



Prof. Dr. Rolf Hecker (Berlin)



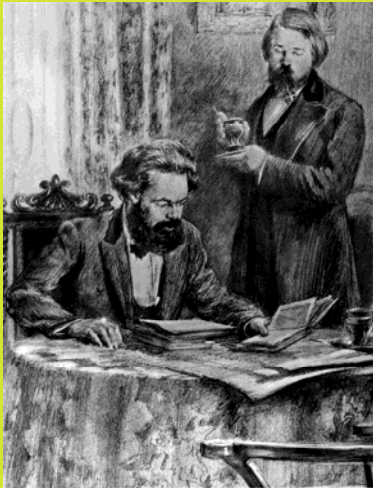
Bank run on the Seamen's Savings' Bank

MARX' CRITIQUE OF CAPITALISM DURING THE WORLD ECONOMIC CRISIS OF 1857

London, September 19, 2017



MARX' CRITIQUE OF CAPITALISM DURING THE WORLD ECONOMIC CRISIS OF 1857

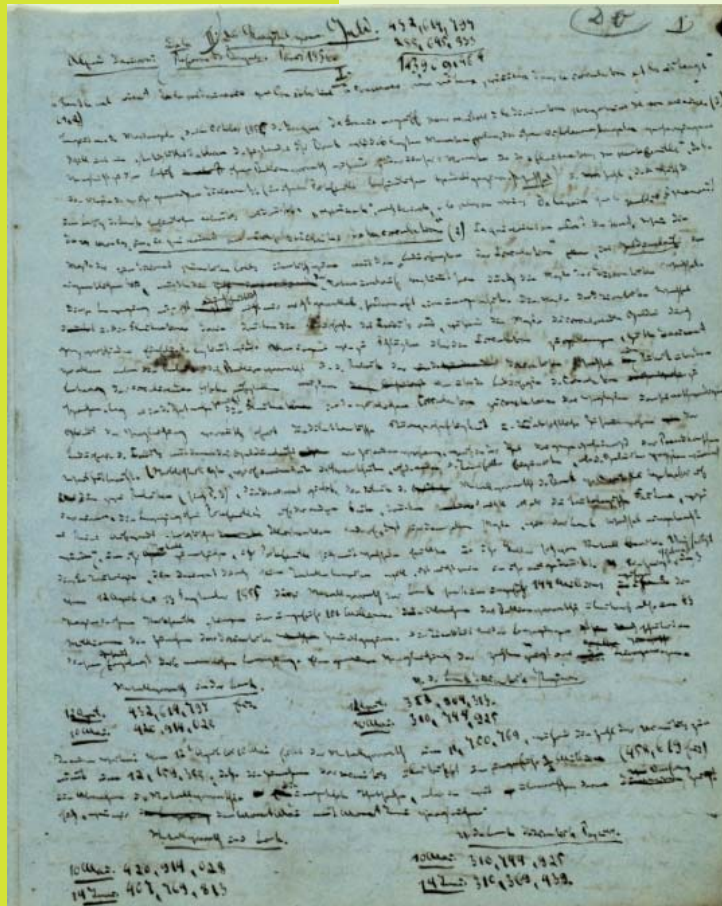


Marx to Engels, December 18, 1857

- ◎ „I am working enormously, as a rule until 4 o'clock in the morning. The work is, in fact, a double one: 1. Elaborating the outlines of political economy [“so that I at least understand the groundwork before the *déluge*”] 2. The *present crisis*. Apart from the articles for the *Tribune*, all I do is keep records of it, which, however, takes up considerable amount of time. I think that, somewhere about the spring, we ought to do a pamphlet *together* about the affair as a *reminder* to the German public that we are still there as always, and *always the same*. I have started 3 large record books – England, Germany, France. All the material on the America affair is available in the *Tribune*, and can be collated subsequently. “



MARX' CRITIQUE OF CAPITALISM DURING THE WORLD ECONOMIC CRISIS OF 1857



Marx is working on his economic manuscript, the „Grundrisse“ (MEGA² II/1)

- ⊙ Heft (Notebook) I: etwa Mitte Oktober bis etwa Mitte November 1857 (48 pages)
- ⊙ Heft II: November 1857 (29 pages)
- ⊙ Heft III: 29. November bis etwa Mitte Dezember 1857 (45 pages)
- ⊙ Heft IV: etwa Mitte Dezember 1857 bis 22. Januar 1858 (53 pages)



