

Rethinking Marxism

ISSN: 0893-5696 (Print) 1475-8059 (Online) Journal homepage: http://www.tandfonline.com/loi/rrmx20

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To cite this article: Fred Moseley (2001) Introduction to "The Four Drafts of Capital: Toward a New Interpretation of the Dialectical Thought of Marx," by Enrique Drussel, Rethinking Marxism, 13:1, 1-9, DOI: 10.1080/089356901101241541

To link to this article: http://dx.doi.org/10.1080/089356901101241541

Published online: 07 Dec 2010.

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RETHINKING MARXISM Volume 13, Number 1 (Spring 2001)

Introduction to "The Four Drafts of *Capital*: Toward a New Interpretation of the Dialectical Thought of Marx," by Enrique Drussel

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Criticism starts from the negativity of the victim.

—Enrique Dussel

Enrique Dussel is one of the most interesting Marxist philosophers in the world today. He is an Argentinian (of Austrian descent) who was forced to flee for his life during the military crackdown of the 1970s, and has lived ever since in Mexico City. He is now a professor of philosophy at the Universidád Autónorna Metropolitana-Iztapalapa.

Dussel has written over forty books in Spanish, four of which have been translated (into English, German, French, and Italian): *The Philosophy of Liberation* (1980, 1985), *Ethics and Community* (1988, 1993), *The Invention of the Americas* (1995), and *The Underside of Modernity* (1996). He has also been a visiting professor and guest lecturer at major universities around the world. As of fall 2000, he is the Edward Kennedy Professor at the Rockefeller Center for Latin American Studies at Harvard University (a professorship previously held by Carlos Fuentes, Vargas Llosa, and other distinguished Latin American scholars).

Even more interesting from the perspective of Marxian *economics*, Dussel has also written a path-breaking trilogy of books about Marx's economic manuscripts. The first book, *La production teorica* (The theory of production) (1985), is about the *Grundrisse*. The second book, *Hacia un Marx descondido* (Toward unknown Marx)

(1988), is about the *Manuscript of 1861–63.* The third, *El utimo Marx y Liberacion de Latinoamericana* (The ultimate Marx and the liberation of Latin America) (1990), is about Marx's remaining economic manuscripts.

These books grew out of a comprehensive reading from start to finish of all of Marx's economic manuscripts in the original German, together with graduate students at the Universidad Autónoma Nacional de Mexico. Since some of these manuscripts had not yet at that time been published even in German, Dussel traveled to Berlin and Amsterdam to read Marx's original manuscripts—in Marx's awful handwriting! I don't know of anyone else who has conducted such a thorough and systematic reading of Marx's manuscripts.

I think Dussel's trilogy will turn out to be one of the most important works in the history of Marxian scholarship. In my view, Dussel's books are much more important that Rosdolsky's *The Making of Marx's "Capital"* (1977), which of course had a significant impact. Rosdolsky's book is only about the *Grundrisse* and is much less philosophically sophisticated than Dussel's trilogy. The uniqueness of Dussel's contribution is that he brings a very high level of philosophical understanding to bear on Marx's economic manuscripts, especially on the logical method employed by Marx in the construction of his economic theory, how Marx's thinking (and his concepts) developed through the various manuscripts, the continuing influence of Hegel, and so forth. Rosdolsky tried to address these themes, but he didn't know enough about philosophy and Hegel to do it well. And he did not have the later manuscripts available to him.

The Four Drafts of *Capital*

In this extensive reading of all of Marx's manuscripts, Dussel and his group discovered that Marx wrote *four* drafts of *Capital*—not just two drafts (the *Grundrisse* and the final versions of the three volumes of *Capital),* as was previously thought (hence the title of Dussel's paper). Between the *Grundrisse* and the final versions of *Capital,* Marx wrote two other drafts (see table 1).

