, Marx had filled the most part of these two notebooks (at least 321 of 374 pages, the total dimension of the two notebooks, B102 containing 87 pages, B101 287) with excerpts in less than two and half months starting from September. We can see how fast Marx read and excerpted his research materials (the number of words in one page of Marx’s notebook correspond on average to about one and half page of a MEGA® volume.). In the notebook B105, in the upper middle part of the second page of which is written only ‘Heft I. 1869’ and from the third page of which begin the numerical tables, next to these tables and to the explanatory notes on them come the excerpts from TMMR and further those from TE. These three parts supposedly composed successively have as their common sources the newspaper articles during
one year of 68. Marx may have begun to trace three times this period at some time from the end of 68 to the beginning of 69 when all the issues of these newspapers from the 04th January to the 26th December 68 became available (both TMMR and TE were issued every week on Saturday with common issue dates.). And the following excerpts from Goschen, Feller/ Odermann and Foster extending to B106 and together covering a little more than 100 pages were made before the end of February 69, as seen above. Then the preceding three parts including a little more than 80 pages would have finished toward the late January, on the supposition that Marx began to work on B105 during the first days of January and continued the work exactly at the same pace during the whole of this period. The rest of the days in January and the whole of February may have supposedly been spent on excerpting from the above three books.

It can therefore be said that it was in a relatively short period of 4 or 5 months from September 1868 that Marx made excerpts from the above two newspapers in the 3 notebooks B102, B101, B105. Taking into account the wide-ranging simultaneous activities he was deploying at that time including attendances at the general council of International and discussions and debates there, the substantial time for making these excerpt notebooks must have been still shorter, during which he had to work at a considerably high speed. For this we can find a surprisingly small number of errors in transcribing sentences and in particular a huge number of numerical data.

b. Scraps from newspapers

Along with excerpts Marx made scraps from newspapers in various periods of his lifetime, so it is not exceptional that the notebooks P1, P2, P3 to be included in IV/19 contain scraps. But the dimension of the scraps included in these three notebooks amounts nearly to half of that of IV/19. It is because of this that IV/19 belongs to the class of relatively large dimension among the volumes of the part IV of MEGA®. On the covers of P1, P2 and P3 is written, by the hand of the same person, probably of Marx, respectively a title of each notebook: Trade and Finance, 1868 Marx. Trade and Finance, 1869. Social Cases. These titles were written presumably to indicate the theme treated in the scraps but not the title of the cut out newspaper. But the actual contents of pasted scraps are not always in relation with the given title. Unlike the other excerpt notebooks seen in the previous sub-section a., in Allgemeiner Prospekt neither inferences are made about the times of the making of these notebooks, nor the titles of the newspapers are identified. By the search of our own, almost all the scraps included in these three notebooks turned out to have been taken from The Daily News, founded in 1846 by Charles Dickens, who
assumed the office of the first chief editor (see the note 5 above). And almost all the scraps have been collated with the original, with the result that the scraps contained in P1 were confirmed to be from articles of this newspaper issued from the end of August 68 to the end of August 69, in the same way from late August 69 to early January 70 for P2, from late August 68 to the end of December 69 for P3.

Unlike the excerpts from TMMR and TE seen above, the scraps from *The Daily News* were taken from the issues of a period nearly overlapping the one year from autumn of 1868 during which Marx were supposedly making these scraps. This shows that Marx did not make them in a high speed during a relatively short period in remounting to the issues published in the past, but that he continued to take scraps and paste them on the pages of notebooks almost in parallel with the publication of the newspaper (or intermittently in gathering a certain number of issues), so that he worked for a long time in a relatively slow tempo. And, the articles included in P2 are those belonging to the period immediately following that of the articles in P1, both of them ranging over one year and several months. In contrast, in P3 are collected articles almost from the same period as P1. But, while being scraps from the same newspaper of the same period, those which are included in P3 are articles of a little different nature, just as are different the cover titles of these two scrap books. Marx probably continued to make further scraps in using P2 after filled up P1. And he may have begun to take scraps in early January 1870 with the aim of collecting anew different articles from past issues of *The Daily News* issued during the same period as those collected in P1, or he may have carried out such work in pursuing the same objective at the same time as taking scraps for P2.

Incidentally, while being equally a collection of information from the newspaper, it would not be appropriate to treat the scraps on an equal footing with the excerpts. Marx may have naturally read the articles on scraps, and the articles must have been cut out because of their relevance. Non the less, we can probably consider the scraps as having been made with relatively less importance attached to the articles in comparison to the excerpts which had to be taken in reading and transcribing them with a pen in hand (it may be that Marx made scraps in stead of excerpts because *The Daily News* was a daily newspaper as its title indicates. TMMR and TE from which he made excerpts were both weekly.). Even parts of a newspaper page which might have been omitted in the case of excerpts could easily be included in scraps in shifting a little the cutting lines. Therefore, a certain part of the articles collected as scraps may have possibly been not included if they had been excerpts. And as for these three notebooks, Marx wrote virtually nothing like summary notes or comments on the articles, and at the end he
added no Registers. In such conditions the excerpts and scraps could not be treated in the same way. Therefore, in this article, we will hereinafter put aside the scraps pasted on the pages of these three notebooks, to concentrate on the examination of the studies on economic crises of 66 (rather of the collected materials for this purpose) of Marx during several months from the autumn 1868.

c. Almanac in datebook format

This belongs to a rather exceptional class among the materials to be included in the volumes of the part IV of MEGA®, aiming at reproducing the contents gathered together by Marx and Engels in their notebooks (though in some cases Marx made use of school notebooks of his children. For example P3 mentioned in the previous sub-section.) from various kinds of research materials they studies. Not only for this year 1869 but also for other years Marx left similar almanacs filled with his writings, to be included in other volumes than IV/19. The purpose is to reproduce the contents of Marx’s writings in this small format almanac, containing not only blank spaces for memos but also pages printed as calendar. In Allgemeiner Prospekt the time of its making is inferred to be between March 1869 and August 71, but both of these dates are question-marked. Unlike the other 7 notebooks to be included in IV/19, this almanac is conserved in Russian Centre in Moscow (RGASPI, ex-Institute of Marxism=Leninism of the Central Committee of the Communist Party of Soviet Union). For a long time it has been impossible for our Japanese editorial group to go to Moscow to read it directly in place, but thanks to the efforts of Ms. Ljudmila Vasina, researcher of the Centre, we could obtain a digitalised picture file of the whole of this almanac in 2013. As seen above, the contents in this almanac are for the most part fragmentary writings by Marx himself. Only the brief excerpts of less than one page from M. Wirth, Geschichte der Handelskrisen, Frankfurt a. M., 1858 correspond to the contents of the other notebooks. Also the excerpts from this book are the only ones among those to be included in IV/19 with (history of) crises as their theme. They are to be noticed in this respect. But the excerpts are made fragmentarily about the crises of 1857 treated in the last chapter of this history of commercial crises. Because of the year of its publication, this book cannot be considered to have given directly useful information or suggestions to Marx studying about the crises in the 1860’s. Hence we will put aside this almanac in the same way.

9 As researches on the history of economic crises or on the crises themselves written before the end of 1860’s and available to Marx at that time, probably there exist only this book of Wirth
as the three scrap books seen above.

We will hereinafter examine mainly the contents of the excerpts from TMMR and TE, written down in the three notebooks B102, B101 and B105 in a relatively short period of time from the autumn 1868.

3. Background of the making of the excerpt notebooks

a. Marx’s research activities after the publication of Book I of Capital (September 1867)

The enormous manuscripts called the second manuscript of ‘Critique of Political Economy’ written in 23 notebooks from 1861 to 63 were originally conceived as the continuation of Contribution to the critique of political economy (Part I), 1859, but in the process of historical reflections on the theories about the production and realization of the surplus value, Marx’s arguments came to extend to the categories of revenue as profit and ground rent as well as to the problems of reproduction. At the moment of achieving these manuscripts, Marx abandoned the plan of Contribution to the critique of political economy (Part I). And on the basis of his manuscripts of 61 to 63 he conceived a new plan of work consisting of three Books under the title of Capital (and the part on the history of economic theories was to make up a following fourth Book). On the lines of this plan he wrote the first manuscripts covering the whole three Books of Capital from 1864 to 65. The Book I of Capital published in September 1867 was the final version elaborated from the first part of these manuscripts. During a period from the beginning of 1866 to the end of March 67, he was to apply himself to the work for the publication of the Book I of Capital. After the delivery of the finished manuscripts to the publisher (Otto Meissner in Hamburg) and a temporary rest in Germany, it was at 2 A.M. of the 16th August 1867 that he finally finished the proof correction (cf. his letter to Engels of the same day).

and Joseph Clément Juglar, Des Crises commerciales et leur retour périodique en France, en Angleterre, et aux Etats-Unis, 1862. While taking short excerpts from Wirth mentioned above, Marx left no traces of reading Juglar. In short, there were no foregoing researches for his studies on crises whether as useful references or as objects of critiques. By the way, this book of Wirth was often mentioned, positively or negatively, in the posterior researches on crises, in the works of Hyndman and Tugan-Baranowsky for example (see below). This seems to be because of its precedence as a research work on the history of crises carried out in the mid-19th century.

10It includes a part entitled ‘Theories of surplus value’. The whole of these manuscripts are published as the volume 3 of the part II of MEGA, in 6 fascicules. These manuscripts have been translated into Japanese also in 6 fascicules from 1978 to 1994.
Marx concluded the contract of publication of *Capital* with the above publisher at the end of March 1865 (at that moment he had not yet achieved the first manuscript of the whole of the three Books of *Capital*). According to this contract, the work was to be in two Volumes of about 800 pages, and the manuscripts were to be delivered at the end of the same year at latest. At first Marx intended to publish all the four Books in two Volumes\textsuperscript{11}, besides at once\textsuperscript{12}. In fact, Marx finished the main manuscripts of the Book III more than half year later than the conclusion of this contract. Still he did not abandon the initial plan of publishing all the four Books in two Volumes at the same time. He conserved at least the plan of publishing simultaneously the first two Books as the first Volume still in October 1866 (cf. his letter to Kugelmann of the 13\textsuperscript{th} October). But the Book I having unexpectedly swollen in quantity, afterwards he had to decide to include only this Book in the first Volume. Such a decision, of course contrary to his initial intention, seems to have been a measure he had to take involuntarily. So it was only natural that he started the preparation for the next Volume Two\textsuperscript{13}, as soon as he got free from the work for the Volume I containing only Book I in the mid-August 1867.

The notebook 108 to be included in IV/18 is supposedly made from August 1867 to September 68. IV/18 is to contain 12 notebooks Marx made during 4 and half years from February 1864 (apart from other 3 notebooks of Engels during the same period, which are put aside here), which are predominantly occupied with excerpts from a number of books on the

\textsuperscript{11} The ‘Book’ in this article is translation of Buch in German, ‘Volume’ that of Band. Buch is a name for an upper segment of a publication (expressing a unit larger than part, chapter, section etc.), while Band meaning a publication unit. Customarily the three Books of *Capital* are called Volume 1 ‘Process of production of Capital’, Volume 2 ‘Process of Circulation of Capital’, Volume 3 ‘Process of the Capitalist Production as a Whole’. But in Marx’s initial conception the segments with these titles were not necessarily to express independent publication units. In order to make this clear, we use the two terms ‘Book’ and ‘Volume’ distinctively in two different meanings.

\textsuperscript{12}Kinzaburō Satō, *Capital and Uno Economics*, Shinhyōron Publisher, 1968, p.47. For the description of the process of making of *Capital*, this article owes much to this book. However, at the time of its publication neither the plan and actual publication of MEGA\textsuperscript{2} nor the researches concerning the manuscripts of *Capital* were not yet begun.

\textsuperscript{13}In the initial plan it was to include the remaining three Books, but as there was practically no feasibility in such a plan, considering the dimension of the Book IV on the theories on surplus value, the next Volume II had to contain only Books II and III. For a certain time after the publication of Book I Marx continued speaking about the coming Volume II in his letters. In these letters this volume was said to contain both Book II and Book III.
ground rent and the land ownership. The studies (reading and excerpting) Marx began immediately after having finished the proof correction of Capital in the British Museum (actually divided into Museum and Library, but at that time there was no such divisions) was also centred on the themes relating to the subjects of the manuscripts of Capital he was preparing to draft such as land ownership etc. But as he advanced in writing the manuscripts, the initial optimistic prospect of publishing the next Volume of Capital in a near future became soon obscure (cf. letter to Kugelmann of the 06th March 1868, letter to Daniel’s son of the 07th October 68). However the project of preparing and publishing a following Volume was of course not abandoned. He never changed mind in pursuing the object, however long time it might take, however great the difficulty might be. For this he continued the work in British Museum just as before, filling notebooks with many excerpts from the economic literature mainly on the theory of ground rent and related themes.

