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Capital in general and the structure of Marx’s Capital*

New insights from Marx’s ‘Economic Manuscripts of 1861–63’

ROMAN ROSDOLSKY’S The Making of Marx’s Capital (1977), originally published in 1968, exercised a considerable and lasting sway over the debate on Capital in West Germany which began in the wake of the student movement. Although interpretations based on Rosdolsky’s approach had the merit of undermining economistic and positive readings of Capital, this was frequently at the cost of a philosophical obfuscation of the social and economic substance of Marx’s critique of political economy. Capital, so it would seem had to be read through two sets of spectacles,¹ the first consisting of certain understandings of the dialectical presentation from Hegel’s Logic, and the second of a number of methodological ideas from the Grundrisse, especially Rosdolsky’s elaboration of the concept ‘capital in general’. Ironically, the ebbing away of debate about Capital with the break-up of the student left in the mid 1970s, coincided with the first publication of many of the manuscripts which formed the immediate preparatory work to Capital, as well as better edited versions of already familiar manuscripts, in the shape of the new complete Marx-Engels edition, the Marx-Engels Gesamtausgabe (MEGA).²

MEGA is divided into four main sections (works, articles, drafts (excluding Capital); Capital and its preceding texts; letters, excerpts, synopses, notes, marginal comments). Section II of MEGA is of particular interest for Marx’s developed economic theory. The first volume contained the Grundrisse (1857/58). This represents the

So far, the Grundrisse, Contribution and ‘Urtext’ to the Contribution have been published in the English-language Complete Works, Volumes 28 and 20. Of the 1861–63 manuscripts, which consist of 1472 notebooks in all, the first have been available in translation as the three parts of Theories of Surplus Value. The remaining manuscripts have been translated and publication is forthcoming. The article assesses the difficulties faced by Marx in presenting the capitalist form of social reproduction in a dialectical form. Heinrich argues that the Economic Manuscripts of 1861/63 provide explanation for the changes of Marx’s plan in the Grundrisse and Capital.

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first draft of the economic theory of the ‘mature’ Marx. The second volume contains the 1859 text ‘Zur Kritik der politischen ökonomie. Erstes Heft’ (A contribution to the Critique of Political Economy) which consists merely of two chapters: one on the commodity and one on money. This second volume also contains a fragment of what is termed the Urtext – the ‘original text’ – of the Contribution, which is particularly interesting because of its treatment of the law of appropriation under simple commodity circulation and the transition from money to capital, neither of which appear in the finished text. Although these texts are both already familiar from earlier editions (at least to German readers), the third volume (which itself consists of six sub-volumes) contains the first complete edition of the 1861–63 manuscripts entitled ‘Zur Kritik der politischen ökonomie’. Prior to its publication in MEGA only the Theories of Surplus Value had been published from this text, which totals c. 2400 printed pages and is the largest of Marx’s manuscripts. Originally envisaged as the continuation of the 1859 text it soon turned into a typical working manuscript in which Marx wrestles with problems of both investigation and presentation. This manuscript is the second draft of Marx’s economic theory. It represents the vital link between the Grundrisse and Capital.

The complete edition of the second draft of Marx’s economic theory, written between 1861–63, is already certainly one of the most significant results of the labour that has gone into MEGA. The manuscript enables us to correct a number of Rosdolsky’s central theses. Firstly, it reveals how Rosdolsky’s interpretation of Capital in the light of the concept of ‘capital in general’, which dominates the Grundrisse, broke down in the face of a number of problems of content. And secondly, it permits answers to the problems of the change of the outline of Capital – that is the question of the relationship between the content of the three volumes of Capital and the original six books set out in Marx’s plan (capital, landed-property, wage-labour, the state, foreign trade, the world market).

Far from being a simple sub-division of the material under examination, the distinction between ‘capital in general’ and ‘competition between many capitals’ constituted a methodological approach reflecting a particular view of the structure of bourgeois society. Its novelty can be seen when we compare it with Marx’s economic analyses of the 1840s. These were primarily directed at market processes, where Marx regarded competition as the crucial mechanism for explaining a very diverse range of phenomena. Thus, in Wage Labour and Capital he attributed both the movement of wages and the development of the productive forces to competition (Marx, 1849). The 1851 Excerpt Notebooks on Ricardo indicated another position in which Marx distinguishes between the ‘real process’ from his ‘law’ (Marx, 1850, p. 362) The Grundrisse marked an entirely new understanding of competition. Marx writes:

‘Competition in general, this essential locomotive force of the
bourgeois economy, does not establish its laws but is their
executor. Hence unlimited competition is not the
presupposition for the validity of the economic laws but the
consequence — the form of appearance in which their necessity
is realized' (Marx, 1857, Vol. 28, p.475).