The *second* draft was the *Manuscript of 1861–63,* parts of which were recently published for the first time (1976–82) in German (in the *Marx-Engels Gesamtausgabe,*

Table 1
The Four Drafts of *Capital*

1. *Grundrisse* (1857–8)
2. *Manuscript of 1861–63,* including *Theories of Surplus-Value*
3. *Manuscript of 1863–65*
4. The final drafts after 1865

hereafter referred to as MEGA) and later English in volumes 30–4 of the fifty volume *Marx-Engels Collected Works,* published by International Publishers. This *Manuscript of 1861–63* consists of three main parts: (1) a very interesting draft of parts 2–4 of volume 1 of *Capital* (in almost finished form), presenting Marx's theory of surplus value, absolute and relative surplus value, and so on (hitherto unpublished); (2) what we know as the *Theories of Surplus-Value* and (3) a first draft of parts of volume 3 of *Capital* and a continuation of the draft of volume 1 from the first part of this manuscript (also hitherto unpublished). This manuscript is extremely rich and interesting, and should be studied carefully by all those who wish to understand Marx's *Capital* better. It provides many insights into the logical structure and content of *Capital,* similar to the publication of the English translation of the *Grundrisse* in the 1970s, and even more so.

Dussel emphasizes that the second part of the manuscript that we know as the *Theories of Surplus-Value* was not intended as a comprehensive, historical survey of all previous theories of surplus value or profit. Rather, it was a "critical confrontation" between Marx's theory and those previous theories, a sort of "test" of the theory that Marx was developing against them. Furthermore, through this "critical confrontation," Marx began to develop new concepts for his theory that were needed to explain more concrete phenomena, which Marx had hardly discussed at all up to that point and about which Marx's thinking was still not completely clear. For example, Marx first started to study the question of the "reproduction" of capital (that would later be part 3 of volume 2 of *Capital*) as a critique of "Smith's dogma," according to which the total price of the annual product was entirely resolved into revenue (wages + profit + rent). Marx argued, to the contrary, using the "reproduction scheme," that a part of the total price of the product was the value transferred from the constant capital, which must be used to repurchase the consumed means of production (see Moseley 1998 for a further discussion of Marx's reproduction schemes as a critique of "Smith's dogma").

Even more important, Marx also began to develop through this "critical confrontation" new concepts related to the more concrete phenomena of the *distribution of surplus value* (absolute rent, average profit, price of production, interest, etc.) that would later be included in volume 3 of *Capital.* After completing this "critical confrontation," Marx then wrote the third part of the *Manuscript of 1861–63,* which is mainly a first draft of parts 1–4 of the future volume 3 of *Capital.* This first draft of volume 3 of *capital* is very interesting, and reveals many insights into the development of Marx's theory of the distribution of surplus value in volume 3 in the *Manuscript of 1861–63.*

Seeing the entire *Manuscript of 1861–63* together also puts the *Theories of Surplus-Value* in an entirely new perspective. We can see that chapter 10 of the *Theories of Surplus-Value* (on Rodbertus's theory of rent) is the beginning of a long and very creative exploration into the determination of the different forms and individual parts of surplus value (after rent, Marx discussed interest, then merchant profit, prices of production, etc.), which eventually formed the subject matter of vo1ume 3 of *Capi-*

tal. (See Moseley [l997] for a further discussion of the development of Marx's theory of the distribution of surplus value in the *Manuscript of 1861–63*.)

The *third* draft of *Capital* was the *Manuscript of 1863–65,* which was the only time that Marx wrote all three volumes together. Unfortunately, all that has been found of volume 1 of this draft are a few scattered pages and the chapter on "Results of the Immediate Process of Production," which was intended as a transition between volumes 1 and 2 (published for the first time in English as an appendix to the Vintage edition of volume 1; Marx 1977). Dussel suggests that this third draft of volume 1 was probably very similar to the final published version (the fourth draft) and that Marx probably destroyed it as he copied or modified it for the final version in 1866–7.

