

Theory of Crisis and the Problem of Constitution*

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1.

It is still widely held that the theory of the crisis and collapse of the capitalist system is inherited from the positivist deformation of the "Marxism of the Second International," and that it thus implies ideological support for reformist politics. Ten years ago, Raniero Panzieri wrote: "As a matter of fact, Marxist thought since Marx has recognized the appearance of a 'turn' in the system with the development of monopoly capitalism and of imperialism around the 1870s (which today appears to us as a transitional period in relation to the 'turn' that began in the 1930s and is now being completed). But the analysis and description of the phase following that turn was immediately framed in terms of laws that such a phase tended to overcome. Thus, it was interpreted as a 'final phase'." [1] And, in a note, he added: "The mythology of the 'last stage' of capitalism exists with differing, even opposite, ideological functions both in Lenin and in Kautsky: in Lenin, to 'legitimize' the breakdown of the system at the less advanced points of its development; in Kautsky, to sanction the reformist postponement of revolutionary action until the 'correct time.' Since the 1917 revolution failed to consolidate itself with revolutions in more advanced countries, it fell back on objectives immediately realizable within Russia's level of development. This would-be explanation of the possible presence of capitalist social relations in planning (a shortcoming remaining in the whole development of Leninist thought) will later facilitate the repetition, whether in the factories or in total social production, of capitalist forms behind the ideological screen of identifying socialism with planning and the possibility of 'socialism in one country'." [2]

Here, in addition to the *Zusammenbruchstheorie*, Panzieri attacked the method which was transferred from the Second to the Third International -i.e., an optimistic conception of the historical process that appealed to the automatic development of the "final phase" of capitalism. He sought to re-introduce the active, political, revolutionary perspective in the Marxist discourse against a vulgar positivism that regarded the fatal crisis of the system as an unavoidable phenomenon resulting from the simple quantitative development of the productive forces. Panzieri's polemic was aimed against the pragmatic use, within the labor movement, of the argument of the "objective" and "necessary" character of the laws governing capitalist development. This pragmatic use tended to overshadow or render secondary the contradiction between capital and labor, and the urgency of developing "workers' control" within the entire productive process. The desire to provide a theoretical foundation for this project had Panzieri digging into the Marxist critique of political economy in order to trace the lines of an analytical development that would allow an unambiguous location of the "law of the plan" and of the "law of value." From the first to the third volume, the development of Marx's argument thus coincided with the historical development of contemporary capitalism from its competitive to the monopolistic phase. The "plan" was not considered as a single or concrete programmatic project but, rather, as social capital's mode of functioning in the historically determined form of its development. Thus, in order to eliminate every "naturalist" residue from the theory of development, it was necessary to demonstrate the previous overcoming of the dichotomy (still present in Marx, especially in the first volume of *Capital*) between despotism in the factory and anarchy in civil society. It was also necessary to show that the "dynamic of the capitalist process is essentially dominated by the law of concentration" and, going beyond Marx, that the highest stage of development whereby capital becomes "autonomous" is not finance capital but "planned capital." According to Panzieri's conclusions, every trace of the origins of the capitalist process disappears with the advent of centralized planning because of the obsolescence of a "mode of production which is 'unconscious,' anarchic, and tied to activities not controlled by competition." [3] On this level, the increasing cohesion of the system can be seen in its entirety as completely autonomous with respect to the agents of production. On the overall social level, this process is characterized by the same despotic rationality at work in the modern factory—a rationality which avails itself of the immense possibilities of capitalist use of science and technology. [4] Taking up a fundamental problem—whose complexity Marx himself had emphasized in the *Grundrisse*—Panzieri concluded that the immanent contradictions "have completely lost their naturalist character, typical of the competitive period. "There are no 'immanent contradictions' in the movement of capitals, nor are there any 'internal' to capital: the only limit to the development of capital is not capital itself but working class resistance." [5]

We will see, later on, whether and to what extent this reading of Marx can actually develop a comprehensive social theory of revolution once it eradicates the 'natural' character from the capitalist process. For the

present, we are interested in showing how, at the beginning of the 1960s in Italy, an argument common to a large part of the European left in the 1920s and 1930s was proposed by a militant opposition within the labor movement: that revolutionary action should not attempt to insert itself into the presumed weaknesses and "internal contradictions" of the system, but should activate only the autonomous will, the modern "insubordination" of the working class-its exclusive organizability.