The excerpts of that time are contained for the most part in the notebooks 108, 109 and 110. 109 is inferred to have been made from May to December 1868, 100 from April or November 1868 to the year 78 (Allgemeiner Prospekt). Hence the times of making of these three excerpt notebooks partly overlap a part of those of the notebooks to be included in IV/19 containing a large number of excerpts from TMMR and TE. Needless to say, the distinction between IV/18 and IV/19, being made for the convenience of MEGA edition, is not necessarily identical with the demarcating point in the process of Marx’s research work. In confronting the times of making of a part of the notebooks to be included in two different volumes of MEGA, we notice that there exists a certain continuity or simultaneity between Marx’s work for taking excerpts on the themes of the ground rend, the landed property and his studies on the themes of money, finance, credit relying mainly on excerpts from TMMR, a newspaper specialised in the money market. These are among the main themes belonging both to Book III of Capital constituting the latter part of its Volume II. Both of these excerpts are hence to be considered as originally conceived as preliminary to Book III.

On the other hand, the excerpts Marx took from newspapers for the final draft of the Volume II of Capital in the autumn 1868 began from the issues more than two years earlier than that time (of the 06th January 1866 for TE, of the 19th May 66 for TMMR), and through the three...
notebooks B102, B101 and B105 he continued making excerpts up to the end of 1868, i.e. the proximate past. As the past studies on the history of crises\textsuperscript{15} made clear, the crisis in 1860’s occurred in 1866 with a violent panic about 10 years after that of 1857. Always attentively watching the economic situation in England and other countries, Marx could not overlook this panic. Indeed, in the latter part of the Book I of Capital published in the autumn of the next

\textsuperscript{15}The following is the literature we have referred to for this article and thought more or less relevant to the understanding of the crisis of 1866. Generally speaking, there seem to be not so many historical researches on the crises since the 19\textsuperscript{th} century. Noticeable among them are those carried out in the Soviet Union and East Germany in the 20\textsuperscript{th} century. Their ideological biases and stereotyped argumentations are not to be denied, since they were implemented for particular political purposes in the framework of critique of capitalist system from the standpoint of Marxism. It would not be however appropriate to neglect that they contribute to a certain degree to the historical researches of capitalism. In the first place we enumerate the general historical researches on the crises in the chronological order of their publication: H.M. Hyndman, \textit{Commercial Crises of the Nineteenth Century}, Swan Sonnenschein & Co., 1892; Michael von Tugan-Baranowsky, \textit{Studien zur Theorie und Geschichte der Handelskrisen in England}, Gustav Fischer, 1901; Мировые Экономические Кризисы 1848-1935, под общей редакцией Е. Варга, Институт мирового хозяйства и мировой политики, 1937, Отдел I: Сравнительные Материалы по истории кризисов в важнейших капиталистических странах; Fred Oelssner, \textit{Die Wirtschaftskrisen}, Dietz Verlag, Berlin, 1949; Л. А. Мендельсон, Теория и История Экономических Кризисов и Циклов, Том I, Издательство Социально Экономической Литературы, 1959; И. А. Трахтенберг, Денежные Кризисы, Институт Мировой Экономики и Международных Отношений, 1963. The following is a pamphlet published just in the year of 1866. The author defends the Peel’s Act in 1844 and at the same time he justifies its suspension just after the panic of May 1866: William Fowler, \textit{The Crisis of 1866: A financial essay}, Longmanns, Green, And Co., 1866. In the last place we give two recent researches focusing on the crisis of 1866 in England: Josua Gooch, \textit{On ‘Black Friday’, 11 May 1866}, BRANCH: Britain, Representation and Nineteenth-Century History. Ed. Dino Franco Felluga. Extension of Romanticism and Victorianism on the Net. Web. July 2014; Marc Flandreau, Stefano Ugolini, \textit{The Crisis of 1866}, Graduate Institute of International and Development Studies Working Paper, No: 10/2014.
year, he describes the vicissitudes of the economic crisis till March 1867, corresponding to the final stage of the elaboration of its manuscript (see the next section for detailed discussion on this point). We can naturally suppose that for the purpose of pursuing in real time the vicissitudes of the crisis he never ceased studying new materials as newspapers published one after another. But, as seen above, from the beginning of 1866 Marx applied himself to the final elaboration of the Book I of Capital, so that there remained no room for him to take excerpts from these materials in spite of the ‘occurrence of emergency’.

This can be backed up also by the inference on the times of making of the excerpt notebooks to be included in IV/18 (Allgemeiner Prospekt), covering the same period of time from 1866 to 67. Of the relating 12 excerpt notebooks of Marx, the most extensive two (105 and 108) were filled with excerpts respectively from August or September 1865 to the beginning of 66, from August 67 to September 68 (see above). What is supposed to come in-between are only the following two: one page of excerpts from W.K. Grove, The Correlation of Physical Forces written on the pad of the letter of the 22nd August 1866 Marx received from a certain W.R. Cremer, and various notes (daily state of progress of the proof correction of Capital, bibliography, addresses, etc.) amounting to 8 pages written in an almanac entitled Hammond’s Sixpenny Pocket Diary & Almanack for 1867 supposedly dating from April to October 1867. The times of making of all the other notebooks are either before that of 105 or after that of 108. This means that Marx did not made (could not make) virtually any excerpts during a little more than one and a half year, applied to the elaboration of Book I of Capital. But in the meantime the crisis symbolised by the panic of the 10th May 1866 was proceeding regardless of the progress of Marx’s work. It would be indispensable to bear in mind these circumstances when considering the making of the excerpts from TMMR and TE from September 1868.

b. Marx’s views on the crisis of 1866 and on the economic situations of the time

Emigrated to London after the defeat of the revolutionary movement all over Europe, Marx went on devoting himself to economic studies for the next crisis and revolution with the prospect (or rather conviction) that ‘A new revolution is possible only in consequence of a new

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16马克思于1866年11月中旬将的第一部分邮寄给在汉堡的出版商Meissner，然后在1867年4月2日完成了其余的写作。这可能是因为在1867年，经济情势的描述和从笔记本105中摘录的书籍的引用并没有出现在第一部分而在第二部分中，参见Capital第1卷第183-4页。
crisis. It is, however, just as certain as this crisis.’ (Marx, ‘Review, May to October 1850’, in the Neue Rheinische Zeitung. Politisch-Ökonomische Revue, No. 5/6, 1850. I/10, S.467. emphasis in original) Therefore he constantly watched with open-eyed attention the symptom of advent of a new crisis. And as soon as a true crisis began gain in the autumn of 1857, just 10 years after the crisis of 1847, signal for the European revolution in 1848, he started the drafting of preparatory manuscripts for synthesising his economic studies into a systematic work before the expected rise of a new revolutionary movement. The result thereof is the first manuscripts of Capital known today as Grundrisse (included in II/1 in two fascicules). At the same time Marx collected materials for observing the crisis in progress, in filling the five notebooks to be included in IV/14 with excerpts and scraps from various kinds of materials like newspapers, official reports etc. This was from October 1857 to February 58, a period of time almost overlapping that of the writing of the main part of Grundrisse. And of the crisis ongoing before his eyes he talked much in the letters and journal articles. In particular Marx continued sending articles conveying the evolving situation in Europe to New York Daily Tribune in the United States, for which he was working as European correspondent for a living. We could obtain considerably detailed and exact information about how he viewed the crisis of 1857 and its evolution, in studying a number of related articles and the excerpt notebooks on the crisis he left during this period.

But in contrast, Marx talked surprisingly little of the crisis of 1866 at that time (he had already stopped contributing to New York Daily Tribune.). And also the researches of new materials like newspapers as he had done on the crisis of 1857 in parallel with the progression of the situation were begun only in September 1868, more than 2 years later than the occurrence of the panic in May 1866\(^\text{17}\). Here we try to obtain a glimpse of how he viewed the situation at that time from a very few documentary evidences he left on the matter. On the 10\(^\text{th}\) May 1866, Overend, Gurney, & Co., Limited\(^\text{18}\), a large financial company in London, fell into insolvency to

\(^{17}\)Of the crises said to have burst out during the 19\(^\text{th}\) century, those which coincided with the time during which Marx was engaged in economic studies were 5 in number, in 1847, 57, 66, 73 and 82. But, as far as judging from the contents of the notebooks included (or to be included) in the volumes of the part IV of MEGA\(^\text{17}\), it is only for the two crises of 1857 and 66 that we can find traces of Marx’s intensive studies on the ongoing crisis. This means that the excerpt notebooks examined in this article are the second and last notebooks on crises in the lifetime of Marx (and almost never made use of by himself in later times, as will be seen below).

\(^{18}\)Founded at the beginning of the 19\(^\text{th}\) century as an ordinary bill broker, this company rapidly expanded during a half century and at the same time extended the range of its business in particular to speculative financial transactions. In the mid-1860’s its dimension was so big that
its creditors (mainly its depositors) caused by the failure in its speculative financial businesses (accumulation of bad debts, in a current wording). At that time Marx was applied to the elaboration of the final draft (fair copy) of Book I of *Capital*. During the two and half years from that time until he began excerpts from newspapers, there are only two examples of Marx and Engels’s directly mentioning the economic situation progressing before their eyes in their letters, journal articles and published books: two letters just after the panic we quote in the next paragraph, and some passages in the last part of Book I of *Capital* on capital accumulation to be examined after the letters.

In his letter to Engels of the 17th May 66 Marx says as follows: ‘The present crisis appears to me to be merely a premature, specifically financial crisis. I could only become important if the business in the United States goes rotten, and there would scarcely be time or that now. What effect is it having on you cotton lords? And what effect has the fall in cotton prices had?’ (MEW, Bd.31, S.219, emphasis in original) To this Engels responds about a week later: ‘The panic has, at all events, come much too soon and may possibly spoil a good solid crisis for us which would otherwise have occurred in 1867 or 1868. If we had not simultaneously chanced to have the big fall in cotton, we would barely have been affected by it here. The collapse of the limited liability and financing swindles had after all been long foreseen and hardly affected our trade at all.’(MEW, Bd.31, S.220, emphasis in original)

We can see from these letters that Marx and Engels did not regard the current confusion in the financial world as a serious incident heralding the advent of a new true crisis. The keynote of the letters seems to show that they were rather watching a situation ‘not so grave’. Marx calls a ‘particular crisis’ the panic centred on the financial world. Not led by a ‘good solid crisis’, propagating from a steep fall in the basic key industry (at that time the textile industry as before, cotton industry above all) to the surrounding other sectors, the current crisis seems to be viewed as premature, independent step forward. Engels too calls it ‘come too much soon’, as if foreseeing (or expecting) the breakout of a true crisis one or two years later, in ‘1867 or 1868’. Such a judgement of them may come from an association with the interval of 10 years between the two former crises of 1847 and 1857 they had lived through.

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it could confront the Bank of England by itself and it was renowned internationally. The shock its insolvency spread into the economy might be comparable to the great repercussions given by the bankruptcy of Yamaichi Securities in 1997 or by that of Lehman Brothers Holdings in the United States in 2008. The name of this company appears very often in the newspaper articles in 66 after the panic from which Marx took excerpts in the autumn of 68.
On the other hand, Engels gives ‘Limit Liability and Financing’ as a factor giving rise to the current situation. In fact, after the enactment of The Limited Liability Act in 1862, the maximum liability for the results of the investment became limited to the amount of the sum invested, which rendered it easier to carry out businesses of high risk in raising funds widely collected from a large number of small investors, allowing the establishment of many bubble companies aiming at getting rich quick. At that time Overend, Gurney, & Co., Limited, the biggest financial company, had also been reorganised as a limited liability company and was engaged in a wide range of financial transactions with high profitability coupled with high risk. And what spurred further such a movement was the superfluous capital flowed into financial sectors finding no other favourable outlet for investment because of the stagnant conditions of the main industries without notable booms from the beginning of 1860’s (see below). But all of this was only ‘long foreseen’ for Engels (probably for Marx also), did not hence mean a fundamental change to be taken up here seriously.

The two letters quoted above allow us to see their stance of estimating the present state of things on the basis of their experiences up to the crisis of 1857 (and of a certain ‘vision of crisis’ obtained from them).

It is well known that Engels was at that time engaged in management of a textile company in Manchester, a large centre of the English industry. To this Engels Marx required opinion on the situation of cotton industry (most important index for judging about the crisis), in response to which Engels reported on the situation of the profession he was directly engaged in, saying that it is not yet so serious in short (because there had been no remarkable boom in the proximate past. Such a diagnosis seems to have been pertinent in the light of the later researches. See below). The estimation they held provisionally about the present state may have been approximately like this. But at that time only the beginning was in view, so they might feel it necessary to observe for a time how the situation was going to develop.

