

CORRESPONDENCE

A LETTER

To the Editor of The New International:

I have just read the February issue of The New International in which there appears a critical review of Frölich's biography of Rosa Luxemburg by Reva Craine. I hasten to send for publication the following comments which, it seems to me, need urgently to be made. The only section of the article that I am concerned with at the present is called "On the Role of Accumulation." Reva Craine discusses the Luxemburgian theory of capital accumulation as if it were the accepted theory in the revolutionary movement. She says that Luxemburg did not "merely" defend Marx but "extended" his theories. She fails to state that the "extension" was decisively rejected by Lenin. Since, unfortunately, Lenin's major criticisms are unavailable in English, I take this opportunity of acquainting English readers with them.

Rosa Luxemburg's *Accumulation of Capital* was published in January, 1913. (All references to the book in this letter are from the Russian translation by Dvoilatsky, under the editorship of Bukharin, 1921.) The same year Lenin wrote in his notebooks (published as the *Sborniki*) two outlines of his views on the book. One consists of his comments on various sections of the book, and the other is an outline of an article he evidently intended to write but never completed. However, the following year he did write for the *Encyclopedia Granat* an article, "Karl Marx," which has appeared in English. To this he appended a bibliography in which he describes Luxemburg's book as "an incorrect interpretation of Marxist theory." The comments in the *Leninski Sbornik* (Vol. 22, pp. 343-348) are more extensive. The outline of the article he intended to write follows:

ROSA LUXEMBURG'S UNSUCCESSFUL SUPPLEMENT TO MARXIST THEORY P. 322

For example:

- I. 1/4 year ago. The Narodniks against the Marxists. Legal Marxists and Social Democrats.
- II. R. Luxemburg's Perversion
- III. Posing of the theoretical problem.
- IV. Rosa Luxemburg's ("supplement"). Criticism. Anti-criticism.
- V. Rosa Luxemburg's "supplement." A failure.
- VI. The German social democratic press and "squabble."
- VII. Dialectics and eclectics.
- VIII. Imperialism and realization of surplus value. (Rothstein, etc.)

Lenin's Notes and Luxemburg's Views

It can be seen from the above that Lenin was absolutely opposed to Rosa's theory. Both in this and throughout his notes on the book he repeatedly refers to his dispute with the Narodniks. I cannot go into that dispute here except to say that its very root was the question of the accumulation of capital, a subject to which Lenin devoted numerous articles and the opening sections of his famous *Development of Capitalism in Russia*. In his marginal notes he constantly refers to the latter.

Rosa Luxemburg herself had no illusion about the relation of her views to Lenin's. She makes many references to Ilyin (the then pseudonym of Lenin) and deals with his polemics against the Narodniks. On pages 222-223 she quotes

Lenin to the effect that the constant growth of constant capital at the expense of variable capital is a characteristic law of capitalist production, and then comments:

Bulgakov, Ilyin and Tugan Baranovsky are greatly mistaken when they declare that with this law they have discovered the specific character of capitalist economy in which production is an aim in itself and individual consumption merely a subsidiary condition.

She argued against the Russian Marxists and tried to find a solution to the conflicting positions on the question of accumulation between the two positions, between what she called (pages 256-257): "the petty bourgeois skepticism of Sismondi, Kirchinan, Vorontsev and Nikolai—they who considered accumulation impossible—and the vulgar optimism of Ricardo, Say and Tugan Baranovsky for whom capital can endlessly fructify itself."

It must be remembered that the dispute is a theoretical one, one which takes place within the framework of Marx's abstract capitalism. The dispute revolves around Luxemburg's argument that capitalist accumulation is theoretically impossible unless capitalism can find non-capitalist strata at home and abroad. This Lenin uncompromisingly denies. Lenin does not deny, as no sensible person could, the fact that capitalism seeks foreign markets. But Luxemburg thought that it must do so in order to realize surplus value. Lenin stated that it did so in order to be able to produce greater surplus value. All through his comments Lenin's hostility to the specific contention of Luxemburg is manifest. Opposite her sentence: "Capitalism has need of non-capitalist social strata as a market for its surplus value," Lenin remarks "Rubbish" in one place and "Kasha" (mush) in another. That whole section of Luxemburg's book (pp. 312-336) which describes capitalism's pursuit of foreign markets is punctuated by Lenin, thus:

... Capitalism moves to backward lands not for the sake of the realization of surplus value but for the conveniences of exploitation, gratuitous labor, etc. The percentage is bigger! That is all. Pillaging of the lands (gifts), loan at 12-15 per cent, etc., etc.—that is where the root is.

The root of Rosa's contention was entirely different.

Reva Craine errs not only in depicting the place Luxemburg's book occupies in the Marxist movement, but also in her summation of the theoretical objective of the book. She writes:

On the basis of Marx's formulations on accumulation and extended reproduction, she demonstrates that expansion, without which capitalism cannot exist, proceeds by a vast extension of the world market through penetration into and exploitation of non-capitalist areas. (My emphasis—F.F.)

Rosa Luxemburg, on the other hand, writes (p. 207):

He (Bulgakov) thinks that with the help of these mathematical formulae he resolved the question of accumulation. . . . Bulgakov here slavishly follows the Marxist method of investigation and imitates that very incorrect posing of the question, without noticing its incorrectness.

Further (p. 232) Luxemburg emphasizes "the insufficiency of the diagrams at the end of Volume II." She devotes a whole chapter of her book to the *Contradictions in the Schemata of Extended Reproduction*. She concludes (p. 242):

Thus the Marxian diagrams of extended reproduction could not explain the process of accumulation as it occurs in reality and as it develops historically.