2.

If we scan the documents of the 1920s and 1930s dealing with this problem, we notice that the equation of the *Zusammenbruchstheorie* with a reformist and opportunistic conception of politics is based on a rather schematic and reductionist conception of the history of Marxism and of the labor movement.[6] The example of Luxemburg can help us get rid of this scheme. Even if it was claimed that the very Luxemburgian conception of the crash reflects Second International themes, the question of the relationship between economic theory (deterministic-catastrophic) and political theory (activist-spontaneist) in Rosa-which at this level can only appear paradoxical-would still remain open. The problem is thus considerably more complex and intricate than is indicated by traditional and convenient simplifications provided by European and "Western" Marxism.

In a 1933 essay addressed precisely to this problem, Korsch already pointed out the impossibility of reconciling opponents and supporters of the crisis theory within a political common denominator. The *Zusammenbruchstheorie* had in fact been challenged with surprisingly similar arguments both by the founder of revisionism, Eduard Bernstein, as well as by the council communist, Pannekoek; while it was supported by Luxemburg as well as the "arch-reformist" Heinrich Cunow.[7] But then Korsch himself ended up by proposing a solution which traced all positions back to the common ideological common denominator of the theory of the crisis and, having established their determinist and passive character, rejected them *en bloc* as simple *reflections* of the class struggle.[8] Within the context of the theory of the crisis, Korsch distinguished two *attitudes* corresponding to two different ways of understanding the catastrophic mechanism of development: the *subjectivist* attitude, corresponding to the official social-democratic version typical of theoreticians such as Hilferding, Bernstein, Lederer, Tarnow and Naphtali; and the *objectivist* attitude, represented by Rosa Luxemburg's "classic" theory of the crash, Fritz Steinberg and Henryk Grossmann. The subjectivist attitude maintains that the crisis can be overcome by the capitalist system, with the help of a general cartel (Hilferding's *Generalkartell*) and by means of regulations of capital-labor relations. According to Korsch, not only the social democrats but Bolshevik and Soviet economic planners as well, who are also subjective theorists of the crisis, revert to Hilferding's theory. This type of crisis theory," he writes, "is characterized by that *ideological reflection of past stages* of the real movement of capitalist economy, counter-posing it to the present changed reality as fixed and rigid 'theory'." [9] The practical consequences of these theories is the "*complete destruction of all the objective bases of the proletarian class movement.*" The objectivist attitude-which Korsch considers only apparently counter-posed to the subjectivist-was articulated in its "classic form" by Rosa Luxemburg in the *Accumulation of Capital*. This theory "cannot really be seen as materialist nor, in its practical impact, revolutionary, with respect to the theory of the crisis." The "objectivist" deformation of this position cannot be suppressed by claiming, with its supporters, that the existing system can be overturned only by means of active intervention by the proletariat. "Such a theory...," writes Korsch, "does not seem to me capable of producing that fully autonomous and responsible activity on the part of the working class struggling for its own ends which is necessary to the workers' class struggle as it is in every other struggle." [10]

Korsch counterposes the "materialist attitude" to the other two: "This attitude considers as meaningless for a practical theory of proletarian revolution the entire problem of the objective necessity or inevitability of capitalist crises when posed in these general terms. This attitude parallels that of the revolutionary critic of Marx, Georges Sorel, who no longer assigns the value of scientific forecast to the catastrophe produced by working class insurrection-presented by Marx in a dialectical language strongly tainted by idealistic-philosophical elements-by giving it instead the value of a 'myth' the entire significance of which is reduced to the determination of the working class's *present* activity. The materialist attitude and Sorel, however, part ways when he tries to *limit* the function of every future social theory of revolution to the creation of such a myth. Rather, this approach suggests that, through an ever more meticulous empirical examination of the present mode of capitalist production and of its main developmental tendencies, certain forecasts can be made which, however limited, are sufficient for practical action." [11] Thus, in order to determine his action, the materialist must empirically explore the present situation, the level of consciousness, the level of organization and the working class's disposition toward the struggle. The basic principles of this "basically *materialist* attitude, both *theoretically as well as practically*" were given their classic formulation in 1894 by the young Lenin in his polemic on Michailowski's populist subjectivism and Struve's objectivism. Lenin counter-posed his own "activist-materialist viewpoint" to these two positions.