Ricardo simply presumed unlimited competition in order to
study the laws of capital: competition served merely as a theoretical
hypothesis, 'not as . . . developments of capital but as imaginary
contrast set himself the task of establishing competition as a form of
appearance of the laws of capital. In undertaking a critique of this
assumption, he encountered the core of bourgeois-liberal moral
philosophy and political economy, with its classic formulations in
Mandeville's fable of the bees and Smith's 'invisible hand': namely
that the unrestrained pursuit of individual private interests will
ultimately produce the 'general interest'. Right at the beginning of
the Grundrisse Marx noted,

'the point is rather that private interest is itself already a socially
determined interest . . . It is the interest of private persons; but
its content, as well as the form and means of its realisation, are
given by social conditions that are independent of them all'
(Marx, 1857, p. 94).

The bourgeois general interest is not the product of the pursuit
of private interests, but rather is present in the act of this pursuit
inasmuch as it already determines these private interests. This implies
for competition:

'Conceptually, competition is nothing but the inner nature of
capital, it's essential character, manifested and realised as the
reciprocal action of many capitals upon each other; immanent
tendency realised as external necessity' (Marx, 1857, Vol. 28
p. 341)

For Marx the realisation that the laws of the inner nature of
capital are merely realised in the actual movement of individual
capitals meant a qualitative breakthrough from his earlier market-
orientated analyses. His main problem then became how to find
categories to formulate this insight adequately in the structure of
bourgeois society. The distinction between 'capital in general' and
'many capitals' is not identical with this new understanding, which
was so fundamental for the critique of political economy; but was
rather simply a first attempt to conceptualise it.

Although this distinction figured extensively in the discussions
of the 1960s and 1970s, no precise analysis was ever made of these
concepts. Rosdolsky, for example, determined the content of 'capital
in general', based on a passage in the Grundrisse, as the totality of
those characteristics which are common to all individual capitals
(Rosdolsky, 1977, p. 43). For Rosdolsky this was valorisation. To
explain the production of surplus-value initially requires an analysis
of the immediate process of production, and following this, of the
process of circulation, as a necessary complement to the process of production. However, the introduction of the process of circulation makes it appear as if surplus-value is determined by circulation time and not solely by the surplus-labour appropriated in the immediate process of production. When surplus-value is measured against the total capital advanced, it assumes the transformed form of profit – with which Rosdolsky ends his section on 'capital in general'. It was not possible to present the establishment of a general rate of profit as this presupposed the very competition which was to form the starting point from which abstraction had to be made (Rosdolsky, 1977, p. 46). Rosdolsky's understanding of 'capital in general' as a generic concept embracing all the common characteristics of many capitals does not hold up. However, the average rate of profit is also a characteristic common to all capitals, but according to Rosdolsky, should be excluded from the presentation. Moreover, Rosdolsky's determination of the substance of 'capital in general' does not agree with the section planned by Marx. As the numerous draft plans show – plans, one might add, published by Rosdolsky himself – Marx did not want to end 'capital in general' with simple profit but with interest.4

In the Grundrisse Marx first uses the concept of 'capital in general' in the analysis of the process of production. After considering the concepts of capital used by bourgeois economists, he summarises his own approach in the following way:

'Capital, so far as we consider it here, as a relationship of value and money, which must be distinguished, is capital in general, i.e. the quintessence of the characteristics which distinguish value as capital from value as simple value or money' (Marx, 1857, Vol. 28, p. 236).

That is, 'capital in general' ought to embrace those characteristics which have to be added to value in order for it to become capital: they are characteristics which, as Marx notes, 'make value into capital' and which for this reason also become qualities of each individual capital. However, the presentation of 'capital in general' not only abstracts from the existence of many capitals, but also excludes the individual capital, considered in isolation:

'But we are concerned neither as yet with a particular form of capital nor with one individual capital as distinct from other individual capitals, etc. We are present at the process of its becoming. This dialectical process of becoming is only the ideal expression of the real movement through which capital comes into being' (Marx, 1857, Vol. 28, p. 229).