Next, in addition to the letters Marx and Engels exchanged just after the panic in May 1866, we quote the related passages from Book I of Capital, another material containing Marx’s views before September 68 on the crisis of 66. The phrases below belonging to the latter part of Book I19 show that Marx attached utmost importance to the evolution of the cotton industry, the key industry, when observing the cycling process of industry and the accompanying changes in

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19 Inferred to have been written somewhere between the late November 66 to the end of March 67. Cf. Satō, op. cit. p.50.
the conditions of the labouring classes in general. In this point there is no change in Marx’s position. In a sub-section discussing the repulsion and attraction of labourers by the factory system, toward the end of the Section 4 ‘Machinery and Modern Industry’ in Chapter 4 on ‘Production of Relative Surplus Value’ (in MEW edition, in Part 4 ‘Production of Relative Surplus Value, Chapter 13 ‘Machinery and Grand Industry, Section 7 ‘Repulsion and Attraction of Labourers by the Factory System’), he traces the cyclical movements of the cotton industry from the end of the 18th century to the beginning of the 1860’s, announcing that ‘the lot of the factory operatives will be best depicted by taking a rapid survey of the course of the English cotton industry.’ (II/5, S. 371. emphasis in original) And, particularly to the cotton famine as an important incident in the last period of these cycles (which gave to the process of industrial cycle after 1857 leading to the crisis of 66-67 a particular form different from the precedent. The circumstances leading to such a result will be briefly mentioned in the following section 4), he pays attention as follows: ‘The history of the cotton famine is too characteristic to dispense with dwelling upon it for a moment.’ (Ebenda, S.372)

The study on the industrial cycle in a particular period, on the crisis among others, does not belong to the direct subjects of Capital as a general theory of capitalist economy, but if Marx made such studies on the crisis of 66 apart from Capital, the essential points given above might have made up their fundamental points of view. The descriptions to be found in Capital on the current crisis were no more than mere ‘illustrations’ of the ‘general laws’ shown in this work. Within such limits, the progression of the crisis from 66 to the last moment of drafting is depicted from the point of view of the evolution of the number of pauper as follows (Chapter 6 ‘The Process of Capital Accumulation’, Section 1 ‘The Capitalist Accumulation’, c. ‘The General Law of Capitalist Accumulation’): ‘One word on official pauperism, or on that part of the working class which has forfeited its condition of existence (the sale of labour power), and vegetates upon public alms. [...] The crisis of 1866, which fell most heavily on London, created in this centre of the world market, more populous than the kingdom of Scotland, an increase of pauperism for the year 1866 of 19.5% compared with 1865, and of 24.4% compared with 1864, and a still greater increase for the first months of 1867 as compared with 1866. [...] The fluctuation up and down of the number of paupers, reflects the periodic changes of the industrial cycle.’ (Ebenda, S.527. In MEW edition, in Part 7 ‘The Process of Capital Accumulation’, Chapter 23 ‘The General Law of Capitalist Accumulation’, Section 5 ‘Illustrations of the General Law of Capitalist Accumulation’, A. ’England from 1846-1866’) Since in 1866 not only a financial panic occurred in May (if that were all, it would have been called ‘premature’ or
'partial crisis’) but also the number of pauper (jobless workers) was acceleratedly increasing from 1864, Marx clearly recognises that the crisis broke out in this year. Besides, this crisis was becoming still more violent up to the moment of drafting the phrases quoted above. Such a view was not yet put forward in the exchange of letters in May 66.

On such a general view about the current crisis, equally in the part allotted to the formulation of the ‘general law of capitalist accumulation’ toward the end of Book I of Capital, Marx writes on the particularities of this crisis as follows: ‘It will be remembered that the year 1857 brought one of the great crises with which the industrial cycle periodically ends. The next termination of the cycle was due in 1866. Already discounted in the regular factory districts by the cotton famine, which threw much capital from its wonted sphere into the great centres of the money market, the crisis assumed, at this time, an especially financial character. Its outbreak in 1866 was signalised by the failure of a gigantic London Bank, immediately followed by the collapse of countless swindling companies. One of the great London branches of industry involved in the catastrophe was iron shipbuilding. The magnates of this trade had not only over-produced beyond all measure during the overtrading time, but they had, besides, engaged in enormous contracts on the speculation that credit would be forthcoming to an equivalent extent. Now, a terrible reaction set in, that even at this hour (the end of March, 1867) continues in this and other London industries.’ (Ebenda, S.540. in the first edition, in Chapter 6, Section 1, c., the same as in the previous quotation, in the MEW edition, in Part 7, Chapter 23, Section 5 as in the previous quotation, d. ‘Effect of Crises on the Best Paid Part of the Working Class’.)

Marx considers the plunge into crisis (its outburst) as the endpoint of an industrial cycle. And here the year 1866 is clearly placed at such an endpoint. This crisis is particular in its ‘financial character’, which is to be attributed to the fact that the superfluous capital deprived of its outlet because of the depression in the cotton industry due to the cotton famine flowed into the financial market in London and was used for speculative purposes of the bubble companies engaged in dubious businesses, established one after another after the enactment of The Limited Liability Act. In contrast to this, in the cotton industry in which the superfluous capital should have been normally invested, the high price of the raw cotton imported from the United States prevented its activities from rising up all through the first half of the 1860’s, the years of cotton famine. And there the depression of 66 was ‘discounted’ as much, with the result that only the financial panic drew attention. In this way, the industrial cycle after 1860 became considerably different in every aspect (rhythm, periodicity, character) from the former ones by a so to say ‘extra-economic’ factor, blockage by the Northern forces of Southern ports for export during the
American Civil War\footnote{With the main aim of hindering the cotton export. This meant for the South a loss of the vast export market like England, a difficulty of procuring the raw materials for the European industrialised countries traditionally tied by economic interests with the South. The blockage of Southern port for export was an action for the purpose of damaging simultaneously both of the forces unfavourable to the North.}. Marx seizes its outstanding ‘financial character’ in such a context. It was not brought about by any autonomous movements of the financial world.

And, signalled by the ‘failure of a gigantic London Bank’, the wave of failures extended to the similar kinds of speculative financial enterprises of every dimension. It is evident that this ‘gigantic London Bank’ means Overend, Gurney, & Co. But somehow Marx never calls this financial company by name. The wave of failures spread not only over the financial world, but also over other various sectors in transaction with it (lending and borrowing of funds). Till then the enterprises could expand their business in increasing credit transactions deviating from the final real demands and solvency, owing to the abundant funds with which they were furnished. These enterprises fell suddenly into the difficulties of recovering and procuring funds, hence into insolvency. Through the concatenated credit relations such a situation continued spreading and aggravating itself. The credit is double-edged. On one hand it can have the effect of expanding the industrial activities in the boom, on the other it can mask excessive capital investments and commodity productions and afterwards exacerbate as much the crisis. In the above quoted sentences discussing the ‘financial character’ of the crisis of 66, Marx treats a part of the themes he had already discussed in the chapter 5 (part 5 in Engels’ edition) of Book III of Capital provisionally drafted in 1865 (but, as the fundamental mechanisms of banking and credit are still altogether absent from Book I of Capital, the explanation of such aspects of the crisis had to remain extremely cursory and partial. In the next sub-section c. we are to discuss from this point of view the theoretical treatment of the crisis in Marx.).

Such is the global view on the crisis of 66 and its progression Marx seems to have held before beginning the excerpts mainly from TMMR and TE from September 68, and he began the work on them with such a view as its presupposition.

c. ‘Critique of political economy’ and the theory of crisis ---meaning of the making of excerpt notebooks from autumn 1868---

In this sub-section, we will see the place Marx had assigned to the crisis since the beginning of his economic research. This may serve as a clue to understand what was the aim
Marx pursued when making excerpts on the crisis of the mid-1860’s during a short period at the end of the 60’s, what is the meaning this work had for his economic research at that time.

He began his economic study in the mid-1840’s, but his study clearly foreseeing the construction of a theoretical system of his own conceived as ‘critique of political economy’ started after he exiled himself in London after the defeat of the revolution in 1848. He carried out this work with a clear purpose of preparing his proper theoretical system for analysing the capitalist economy in expectation of a new crisis and a new rise of revolutionary movement he firmly believed to come back again with necessity in the capitalism of European countries with England in centre, though it was then in the phase of prosperity recovering from the crisis of the end of the 1840’s. In this sense the ‘critique of political economy’ in Marx’s conception is characterised as ‘essentially a political economy of crisis and revolution.’ (Satō, op. cit., p.88)

With the outburst of a new crisis in the autumn of 1857, he began to write manuscripts for the system of ‘critique of political economy’ in synthesising the researches he had carried out during several years in London, and in a short time of some months till the beginning of the following year he filled 7 notebooks with the manuscripts making up Grundrisse (see above). And while writing these manuscripts, he made excerpts and scraps from newspapers of the same time in several notebooks in order to observe the crisis then ongoing before his eyes (to be published as IV/14). Hence it can be said that the economic theory of Marx as a whole is for the purpose of theoretical explanation of the crisis. In these manuscripts he wrote a brief foreword entitled ‘Einleitung (introduction)’ before beginning the systematic description. The third item of this foreword ‘3) method of political economy’ is a methodological discourse revealed only once in his lifetime, where he gives a succinct sketch on the methods of economic research and description of his own. And, as a result of this methodological reflection, as a concretisation of this method so to say, at the end of this item (II/1.1, S.43) he shows us for the first time a plan covering the whole of his system of critique of political economy. The crisis appears there in the last item ‘5) The world market and the crises’, coupled with the world market. Though he does not discuss directly the revolution or revolutionary movement, for Marx who engaged himself in the revolution of 1848 the crisis and revolution must have been in direct connection, besides understood as the movement of the whole of the capitalist world progressing from a world crisis to a world revolution. This is clearly shown in the grandiose description in Communist Manifesto co-authored with Engels in the midst of the revolution of 1848. They conserved such
a vision till the last times of their lives, at least in principle and officially.\textsuperscript{21}

According to such a conception of the system of critique of political economy, the crisis could be theoretically explained only in the last place in worldwide economic relations presupposing the prior elements of the system (enumerated in the items from 1) to 4) in the above plan). This seems to hold as the theoretical placement of the crisis, at least till Marx began to pay attention to the history and society of non-European regions and of regions in the peripheries of Europe after the end of the 1860’s and brought into question and relativise the view on the history with a strong Euro-centric tenor\textsuperscript{22} (including that adopted in Manifest, belonging to the stream of the enlightenment of 18th century Europe symbolised by the philosophy of history of Hegel), which he had kept from his youth.

At the same time, the crisis being the symptom of a rising revolutionary movement, Marx always waited and expected its breakout.\textsuperscript{23} In economic studies Marx seems to have held always in mind the crisis as ‘big storms on the world market, in which the antagonism of all elements in the bourgeois process of production explodes.’ (II/2, S.240) Because of this, in his manuscripts for ‘critique of political economy’ and his publications elaborated from a part of these manuscripts, Contribution to the critique of political economy (Part One), (1859) and Book I of Capital (1867), the crisis is mentioned everywhere from the beginning to the end. In the chapter on money put at the beginning of these writings showing that the commodity exchange must necessarily become intermediated by money, we find the following sentences: ‘The division of exchange into purchase and sale […] represents the general fragmentation of the associated factors of this process and their constant confrontation, in short it contains the general

\textsuperscript{21}They continued publishing new editions of Manifesto in many languages in adding each time a new preface taking into account the evolution of the situation.

\textsuperscript{22}The symptoms of these changes in Marx’s view on the history can be seen in the excerpt notebooks after 1870, but these are not at all published in volumes of the part IV of MEGA\textsuperscript{©}, the studies on these notebooks are still reserved for the future. Apart from the contents of the excerpt notebooks, the letter of Marx to Vera Zasulich, activist of the Russian Narodniki, (of the 8\textsuperscript{th} March 1881) and its 4 drafts have been often discussed in the past in connection with changes in Marx’s view on history. Of course, the contents of this letter must also be understood in relation with the evolution of the thinking of Marx up to the time of its writing. In this sense too, an early publication of the related excerpt notes in the last years of Marx’s life after 1870 is desirable.

\textsuperscript{23}In particular, during the 1850’s when he was in his thirties, he predicted many times in his writings an impending crisis, but in spite of his insistence every one of his predictions was betrayed until the autumn of 57. Such a strong expectation of crisis was probably fuelling his economic research at that time.
possibility of commercial crises.’ (Ebenda, S.165) ‘There is an antithesis, immanent in the commodity, between use-value and value, between private labour which must simultaneously manifest itself as directly social labour, and a particular concrete kind of labour which simultaneously counts as merely abstract universal labour, between the conversion of things into persons and the conversion of persons into things; the antithetical phases of the metamorphosis of the commodity are the developed forms of motion of this immanent contradiction. These forms therefore imply the possibility of crises, though no more than the possibility. For the development of this possibility into a reality a whole series of conditions is required, which do not yet even exist from the standpoint of the simple circulation of commodities.’ (II/5, S.74. emphasis in original.)