3.

Let us pause a moment to examine the salient points and implications of this interesting work by Korsch. First of all, we must question the meaning of reducing all the theoretical positions of German Social Democracy and of the Second International (whether right or left) to passive and non-committal conceptions because they limit themselves to *reflecting* on the elapsed stages of the real movement (which for Korsch is represented by class conflicts, by practical and political clashes among the various tendencies and currents within the labor movement). Certainly, it helps here to consider the particular time in which Korsch wrote these lines. We are in 1933, the period immediately following the rise of fascism in Germany. The success of the national-socialist dictatorship had not yet destroyed the residual hopes for a workers' insurrection. This is why it is necessary to carry out the whole *theoretical* discussion in terms of an analysis of the present in its most empirical, particular aspects, which are absolutely not deducible from a general and abstract theoretical construction. Even the appeal to the Sorelian "myth" and to Lenin's "activist-materialist" position [12] must be seen in this perspective as meant to stress the urgency to mobilize workers for the struggle against fascism. But however necessary, this rigorous historical consideration is not enough. In fact, this work contains a contradictory motive that cannot be resolved purely by reference to the political exigencies of the moment, since it is a constant feature of Korsch's discourse which, despite its greater complexity and breadth, he shares with a large part of the communist *and* socialist left between the two wars.[13] Korsch seems to grasp the need for a political and revolutionary interpretation of the "scientific description" of *Capital*, and thus to read the critique of political economy in connection with the theory of classes and of revolution. But, in the rush to bring the discussion, *without interruption* back to the requirements of a "practical theory of proletarian revolution," he ends up by avoiding one of the crucial dimensions in the work of the mature Marx. It is precisely by doing so that he can uncompromisingly reject all theories of the crisis, *regardless* of their methodological and epistemological foundations, as abstract constructions which, *as such*, can only be passive reflections of the real movement. Korsch thus avoids the complex problem of the "method of exposition"[14] when, in his urgency to work out an economic analysis able to provide a "practical theory of revolution" supported by an "activist-materialist attitude," he reads the dialectical method of presentation of the mature Marx as a mere *allegory* [15] meant to rouse the proletariat's will and revolutionary spirit.[16] Thus, Korsch ruled out the possibility of differentiation between the various methodological and epistemological foundations of the different theories of the crisis which throw light on their function within the general vision of the historical movement and the relationship between theory and practice. As a result, Korsch did not see that Luxemburg's theory of the crash was different from the one formulated by Kautsky in the 1906 preface to the fifth German edition of Engels' *Socialism: Utopian and Scientific*, not only because of a difference of "attitude" (which is, in the last analysis, a subjective difference), but rather because of a different value assigned to the function of economic "description" within Marxist theory. Luxemburg never conceived of the model she described in the *Accumulation of Capital* as a pure and simple "reflection" of historical and empirical evolution of the capitalist mode of production. Rather, against Kautsky, she always refused to attribute the character of fetishistic objectivity to economic laws. [17]

4.

Returning to Korsch, there is another surprising point in his exposition which indirectly confirms the shortcomings of his approach to the theory of the crisis: the association of Fritz Steinberg and Henryk Grossmann as "epigones of the Luxemburgian theory." Actually, these two economists were so far from being epigones that, at the acme of the problem of the crisis in 1929, they engaged in one of the harshest and most interesting polemics on imperialism. In his vast work on imperialism,[18] Steinberg had taken up and integrated Luxemburg's partial revision of Marxist theory which related expanded reproduction and expansion in "non-capitalist areas."[19] Grossmann, however, maintained that the capitalist system's tendency to crisis and "collapse" could only be explained *on the basis of the Marxist theory of value*. "The law of value," writes Grossmann in his basic work on the law of accumulation and the collapse of the capitalist system, "dominates the entire economic process of the capitalist mechanism and, since its dynamic and developmental tendencies cannot be understood except on the basis of this law, its end-the collapse-must also be explained on the basis of the law of value."[20] The error of Luxemburg and Steinberg-which led them to a revision and "integration" of Marx's work on expanded reproduction-was the result of an erroneous assumption: in Luxemburg's *Accumulation of Capital* as well as in Steinberg's Imperialism the crisis was not explained in terms of *production*, but in terms of the *market*. This is why it is impossible to pull together the continuity and the structural connection between the *reproductive* process and the capital-labor relations on the one hand, and the need to introduce the safety-valve of "non-capitalist areas" (resulting in a