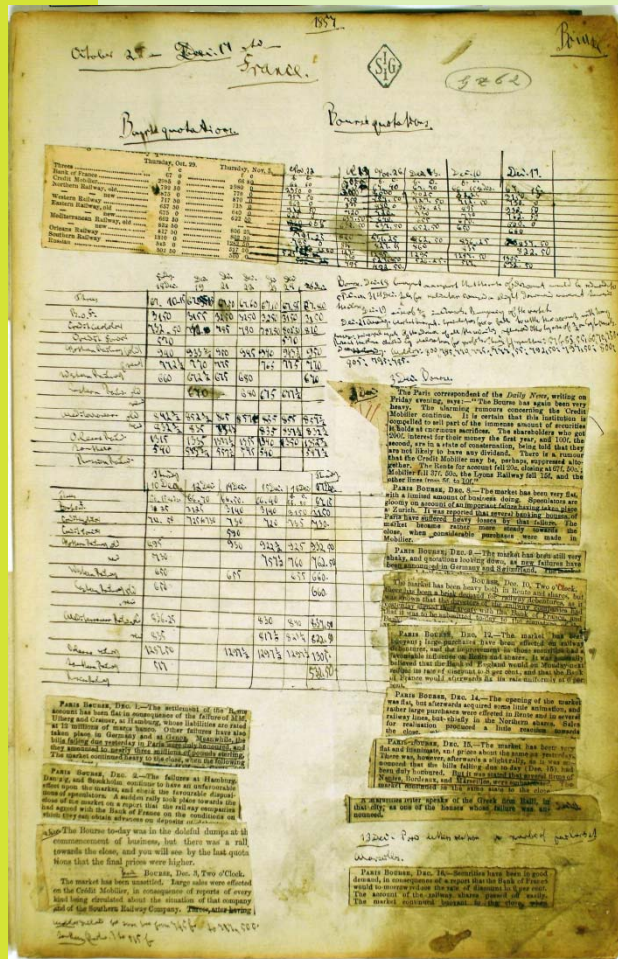
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Marx' three large scrapbooks 1857/58 in MEGA² IV/14

① „1857. France“

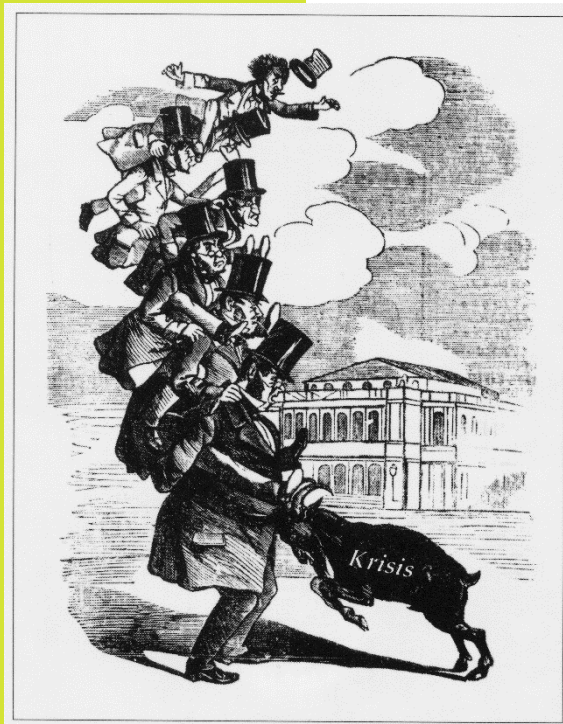
② „Books of the crisis of 1857. Lond. 12. Dec. 1857“

③ “The Book of the Commercial Crisis. January. 1858”





MARX' CRITIQUE OF CAPITALISM DURING THE WORLD ECONOMIC CRISIS OF 1857



Pamphlet

© ...to the possible composition of a "pamphlet" in the spring of 1858...