'Capital in general' is not to be understood as the concept of a real object, such as an individual capital: it has no direct empirical correlate. The 'dialectical process of its becoming' observed in 'capital in general' is the reproduction in thought of the inner nature of capital: the characteristics which make value into capital are to be understood and grasped in this framework.5
Marx did not set out from the individual capital, as it appears (as fructiferous, bearing profit and interest) and as it exists in competition. He wanted to begin by elaborating capital's characteristics on the basis of the law of value in general. He therefore had to show how the production of surplus-value on the basis of the exchange of equivalents is possible and how surplus-value ultimately transforms itself into the forms of profit and interest as they appear on the surface of bourgeois society. Since capital had not yet been elaborated in the form in which it appears in competition, Marx was compelled to abstract from competition during this process of conceptual development. Crucially important here is everything which Marx included under 'competition': not only the actual movement of individual capitals but any relationship involving many capitals, irrespective of the level of abstraction. In one passage in the Grundrisse (after Marx had just encountered the problems of the process of circulation), he observes very firmly:

'Since we are dealing here with capital as such, capital in the process of formation - the plurality of capitals does not yet exist for us - all we have outside capital is nothing but capital itself . . .' (Marx, 1857, Vol. 29, p. 115).

To present the characteristics of 'capital in general' in abstraction from competition would have implied a considerable restriction of the substance of 'capital in general', given Marx's extensive knowledge of 'competition'. On the other hand, and as has often been overlooked, there is a specific pre-given content which has to be presented. Capital has to be 'finally' determined within the section on 'capital in general', including all those characteristics which manifest themselves in competition. For,

'What is inherent in the nature of capital is actually externalised, as an outward necessity, only by competition, which is merely the forcing by the many capitals of the immanent determinations of capital upon one another and upon themselves' (Marx, 1857, Vol. 29, p. 39).

Marx therefore required the section, on 'capital in general' to do two different things. On the one hand, the content of 'capital in general' was to be presented at a specific level of abstraction - namely, abstraction from competition (which included both the actual movement as well as all the relations of many capitals). But on the other, this content was also to have specific scope, namely those characteristics visible in competition.

It was the simultaneous fulfilment of both of these conditions which proved to be the fundamental problem of this entire approach.
Although Marx had planned his ‘economics’ for some time, he had no detailed plan in mind when he began work in 1857, as is evident from the crude outline plan in the ‘Introduction’ to the Grundrisse (Marx, 1857, Vol. 28, p. 45). Draft plans only emerged during the course of his work as the result of his growing understanding of the structure of bourgeois society. On completing the Grundrisse Marx intended his economic work to consist of six books: capital, landed-property, wage-labour, the State, foreign trade, world-market. The first three were to set out ‘the economic conditions of existence of the three great classes into which modern bourgeois society is divided’ (Marx, 1859, p. 261). The following sections were envisaged for the book on capital: a) capital in general, b) competition, c) credit, d) share-capital (Letter, Marx to Engels, 2 April 1858, Selected Correspondence, p. 97). The section on ‘capital in general’ was to comprise: 1. value, 2. money, 3. capital in general (cf. Letter, 11 March 1857, MEW 29, p. 554). The Contribution to the Critique of Political Economy (1859), Book One, the first and only version of the planned work, dealt with the first and second of these points. In 1861 Marx began drafting the third point, the chapter on ‘capital in general’ (both the section and the chapter have the same name). However, this soon became a working manuscript, full of digressions and anticipations of later themes. It was during the course of this work that Marx abandoned his intention to publish a direct continuation of the 1859 Contribution, and decided to produce a new work with the title Capital (Letter, 18 December 1862, MEW 30, p. 639).

(1 propose to examine the relationship between the three volumes of Capital and the original plan in the final section below.) The 1861–63 Manuscripts reveal Marx’s difficulties in presenting ‘capital in general’ and show how this approach finally broke down.

The first difficulties were already evident in the Grundrisse. In the course of setting out the circulation process of capital Marx encountered the problem that both the material elements of capital as well as the means of life had to be reproduced, but that this simultaneous reproduction could only be presented by considering the exchange between different capitals. That is, the immanent characteristics of the process of circulation necessitate presenting different capitals. However, this was not possible because of the proposed level of abstraction of ‘capital in general’. Here Marx could do nothing more than offer the assurance:

‘Here we can still speak of a single capital operating, since we are considering capital as such’ (Marx, 1857, Vol. 29, p. 111).

Another problem emerges with the law of the tendential fall in the rate of profit. If there is a general law, then it should be presented before competition: that is, in the section on ‘capital in general’. On the other hand, Marx was clear that what falls is the average rate of profit (Marx, 1857, Vol. 29, p. 132–3). However, the average rate of profit was not supposed to be dealt with until the section on competition, after the law of its fall. And finally, Marx’s uncertainty was also evident in the observation that ‘capital in general’ was not simply an abstraction but also had a real existence which had been
recognised by the bourgeois economists in their 'doctrine of evening up' (Marx, 1857, Vol. 28, p. 378). However, Marx never specified what he understood by this real existence; in fact, he used the expression only once.  