significant twist of the Marxist problem of production and reproduction into a problem of "realization" of surplus value.) Through a systematic self-reflexion, however, Grossmann succeeded in posing the question in terms of an analysis of the *relations of production*, within whose dynamic he sought the general developmental tendency of the capitalist mode of production. [21] Basing his work on the two-fold dimension of determining reality and of abstract generality (with respect to the historical and empirical movement) of the law of value, he ended up connecting it to the theory of the crisis by *means of the law of accumulation*. "The great significance of Marx's work lies precisely in the fact that it is able to explain all the phenomena of the capitalist mode of production on the basis of the law of value." [22] The "Marxist theory of collapse is . . . a necessary supposition for the comprehension of the Marxist theory of the crisis and it is intimately connected to it. The solution to both problems is in the Marxist law of accumulation, *which constitutes the central idea of Capital* and is in turn founded on the law of value." [23] Thus, far from being the work of an "epigone" Grossmann's book carried out the "return to Marx" prefigured by Luxemburg against the reformist revisionism of Bernstein and the Austro-Marxist "neo-harmonizers" [24] as well as Kautsky's pseudo-orthodox and positivist scholasticism. Thus, Grossmann salvaged Rosa's political application, recasting it on a former analytical and methodological basis. Not by chance, it is this work of Grossmann which, in the early thirties (a year after the appearance of the previously discussed article by Korsch revived an important discussion within *Linkskommunismus* on the connection between the theory of the crash and revolutionary subjectivity.

5.

The protagonists of the polemic carried out in the columns of the "*Rätecorrespondenz*", the theoretical organ of the "council communists," are Anton Pannekoek and Paul Mattick. In his contribution to the discussion, Pannekoek addressed to Grossmann a criticism similar to the one that Korsch had made regarding all theories of the crisis with major economic pretenses but with far less clarity. Starting with the assumption that "the question of the necessity and inevitability of the capitalist collapse, and of the way in which this is understood is, for the working class and for its understanding and its tactics, the most important of all questions," [25] he then ended up criticizing Grossmann from a basically external perspective. [26] Pannekoek's criticisms of Grossmann are basically that he wants to deduce the end of capitalism "from a purely economic viewpoint" (and thus of conceiving the crash independently of human intervention), and of reducing the class struggle to an "economistic" contest, i.e., of defining it as a struggle for wages and reduction of working hours. Thus, he ended up liquidating, more thoroughly and radically than Korsch had done, the whole theory of the crash from Luxemburg to Grossmann, by anchoring the theory to a deterministic and "bourgeois" concept of "historical necessity." [27] On a closer analysis, however, it turns out that this criticism of Grossmann's economism" could at the same time be addressed to Pannekoek *since it was he himself who was tied to a restricted "bourgeois" concept of economics*.

This is precisely the point of Mattick's important criticism. Pannekoek, Mattick points out, did not succeed in understanding the dialectical character of Grossmann's development, founded on a specifically Marxist methodological base. The method by which the critique of political economy proceeds is not aimed at the historical and empirical description of real processes, but at the abstract isolation of certain fundamental moments, in order to define the unity of the laws of movement of capitalist society. "For Grossmann, too," notes Mattick, "there are no purely economic problems. Yet, that does not prevent him, in his analysis of the law of accumulation, from *methodologically* limiting himself to the definition of purely economic presuppositions and thus to *theoretically* reach an objective limit of the system. The *theoretical understanding* whereby the capitalist system must necessarily collapse because of its internal contradictions *does not imply* at all that the *real collapse* is an automatic process, independent of men." [28]