These passages quoted from Contribution... and Book I of Capital (first edition) are only one example (relatively well known) of Marx’s mentions of crises to be found in many places in the writings he wrote several times from the end of the 1850’s. The above passages belong to the context discussion the theory of money following the theory of commodity put at the systematic development, before the analysis of capital. If read literally, these phrases would claim the existence of crisis as possibility without the existence of capital when the exchange takes a monetary form. If the crisis means impossibility of realisation not concerning only some particular commodities but for the economic society in general (for Marx the crisis was evidently like this), a crisis presupposing merely a commodity circulation via money is not historically verifiable and it is different from the crisis Marx held in mind. However, at this stage lacking the theoretical preconditions for truly arguing on the crisis, Marx talks of it in recognizing it to be only a ‘general possibility’ (although he is going to show through the subsequent theoretical development in Capital that a full-fledged commodity circulation, its generalisation cannot be possible without the development of capitalism leading to the predominance of capital, even this is not yet elucidated at the stage of the theory of commodity and money.). This was because he bore the crisis always in mind, because it was the theoretical explanation of crisis (of its necessity) that he aimed at realising through the whole of his system. But, the mentions of crisis scattered in various places of Capital and its manuscripts could not be understood as theories of crisis of Marx, in the same way as talking about crisis in the ‘dimension of simple commodity circulation’ is different from its theoretical explanation. These partial mentions lack, respectively in different meanings, the preconditions necessary for theoretically explaining the phenomenon of crisis. The crisis had to become object of a theoretical explanation in the ultimate of his system, as its finishing.
But, ‘systematisation of the theory of crisis of Marx’, ‘demonstration of the necessity of crisis’ repeatedly proposed in the past in foreign as well as Japanese literature, were all intended to recompose the discussions on the crisis Marx had left in various places of his related writings. The places and their main points of argumentation used for such a purpose are: variations in wages with those in capital accumulation in the last Part of Book I of Capital, balance between the two major sectors in Part 3 of Book II on ‘reproduction and circulation of the aggregate social capital’, discussions on the long-term dynamics of the rate of profit in Part 3 of Book III on ‘the law of the tendency of the rate of profit to fall’, discussions on the influence of the variations of the interest rate and of the credit on the process of capital accumulation in Part 5 of Book III on ‘division of profit into interest and profit of enterprise, interest-bearing capital’, and also detailed critical examinations on the theory of capital accumulation of Ricardo in *Theories of surplus value* (II/3.3, S.1093-1165). It is certain that in these places Marx makes discussions on various aspects of the crisis phenomena, in some cases entering considerably into details, but in any case he does not give a unified theoretical clarification about the crisis as a segment in the industrial cycle. Particularly, in these fragments no clear distinction is made between the industrial cycle as a periodical movement and the long-term dynamics of capitalism (its general trend), like differences in the speed of development among sectors, correlative movements of the rates of profit and of interest etc. We cannot find there a theory allowing to seize the crisis phenomena as a phase necessarily appearing in the course of the cyclical movement of the world capitalism with a certain periodicity.

The problem of the place of the theory of crisis in Marx’s system of ‘critique of political economy’ is closely related to a more wide problem on what parts in his planned system were

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24For concrete examples of these tentatives and their examinations, see Ryōzō Tomizuka, Taisuke Yoshihara (eds.), ‘System of the theory of crisis and industrial cycle’, volume 9-1 of *System of Capital*, Yūhikaku Publisher, 1997. And, Yoshihiro Takasuka, *Marx’s vision of competition and crisis*, Iwanami Publishers, 1985, tries to present the refutations to the tentatives of recomposing a systematic theory in gathering together various arguments of Marx relating to the crisis, in making use of the then available documentary materials.

25Marx’s discussions on the credit in capitalism in Part 5 of Book III of *Capital* (Engels’ edition) do not correspond to ‘credit’ as an item in his plan of ‘critique of political economy’. On this point, see my article drawing on Prof. Ōtani’s long lasting research, ‘On Prof. Ōtani’s studies of the manuscripts of Chapter (Part) 5 of Book Three of Capital’, *Economic Journal* (Daito Bunka University), No.84, 2005.
covered by the economic legacy he really left to the posterity, on whether this plan of his system was maintained as it had originally been conceived in 1857 or undergone a certain change, i.e. the problem of plan intermittently debated for more than a century in the history of Marxian economics. Here, without examining literature and giving references, we limit ourselves to announce conclusively our point of view on this problem as a presupposition for the following discussion. After having drafted the initial plan, Marx showed several times his plan for his economic work till the mid-60’s in the manuscripts of 61 to 63 and afterwards and in his letters to several persons. The most important characteristics of the changes in these plans is that the grand design deployed in the primary plans disappeared to give way to more detailed description on the contents of its first parts. This is a natural change which took place while Marx continued his work according to the initial grand plan, with the result that the contents of the first parts gradually took shape. The problem is what Marx thought of the following parts in the initial plan, left outside in the plans of later times and hardly mentioned there.

In the plans for *Capital* which took the place of those for ‘critique of political economy’, these following parts were abandoned and *Capital* corresponded to the whole of this new plan (at least to its main part). This is the view of those who claim the ‘change in the plan’. On the contrary, according to those who claim the ‘constancy in the plan’, the contents in this new plan is only an extension of the first part, ‘capital in general’ (or ‘general analysis of capital’, as it came to be called later), in the first item (I. Capital) in the initial plan (consisting of 6 grand

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26 Now that the part II of MEGA comprising all the literary legacy relating to *Capital* has been accomplished in 2012, the discussions in former times, based only on a limited part of it, should be reconsidered.

27 Now somewhat in oblivion, on the problem of plan, enormous amount of researches have been accumulated in various countries including Japan. This problem remains always of great importance as before for the studies on *Capital* and its manuscripts. Here we cannot enter into details, can only refer to the following articles, highly estimated from the time of its publication as an epoch-making study in Japan: Kinzaburō Satō, ‘System of ‘critique of political economy’ and *Capital* ---particularly on *Grundrisse*’, Do., ‘System of ‘critique of political economy’ and *Capital* ---particularly on the manuscripts ‘critique of political economy’ (1861-63)’, in Do., *Introduction to the study of Capital*, Iwanami Publishers, 1992, chapters 1 and 2, originally published in 1954 and 1967.

28 Probably one of the most important among them is the plan outlined briefly for the first time in the letter to Kugelmann of the 13th October 1866. It is written as follows: ‘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.’ (MEW, Bd. 31, S.534. emphasis in original.)
items, namely I. Capita, II. Landownership, III. Wage Labour, IV. State, V. Foreign Trade, VI. World Market), and all the subsequent parts still remained outside the Books of Capital to be realised soon (though not realised in fact), as its continuances. Depending on which of these views to adopt, the whole of Capital (including the books edited by Engels) will be interpreted in different ways. On the other hand, the clues for deciding which view to adopt can be found only within the whole of Capital and its manuscripts. In these materials, along with the various plans there exist so-called ‘reservation phrases’ hinting the placements in the system of the themes treated in respective parts. For an exhaustive study on the problem of the plan will be required an exorbitant work consisting in contrasting these plans and phrases with the actual theoretical developments, in comparing and examining them in their respective contexts. The conclusion adopted in this article is for those who claim the ‘consistency in the plan’29. From this point of view, as already suggested, the theoretical explanation of the crisis in the economic system of Marx is regarded as having been reserved for a part which was to come after what he actually left behind (his published books and manuscripts)30.

29 The ‘consistency in the plan’ was persuasively shown in the first article of Satō, relying on Grundrisse just after its publication in 1953 in East Berlin at a time when this ‘new source’ became available in the Western countries. The second article was intended to make clearer the same conclusion in extending the object of examination to the manuscripts of 61 to 63. In writing this second article prior to the publication of MEGA2, the whole of the manuscripts of 61 to 63 were not yet available in the original language. The author had to partly rely on the Russian literature by Soviet researchers already able to make use of these manuscripts.

30 It was the following researches of Samezō Kuruma which maintained in a very early time before the Second World War such a place of the theory of crisis in Marx’s economic theory on the basis of the ‘consistency of the plan’: ‘Study of the theory of crisis ---a preparation for laying basis of a further development of scientific research of the crisis---’, Journal of Ōhara Institute for Social Problem Research, Vol. 6, No.1, 1929, ‘For confirmation of the theory of crisis of Marx’, Do., Vol.7, No.2, 1930 (both of these articles afterwards included in his book Researches on the crisis, augmented new edition, Ōtsuki Publisher, 1965, respectively ch.I, ch.II). In ‘Preface to the augmented new edition’, 1965, added to this book, Kuruma reviews his above work before the War in referring anew to Grundrisse which became available only after the War. He says that Grundrisse and later writings of Marx (available at that time) are not different in that both of them adopt the same framework of ‘capital in general’, that in this sense there is no need for changing the conclusion attained before the War, but that the ‘capital in general’ Marx conceived for the first time in Grundrisse was much more narrower in its scope than the ‘capital in general’ he had thought of before the War on the basis of the writings after Grundrisse. One can say on the contrary that the contents of ‘capital in general’ underwent a certain extension (average profit, price of production and competition, ground rent as far as necessary for the explanation of these two concepts were integrated in the framework of ‘capital in general’). This is virtually an affirmation ex post of the conclusion of the first article of Satō above. Or, considering the time sequence of these two researches, it was rather Satō’s article that reconfirmed the conclusion of the article of Kuruma before the War in remounting to
Now we must put an end to the detour, possibly a little too long. From the point of view advanced above, what purpose did Marx have in mind when taking excerpts from newspapers of issues going back as far as more than two years, during one year from the autumn of 1868 (in fact the work was concentrated on the first half year)? As seen in the sub-section a. of this section, as soon as freed from the work for preparation of Book I of Capital in the mid-August of 1867, he resumed without rest the research (reading and excerpting) in the British Library. At the same time he was going to draft the manuscripts for elaborating the Volume II, which was to include the following parts of Capital, i.e. Books II and III. The excerpts he made during this time aiming at an early finishing of this Volume II are included in the notebook 108 (and also in 109, 110, 111 inferred to have been filled with excerpts from April or May to a time after September 68) to be included in IV/18. The excerpts in 108, most voluminous among these notebooks, are taken from books on the history of landownership, the agronomy, the botany, i.e. themes relating to the theory of ground rent. These are evidently a part of the work with the elaboration of Book III in prospect. Marx continued this work for 108 till September 68, for the other notebooks till still later times (but considering their quantities, probably not continuously except for 108). This means that the works on these notebooks were not yet finished when he began to take excerpts and scraps from newspapers in September 68\textsuperscript{31}. But these notebooks contain no excerpts from materials concerning money, finance or credit, another grand theme of Book III, which had been taken up in 105 to be included in IV/18.

Incidentially, in the letter to Engels of the 14\textsuperscript{th} November, a little later, Marx reports as follows: ‘Since practice is better than all theory, I would ask you to describe to me very precisely (with examples) how you run your business quant à banquier etc./ So. I. The method in purchasing (cotton, etc.). With regard only to the monetary way of doing the things, the bills, Grundrisse. Besides, the work of Takasuka given in note 24 can be said to be in the same position as Kuruma in the placement of the theory of crisis in the theoretical system of Marx coherently emphasised by him, in spite of minor differences in grounds and emphases and of critical comments to Kuruma.

\textsuperscript{31}Separated into two different volumes according to the editorial policy of MEGA\textsuperscript{2}, these notebooks may be considered as belonging to two distinct categories by the editorial members of these two volumes, and perhaps also by readers after their publications. But it is not evident whether such a distinction existed for Marx himself (of course he may have made the distinction if he considered himself carrying out works of different natures in parallel). This distinction or segmentation is due also to the convenience of the editorial work of MEGA\textsuperscript{2} (quantitative constraint of the included materials, segmentations in the inferred time period of their making), so that there may well exist cases in which Marx thought of a different distinction or segmentation in his own work.
time for drawing them etc. 2. In sales. Bill settlement with your customers and your London correspondent. 3. Settlements and operations (current account etc.) with regard to your banker in Manchester. Since the 2nd volume is largely too theoretical, I shall use the chapter on credit for an actual denunciation of this swindle and of commercial morals.’ (MEW, Bd.32, S.204. emphasis in original. Slash means the beginning of a new line.) Although the notebook 108 Marx had been making till a time a little before this letter contains no excerpts from documentary materials treating themes discussed in this letter, this letter testifies that he was always interested as before in themes about banking, credit and was working on them for preparing the publication of Volume II. What he is questioning about to Engels is not the businesses of bank and bill broker in themselves, but he is asking Engels, factory manager, how these sectors relate to the transactions of industrial capital. This is precisely a subject closely relating to the theme of the ‘chapter on credit’ (Part 5 in MEW edition) of Book III. And, the ‘swindle and commercial morals’ Marx mentions in the last place and plans to include in this ‘chapter’ were also among the subjects treated in the articles of TMMR and TE from 66 to 67 he was excerpting at that time (see below for details). Probably Marx had intention of making use of the knowledge and information obtained by these excerpts for the chapter 5 of Book III to be finished in a near future.

From the above we know that Marx had interest in both ground rend and credit, among the main themes of Book III, and was collecting materials on them for writing its final manuscripts. In addition, his words in the following letter show that he was placing in the centre of his work at that time the elaboration of Volume II. In his letter to N. Daniel’son of the 07th October 68, a little after he had begun making excerpts and scraps from newspapers in September, he says as follows: ‘You must not wait for the second volume, the publication of which will be delayed by perhaps another 6 months.’ (MEW, Bd.32, S.563) Though the publication of the following volume receded a little from view compared with the autumn 67 just after the publication of Book I of Capital, there was no change in his plan of finishing and publishing it in a near future. Marx was continuing efforts for realising this plan. Considering these things, his work on some excerpt and scrap books to be included in IV/19 seems to have been a part of his search and research works for elaborating the Volume II. He did not attempt specialised studies on the crisis suddenly at that time, not in direct relation with the process of his work from the beginning of 1860’s.