The 1861–63 manuscripts reveal a number of changes of approach from the Grundrisse which reflect a more advanced stage of analysis. For example, Marx deals for the first time systematically with the raising of the productive forces as a method of production of relative surplus-value. The section on the production process of capital also encompasses themes which the Grundrisse had consigned to the Book on Wage-Labour, such as the lengthening of working time (Marx, 1861–63; p. 158ff) and women's and children's labour (ibid. p. 303ff). This incorporation was by no means arbitrary but sprang from the recognition that these were tendencies which were immanent to capital. This also alluded to the later abandonment of the planned three-volume separate treatment of the conditions of existence of the three major classes. Interestingly, Marx now moved to incorporate accumulation into the presentation of the process of production. This was excluded in the Grundrisse on the grounds that it would require a consideration of many capitals (Marx, 1857, Vol. 28, 245f). Whereas in the Grundrisse Marx saw accumulation, as the transformation of profit into capital, as a process of an individual capital, the 1861–63 Manuscripts include the transformation of surplus-value into capital.

Although these changes could be readily accommodated within the concept of 'capital in general', there were also changes which went beyond it, such as the presentation of the reproduction and circulation of the total social capital and the average rate of profit.

Marx was moved to look at total social capital in his critique of 'Smith's dogma'. Smith had maintained that the total value of a commodity resolves itself into wages and profit (including rent), as the portion of constant capital entering into commodity-value could also be resolved into wages and profit. This led to Smith's view that the total annual value of commodities resolved itself into wages and profit. In contrast, Marx believed that the constant portion of capital could not be dealt with in this way. However, this led to the problem 'how is it possible for the annual profit and wages to buy the annual [supply] of commodities, which besides profit and wages also contain constant capital (Marx, 1861–63, p. 398, translated in Theories of Surplus Value, Part 1, p. 107).

Marx eventually solved this problem by distinguishing two departments of the total social capital – one producing means of production and one means of consumption – and by considering their exchange. A number of passages (Marx, 1861–63, p. 402, 436) show that he wanted to present this point within the circulation process of capital – that is, in the section on 'capital in general'. However, this marked a departure from the level of abstraction he had previously indicated: not only did the category of the total social capital not fit quite so well with the distinction between 'capital in general' and competition and was not also not systematically
employed in the *Grundrisse*. The various departments of the total social capital were also 'particular forms' of capital and, as such, expressly ruled out of the presentation of 'capital in general' (cf. the quote above from Marx, 1857, Vol. 28, p. 236).

Marx dealt with the problem as to whether absolute rent is reconcilable with the law of value, in a digression on the average rate of profit and noted:

'Competition among capitals thus seeks to treat every capital as a share of the aggregate capital and correspondingly to regulate its participation in surplus-value and hence also in profit' (Marx, 1861–63, p. 685, translated in *Theories of Surplus Value*, Part 2, p. 29).

Marx later made his presentation more precise by distinguishing the dual movement of competition: within the same sphere of production, this led to the establishment of unitary market-value, and between spheres of production it evened values out into 'average prices' (which Marx first termed 'prices of production' in *Capital*) which facilitate the realisation of the average rate of profit (Marx, 1861–63, p. 777, 851ff) Marx can therefore explain the possibility of absolute rent on the basis of the law of value: if the value of the products of the soil is above average price, they are nonetheless still sold at their value (because they do not enter into the equalisation process for the establishment of the average rate of profit), and realise a surplus profit in addition to the average profit which the landowner appropriates as (absolute) rent (Marx, 1861–63, p. 692). Marx then decided to incorporate both the process of equalisation in the average rate of profit as well as absolute rent (in fact as an 'illustration' of this process) into the section on 'capital in general' (Marx, 1861–63, p. 907 and letter to Engels, 2 August 1862, *Selected Correspondence*, p. 120). Although he does not offer an explicit justification, there is a subsequent reference to it in the excursus on 'Revenue and its sources'. There Marx keeps to his view that interest, which was to have constituted the conclusion to the presentation of 'capital in general' in the *Grundrisse*, presupposed profit and, in fact, the average rate of profit (Marx, 1861–63, p. 1461).

The section 'Capital and Profit', one of the most important of the sections of the 1861–63 manuscripts, illustrates the difficulties which Marx had in presenting the average rate of profit (and hence also part of 'competition') within 'capital in general'. Although wanting to deal with the average rate of profit, he wishes to take up the 'relation of competition' only as an 'illustration' (Marx, 1861–63, p. 1605). And somewhat later we read, with some reservation:

'A closer investigation of this point belongs to the Chapter on competition. Nevertheless, the decisive general considerations must be adduced here' (Marx, 1861–63, p. 1623).