The limits of Pannekoek's Marxism can be seen when, after having ruled out any "practical utility" for the theory of the crisis, he goes on to propose a positive solution to the problem of the connection between economics and politics: between the objective and subjective moments. Starting from the assumption that "Marxist economics cannot be grasped without an understanding of the historical and materialist way of thinking," he *immediately* seeks to resolve, in an undifferentiated unity, the objective-subjective, being-consciousness, economic-political relationship: "The economy, as a totality of men who work and make do for their basic needs, and politics (in a broad sense) as a totality of men who work and struggle as a class for their basic needs, constitute a single sphere developing according to precise laws." [29] What we have here is, on the one hand, an undifferentiated unity, and on the other, an abstract dualism of two camps which, in terms so defined, remain absolutely unmediated. If economics can be reduced to a simply laboring and instrumental activity, and politics to a mere autonomous and voluntary activity, their unity cannot be other than an empty form or a moral postulate. To the declared unity of theory and practice we can then compare, in Pannekoek, the opposite couple, or better, the hypostatized polar copresence, economism-voluntarism. But, and what is most important, this incongruence is neither a result of personal irrelevance nor an exclusively historical limitation of a discussion of the 1930s. [30] Actually, *the same type of criticism of the theory of the crash and the same type of appeal to subjectivity* can be found in reformist theoreticians of

social democracy such as Hilferding and Braunthal. Even before the *Marx-Renaissance* characterized by the works of the young Lukács and Korsch and destined to assume major proportions with the publication of Marx's early philosophic writings, the Austro-Marxist theoreticians were the ones who inaugurated in European Marxism that "season of subjectivity" consisting of an active re-reading of Marxist work, filtered through neo-Kantian themes.[31]

Although it represented a change in emphasis in the theoretical and political debate within the labor movement, both in the neo-Kantian Austro-Marxists and in the majority wing of the *Linkskommunismus* this appeal to subjectivity had as a consequence an epistemological restriction of the field defined in Marx as the social relations of production. The sociological and empirical analysis of the "real" comes up against the vindication of the (ethical-universal) subjective factor. Thus, instead of characterizing the tendential laws of the mode of production, economic analysis ends up as an exercise in microsociology. To the empirical reduction of categorical abstractions that takes from reality its structuring moments, corresponds the de-objectified resolution of the political moment into an ethical and transcendental moment. The same split also appears in the definition of class: the latter splits into a "material" moment within production (the labor force), and a "spiritual" moment which, through its universality, transcends the empirical levels of the material and productive condition of the class (the universal human "will" of the proletariat, "class consciousness" as a reassembling of the *dissected members* of the human essence). Thus, the genesis of class consciousness is not explained in terms of the process of production and reproduction, and from within the objectivity of social relations, but is *presupposed* as a result of an irreducible autonomy that at a certain point of development, makes the qualitative jump which breaks the quantitative uniformity of the empirical world.

In the polemic concerning Grossmann's book we are confronted by a sharp contrast between two theoretical perspectives. On one side is Pannekoek's perspective, which represents the process of attaining autonomy by the will from economic and empirical conditions according to the indicated dualistic scheme (subsequently resolved by the claim of an *undifferentiated* unity of the two moments). The other side is represented by Mattick, who sees the genesis of class consciousness (and thus the passage from the "class in itself" into the "class for itself") as the *result of an objective process*, whose laws of movement are *neither resolved nor reflected in a movement of abstract consciousness or in an abstract unity of consciousness and objective conditions*, but in the articulated and differentiated context of *production relations*. Only within this dynamic can the class struggle be explained since it is none other than the effect of the contradictions inherent in these productive relations.

6.