In connection with what Reva Craine calls the "formulations" must be considered the diagrams at the end of Volume II of *Capital* because no party in the accumulation dispute ever considered the formulae except in close connection

with the diagrams. Rosa herself uses "formulæ," "diagrams," "scheme," "schemata" interchangeably. She goes to great lengths to express her disagreement with the theoretical premises of Marx's work on capitalist accumulation in Volume II. (She contended that Marx never finished the work, it was put together from fragments and it did not represent anything like his completed views and, in fact, contradicted Volumes I and III.) She took first of all the diagrams and showed that, taken by themselves they could permit no other interpretation than production for the sake of production, which she called 'an *ad infinitum* vicious circle as expounded by Tugan Baranovsky" (p. 229). However, she then proceeded to quote extensively from all three volumes of *Capital* and from his *Theories of Surplus Value* and concluded (pp. 228-230) that:

...even when Marx speaks of the "actual structure of society," he pays attention exclusively to the participants in the consumption of surplus value and wages, consequently, only to the strata clinging to the basic capitalist categories of production.... Thus there is no doubt at all that Marx wished to describe the process of accumulation in a society composed exclusively of capitalists and workers under the general and exclusive domination of the capitalist method of production. But under these circumstances his formulæ permit no other interpretation than production for production's sake.

With this she violently disagreed. She counters with an attempt to bring in underconsumption: "And thus who realizes the constantly growing surplus value?" (p. 231). And finally, on p. 257, she states her own conclusions emphatically:

Accumulation of capital cannot be conceived, if we presuppose the exclusive and absolute domination of the capitalist method of production; more than that, it is inconceivable in any respect without non-capitalist circles.

It is alongside this passage that Lenin wrote: "The root of the mistake." There can be no reconciliation whatever of his position and Luxemburg's.

Necessity for Clarity

This is by no means an academic question nor one belonging to the distant past. William Blake, in his *An American Looks at Karl Marx*, published in 1929, gives practically twenty pages to Rosa Luxemburg and the "Accumulation" debate. In her recent (1942) *An Essay on Marxian Economics*, Joan Robinson bemoans the fact that Rosa Luxemburg's attempt to make an underconsumptionist of Marx has not been taken seriously in the revolutionary movement. In America the question has been once more reopened by the Stalinist, Paul Sweezy, who, in his *The Theory of Capitalist Development*, although criticizing Luxemburg along the lines of Lenin's criticism, himself makes a desperate attempt to turn the Marxist theory into one of underconsumptionism.

It behooves us to study the problem more thoroughly. It was not my intention in this letter, nor could I possibly in such brief space, detail the full positions of Lenin and Luxemburg. What I have intended to do and what, in my opinion, needs immediately to be done is to counteract the utterly false (and dangerous) impressions Reva Craine gives in her "critical review." No critical reviewer could fail to be aware of the different points of view in this historic debate. Or, at any rate, leave such false impressions as must certainly arise from sentences like the following:

On the basis of her theory, Rosa Luxemburg proved the inevitability of the collapse of capitalism, that it cannot emerge from its contradictions and continue limitless expansion. (My emphasis.—F.F.)

If Reva Craine accepts Luxemburg's basis, she is, of course, entitled to her opinion but she should, at least, have stated

that Lenin and other great Marxists neither accepted the basis nor thought that the inevitability of the collapse of capitalism could be proved on *that* basis.

Reva Craine further writes:

She (Luxemburg) therefore put socialism on a more scientific footing, stripping it of its last shreds of utopianism.

What, may I ask, were the elements of "utopianism" in Marx's doctrine in general and of accumulation in particular which were eradicated by Luxemburg?

FREDDIE FOREST.

A REPLY

In reply to the somewhat overwrought letter of Freddie Forrest, I want to make a few brief observations.

1—Lenin's disagreement with Luxemburg's *Accumulation* is a universally well known fact, and although it was an omission not to have mentioned it in my review, it certainly is silly to imply in this omission a conspiracy and a "danger."

It is interesting, however, to note that although Lenin promised to write a book against Luxemburg on this question, from 1913, when her book was published, up until his death, he did not do so. This was the period when he wrote *Imperialism: The Last Stage of Capitalism*, in which no reference is made to Luxemburg, although he wrote voluminously against her on all other questions on which the two disagreed.

2—If Freddie Forrest knows the origin of Luxemburg's book, and against whom it was written, she could readily have understood that my reference to "stripping socialism of its last shreds of utopianism" was to the German and Austrian social-patriotic revisionists (Bauer & Co.), who claimed that capitalism would fall not as a result of its own inherent contradictions but as a result of the indignation to which it drives the working class.

3—In her quotations from Luxemburg, Freddie Forrest shows that she herself does not understand what it is that Luxemburg accepted or rejected in Marx, but she does reveal her misconception of Marxian economics by adhering to the erroneous concept that under capitalism, production takes place "for the sake of production."

4—Lenin's rejection of Luxemburg's theory is in and by itself neither a confirmation nor a refutation of it, any more than "kasha" and "rubbish" are theoretic criticisms. An objective discussion on the merits of Luxemburg's book is possible only on the basis of a first-hand knowledge of it, which, I am afraid, neither of us can have at the present time. Any other discussion of this work is presumptuous.

REVA CRAINE.

CORRECTION:

In the article, "An Analysis of the Russian Economy," which appeared in the February issue of THE NEW INTERNATIONAL, it was erroneously stated that Mme. Litvinov headed the perfume trust, whereas in reality it was Mme. Molotov.

*Revised by Signe Bullis
1/26/42
Agood Center's
4/4/42*