- © France
- © Bankruptcies
- © the money market
- © the commodity and industrial market and, finally
- © the labour market



MARX' CRITIQUE OF CAPITALISM DURING THE WORLD ECONOMIC CRISIS OF 1857

France



⊙ „revolutionary socialism in France“ (MEW 12, 20/21)

- ⊙ Marx combined the possibility for social change with a crisis situation. At that time, this was particularly true in France, where Marx saw the greatest chances for a revolutionary convulsion.
- ⊙ He expressed the hope that the workers “would be helped by the social revolutions originating in industry towards the emancipation of their own class in the whole world”.



MARX' KAPITALISMUSKRITIK IN DER WELTWIRTSCHAFTSKRISE 1857

Marx about France

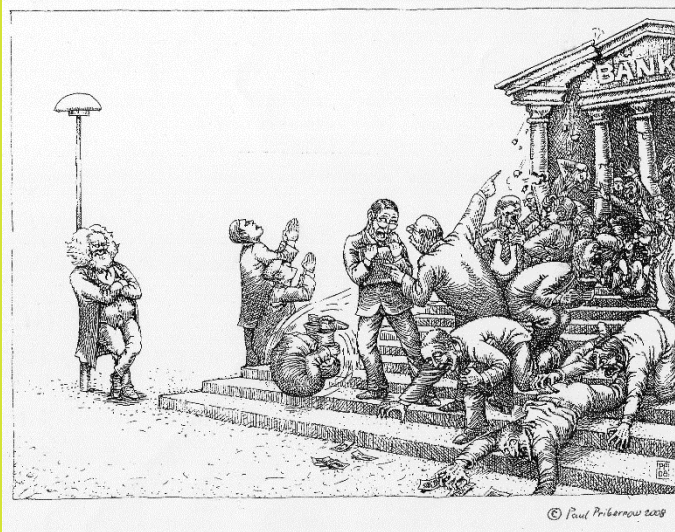


- ⊙ Marx's focus was, above all, France: since 1856 he had repeatedly claimed since that it was about to collapse, primarily because of the "gigantic speculation with Russian railway lines." Now he opined "The blowback on French industry was immediate:" as he wrote to Engels, "since the silkware is now sold off as inexpensively in New York as it is made in Lyon." (**Marx**, October 20, 1857)



MARX' CRITIQUE OF CAPITALISM DURING THE WORLD ECONOMIC CRISIS OF 1857

Marx to Engels on December 25, 1857:

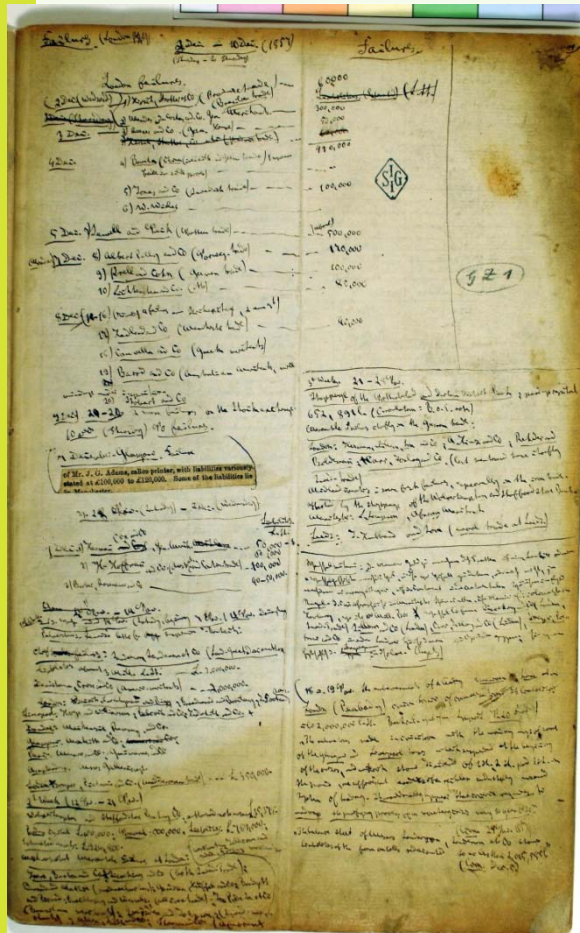


- ◎ For Marx it was a "mystery" why France was relatively spared from the world crisis. His letter to Engels dated December 25th, 1857 was dedicated to this mystery; in it he once again expressed the opinion that Napoleon "would hardly be able to escape" in 1858.
- ◎ A newspaper article "The French Crisis", was written the same day and published in the NYDT of January 12th, 1858. He argued that the trade balance of France, in particular, was favorable to her major trading partners such as the UK, the USA and the Hanseatic cities.