However, the crisis was a phenomenon Marx, revolutionary, never ceased to be interested in, as seen above. When a panic occurred in May 66 beginning with the suspension of payment
(failure) of a colossal bank in London, it naturally drew attention of Marx and Engels. But their attitude toward this occurrence was rather cool and they thought it necessary to observe still further the situation to see the outcome. Besides Marx was then concentrated on the final step of his work for Book I of *Capital*, which deprived him of every time and energy to be assigned to anything else for the time being. Indeed, as seen above, during one and half year from the beginning of 66 to August 67 Marx ceased taking excerpts. Because of this, only in September 68 when the excerpts in the notebook 108 on the theory of ground rent advanced to a certain extent, he could begin to take excerpts and scraps of newspaper articles during the time from 66 to the end of 68 in the framework of his studies on ‘credit’ (closely related to crisis phenomena), another main theme of Book III. One of the characteristics of the periodicals (including newspapers) is that their publication progresses almost in parallel with the progress of the situations. Taking excerpts retrospectively from newspaper articles issued during 2-3 years after the occurrence of the financial panic may have been an extremely convenient procedure for following the course of the crisis in a relatively short time. Though having as its fundamental object the preparation of Book III, at the same time this work aimed at empirically observing a particular crisis from 1866. Besides Marx knew already at the beginning of 67 that this crisis bore ‘an especially financial character.’ (II/5, S.540, quoted above) Therefore, the concrete observation of this crisis was also relevant to a preliminary research for elaborating a chapter in Book III on the theme of ‘credit’.

In this way, the work of taking excerpts and scraps begun in September 68 was going to be of a somewhat complicated character: studies of the crisis from 66 as well as preparation for the Volume II. In the article of João Antonio de Paula et al. mentioned at the beginning of this paper, this work of Marx is seized exclusively as crisis studies. We do not at all deny that it has such an aspect, but we believe that its global character (including the problem of the place of the crisis in Marx’s system of theory) should be understood in a wider context of the research activities Marx carried out up to that time. In any case, through these excerpts Marx actually follows the course of this crisis in attaching importance to its monetary, financial aspects.

This may be why the excerpts from TMMR, specialised in the field of money and finance,

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32 However, Marx’s studies on the ground rent did not end at this point but continued for a long time during the 70’s. Moreover, they continued on regions distant from the central parts of Europe like Ireland, Russia (see below). This raised him at the same time problems susceptible of leading to a fundamental review of the vision of world history Marx had held since his youth (which supported the whole of the conception of ‘critique of political economy’, *Capital*).
occupy the most important weight. Founded in 1860, this newspaper was a relatively new weekly for that time, from which Marx made excerpts only this time. The second largest weight is occupied by TE. For Marx and Engels this main economic newspaper served as an important source of information for a long time. This remains the same in the excerpts of 68-9, but here TE as a general economic newspaper offering a wide range of economic information seems to be allotted a supplementary place with respect to TMMR as specialised newspaper. Marx begins with excerpting from TMMR and afterwards comes excerpts from TE in almost the same period of time, followed again by excerpts of different articles from TMMR of exactly the same period as in the previous time (probably in order to recover the articles overlooked in the first time in rereading TMMR relying on the articles excerpted from TE). And also in B105, excerpts from these two newspapers of the following period of time (68) are ordered in the same way (TMMR and then TE), and at the end is placed a unified Register putting together the articles from both of the newspapers. There are excerpts from some other newspapers, but as they are all extremely minor in quantity, here we neglect them. On the other hand, though Marx took excerpts from The Times, one of the main daily, several times during a long time (Allgemeiner Prospekt), in the excerpt notebooks to be included in IV/19 there are no excerpts from this newspaper. Probably Marx could not dare to take excerpts from this general daily not specialised in economic matters in going back more than two years. Similarly, from the articles published in The Daily News Marx made scraps almost simultaneously as the dates of publication (notebooks P1, P2, P3) instead of taking excerpts. This may be because this newspaper was daily like The Times.

The information collected from these newspapers concerned mainly the evolution in the monetary and financial world, but at the same time Marx tried to procure a wide range of factual data on the crisis of 66 not limited to these domains. It was the excerpts from TE that played an important role in this respect. In his letter to Engels of the 09th December 68, Marx says: ‘Something that remained a mystery to me for a long time was this: during the 3 years of the cotton famine, where did the English get all that cotton, even for the diminished scale of production?! […] It has now been proved (a fact perhaps known to you, but new to me) that, at the outbreak of the Civil War, the English had literally approximately 3 years’ stock.’ (MEW, Bd.32, S.223. emphasis in original.) And he shows the statistical data on the English cotton industry during 3 years from 1862 to 64 as the ground allowing him to solve the puzzle. These data are exactly the same as those published in TE in its issue of the 14th April 66, from which he took excerpts at that time (see page 46 of B101). From this he says conclusively: ‘What a
fine crash [crisis, of course] that would have produced if the Civil War had not broken out133. (Ebenda) This means that Marx noticed from the information obtained from the excerpts of newspaper articles at that time that the process of the industrial cycle from the crisis of 1857 leading to 66 underwent a large change (or was deformed) because of the American Civil War, an ‘extra-economic’ incident, and that England would have run into a crisis caused by overproduction in the key cotton industry at the beginning of the 60’s if there had not been the War34. This one example already shows that Marx made effort to get a global notion of the crisis of 66 with wide and profound studies on the economic process leading to the crisis manifested itself in the form of the financial panic of May 6635. And in so doing he could seize more correctly the ‘financial character’ of this crisis. We could see such a stance for knowing about the crisis both in the exchange of letters between Marx and Engels immediately after the panic of May 66 and in the sparse mentions of the crisis in Book I of Capital.

Now, while making effort to collect information from newspapers, Marx continued writing intermittently manuscripts for Volume II. He actually wrote in this period only some beginning parts of them for Book II, but for Book III he could write only short fragments. In other words, the enormous preliminary materials for the two chapters on ‘ground rent’ and ‘credit’ of Book III were finally left almost unused. Rather than toward elaborating these manuscripts as far as possible in making use of these materials he had accumulated, after the end of 69 Marx oriented his efforts toward enlarging the scope of his research (reading and excerpting). In the volumes of MEGA© following IV/19, i.e. IV/20 and IV/21 (both of them still unedited, unpublished) are to be included the excerpt notebooks made during the subsequent few years (respectively from April 68 to December 70, from October 69 to

133 At first when receiving the letter from Marx including these phrases, Engels was somewhat incredulous about what Marx said, but in his second response (on the 13th December) he says in agreement with Marx that: ‘without the American War, there would certainly have been, in 1861-62, an absolutely colossal collapse, this time as the result of pure, unalloyed and unconcealed overproduction.’ (Ebenda, S.231)

134 Here Marx became aware that the ‘cotton famine’ which lasted several years by the War had as its result the effect of doing away with the manifestation and aggravation of the overproduction in the English cotton industry. But in his article ‘On the cotton crisis’ written at the beginning of February 62 (published in Die Presse of the same month. MEW, Bd.15, SS.461-3), he discusses the status quo and the future of the cotton crisis naturally without taking account of such a factor.

135 In their exchange on this subject between the 11th and the 14th December following the letter of the 09th, Marx brings forward more detailed figures (quotations from the excerpts from TE on the pages 29, 33 and 46 of the notebook B101).
December 74). According to Allgemeiner Prospekt, most of the excerpts in these notebooks are from books on Ireland (its history, society, economy). It may well seem as if Marx interrupted his studies on monetary and financial aspects of the crisis of 66 he had pursued till then and moved all of a sudden to a subject remote from the preceding one. But in view of the fact that afterwards he still extended his research area to Russia (IV/22 to include the excerpt notebooks during about one year from the beginning of 75, and IV/28 covering excerpts from 79 to 82 belonging to the last times of his life, both unedited, unpublished), his interest in Ireland can be understand as a result of the extension of the scope for his studies on the ground rent. On this point Engels attests in his Preface to Book III he edited as follows: ‘In the seventies Marx engaged in entirely new special studies for this part on ground-rent. [...] Owing to the variety of forms both of landownership and of exploitation of agricultural producers in Russia, this country was to play the same role in the part dealing with ground-rent that England played in Book I in connection with industrial wage-labour. He was unfortunately denied the opportunity of carrying out this plan.’ (II/15, S.10) But unrealised was not only a new drafting of this part in Book III on the basis of his studies on the ground rent long continued during the 70’s. But also remained unrealised a rewriting of the chapter on ‘credit’ in making use of the numerous excerpts and scraps from newspapers made toward the end of the 60’s. Marx died without occasion for both of them.

4. The crisis of 1866 and its characteristics ---from the literature---

In this section, we will give a summary presentation of how researchers after Marx have described the progression of the crisis in the 1860’s and its characteristics in relying on the literature consulted for drafting this article36, apart from the view of Marx as its contemporary observer. The following in this section is therefore not at all results of our own studies on this crisis based on the primary literature and materials. It is merely an arbitrary and insufficient summary description from the literature. The studies consulted for this purpose are not so comprehensive, but we believe they cover at least those which are frequently mentioned in the literature. Except for a very few specialised studies, they treat the crisis of 1866 as a part of the crises recurred during the 19th century, discuss its relations with the crises of the neighbouring

36See note 15 above. Many of them were written from the end of the 19th toward the mid-20th century. After that time no major research work on the theme of the crises during the 19th century seems to have appeared.
periods of 57 and 73 and also its differences from them. In the following we will not indicate sources one by one, but among others Mendel’son’s *Theory and History of the Crises* was particularly useful, it gives detailed and profound depictions of the crisis of 1866 from the standpoint of ‘Marxist political economy’ (a reprint edition of it in Russian original has been recently published in the United States.).

The crisis of 57 which spurred Marx to the writing of the first manuscript of his ‘critique of political economy’ broke out in autumn of this year in the American railway industry and immediately spread over England, huge investor in it. The iron industry with railway as one of the main related industries was continuing a rapid growth supported by the boom from the 40’s and became a key industry in the English capitalism, but in the mid-19th century it had not yet attained a position replacing the cotton industry. In addition, the agriculture still occupied in England a preponderant position over the industry, in a country which had accomplished the industrialisation earlier than any other in the world. It was only after the 1860’s that the configuration of the main industrial sectors underwent an important transformation.

The characteristic of the crisis of 57 in comparison with that of 66 was that the phenomena particular to a crisis such as accumulation of commodity stock, fall in production, increase of the jobless arose rapidly and simultaneously in a short time and disappeared equally in a short time. Though every industry had been seriously damaged, the main industries were already recovering from the depression and entering in a new rising phase already in the latter half of 1858. At that time Marx ‘is working every night as if I were crazy’ (his letter to Engels of the 08th December 57, III/8, S.210), and in order not to be prevented by ‘stormy movements from outside’ (his letter to Lassalle of the 22nd February 58, III/9, S.73.) he had finished filling the 7 notebooks with the manuscripts toward the end of February 58. But, over and above workers’ assemblies, demonstrations and strikes protesting against the firing and wage cut, the crisis of 57 did not give rise to any great political movements like those which had taken place in consequence of the preceding two crises of 36 and 47 (Chartist movement and revolutionary movements all over the European continent). This difference comes from the fact that during the 1850’s the downfall process of the handcraft weavers exposed to competition with the industry using machines was almost in ending, accompanied with the disappearance of the ground of violent protesting movements caused by their awful impoverishment.

The cotton industry, pivotal sector in the English capitalism at that time, continued increasing the production during more than half a century from the time when it had been the tractor of the industrial revolution. The mass of its cotton products (cotton-thread, cotton cloth)
brought about by its enormous productive power went over by far the domestic demand. The overseas markets were indispensable for its realisation. At the same time, the cotton, its raw material, could not grow in England, which could not but depend on its importation from areas with a climate suitable for its cultivation. In this way, the cotton industry, most important English industry, was fundamentally dependent on international relations both in procuring its material (entrance) and in selling out its products (exit). Therefore, since the evolution of the industrial cycle of English capitalism depended on that of this cotton industry, the analysis of the crisis as a phase of this cycle would also remain very insufficient without taking account of its international commercial relations. England as a world empire developed its colonial domination in every part of the globe. Its close economic relations were foremost with these colonies of it. It procured the raw cotton and sold the cotton products in every part of the world, but at the time around 1860 the main source of supply of the raw material was the United States and the main outlet of its products was India. That is, the commodities flowed from the United States via England into India, in transforming itself. Such activities of England were accompanied with the development of large scale plantation based on the cruel slave labour in the South and with the ruin of the traditional handcraft cotton weavers in India. India, huge market for the English cotton products, was also a cotton producer, but as its quality was differed from that of the United States, for the English cotton industry the raw cotton from India did not result in producing competitive cotton wares (as in the case of Egyptian cotton). On the other hand, in the industrial Northern areas of the United States cotton products competitive with the English products were produced. Because of such a difference between India and the United States, the flow of the raw cotton and cotton wares was limited almost in the unilateral direction indicated above.