The draft of vo1ume 3 in this *Manuscript of 1863–65* is the manuscript that Engels used to prepare the published version of volume 3 that we know. Evidently, Marx's work on the *Manuscript of 1861–63* on the various aspects of the distribution of surplus value had clarified his thinking to such an extent that he was now ready to write this volume in its entirety. The fact that this draft, although certainly not polished for publication, is as clear and complete as it is, is further evidence of the clarity Marx had achieved on the distribution of surplus value while working on the *Manuscript of 1861–63*. In this draft of volume 3, Marx systematically and rigorously explained how the total amount of surplus value (already determined in the volume 1 analysis of the production of surplus value) is distributed: first as equal rates of profit among the different branches of production (part 2), then the further division of surplus value into industrial profit, merchant profit, interest, and rent (parts 4–6). Part 7 is a kind of conclusion of Marx's theory of the distribution of surplus value in volume 3, which emphasizes the "fetishism of capital," according to which the different forms of surplus value appear to capitalists and to bourgeois economists to result from separate and independent sources, with no relation to surplus labor. (See Moseley [forthcoming] for a further discussion of Marx's theory of the distribution of surplus value in volume 3 of *Capital*.)

Dussel argues elsewhere that there are significant differences between Marx's Manuscript of *1863–65* and Engel's published version of volume 3 (Dussel 1990, chap. 2). Heinrich (1996–7) and Schefold (1998) also have argued that there are significant differences between Marx's manuscript and Engels's version. Ramos (1998–9) has found one key paragraph in chapter 9 on the determination of prices of production in part 2 that is inexplicably missing from Engels's edition. Marx's original manuscript was recently published in the German MEGA, but unfortunately will not be included in the English *Collected Works*.

In the middle of working on this draft of volume 3 (after part 3) in the *Manuscript of 1863–65*, Marx broke off and wrote a fairly complete draft of volume 2 (and then returned to finish volume 3). This draft of volume 2, which was apparently ignored by Engels in his preparation of the published version, contains the first substantial draft of part 3 of volume 2 on "the reproduction of the total social capital," which we have seen that Marx began to work on in the *Manuscript of 1861–63* with his "critical confrontation" with "Smith's dogma." This draft of volume 2 has recently

been published for the first time in German as part of the MEGA. However, unfortunately once again, this draft of volume 2 will not be included in the English *Collected Works*.

The *fourth* draft of *Capital* consists of the well-known, final, published versions of volume 1 and Marx's later manuscripts on volume 2 (written in the 1 870s), which were patched together by Engels for the published version.

One of Dussel's interesting discoveries in his comprehensive reading is that the last three drafts of volume 1 all began with part 2 ("The Transformation of Money in Capital") rather than part 1. After the *Grundrisse,* Marx wrote his first draft of part 1, published in 1859 as *A Contribution to the Critique of Political Economy*. However, the second and third drafts do not contain part 1 at all. The fourth draft began with part 2, and part 1 was the last part written, just before publication. Dussel argues that the reason Marx began writing with part 2 was that it represents the real conceptual starting point of Marx's theory: the confrontation between capital as money and living labor. Part 1 is merely a preliminary, which is necessary in order to explain what money is (the form of appearance of labor) before explaining the transformation of money into capital through its confrontation with living labor.

Dussel also concluded from reading all of Marx's economic manuscripts that Althusser was completely wrong in his interpretation of Marx's theory—that there was no "epistemological break" with Hegel between the young Marx and old Marx, at least not with respect to Marx's *economic* theory. The old Marx did not reject Hegel. Rather, the old Marx remained as much Hegelian as the young Marx, if not more so. To be sure, Marx "inverted" Hegel's logic, but Marx's logic in *Capital* is still profoundly influenced by Hegel's logic. In Dussel's trilogy, he emphasizes throughout the "massive" influence of Hegel on Marx's logic in all four drafts of *Capital*. The logic of Marx's theory remains pretty much the same throughout, from the first draft in the *Grundrisse* to the final version of volume 1. In this essay, Dussel comments that the *Manuscript of 1863–65* (the third draft of *Capital)* is "of great Hegelian precision—Marx is Hegelianized more and more until 1880." Aithusser of course did not have access to the *Manuscript of 1864–65* or to the *Manuscript of 1861–63* (the second draft of *Capital),* so his mistake is perhaps understandable. But there is no such excuse for Althusserians today.