In a letter to Mattick of June 21, 1931, Grossmann himself clarified this controversial point in his polemic against the Austro-Marxists. "Obviously," he wrote "I am far from holding that capitalism is destined to collapse 'by itself or 'automatically,' as Hilferding and other socialists (Braunthal) claim in taking issue with my book. It can be demolished only through the class struggle of the working class. But I wanted to show that class struggle alone is not enough. The will to demolish is not enough. In the *initial phases* of capitalist development such a will cannot even arise... Obviously, as a *dialectical* Marxist, I know that both sides of the process, the objective and the subjective, are *reciprocally* influenced. In the class struggle these factors fuse. One cannot 'wait' until *first* the 'objective' conditions are there and only then allow the 'subjective' ones to operate. That would be an inadequate, mechanical conception which is alien to me. But *for the purposes of analysis*, I must utilize the abstract procedure of isolating particular elements in order to show the essential functions of each element. Lenin often speaks of the revolutionary situation which must be objectively given as a presupposition for the active and victorious intervention of the proletariat. My theory of collapse does not aim at the exclusion of this active intervention, but rather wants to show when and under what conditions such an objectively given revolutionary situation can and does arise." [32]

Here Grossmann laid the foundations for a possible connection between the critique of political economy and the theory of revolution. A fundamental and irreducible moment of this connection should have been the dialectical representation. As Roman Rosdolsky has shown in his work on the genesis of *Capital*, the distinction between "method of research" and "method of presentation" in the critique of political economy - a distinction which underlies the other, also decisive distinction between the genetic and morphological levels, the historical and the logical moment [33] - does not have purely epistemological significance, but also political and revolutionary relevance.[34] If the selection of an abstract criterion of exposition is not arbitrary (nor the result of purely methodological considerations), but is connected to the need to conceptually represent the process of *real abstraction*; and if the dialectical exposition of *Capital* describes the development of categorical norms which, in their logical structure, express the *real domination* of abstraction in capitalist society, then the critique of political economy is, *through the dialectical representation*, a penetration and at the same time a criticism of an *subject-less* totality regulated by the domination of the abstract (commodity abstract labor). Thus, the critique of political economy is, on the one hand, a penetration of categorical objectivity as a "mode of being" of a totality specified in a historically determined present and in

its reified "forms of thought"[35] while on the other hand, it is an immanent critique of this "objectivity" in as much as it is the theoretical expression of a real negativity and is a shift to an alternate logical and historical process having its genesis in the framework of abstract labor.[36] It is at the same time a critique of "consciousness" and a critical theory of revolution.

To the extent that they reconstruct the fundamental components of Marx's mature research (the theory of value and of money, the essence-phenomenon relation, logical time-historical time, use value-exchange value), recent studies on the genesis of the structure of *Capital* and on the epistemological *status* of Marxist theory offer the possibility of extracting from the very critique of political economy the fundamental categories of political theory, of the theory of classes and of the theory of the state. In its double character as a theory of real abstraction and as a critique of the forms of reified consciousness (understood, not subjectively, but as effective "modes of being" of individuals and classes in the historically specified totality of capitalist society), the critique of political economy constitutes the obligatory point of departure for a *scientific foundation of class consciousness* or for what today is called "the problem of constitution." [37]

Returning this complex of problems (and tasks) to the theoretical and political discussion connected to *our* historical present urgently demands the theoretically elaborated and historically relevant recognition of the problem of method within Marxism and the labor movement. This is necessary to locate those moments and those epistemological efforts will eventually contain either the posing of the problem of constitution (and of the critical connection between political economy and the revolutionary theory at its foundation), or the presuppositions for a materialist treatment of the problem.

Important beginnings in this direction can be traced to the until recently neglected works of Henryk Grossmann and Paul Mattick. Paradoxically, it is precisely the fact that their economic 'models' appear 'closed' and unitary (because, unlike "neo-Marxist" theories of capitalist development, they do not present any divisions between *production* and *markets*) that offers the possibility of basing a specific and non-generic (ethical and subjectivist) level of politics on them-despite their theoretical limits and historical conditioning. [38] The categorical re-examination of the capitalist system as a contradictory whole defined by the overall process of social reproduction and expressed on the historical and structural level as a tendency to crisis brings us back to the very current theme of the state and of its function within the mechanism of evaluation and socialization of labor. To the extent that it is a disclosure, and thus an *anticipation* rather than a "reflection" of the essential structural factors of the real historical process of capitalist society, the abstract categorical description is not self-sufficient but refers back to the dimension of class struggle.