The cotton industry, most important in England at that time, was thus dependent exclusively on the United States in the supply of its raw material. As Engels, engaged in the cotton industry in Manchester, says (‘The harvest in 1860 was the largest ever, and the stock at the outbreak of the war greater than ever before’, his letter to Marx of the 11th December 68, MEW, Bd.32, S.226, emphasis in original), in 1860 (after the autumn, the harvest season) a large quantity of raw cotton

\[37\) Since the cyclical process is nothing other than a repetition of the same things, any phase in it can be formally its starting point as well as ending point, but Marx says that the industrial cycle ends with the crisis. Hence the depression after the crisis (at the same time recovering process from it) is the beginning of a new cycle. ‘It will be remembered that the year 1857 brought one of the great crises with which the industrial cycle periodically ends. The next termination of the cycle was due in 1866.’ (II/5, S.540)
raw cotton was imported, from which was produced in the following year 1861 a great amount of cotton products. In the United States, after the outburst of the American Civil War in April of this year, the North blocked the commercial ports of the South to interrupt the trade of raw material with European countries. For this the regions of cotton industry in Lancashire suffered from the suspension of the supply of raw cotton (‘cotton famine’). Such a situation lasted about three years until April 65 when ended the War with the victory of the North. The ‘famine’ was a famine for the activities of the English cotton industry and above all for the life of the workers employed in that industry. They had to incur the unemployment and short-time working caused by the reduction of operation and closure of factory. However, the English cotton industry did not entirely ceased operation in supplying, selling its products. For Marx this ‘remained a mystery for a long time’ (quoted above) before he saw at the end of 68 the statistical data published in 66 in the newspaper.

At the moment when the cotton famine began the English cotton industry held a huge quantity of stocks of raw material and products sufficient for enduring as long as three years of ‘famine’, in other words it was on the verge of an overproduction crisis (which may have been possible several years after the crisis of 57 and is sometimes called ‘intermediary crisis’). If the cotton industry had kept the same pace as before without its raw material supply being suddenly interrupted by an American Civil War, factor entirely alien to the industrial activities in England, a crisis would have probably occurred in 1861, as both Marx and Engels say (see above). But, the outburst of the crisis was checked as a result of the cotton famine, at the same time as it inflicted serious damages on all those concerned with the cotton industry. And, both the excessively imported raw material and the excess products gradually and slowly drained out of the stocks, instead of being liquidated in a short time (cast away or sacrificed). Thus could somehow continue even after 61 the production and sale of cotton products while the importation of raw material remained stopped. It is said that, among the several wars happened during the 19th century, there is none that exercised greater influence on the evolution of the contemporary world economy than the American Civil War (which drove down also the domestic economic activities, in depriving the South of its European sales markets and the North of its raw material supply just as Europe was). The subsequent progressions of the crisis of 66 and its characteristics cannot be understood without taking into consideration the influences of the War.

With its end in April 65 was also put an end to the blockage of the commercial ports in the South, rendering free again the export of raw cotton to the European countries, to England
first of all. But a certain time was required for the plantation of the South, isolated from the large European markets during the War, to recover the previous state, and also the cotton industry in Lancashire could not soon rebuild from the damage of the cotton famine lasted more than three years. Of course the situation got better on the whole after the War and the English cotton industry gradually became more animated, but it still remained far from prosperities.

In this way, the English cotton industry, though having expanded the production nearly to the point of plunging into the crisis at a time from 60 to 61 after a rapid recovery from the crisis of 57, underwent afterward an inversion by an extra-economic reason and could not emerge from a stagnating state for several years without going through an apparent crisis. Because of this, the excessive capital unable to find any favourable investment opportunities susceptible to high return was drawn up from the cotton industry, most important sector of production. In England at that time, along with the excessive capital arisen from such a special circumstance, the huge benefits obtained from the monopolistic position England occupied and its colonial empire were at the origin of the accumulation of excessive capital in search of its favourable outlets. The destination of these excessive capitals was either overseas investment (mainly in the English colonies) allowing to get higher profits than domestic ones or the financial world drawing benefits from monetary transactions.

In contrast to the continual stagnation in the cotton industry, the financial businesses like banks and bill brokers were in full activity absorbing an enormous excessive capital. In particular, the Limited Liability Act in 1862, recognising a limited responsibility to the investors, fixed the invested sum as the maximum of the responsibility in absolving them from the unlimited responsibility for the results of the company management. Thus the Act rendered it possible and easy to collect mass of funds from many holders of idle money looking for profitable investment opportunities. At that time a number of bubble companies aiming at speculative transactions or even at making profits from the establishment itself without making any business were established and disappeared. And, from among the companies established long before the recognition of limited liability, there appeared some which recomposed themselves as companies of limited responsibility in order to gather easily great amounts of funds for investment in dubious businesses. The most remarkable among them was Overend & Gurney, Co. (hereinafter O.G. for short), which came next to the Bank of England in its business scale. This financial company (bank) was reorganised into a stock exchange company of limited responsibility in August 1865, from that time was added a word ‘Limited’ at the end of its trade name.
O.G. was founded in 1802, a so-called old-line company with a history of more than half a century. Starting business as a simple bill-broker with its home office in London, it was steadily engaged in bill discounting for a long time and achieved good performances. But, from the latter half of the 1850’s, in addition to the business of bill broker, the managers of new generation of this company came to get into speculative financing for the then rapidly growing iron related industries such as railway and iron shipbuilding. Accordingly, O.G. became a company of somewhat different character extending its business into a wide range of risky transactions aiming at high returns beyond simple bill broking. Its business relations were not limited in England but also covered neighbouring countries, and O.G. won an international renown.

Many of the private jobbers including O.G. engaged in bill brokerage encashed the bills it discounted in selling them at the window of the Bank of England (hereinafter B.o.E. for short), only one issuing bank, rather than in recovering their face values at maturity (rediscounting). The price of bills accepted for rediscounting is normally higher than the initial discounting price but lower than their face values to be recovered at maturity. Thus, in exchange for the immediate encashment at the window of B.o.E. the jobbers lose a part of the interest to be gained from the business and this loss for them is accredited to B.o.E. as its own interest. Being a credit transaction accompanied with lending and borrowing, the bill broking cannot be free from creditor risk. This risk is to be accepted by B.o.E. as the last lender. This does not depend on whether its discounting is rediscounting or not. For this B.o.E. does not automatically accept (buy out) every bill presented at its window, but it must be selective in doing so. From the end of the 50’s after the crisis of 57 when speculative transactions stemming from dubious businesses widely spread out, B.o.E. had recourse to a more severe selection in accepting the bills at its window, which rendered conflictual the relation between B.o.E. and bill brokers. But at the same time the credit transactions in the English economy was more and more expanding toward the 1860’s.

In March 1858 when the crisis of 57 had passed its worst phase, B.o.E. announced that it would possibly exclude certain bill brokers from its rediscounting business. This was taken as a measure implicitly targeting at O.G. Confident of its own power of confronting B.o.E. by itself,

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38 The 1860’s was the time of great transformation for the shipbuilding: the type of newly constructed ships changed from wooden sailer to iron steam vessel. This was an additional factor largely expanding demand for the iron industry, along with the railway construction in countries in close relation with England such as India, United States, Australia.
O.G. retorted against it with a countermeasure, in trying to give rise to an intended run by suddenly drawing out a great amount of money from the deposit it had accumulated in B.o.E. But, contrary to its intention, this action of O.G. finally resulted in depriving it of the credit it had got in the financial world, instead of bringing about the aimed effect. Moreover this deteriorated further their relation. In such a context O.G. continued to enlarge many kinds of speculative businesses both domestic and international. And this tendency was pushed forward with its reorganisation based on the Limited Liability Act in 1862. As a result, O.G. came to hold a number of investments hardly recoverable, which eroded its management. But because of its renown as old-line company and of the fundraising capacity supported by such renown, for some time it could somehow continue its management as before. However, the collapse of the stock market from the end of 1865 to the beginning of 66 and the failure of the two large railway companies, in which O.G. invested most of its funds (Atlantic and Great Western Railway Co. in the United States and London, Chatham and Dover Railway Co. in England), could not but reveal the difficulties in the management of O.G.

Anxious depositors came in force to draw their money, which developed into a run. Driven into a corner, O.G. tried every means available to it to obtain the necessary money without recovering the solvency, and at last it had to ask B.o.E. in the last resort for an enormous amount of financial aid. In accordance with its role as the ‘lender of last resort’, B.o.E. did not uniformly refuse the demands for lending from financial companies till that time. But as for the request from O.G. for which it had an unfavourable impression for a long time, it rejected the lending for the reason of the abnormally big sum demanded by O.G. and of the inappropriateness of the offered collateral. Such a response of B.o.E. to O.G. containing revenging elements can be said to have driven the latter into a failure, but in its turn this result led immediately the former into a dead end. Between them, or more generally between the central bank and the financial world there was a mutually depending relation at the same time as discordance. Entirely deprived of every means of getting out from the impasse, at last O.E. announced the suspension of payment to its creditors at half past 3 o’clock in the afternoon of the 10th May 1866 and virtually failed. The information, rumours and fear diffused widely by the 11th, the following day, and in front of the closed gate of O.G. the creditors queued up urging the payback of their deposits, which propagated the panic over all London and into foreign countries. Afterward the day 11th May was to be called ‘Black Friday’. O.G. having had had multiple transactions with many other companies and individuals, its failure naturally gave rise to a chain of consecutive failures in them.
Stringency in money market became general and B.o.E. underwent a rush of demands for money. Hence its lending surged up in a short time and nearly exhausted the gold reserve. B.o.E. at that time was under Peel’s Bank Charter Act of 1844 rigorously restricting the amount of issue according to the state of its gold reserve, so that it could not appease the panic in the face of rapidly increasing demand for money. To deal with the demand for money which had been already rising prior to the panic, B.o.E. had gradually raised the rate of discount (interest for lending) from 3% in 66 to 7% at the beginning of May 67. On the 11th May, William Ewart Gladstone, Chancellor of Exchequer, proclaimed the suspension of Peel’s Act in sending a letter of government to permit the issue of banknotes over and above the amount backed up by gold reserve. This exceptional urgent measure contributed to release the stringency in money market and appease the panic, but could not check the wave of failures. This suspension of Peel’s Act was implemented for the third time after its enactment in 1844 (needless to say, the foregoing two suspensions were at the times of crises of 47 and 57). But, after that the discount rate of B.o.E. attained an unprecedented level of 10% in order to contain indisciplined increase in lending, and this state of high interest rate continued for three months i.e. more than 14 weeks.

On the 12th May, the following day of ‘Black Friday’, for the purpose of wiping out the doubt about the English money market in foreign countries (fear diffused in various countries among the English bill holders), Earl of Clarendon, Secretary of State for Foreign Affairs, sent a circular to the ambassadors of each country, but contrary to his intention it only informed the foreign interested parties of the uneasy state of the English credit. Thus, in spite of a high interest rate superior to those in the other countries, far from the foreign funds flowing in, the external drain from the London money market continued.

Because of such marked movements involving political interventions in May 66, the monetary and financial character of the crisis of 66 is sometimes emphasised. But, as seen above, the provenance of the impasse of the financial companies is to be found in the failure and insolvency of railway companies, and the crisis was not brought about solely by the movement of financial companies. A major characteristic of the crisis of 66 is that it began with the fall in the railway industry (heavy industry massively consuming iron along with the machinery and iron shipbuilding). This fact is deeply related to the timing of its happening in May (spring) in the financial domain. As we have seen, the crisis of 57 broke out in autumn and the preceding one of 47 had happened equally in autumn (see Engels’ article written on the 23rd October of this year ‘The Commercial Crisis in England --- The Chartist Movement --- Ireland’, published on the 26th in the daily newspaper La Reforme, MEW, B.4, S.325-7). Tugan-Baranowsky says
that not only these two crises but every crisis from the end of the 18th century to 1857 steadily occurred in autumn (see his work given in note 15 above, S.146), and he seeks the reason for this in that the harvest in agriculture is generally in autumn and a large quantity of commodities are brought into market all at once, so that the international as well as domestic transactions of agricultural products (raw material and food) hence the payments relative to them concentrate on this time of the year. In the supply of cotton, raw material for the cotton industry as the most important sector leading the industrial cycle, there must have been also such an annual regular seasonal fluctuation. But in the railway industry with iron as its main raw material there was no similar seasonality. In the crisis of 66 the order in which each industrial sector went through a cyclical phase was different from the former cases. The reason for this was not that the heavy industry with iron as its main actor gained in weight at that time resulting in the change in pivotal industry, but that the cotton industry still remaining pivotal had to lag behind the other industries, instead of going ahead of them, in going through the cycle, because it was exposed to unprecedented special exterior influences during several years up to 66.