Marx summarises what this 'decisive generality' consists of in the following terms.
In fact, the matter can be expressed in this way: profit — as first transformation of surplus-value — and the rate of profit in this first transformation expresses surplus-value in proportion to the individual overall capital of which it is the product . . . Empirical or average profit expresses the same transformation, the same process, in that it relates the total amount of surplus-value, hence the surplus-value realised by the whole capitalist class, to the total capital, or the capital employed by the whole capitalist class . . . The second transformation is a necessary result of the first, which emerges from the nature of capital itself (Marx, 1861–63, p. 1629).

Marx's aim here is to present the relation of surplus-value to total capital, and specifically both as a process of an individual capital as well as of total social capital. He attempts to maintain the distinction between 'capital in general' and 'competition' by emphasising that competition is merely the 'agency' through which average profit is determined (Marx, 1861–63, p. 1628).

However, 'capital in general' is not only placed in question by the fact that average profit — which Marx now recognises as belonging to the nature of capital — presupposes a consideration of competition; it can also no longer be reconciled with the distinction between the individual capital and total social capital. The category of 'capital in general' is beginning to break down. It is no longer simply the 'quintessence of the characteristics which distinguish value as capital from value or money' (Marx, 1857, Vol. 28, p. 236), and not therefore individual capital. Although Marx does not consider this problem, he does appear to have been aware of certain shortcomings in his analysis. Thus he writes on the next point dealing with the law of tendency of the rate of profit to fall:

'Hence, therefore, we once again stand on firm ground, where, without entering into competition of the many capitals, we can derive the general law directly from the general nature of capital as so far developed' (Marx, 1861–63, p. 1632).

Even after Marx's decision not to publish his manuscript as a continuation of the 1859 Contribution but rather as a new work, Capital, he kept to the distinction between 'capital in general' and 'competition', as his letter to Kugelmann of 28 December 1862 shows. In January 1863 he drew up two draft plans for the sections on 'The Process of Production' and 'Capital and Profit' in which he set out the described changes and especially the presentation of the average rate of profit (Marx, 1861–63, pp. 1816f and 1861ff). The editors of MEGA interpret this as follows.

'Marx's intensive work on this manuscript culminated in a new draft plan which he outlined in January 1863 in Notebook
This marked his arrival at the structure of what was to be Capital. The inclusion of the theory of average profit in the presentation signalled the abandonment of the previously intended distinction between capital in general and competition, and the expression 'capital in general' was thereafter no longer used by Marx (MEGA, Part II, Vol. 3.1, Introduction, p. 12).

However, this is not correct. Although the changes made in the draft plans put into question the former conception of 'capital in general' Marx did not recognise this and tried to cling onto his previous approach. For example, not only did his letter to Kugelmann, written a few days before completing the draft plans, still refer to the distinction between 'capital in general' and 'competition'; the editors' claim that Marx no longer used the term 'capital in general' after the draft plans is also incorrect. It crops up at least once (Marx, 1861–63, p. 2099). First and foremost, however, Marx cannot 'abandon' the separation between 'capital in general' and 'competition', as the MEGA's editors claim. It was always constitutive of the entire presentation. Were he to have abandoned it (which does indeed happen later) he would have needed a new methodological approach to take its place: Marx had not worked out such an approach in the 1861–63 Manuscripts. Although he had found the essential substance of the future Capital, he had not discovered its structure (which consists or more than the mere ordering of the material).

The difficulties which Marx encountered in presenting 'capital in general' in the 1861–63 manuscripts can be characterised as follows. 'Capital in general' had to encompass a specific content, namely all the characteristics which appear in the real movement of capitals, in competition; on the other hand, this content had to be presented at a specific level of abstraction. Marx was also now forced to present the reproduction of the total social capital and average profit. In doing so, he first of all left the previous level of abstraction through his need to take account of a particular movement of competition; and secondly, by counterposing the individual capital and total social capital he used categories which ran across the previous distinction between 'capital in general' and 'competition'. Although this was not entirely clear to Marx, it did dissolve the original methodological conception: however, no new one was on hand.