7.

Pannekoek could accuse Grossmann of being tied to a positivist and bourgeois conception of "social necessity" because he had omitted the *critical* aspect of Grossmann's exposition. He had taken Grossmann's work as an abstract, empirical and descriptive model and thus he ended up by treating it as a manual of political economy.[39] Thus, in the same manner one could accuse Marx of economism for having described, in the four volumes of *Capital*, the development of bourgeois society as the development of categorical forms changed by economics. This type of objection does not take into account the preliminary methodological warning implicit in the subtitle "critique of political economy." At the same time, this type of objection precludes the possibility of understanding its profound *political* significance (not to be understood as flat instrumentality). Thus, Pannekoek's criticism stems from his failure to grasp the main point of the mode of presentation of the critique of political economy. "It comes to the surface here," writes Marx in *Capital*, "in a *purely economic way*-i.e., from the bourgeois point of view, within the limitations of capitalist understanding, from the standpoint of capitalist production itself-that it has its barrier, that it is relative that it is not an absolute, but only a historical mode of production corresponding to a definite limited epoch in the development of the material requirements of production." [40]

Having understood the "theory of the crash" as the self-criticism of the capitalist system at the level of "abstract description" (and thus as a return to its transitional historical character of the mode of production based on commodity exchange), Grossmann can avoid the error usually committed by many "Marxist" economists: to separate the theory of value-the cornerstone of the critique of political economy-from the materialist conception of history. The development of historical materialism into a science coincides with the understanding of the transitory nature of bourgeois society. Sismondi "foresaw" this at the level of a philosophy of history, in the "cellular form" (*Zellenform*) of the mode of production, in the form of commodity production, in the value form of commodities, and in value taking the form of capital.[41] Grossmann's "method of isolation" represents the contradictory unity of use value and exchange value only in its economic aspect, thus as a problem of the organic composition of capital and, finally, as an *economic tendency* toward crisis (tendential fall of the rate of profit)-a result of the contradiction inherent in the very mechanism of accumulation. In its "natural" character, the historical past of the capitalist social formation thus appears as a tendency within the economic heart of the material base, as a "natural" connection to the crisis which leads to collapse. Grossmann *deduces* the *social* tendency through which this economic tendency is realized: the

contradiction between productive forces and relations of production; from within this critical "self-description." The latter is based on the historical materialist moment of the *self-foundation* of political economy, independent of the shift from the understanding on the level of philosophy of history to the dialectical and categorical self-understanding of the historically determined and transitional character of bourgeois society. To the extent that it defines the *essential* contradictory character of the capitalist mode of production at the general social level, this contradiction between productive forces and relations of production can neither be relegated to the competitive capitalist phase as Panzieri and other "new left" theoreticians nor reduced to a metaphorical objectification of the capital-labor conflict as many exponents of *Linkskommunismus* maintained. Within the capitalist system, it is impossible to suppress the "natural character" of the process or to control it through planning, in that it is impossible to emerge from "pre-history" while remaining within the limits of commodity production. And, if the autonomous moment of the representation is not merely an empirical abstraction but expresses the *real* process whereby the domination of the abstract becomes autonomous in bourgeois society, then the constitution of the proletariat as a "class for itself" cannot be originally given in the "relations of production" as the effect of a manichean split between capital and "workers' autonomy," but is rather the result of a long historical process of emancipation from within the real domination of *abstract* labor, in philosophical terms: the process whereby the proletariat becomes subject, is the result of a process without a subject. Thus, this process has produced a historical present characterized and specified by growing mass participation (protagonisms). But without the "natural character" of capitalism this participation would be a mere idealist category i.e., practically inconceivable in the past (its genesis) as well as in the present (its realization). Despotic socialization, in its *contradictory unity*, fulfils rather than suppresses the fundamental historical contradiction between productive forces and relations of production (which is not limited to the competitive phase but is inherent in the dichotomous structure of the system's "cellular form:" *commodities*). State intervention in the economy functions as a "plan" only in the technocratic ideology of late capitalism. In reality, since it is itself a counter-tendency, this intervention merely mediates other counter-tendencies to the tendential fall of the rate of profit. The *formally* unifying character of despotic socialization leads to ideologizing in the category of the "plan" the real function of the state as the regulator of the overall process of reproduction. Thus, it prevents an understanding of the unity and contradiction of the productive forces and of the relations of production within the new configuration which this process assumes in modern organized capitalism.