The cotton industry stayed on a low activity level under the influence of cotton famine after the outburst of the American Civil War in 1861. Even at the moment of the breaking out of the crisis of 66, one year after the end of the War and famine, it was not yet in prosperity. This is to say that any excess production and stock did not yet appeared with a boom, and that there still remained certain room for it to expand production even after the iron related heavy industry like railway construction and iron shipbuilding already plunged into the crisis in 66. Of course the difficult situation in the other domestic industries operating equally in England could not help propagating itself into the cotton industry, which underwent a crisis after them. But the time required for this was so long that it was in crisis only in 1868 and 69, when the heavy industry already began to enter into prosperity after recovery. In this way, in the crisis of 66 not only the cotton industry went through the phase of crisis after the iron industry contrary to the former cases, but also the delay was considerable. Moreover the other sectors passed through cyclical phases with a considerable incongruence in tempo. This crisis limped along for a long time. In this respect it was quite in contrast to the preceding crisis of 57. For this there was not a sharp temporary fall in production in the English economy as a whole but a tendency for the economic activities to be levelled out to relatively small slumps. But this does not mean that the difficulties in the conditions of labourers, always the first victims of the crisis, were also mitigated. The rise in the food prices caused by the consecutive poor harvests of the time diminished the real wages more than the fall in nominal wages in the crisis and rendered more
difficult their life. And at the same time such a fall in the real wages repressed the expense on the consumption goods other than basic foodstuffs, delayed the recovery from depression in decreasing the demand for consumption goods.

The reactions Marx and Engels showed just after the panic in the financial market in May 66 (Marx: ‘The present crisis appears to me to be merely a premature, specifically financial crisis.’ Engels: ‘The panic has, at all events, come much too soon.’ Both quoted above) seem to be due to the fact that they predicted as before the outburst of crisis from the evolution of the cotton industry and were not yet prepared to analyse the particular circumstances of the ongoing situation we have seen above. Following these phrases Engels talks about ‘a good solid crisis which would otherwise have occurred in 1867 or 1868.’ This indicates that he predicted that a veritable boom and the following crisis would come one or two years later (besides it would be just 10 years after the foregoing crisis of 57) judging from the state in the cotton industry toward the mid-66. The cotton industry evolved in fact as he had predicted, but this time such an evolution took place not as the epicentre leading the crisis process of the whole economy, but on the contrary as a catch-up after the evolution of the other industries (above all heavy industries such as iron). Marx may have felt the necessity of analyzing this crisis from a point of view a little different from that he had formerly adopted, observing the situation after 66 (a part of such a tentative is incorporated into the concrete description contained in the theory of capital accumulation of the Book I of Capital on the basis of the observation up to the spring 67).

5. The making of excerpts from TMMR and TE, and the acquaintance with the crisis of 1866

Marx excerpts from newspaper articles mainly from TMMR and TE (both weekly newspapers issued every Saturday with common dates) in the three notebooks B102, B101 and B105. In B102 excerpts are made from TMMR issued between the 19th May 66 and the 28th December 67, and after them are placed a list of excerpted articles, called ‘Register’. In B101 are included excerpts from TE dated from the 06th January 66 to the 28th December 67 and a Register, and after them come excerpts from TMMR issued during exactly the same period from the 19th May 66 to the 28th December 67 and a Register. And in B105, over the first 16 pages (from the 3rd to 18th page) are presented numerical tables composed by Marx himself in processing the numerical data on the businesses of B.o.E. gathered together from related columns of TMMR issued during the year 1868 and excerpts from articles of explanation on these data, and after them are placed, just in B102 and B101, excerpts from TMMR issued from
the 04\textsuperscript{th} January to the 26\textsuperscript{th} December 68 and then excerpts from TE of exactly the same period, and in the last place comes a Register integrating the excerpts from these two newspapers. We repeat here the description already given at the beginning of this paper for reconfirmation before examining more concretely the contents of these notebooks in the following.

The first dates of the excerpted articles from both of the newspapers suggest that Marx intended to observe in the autumn of 68 the progress of the situation of the crisis from 66 in remounting to its beginning. But, if the panic became apparent on the 10\textsuperscript{th} or 11\textsuperscript{th} May 66, why the excerpts from TMMR started from the issue of the 19\textsuperscript{th} May? It may well have been at least from the issue of the 12\textsuperscript{th} May, just after the panic, or somewhat before that date for the sake of a more comprehensive analysis of the process. TMMR was being continually published before the 19\textsuperscript{th} May. If in contrast the excerpts from TE began from the issue of the 1\textsuperscript{st} January 66, it may precisely be because of such a consideration. In taking excerpts from the issues of the same period, Marx always begins with TMMR and after that he excerpts from TE. This may be because he considered TMMR, specialised in money market\textsuperscript{39}, as the primary source of information, while TE, general economic newspaper, as supplementary source for procuring a wider range of information in addition to TMMR, and as a means of comparison with the information collected from TMMR (also may be interpreted in the same way the fact that the excerpts from TE begin from an issue a little earlier than that of TMMR). The excerpts included in these 3 notebooks are on the whole chronologically ordered, the excerpts from TMMR placed after those from TE in B101 are exactly from the same period as those in B102. This may be because Marx made excerpts from TE of almost overlapping period after having finished excerpts from TMMR and read again TMMR of the same period from a wider perspective in order to pick up the articles overlooked in the previous time (it is the same for the scraps from \textit{The Daily News}. On the pages of the notebook P3 are pasted the scraps of different articles of the same period as in P2.).

When he took excerpts, Marx habitually made Register consisting of summary notes of their contents in key words or short phrases with the corresponding page numbers of his notebook, for later rereading or use. This Register is placed in a limited space with a limited

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\textsuperscript{39} However, the full title put at the top of the first page of TMMR runs as follows: \textit{The Money Market Review. A WEEKLY RECORD OF TRADE AND FINANCE; ALSO OF RAILWAY, BANKING, INSURANCE, MINING, STEAM, & OTHER PUBLIC COMPANIES}, announcing that this is a newspaper covering not only the money market but also widely the other related business world.
number of key words and numerals. Therefore it only briefly recapitulate the important points without expressing in detail the excerpted contents not rarely of enormous amount. But, for the third person studying this Register, it serves as a precious material indicating to what points among others Marx attached importance when making it just after having taken the excerpts in question, what were the points he recorded for later rereading or use. In the 3 notebooks above are inserted Registers in 4 places in total. None of them indicates successively a summary of the contents of the newspaper articles excerpted just before. There the articles related to each other dispersed in different places are classified according to themes and divided into groups. It seems that Marx, after having made notes, reread scrupulously the whole to make Register selecting what was important and rearranging the contents. In the following part of this section, consulting as far as necessary an enormous amount of excerpts and numerical data, we will see what sort of information Marx obtained about the progress of the crisis from 66 to 68 from the two newspapers, in relying mainly on these Registers.

The Register on the excerpts from TMMR added at the end of B102 is divided into large 5 entries, each of which are divided into a number of related subentries. The other 3 Registers subsequently composed are all of the same structure apart from minor differences in the number of entries and the notation of subentries. The 5 entries of the Register at the end of B102 may be indicative of the themes Marx targeted on when beginning to take excerpts for the first time. Without bothering to indicate the subentries, we give only the large 5 entries: 1) Bank of England [hereinafter B.o.E. for short] (resp. France) u. Moneymarket, 2) Stock u. Share Market. Investments etc., 3) Companies, 4) Trade, 5) Railways. This is a fairly simple summary for a considerable quantity of excerpts occupying as many as 80 pages in Marx’s notebook. This may be the result both of the scope of information Marx wanted to obtain from the excerpts and of the contents of the articles of TMMR. He was interested above all in the movement of the banking business in London (and in France) with B.o.E. at the summit. On the first page of every issue of TMMR were published main values indicating the weekly business performance of both of the main banks added with comments. Together with the next second entry on the movement of stock and share markets, Marx may have obtained necessary data for understanding the crisis of 66 of ‘financial character’. But the following three entries show that Marx paid attention to the evolution of other industrial sectors not limited to money and finance.

40 Since the excerpts and Register are written in English for the most part, we transcribe here the deciphered text of Marx as it is.
He was always interested particularly in foreign commerce and railway. This may have been for him indispensable for understanding the crisis of 66, because the railway industry in need of huge investments was closely connected with the finance. And, whether iron or cotton industry, the English capitalism was tightly dependent on the overseas markets both in import of raw material and foodstuff and in product export, so much so that it was impossible to observe the crisis and its subsequent progress on a national level. This is also in line with the vision of crisis Marx had held since long ago. But in the Register summarising the contents of the first excerpts from TMMR, the international economic relations are limited to those for England, and the economic behaviours of other countries (in particular the United States, India and France, with which England was in close relations) do not seem to be in question. Though the cotton industry still remained the most important at that time, Marx does not seem to pay sufficient attention to its domestic activities, apart from its relations with foreign markets in procuring raw cotton and selling cotton products.

Next, the excerpts from TE included in the first 181 pages from the beginning of B101 not only cover a little longer period than those from TMMR but also occupy a space more than twice as large as the latter. Their main characteristic is that they contain articles on subjects far wider than those from TMMR. The Register is arranged and classified in as many as 17 entries in total consisting of rather minor random subjects with sometimes repetitions. Only the first five entries (1) Money Market (1866), 2) Crisis of 1866, 3) Banking and Currency, 4) Money Market (1867), 5) Railways) have more or less substantial contents in their sub-entries, the subsequent ones are generally of secondary significance. But among them only the following four entries seem to deserve attention: 7) Land in England and Agriculture, 10) Cotton, 11) Manufacturing Markets (1866), 12) Labour, Poor, Conflicts. All the other sub-entries are either sheer digressions (for example 9) Miscellaneous (Law of Demand and Supply)\(^4\)) or simply county names such as Ireland, India, United States, Russia, France, Austria, Sweden. Though these entries as a whole give an unorganised and chaotic impression, we will try to give some characteristics of the excerpts from TE in referring to the contents of the entries seen above. First, the most important first 5 entries centre on the movements of the sectors relating to money and finance just as in the case of the preceding excerpts from TMMR, but here B.o.E. is treated

\(^4\)The excerpted article registered in this entry (to be found on the page 105 of B101) is quoted by Marx in his letter to Engels of the 14\(^{th}\) November 68 and serves as an evidence useful for inferring when the excerpts in B101 progressed to this point. See the sub-section ‘a. Excerpts from Newspapers’ of the section 2 of this article.
as a part of these sectors. And the railway is placed in the entry 5) just as before and counts next to the finance. On the contrary the notable difference from the previous case may be found in the meticulous pursuit on the progress of the crisis of 66 in the entry 2). Marx registers the names of famous banks and railway companies and their behaviours for the first time in the excerpts from TE\(^{42}\). And these proper nouns come to appear from time to time in the subsequent excerpts. Also the suspension of Peel’s Bank Charter Act on the 11\(^{th}\) May by Gladstone is noted for the first time in these excerpts. And we can see articles on the circular sent to the ambassadors by Earl of Clarendon for the first time in these excerpts. On the other hand, in entry 4) is given an article entitled ‘Why money dearer in autumn than Spring [sic]’. In addition, is excerpted an other article arguing from this that the advent of crisis is ordinarily in autumn. As was seen in the previous section, this is one of the points advanced by Tugan in his work on the history of crises.

Besides the first 5 entries, there are some other remarkable points in the excerpts from TE in B101. The cotton industry is given an important place as in the previous case, but here is also an entry 10) entitled ‘cotton’. But, unlike in B102, here are excerpted articles on the difficulties in the supply of cotton during the American Civil War (cotton famine). On the other hand, a considerable number of articles treating the subjects on agriculture, landownership, environmental pollution, hunting etc. are included in these excerpts from TE, seemingly not directly related to the crisis. This may be in relation with the studies on ground rent in which Marx was always interested at that time. And the labour problem and the labourer’s poverty belonged to the themes for Marx indispensable to the study of crisis, but articles treating such topics could not be found in TMMR. In the last place, in these excerpts from TE we can see Marx trying to pay attention, though rather roughly, to the situations in other countries than England. Among others, the three countries in close relations with England, India and United States as its (ancient) colonies, and France as its neighbouring competitor nation, are somewhat largely treated. This is a point remaining unchanged in the following two excerpts.

Now, after the excepts from TE Marx makes excerpts in the same B101 again from TMMR issued during the same period as those he had once taken up in B102. The interval between these two excerpts may be one or two months. Below we will examine the contents of the Register Marx composed for the third time, to see the differences between the first and the

\(^{42}\)For example, Agra & Masterman’s Bank, Overend, Gurney, & Co., Limited, Great Western Railway Company, Atlantic & Great Western Railway Co., etc.
second excerpts from the same newspaper issued during the same period, what were the influences of the intervening work of excerpting from TE.