Risdolsky dealt in some detail with the relationship between the three volumes of Capital and the six originally planned books. He drew a sharp distinction between the first three books (capital, ground-rent, wage-labour) and the final three (state, foreign trade, world-market) and correctly noted that Capital does not include the
subjects destined for the last three books but did contain the main elements of the first three books. In particular, Capital not only embraced the material intended for the section on 'capital in general', but also themes originally planned for the remaining sections (competition, credit, share-capital). Although Rosdolsky's scheme accurately reproduces the change in the location of the various subjects, his view that the change in the structure consisted simply in this reordering of the individual chapters is mistaken. Rosdolsky saw Marx's change of plan as a,

progressive narrowing down of the original outline . . . which corresponded, however, with an expansion of the part which remained. Although 'he dropped his intention of presenting competition and share-capital separately . . . the first section of the first book, dealing with 'capital in general', was progressively enlarged to take care of this' (Rosdolsky, 1977, pp. 10 and 12).

However, he fails to ask whether an 'expansion' of the section on 'capital in general' could be accomplished without destroying the underlying approach.

'Like the Rough Draft, Volumes i and ii of Capital are restricted to . . . 'capital in general'. . . . The real methodological difference first emerges in Volume iii of Capital'. This goes beyond the context of 'capital in general' (Rosdolsky, 1977, pp. 50-1). Hence the previous fundamental separation of the analysis of 'capital in general' and that of competition is dropped here' (Rosdolsky, 1977, p. 20).

For Rosdolsky, therefore, Marx deals with part of 'capital in general' in the first two volumes of Capital, with the remainder together with competition in the third. As far as Rosdolsky is concerned, all that Marx's change of plan involved was a simple reordering of the individual themes. Hardly surprising, then, that he is unable to cite any concrete reason as to why such a change was necessary, other than to say that the strict counterposition of 'capital in general' and 'competition' was a provincial 'blue-print' (Rosdolsky, 1977, p. 52), later dropped as a 'superfluous and obstructive limitation' (Rosdolsky, 1977, p. 54).

Rosedolsky viewed the change of plan as a mere reordering of the contents, leaving the underlying approach intact:

'We therefore consider that the categories of 'capital in general' and 'many capitals' provide the key to the understanding of not only the Rough Draft, but also the later work, i.e. Capital (Rosdolsky, 1977, p. 51).

This, mistaken, understanding has exercised a major influence
on subsequent interpretations of Capital.\textsuperscript{7} As noted above, ‘capital in
general’ implies that a specific content is presented at a specific level
of abstraction; such a concept could not possibly survive the simple
regrouping of individual themes. Capital therefore must contain a
new structural approach.

Recent contributions from the German Democratic Republic
and Soviet Union also hold that Capital went beyond the framework
defined by ‘capital in general’. However, the authors concerned have
not been able to say why, nor have they specified the new structural
concept. Jahn/Niez told (1978) note, for example, that ‘the strict
version of ‘capital in general’ would have made it difficult’ to
incorporate the discoveries made between 1861 and 1863 and
therefore had to be ‘modified’.

However, they do not explain why this should have been so,
and what form this ‘modification’ took. Finally they qualify their own
position by claiming ‘that the notion of “capital in general” put its
stamp on the entire presentation in Capital’ (Jahn/Nietzold, 1978,
general’ as merely an ‘abstract-universal’ but do not go beyond
asserting that its ‘methodological restrictedness’ contradicted the
‘theoretical tasks’ (Ternovski/Tscherpurenko, 1987, p. 179).\textsuperscript{8}

The structure of

Capital, published in 1867, makes no mention of the books planned
in 1859, and the three volumes of Capital are not identical with the
earlier envisaged ‘Book on Capital’. They also contain important
sections from the books planned on landed-property and wage-labour.
The ‘special study of wage-labour’ (Marx, 1867, p. 683) which Marx
mentions and the independent treatment of landed-property (Marx,
1894, p. 752) constitute specific studies at a quite different level of
abstraction. Marx’s presentation of the struggle over the limits of the
normal working day, the effects of machinery on working conditions,
the general law of capitalist accumulation and wages and rent as forms
of revenue comprised that treatment of ‘the economic conditions of
existence of the three great classes’ (Marx, 1859, p. 19) initially
intended as the object of the first three books. The intimate link
between these conditions of existence and the laws of capital made it
impossible for them to be dealt with separately. Marx therefore chose
as the object of Capital the examination of the ‘capitalist mode of
production’ (Marx, 1867, p. 90).

As far as the four sections originally planned for the Book on
Capital (capital in general, competition, credit, share-capital) were
concerned, Capital contained the essential contents of all these
sections, although not in that order. Rosdolsky correctly set out the
change of location of the individual themes. However, there was also
a change in the methodological approach which structured the
presentation. Capital can no longer be understood in terms of the
previous distinction between 'capital in general' and 'competition':
the concept of 'capital in general' is shattered. Marx's formal
recognition of this process can be seen in the fact that 'capital in
general' is used neither as a chapter heading nor in the text of
Capital.