Two Intepretative Hypotheses

The article whose English translation is being published here was originally published in the Mexican journal *Economía Teoría a Práctica* in 1992. The article presents a brief overview of the four drafts of *Capital* and also serves as an introduction to Dussel's trilogy of books on these four drafts. After reviewing the four drafts, Dussel emphasizes two main points (or "interpretive hypotheses"), which I will briefly discuss in turn.

The Starting Point Is Living Labor

Dussel's first main point has already been mentioned above: that is, the real starting point of Marx's theory in *Capital* is part 2 of volume 1, not part 1. In other words, the real conceptual starting point of *capital* is not the *commodity,* but is instead *living labor,* or the confrontation between living labor and capital as objectified labor. Dussel argues that living labor is the *"creative source"* that produces the surplus value that valorizes capital. Without living labor, capital cannot valorize itself. Capital by itself is not a source of surplus value. In order to produce surplus value, capital must subsume living labor into itself from the outside (from what Dussel calls the "exteriority"). As profit, capital appears to be the source of surplus value, but this appearance is just a fetishistic illusion. All the different forms of appearance of surplus value (industrial profit, merchant profit, bankers' interest, and rent) originate in the surplus labor of workers.

Dussel argues elsewhere that Marx's emphasis on living labor as the "creative source" of surplus value is based on Schelling's critique of Hegel (Dussel 1997). According to Hegel, Being passes into Essence as a result of its own self-development; no external element is necessary for this development. According to Schelling, on the other hand, the "creative source" of Being exists outside and prior to Being. Being is explained as an effect of this "creative source." Similarly, Dussel argues that for Marx, living labor is the economic "creative source," which also exists outside and prior to capital. Capital cannot produce surplus value as a result of its own "self-development." This is Marx's "inversion" of Hegel's logic, according to Dussel. All the individual forms of capital are explained as effects of living labor, as the forms of appearance of living labor, from the "exteriority" of capital. Dussel concludes that since living labor exists outside and prior to capital and is the source of all value and surplus value, living labor is the starting point of Marx's theory.

I agree with all the above except the final conclusion about the starting point of Marx's theory. I am not sure exactly what Dussel means here by "starting point." I agree that living labor is the "creative source" of all forms of surplus value and that living labor exists outside and in opposition to capital. I also agree that this appears to be a key inversion of Hegel's logic of the "self-development of the concept." However, I don't see how it follows that the logical starting point of Marx's theory in *Capital* is living labor. The actual starting point of *Capital* is, of course, the commodity (in chapter 1). Since capital is defined in terms of commodities and money, it is first logically necessary to explain what commodities and money are, and the relation between them. That is what part 1 does. From the analysis of the commodity, Marx derived the value of commodities as the common property of commodities that determines their exchange values and abstract labor as the substance of this value (in section 1 of chapter 1). Money is then derived in section 3 of chapter 1 as the "necessary form of appearance" of abstract labor. Capital is then defined in chapter 4 as "money that becomes more money" and wage-labor is derived in chapter 6 as the necessary condition for the production of surplus value (i.e., or the existence of capital).

I agree that part 1 is a kind of introduction to Marx's main question, which really begins in part 2: How is money transformed into more money? or where does surplus value come from? But it seems to me that this introduction is nonetheless logically necessary. One cannot simply pass over the analysis in part 1 and start with part 2. Without the analysis of the commodity and money in chapter 1, on what basis would one assume that living labor is the source of all value and that money represents social labor? I agree that living labor is the "creative source" of all value, and all forms of surplus value, but I don't think it follows from this that living labor is then the *logical starting point* of Marx's theory.

Banaji (1979) makes an interesting argument related to this question of the starting point of Marx's theory. He argues that there is a *double starting point* and that the beginning is a logical movement between these two starting points. The first (what Banaji calls the *"analytical"* starting point) is the *commodity*. From the commodity, Marx derived in section 1 of chapter 1 the value of commodities (i.e., objectified social labor), which is the common property of commodities that determines their exchange values. Banaji argues further, similar to Dussel, that the *value* of commodities (objectified social labor) then becomes a second starting point (what he calls the *"synthetic"* starting point), in the sense that all later concepts (money, capital, surplus value, etc.) are derived (i.e., explained) as "necessary forms of appearance" of the value of commodities. However, according to Banaji, this second starting point of value is reached right away in section 1 of chapter 1, not later on in part 2. And the second starting point is *objectified* labor, rather than *living* labor, which Dussel emphasizes.