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Bankruptcies



	London failures.	Failures.
(2 Dec. (Wednesday))	1) Hirsch, Strother et Co (Produce trade)	60,000
	2) Mendes da Costa, and Co. General Merchants. (Brazilian Trade)	300,000
3 Dec.	3) Kieser and Co. (German House)	50,000
		410,000
4 Dec.	4) Bovet (China (i. e. silk and German trade) (vom fall in silk prices)	
	5) Jonas and Co. (Swedish trade)	100,000
	6) W. Wieler	
5 Dec.	7) Sewell and Neck (Northern trade)	(about) 500,000
(Monday) 7 Dec.	8) Albert Pelly and Co (Norwegian trade)	170,000
	9) Krell and Cohn (German trade)	100,000
	10) Lichtenstein and Co. (ditto)	80,000
8 Dec.	(11-16) (Nämlich 4 failures am Stockexchange, 2 am 7 ^l)	
	17) Hadland and Co (Manchester trade)	40,000
	18) Couvella and Co (Greek merchants)	
	19) Baird and Co (Australian Merchants, will wind up under inspection.	
	20) Stobart and Co	
9 Dec.)	21-22 2 more failures on the Stockexchange.	
10 Dec. (Thursday)	No failures.	



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October 21 - Dec 19 1857

Paris

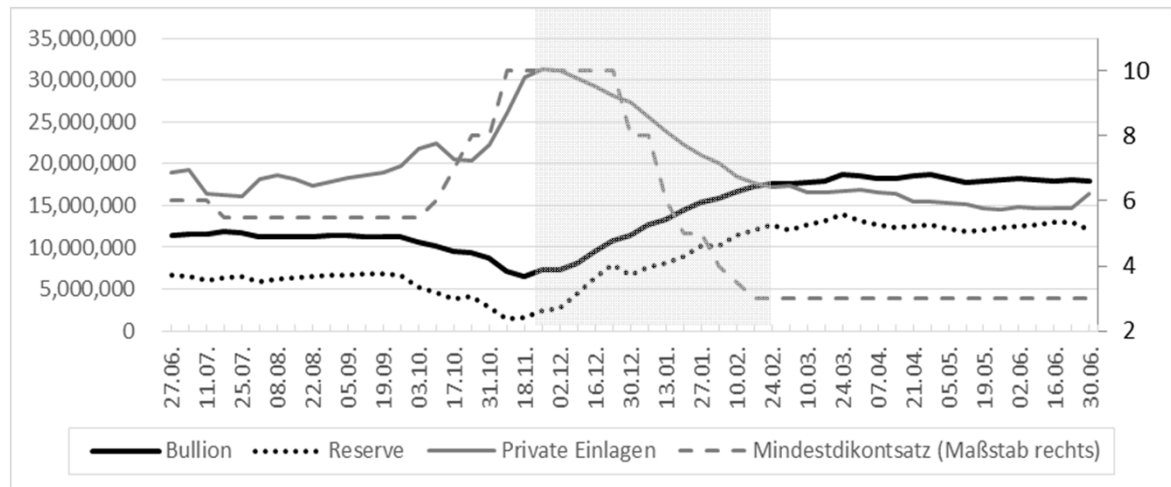
Rechnungsblätter

Item	1857	1858	1859	1860	1861
Gold	1000000	1000000	1000000	1000000	1000000
Silber	500000	500000	500000	500000	500000
Banknoten	2000000	2000000	2000000	2000000	2000000
...

(Note: This is a reproduction of a historical ledger with handwritten entries and printed text columns.)