The dissolution of the earlier approach was not prompted by any
general methodological considerations, it was not dropped arbitrarily
but rather had to be abandoned because it could no longer be
sustained. 'Capital in general' was shattered because it was not
possible to elaborate all the determinations of form (Formbestimmungen)
which would have been necessary for the transition from the
'generality' to the 'actual movement' in abstraction from the move-
ment of many capitals. It was necessary to consider a specific relation
between the individual capital and the total social capital both in the
overall process of reproduction and the process of equalisation which
yields the average rate of profit. However, presenting such a
relationship seemed to become circular. On the one hand, individual
capitals had to be observed independently of and prior to the total
social capital which they constituted. And on the other, total capital
imposes limits on the movement of individual capitals, so that the
presentation of individual capitals presupposes the presentation of the
total capital. Marx dealt with this problem in Capital by regarding
the individual capital and the constitution of the total social capital
at a number of different levels of abstraction. That is, neither the
individual nor the total capital, which Marx initially made the object
of his study, are the finally determined phenomena which they appear
to be from the viewpoint of empirical observation. In place of the
previous approach of 'capital in general' and 'competition', Capital
deals with individual capitals and the constitution of the total social
capital at three successive levels: the immediate process of produc-
tion, the circulation process and the process as a whole, which
presupposes the unity of production and circulation.

The first volume of Capital considers the individual capital at
the level of the immediate process of production,9 abstracting from
its interaction with other capitals. Marx's initial concern is with the
production of surplus-value and with capital-accumulation. Chapter
25 marks the beginning of the consideration of the total social
capital. At the stage of presentation up to that point, individual
capitals are distinguished only by their size and organic composition;
as a result only these aspects can be considered as far as the total
capital is concerned. Total capital appears merely as the arithmetic
sum of individual capitals. However, even at this abstract level, how
the movement of the total capital affects individual capitals has
become visible and is illustrated in the first two sub-sections of
Chapter 25. The next level of analysis, the circulation process of
capital, begins by analysing the circuit and turnover of the individual
However, here individual capitals no longer exist merely alongside one another, and the total social capital ceases to be the mere sum of individual capitals. Marx notes:

'However, the circuits of individual capitals are interlinked, they presuppose one another and condition one another, and it is precisely by being interlinked in this way that they constitute the movement of the total social capital' (Marx, 1885, p. 429).

The total capital is, therefore, not only considered from the standpoint of its accumulation but also its reproduction. And inasmuch as this process requires a certain degree of proportionality, both as regards its material substance and its value, it imposes limits on the movement of individual capitals. In the third volume of Capital, which sets out the process of capitalist accumulation as a whole based on the unity of the process of production and circulation, Marx presents the transformation of surplus-value into profit initially as a process involving the individual capital. At this level, the individual capitals which produce profit constitute the total social capital by establishing a general rate of profit. The process which this performs is not merely that of linking their circuits but of 'competition', not in the bourgeois economic sense of perfect competition but as the specific form of social reproduction (Vergesellschaftung Sweise) which makes individual capitals into homogeneous components of the total social capital:

'This is the form in which capital becomes conscious of itself as a social power, in which every capitalist participates in proportion to his share in the total social capital' (Marx, 1894, p. 297).

Although the general rate of profit is first established in the competition between individual capitals, it appears as a finished presupposition to the individual capital and in turn determines its movement. At each of the three levels, therefore, what is presented is firstly the individual capital and then the constitution of the individual capitals into total social capital, together with the retro-active effect of the total social capital on the movement of the individual capitals.

We showed above that the fundamental difference between the Grundrisse and Marx's economic analyses of the 1840s lay in the recognition of the distinction between the immanent laws of capital and their implementation in the real movement of many capitals. Marx sought to take account of this by separating 'capital in general' and 'competition'. The breakdown of this approach in Capital did not mean that this insight was lost. The earlier approach included a very definite view on how the 'real movement of capitals', which was to be presented in 'competition', was to be understood: it consisted of all the circumstances and relations which had any bearing on many
capitals, irrespective of the level of abstraction. The presentation of the immanent laws of capital, therefore, and for this reason alone had to be made in abstraction from all the relations which impinged on many capitals. In contrast, in Capital Marx recognised that the 'real movement of competition', which merely executed but did not establish the laws of capital, is not identical with the movement of many capitals but simply constitutes one part of it. And this part is also excluded in Capital:

'In presenting the reification of the relations of production and the autonomy they acquire vis-a-vis the agents of production, we shall not go into the form and manner in which these connections appear to them as overwhelming natural laws, governing them irrespective of their will, in the form that the world market and its conjunctures, the movement of market prices, the cycles of industry and trade and the alternation of prosperity and crisis prevails on them as blind necessity. This is because the actual movement of competition lies outside our plan and we are only out to present the internal organization of the capitalist mode of production, its ideal average, as it were' (Marx, 1894, p. 969f. my emphasis).