Transcendental Ethical Critique

The second main point emphasized by Dussel is that *Capital* provides not only a theory of capitalism, but also a critique of political economy and a transcendental, ethical critique of capitalism. Marx's critique is "transcendental" in the sense that it comes from the perspective of workers, who exist outside and external to capital. Furthermore, Marx's critique is "ethical" because it challenges the prevailing morality of capitalist society. "Morality," according to Dussel, means the whole set of ideologies that justify the existing status quo (i.e., any given economic and social system). For example, according to capitalist morality, the relation between capitalists and workers is one of free and equal exchange, to the mutual benefit of both parties. Workers receive a wage which is equal to their contribution to production and capitalists receive a profit which is equal to their contribution to production or the contribution of the machines they own. All is fair in this egalitarian world of capitalism, from the perspective of capitalist "morality."

Marx's theory poses a fundamental challenge to this prevailing capitalist morality. Marx's theory shows that the workers' wage is only a part of the value they produce and that the other part of the value they produce is appropriated by capitalists as their surplus value. In other words, surplus value is the result of the surplus labor

of workers, just like the income of lords in feudalism was due to the surplus labor of serfs and the surplus income of slave owners was due to the surplus labor of slaves. The different forms of surplus value (industrial profit, etc.) appear to bourgeois economists, reflecting their capitalist perspective, as the result of separate and independent sources (interest from capital, rent from the land, etc.). But Marx's theory demonstrates that all these different forms of surplus value are in fact derived from the surplus labor of workers.

According to Marx's theory, the exchange between capitalists and workers on the market, where all appears to be free and equal, is not the end of the relation between these two economic classes; it is only the beginning of their relation. After the exchange on the market, their relation continues in the "hidden abode of production" where workers perform surplus labor for capitalists. In other words, workers in capitalism are exploited, just like serfs in feudalism and slaves in slavery. This is the profound ethical critique provided by Marx's theory of capitalism.

These two "interpretive hypotheses" are developed much more fully in Dussel's three books. In this article, Dussel is simply trying to indicate promising paths that could be followed in the coming reconstruction of Marx's theory.

Conclusion

Dussel concludes in the final section of his paper ("Perspectives") that Marxian scholars today have the urgent task of better understanding Marx's theory in order to be able to further develop this theory and to apply it to the widespread and urgent social needs and problems of today's global capitalist economy. Marxian theory provides the best available explanation of the continuing and pervasive poverty around the world. We now have almost all of Marx's manuscripts available to us for the first time (at least in German and most of them in English translation). Dussel argues that this marks a new era in Marxian scholarship, which he calls "Marx's second century." Dussel suggests that we should return to Marx's texts with "the enthusiasm of youth" and deepen our understanding in order to further develop Marx's theory and put it to use in the service of the liberation of Latin America and the rest of the world. The most important contributions of Marx's theory, according to Dussel, lie in the future. Marx's second century will be much better than the first.

Dussel also argues that further advances in Marxian theory are more likely to come from the underdeveloped periphery of the world capitalist economy, rather than from the advanced core countries, because the need for Marxian theory is so much greater in the impoverished periphery. Critical theory, Dussel argues, follows hunger ("the desire to eat") (please note again the epigraph at the beginning of this introduction).

Dussel's work itself is an excellent example of significant new developments in Marxian theory coming from the underdeveloped periphery of capitalism. I am very pleased to say that a translation of the second book of Dussel's trilogy (his book on the *Manuscripts of 1861–63*) is in preparation (I am editing the translation) and will

be published by Routledge in 2001. Let us hope that translations of the other two books in Dussel's trilogy will soon follow. Dussel's books are not the final word on Marx's economic manuscripts and Marx's economic theory, but they do represent a major step forward, and should stimulate much further in-depth study and discussion of all four drafts of *Capital* in Marx's economic manuscripts.

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