Money Market

Source: The Economist

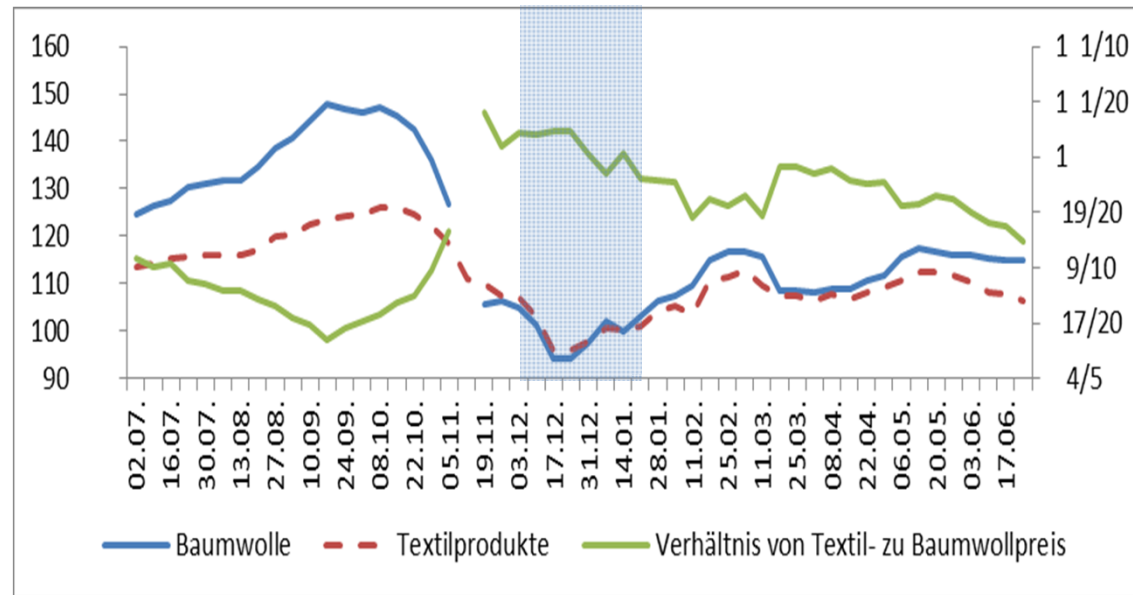




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Raw material and the industrial market

Source: The Economist



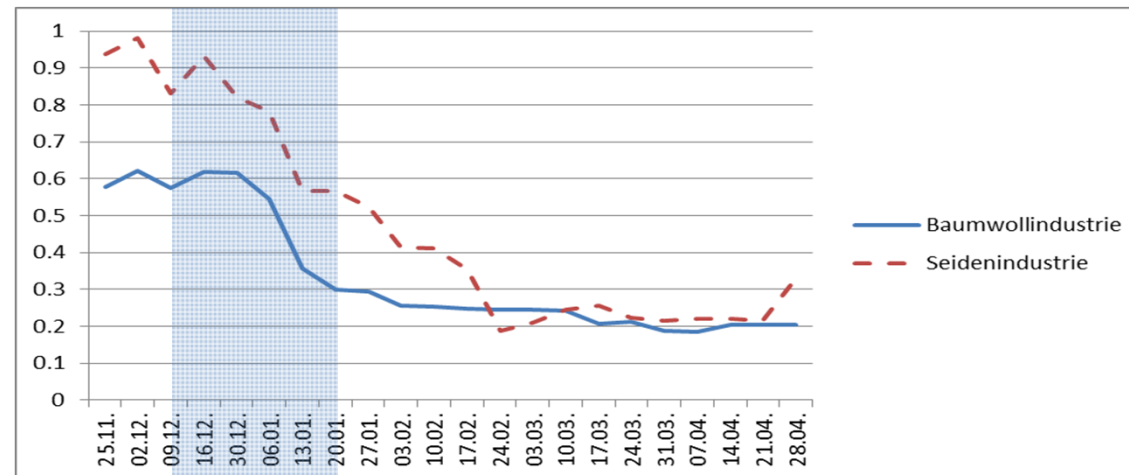


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LABOUR MARKET

The Manchester part-time statistics in the cotton and silk industry

Source: The Manchester Guardian





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Conclusions



- ◎ In Marx's research process, this is his first thematic discussion of the multiplicity of the markets.
- ◎ Period of cycle not 3-4 years, but 8-10 years.
- ◎ Influence of French and British government's control measures soon led to a relaxation in the money and capital markets.
- ◎ Relationship between social revolution and the overproduction crisis.
- ◎ 6-Books-Plan: 1. On Capital. 2. On Landed Property. 3. On Wage Labour. 4. On the State. 5. International Trade. 6. World Market.