However, this approach is not fully sustained in the third volume of Capital. Marx researches in Part V in particular are far from complete and the presentation of the 'ideal average' takes place via the study of concrete processes of crises and the contemporary English credit system. There is also the fundamental problem of how far crisis and credit can be presented at the envisaged level of abstraction. Finally, the question emerges as to what a study of the 'real movement' of competition entails: is it merely the 'application' of general laws to a concrete historical period or does an understanding of how these general laws are executed in the 'real movement' demand an investigation into the historically specific relation between the political and the economic and its crystallisation in institutitional forms.

1. This is a revised version of a paper originally published in 1986 in prokla 65 under the title 'Hegel, die "Grundrisse" und das "Kapital"'. This publication included a section on the problems of 'dialectical presentation'.

2. MEGA differs from earlier volumes of selected works, which have been published in various transactions, in two respects. Firstly, it aims to be a complete edition of the entire literary estate of Marx and Engels; not only does this entail publishing all their finished works, manuscripts and letters, but also all excerpts, drafts marginal notes and the like. Secondly, MEGA is edited according to different principles to previous editions. Texts are published in complete correspondence with the originals, that is in the original language, with the original orthography, and in particular, in the
case of uncompleted and fragmentary texts, without any attempt to reorder the text in line with the finished work. Each volume of text is usually accompanied by an almost equally lengthy volume of annexes setting out the history of the text, describing the manuscripts and presenting all the variations of the text (from different editions or handwritten revisions). Historical and theoretical explanations, a bibliography of sources used by Marx and Engels, and an index of names and a general index are also provided. Finally, the individual volumes contain introductions by the publisher which provide a commentary on the text and its status within the development of Marxism. As such they reveal much about the state of the dominant interpretation of Marx and Engels in the socialist countries, now so much more diverse and demanding than a few years ago.

3. *Theories of Surplus Value* cannot therefore be regarded as the manuscript of the fourth volume of *Capital* which was not planned until later.

4. A number of other interpretations discussed in earlier study of Marx's change in the plan for structure of *Capital* are equally unsatisfactory (Heinrich, 1982). An extreme example is a text by Wolfgang Müller, one of the leading GDR researchers. He initially argues that 'capital in general' can be equated with the analysis of the essence and 'competition' with the forms of appearance (Müller, 1978, p. 21) and then identifies 'capital in general' with the historical emergence of capital and competition with its completed development (Müller, 1978, p. 35). The consequence of this view would be that essence and form of appearance exist in a relation of temporal succession.

5. The 'real movement through which capital comes into being' expressed in the 'dialectical process of its becoming' is not the historical emergence of capital but rather the real, daily, process in which a sum of value is transformed into capital. The fact that this process is not merely empirically portrayed through the dialectical presentation should be evident after the considerations in Part I.

6. This fact does not deter the 'Projektgruppe Entwicklung des Marxschens Systems' CPEM, a theoretical group which exercised a considerable influence on debates on *Capital* in West Germany in the 1970s, from basing their entire interpretation on this concept (PEM, 1975; PEM, 1978, Otto/Bischoff et al., 1984).

7. It is shared, for instance, by Mandel in his Introduction to the Penguin edition of *Capital*, where he allocated the first two volumes of *Capital* to 'capital in general' and the third volume to 'competition' (Mandel, 1976, p. 29).

8. The editors of MEGA are also somewhat imprecise in their Introduction to the first volume of *Capital* on the fact that Marx had sensed the 'narrowness of the content' of 'capital in general' (MEGA, II Abt., Band 5, Introduction, p. 36) and therefore did no longer use it as the 'main structural perspective' (ibid. p. 41).

9. Marx sums up Volume One of *Capital* in the following terms: 'What we were dealing with then was the actual immediate process of production, which presented itself at each turn as the process of an individual capital' (Marx, 1885, p. 470).

10. And on Volume II: 'What we were dealing with in both Parts One and Two, however, was always no more than an individual capital, the movement of an autonomous part of the social capital' (Marx, 1885, p. 429).


Marx, Karl (1850) 'Londoner Hefte 1850–53' in MEGA IV Abteilung, Vol. 8, Berlin DDR.


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