The whole of this Register is divided into 7 entries, of about the same number as those of the Register on the previous excerpts from TMMR. Both of them are far smaller in number compared to those in the Register on the excerpts from TE seen above. This may be because the scope of the articles published in TMMR is limited to its specialised and neighbouring domains. The most part of the whole is occupied by the first two among these 7 entries, in particular by the second one. The following entries from 3 to 7 are merely accessory. Important among the subjects treated in them are those related to the foreign commerce particularly the cotton trade and trade with India. In the same way as before we give only the titles of these 7 entries omitting the details: 1) Banking et Currency, 2) Crisis of 1866, 3) Board of Trade Returns, 4) Cotton Trade, 5) India, 6) United States, 7) Miscellaneous. Almost all of these entries are virtually the same as those included in the Register on the excerpts from TE. This implies that Marx adopted the results of the excerpts from TE as a guideline when excerpting from TMMR for the second time. However, as the articles of the latter do not range over so wide domains as those of the former, Marx seems to have chosen from the entries in the Register on the former only those corresponding to the excerpts from the latter. We can say so about the whole of the Register on the second excerpts from TMMR. As for each one of the entries, the title of 1) is the same as the 3) in the preceding Register, 2) is the same as the former 2). Here the first entry in the former Register (1) Money Market (1866)) disappears. This is not because the money market has lost its importance, but because there remained no more need for taking it up here anew, since the money market came at first as the most important entry already in the first excerpts from TMMR and in addition the information about it was preferentially obtained also from TE. And the entries 3) and after, though their subjects (trade, cotton, India, United States) are important in themselves, are poor in the contents of the excerpted articles, can be said to be almost accessory. This seems to be because TMMR did not offer ample information on these subjects, considering the nature of this newspaper. Marx adopted these entries notwithstanding, because he attached importance to them.

The above observation has made it clear that the second excerpts from TMMR were carried out with the aim of picking up the elements overlooked in the first excerpts in referring to the preceding excerpts from TE. Among others Marx laid particular insistence on the entry 2) registering the progress of the crisis of 66. In this entry are gathered many articles concerning the evolution of the crisis after May 66 and its consequences up to the end of the following 67.
The practical operations on the financial market are described into their details. This entry are divided into 7 sub-entries from A) to G), in each of which the elements playing respective important role in the process of the crisis are enumerated one by one, concretely A) Bank of England und Act of 44, B) Theory of Panic, C) Securities (Investments) und Panic, D) Joint Stock Banking und Other Companies, E) Railways, F) Plethora of Money, G) Limited Liabilities Act of 1862. Gathering these together, the entry 2) occupies by itself about 70% of the space of this Register. The articles treating the suspension of Peel’s Bank Act by Gladstone and the circular sent by Earl of Clarendon for appeasing the turmoil, to be found among the excerpts from TE as seen above, are newly excerpted from TMMR (dropped out from the first excerpts). And in the same way, the names of some big banks and railway companies, concrete examples of which were given in note 42 above, and their movements too appear only in the articles contained in these second excerpts. Marx was coherent in paying attention to the railway, but it is only here that he explicitly places this sector along with the immediately preceding financial sector as a factor in the crisis of 66. And also the existence of excess money (plethora) which attributed a financial character to this crisis and the legal recognition of the limited liability company are respectively made independent subject. These two are both indispensable elements for understanding the crisis of 66, picked up only in this second excerpts. But in these excerpts also, though the first appearance of the articles mentioning the cotton famine is noticeable, the movements of the cotton industry during the time of crisis are not included at least among the main themes.

Now, with the above Marx finished the excerpts from the two newspapers issued till the end of 1867 and continued excerpting in the third notebook B105 from the same two newspapers issued all during the following year 68. The last part of these excerpts must have already contained information of a period immediately preceding Marx’s excerpting work. But in this excerpt notebook, in the first 18 pages, Marx put the numerical tables entitled ‘Bank of England and Money Market, Operations of Clearing House’ and their explanations entitled ‘Notes to Movement of Money Market’, before beginning excerpts in the same way as before, i.e. the title of newspaper and the issue date followed by excerpts from articles. The collation with the original of TMMR as well as the fact that these numerical tables and explanations are included in the Register added after the excerpts from the two newspapers shows clearly that they are based on the numerical data and articles in various issues of TMMR published during 68. Marx gathered together and arranged in these tables an enormous amount of numerical data of one year about the banknote issue, specie reserve, deposit etc. of B.o.E. and Bank of France
published on every Saturday in the issues of TMMR. Thus he may have intended to obtain a
general overview about the movements of these two representative banks during 68. From this
we can confirm that the excerpts from newspapers he made from 68 to 69 aimed mainly to seize
the financial character of the crisis of 66 as a whole and at the same time they were carried out
equally as a part of his studies on the credit, one of the main themes of Book III of *Capital*.

But the excerpt activities of Marx were not limited to this and extended over various
related items. The Register put at the end of B105 is on the excerpts from two newspapers,
TMMR and TE, which were not separated from each other. Here as in the former Registers,
Marx composed a certain number of entries of his own after having arranged the whole of the
excerpts to list the corresponding articles under each of them, in which excerpted articles from
the two newspapers are mingled with one another. But to each phrase or words expressing the
minimum unit are added the page numbers in the notebook indicating where are the excerpts in
question. And by these numbers the provenance of the excerpts can be identified (those from
TMMR are in pages 3 to 58, TE in 59 to 86). The whole of this fourth Register is divided into
nine entries with the Roman numerals, each of which concerns a particular country. This differs
from all the preceding three Registers, but the division into entries by country was characteristic
of the excerpts from TE. This Register on the two newspapers can be understood as composed
on the basis of the arrangement of the excerpts from TE with those from TMMR integrated.
Among the nine countries only the entry I) U. Kingdom is further divided into 11 sub-entries
with the Arabic numerals. Except for this entry I) occupying the overwhelming part (about the
two third of the whole), only the four of the rest (V) France, VI) United States, VII) India and
IX) Australia) are of certain importance. These were all countries historically in close relation
with England. The remaining four countries, i.e. II) Italy: Deficits, III) Russia: Railways, IV)
Belgium: Coal Export, VIII) South African Goldfields. Colony of Natal, appear to be
enumerated solely to treat a particular individual problem in each country, probably of relevance
to the relation with England. In any case, an important aspect in the vision of crisis Marx had
held since long time ago to the effect that the crisis is a phenomenon involving the global
relations on the scene of the world market does not seem to have undergone any change at this

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Marx’s adherence to numerical data and the efforts he deploys to transcribe and arrange them
manually have something astounding, but their results were never made use of. Not only on this
occasion, Marx repeated similar attempts till his last years and left behind him a number of
excerpt notebooks, but many of them were never reread nor made use of afterward by anyone
including himself. They will finally see the light of day in respective volumes of MEGA, the
realisation of which will however require still a considerable time.
end of the 1860’s. The theorisation of the industrial cycle including the crisis was therefore not
directly relatable to his current work for his system of ‘critique of political economy’
elaboration of Books II and III of Capital as its first part).

Of the excerpts in B105, here we will see somewhat in detail only I) U. Kingdom to
examine its characteristics. It is composed of the following 11 sub-entries: 1) Money Market,
Wages, Pauperism, Unions etc. Incomes, Taxes etc., 9)[sic] Miscellaneous, 10) Ireland. Because
there are two entries numbered 9, the entry 10 is the eleventh. In removing 8) India from the
first 12 entries in the Register made up of 17 entries on the excerpts from TE placed at the
beginning of B101, we obtain a Register made of 11 entries similar to the above both in its
contents and order. The entries 1) and 2) above are substantially the same as the first four entries
in the former Register, the contents of which are the essential parts of what Marx was searching
for in the excerpts from newspapers made from 68 to 69. Of the above 11 entries the themes
newly taken up in B105 were 3) Commercial Morality, 6) Wheat and 7) Trade. The others are
nearly the same except for the minor differences in order or grouping of subjects. The apparent
similarity to the Register on the excerpts from TE in B101 seems to come from the fact that
Marx almost fixed then how to collect information and applied it unchanged also to the
subsequent excerpts from both TMMR and TE. However, in scanning the source of the articles
given under the 11 entries in total, the entries in which the articles taken from TE forming the
general framework of Register are in the majority are only four: 1) Money Market etc. (about
half and half), 6) Wheat, 8) Land and 9) Wages etc. It may be natural that the three entries other
than the first are occupied mainly by the articles from TE not from TMMR. From this we can
see the roles Marx allotted to each of the two newspapers in his excerpting. In any case, the
excerpts included in B105 can be taken on the whole as a prolongation to 68 of the collecting of
information in the same domain as for the previous excerpting. This is conspicuous in the entry
2) in which the title has an additional ‘u. Nachwirkungen (and aftermaths)’.

In 4) Railways the topics concerning the railway are taken up far more in detail than in
the entries of the same title in the preceding three Registers. Next to the cotton the railway was
one of the key industries in rapid growth particularly since the 40’s. In addition to its aspects
noticed since long ago like the railway construction and fund raising necessary for this, here are
included observations from a wider perspective such as its relation with the state, railroad
management, maintenance and renewal of the rolling stock and rail etc. Marx had originally
such a point of view on the railway\textsuperscript{44}.

Entries corresponding to 8) on agriculture and landownership and 9) on wages and employment relation existed already in the Register for the excerpts from TE in B101. These subjects, seemingly rather alien to the observation of crisis phenomena from their monetary and financial aspects, indicate that Marx always tried to seize the crisis from a comprehensive point of view. The group of subjects given in the latter part of the 11 sub-entries in I) U. Kingdom including these two sub-entries covers a wide range corresponding even to the whole of the plan of the system of ‘critique of political economy’ Marx had sketched several times till the first half of the 60’s. It is as if they endorsed the view Marx had held since long time ago sceptical of seizing the crisis only on the basis of a few particular phenomena.

By the way, the new entry making its appearance for the first time in this Register in a sense different from every other entry above is 3) Commercial Morality. Articles on this theme were contained in the excerpts from TMMR in B101, but it is in the last Register in B105 that this theme is taken up as an independent entry, and with considerable weight in advance of the entries about the important industries like railway and cotton. On the reason why Marx paid attention to this kind of subject in his studies on crisis, João Antonio de Paula et al. say in their aforementioned article as follows: ‘Tracking the articles excerpted in his notebook, it is possible to learn from TMMR about an important new feature of this crisis: accountancy tricks.’ (p.179) The boards of directors of many stock exchange companies in the major sectors including bank and railway had recourse to such accountancy tricks to dissimulate the real state of management. In his letter to Engels of the 14\textsuperscript{th} November 68 falling on the time when he was making excerpts from TMMR, Marx says: ‘I shall use the chapter on credit [in Book III of Capital] for an actual denunciation of this swindle and of commercial morals.’ (MEW, Bd.32, S.204, quoted above) This shows that, at the same time as he was greatly interested in this theme, the direct purpose of excerpting from newspapers at that time was for preparing the elaboration of Book III. On the other hand, the authors of the above mentioned article give an extremely suggestive interpretation about the reason why Marx excerpted extensively from the book on commercial arithmetic by Feller/ Odermann in B105, in saying that it was for him a preliminary learning for penetrating and denouncing the accountancy tricks by the company officers (cf. ibid.).

\textsuperscript{44}See his article published in \textit{Die Presse} of the 23\textsuperscript{rd} January 1862, entitled ‘Statistical Observations on the Railway System.’ (MEW, Bd.15, S.447-50)
We have seen above the contents of Marx’s excerpt and scrap books to be included in IV/19 in focusing on the three among them: B102, B101 and B105. In the last place we will spend some words on how Marx treated afterward the materials collected in these notebooks. We can say in advance that not only the above three but also all the eight notebooks to be included in IV/19 were left almost entirely intact. But, a small number of articles excerpted from TMMR and TE were exceptionally made use of later (not in manuscripts relating to ‘credit’ in Book III of Capital however, but in the second manuscript of Book II written immediately after these excerpts. Cf. I/11, S. 107, 108, 121, 122, 124, 126, 194, 212. Some of them were integrated into Book II of Capital Engels edited and published in 1885.). The excerpts and scraps made from 68 to 69 had a double character; they were part of the preparatory work for finishing the following Volume of Capital in particular Book II in it, at the same time as they were studies on the crisis in the mid-1860’s. It is because of this character of them that articles treating a vast range of themes including land ownership, labour relations, international relations are collected along with the articles relating to money, finance, credit, which rendered somewhat difficult to see what was the aim of this work of excerpting.

In any case, after this work Marx did not cease drafting manuscripts for Volume II of Capital, continuing further the preparation for it. But the theme for this passed again from ‘credit’ to ‘ground rent’. Moreover, after 69, the centre of his research interests shifted to the history and landownership in the peripheries of Europe or in non-European zones such as Ireland and Russia. The themes concerning ‘credit’ or ‘crisis’ in the English capitalism did no more appear in IV/20 and IV/21, which are to include the excerpt notebooks made during the time consecutive to that of IV/19. As seen above, the excerpts to be included in IV/19 were never looked back over afterward. An occasion for such a turn in the interests of Marx was given by Daniel’s son, the first Russian translator of Capital, who sent Marx in the autumn 69 a book of Flerovskij (Флеровский, Н), Conditions of the labouring class in Russia (Положение рабочего класса в России, С.П.Б. 1869). From this time on Marx, over fifty, began to learn Russian. Reading Russian literature Russian Narodniki including Daniel’s son continued sending him, Marx came to pursue studies on the society and economy of Russia, the landownership, agriculture and ground rent among others. Though the general framework of accomplishing Capital was still maintained, thus the concrete areas of his research moved largely from the end of the 60’s.