8.

Paradoxically, the weak point of Panzieri's argument (which, apart from the obvious historical differences, turns out to be strikingly similar to Korsch's) lies in its most vital political contribution: the call for an anti-dogmatic renewal of the Marxist discourse based on the translation of the categories pertaining to the critique of political economy into those of revolutionary theory. Although starting from the Marxian connection between the theory of capitalist development and the theory of social revolution which Korsch had violently criticized, [42] Panzieri finds himself in the company of the Korschian theoretical left in misinterpreting the significance and the function of the representation. If in Korsch the categorical representation is reduced to a mere reflection and the theory of the crisis to an objectifying allegory of real class conflicts, in Panzieri the development of the presentation from the first to the third volume of *Capital* is directly associated with the real historical development of capital from the competitive to the monopolistic phase. In order to validate his reading of the three volumes of *Capital* as a description of the "historical process of the growing cohesion of the system"[43] which would have led, beyond Marx's own expectations, to the complete realization of the law of value as the "law of the plan," Panzieri quotes an important passage from the third volume: "In our description of production relations, they are converted into entities and rendered independent in relation to the agents of production," writes Marx at the end of his chapter on the trinary formula, "we leave aside the manner in which the interrelations, due to the world market, its conjunctures, movements of market-prices, periods of credit, industrial and commercial cycles, alterations of prosperity and crisis, appear to them as overwhelming natural laws that irresistibly enforce their will over them, and confront them as blind necessity. We leave this aside because the actual movement of competition belongs *beyond our scope* and we need present only the inner organization of the capitalist mode of production, in its ideal average as it were." [44] But the meaning of this passage goes in precisely the opposite direction from that supposed by Panzieri: here we are not dealing- even 'abstractly' - with reproducing the phases of a real historical movement, but with abstracting from it, as a complex of empirical phenomena, in order to describe the capitalist mode of production in its essential moments. The fact that the objectification of capital in the trinary formula "appears. . . only at the highest level of capitalist development characterized by interest- producing capital"[45] does not mean that the trinary formula reflects or captures the real historical complexity of this level of development. Rather, in the general framework of the Marxist dialectical representation, the trinary formula represents the synthesis of the forms of "necessary appearance deduced from the abstract totality of the concept of capital.[46] The relation between the essence and phenomenon obtaining between the

general concept of capital and "independently given capitals"-competition-does not refer to the historical and genetic, but rather to the logical and cognitive level.[47] If, on the one hand, the categorical structure cannot be flattened out as a reflection of the real movement, on the other hand, the logical and structural domination of a form of the process defines, but does not resolve or suppress, the variety and complexity of an historical phase. The political function of the method of presentation is not in mechanically superimposing itself on the method of research, but in providing the foundation and setting for the latter. The dimension of political tactics has a meaning and a place only within this difference, in the same way that, on the "cognitive level", science has a meaning and a place in the hiatus existing between phenomenon and essence: "Every science would be superfluous if the essence of things and their phenomenal form coincided." [48]

9.

In drawing some provisional conclusions, it would be appropriate to deal briefly with the status of the theory of the crisis in relation to the theme of "constitution." Grossmann's and Mattick's theories, whose importance we have emphasized, are not without defects and ideological deformations resulting from the historical circumstances within which they developed. Thus, in Grossmann, despite repeated theoretical warnings, the genesis of proletarian class consciousness is directly and exclusively connected with crisis periods. Similarly, Mattick sharply separates revolutionary periods defined by economic crises from non-revolutionary periods defined by productive expansion and the consequent prevalence of reformist lines within the labor movement.[49] These claims undoubtedly run the risk of an objectivist and mechanical reduction of the problem of constitution. Yet, this direct linking of periods of crisis with the genesis of class consciousness cannot be regarded as peculiar and limited to Grossmann and Mattick as theoreticians of the collapse. The same "catastrophic" interdependence can be found in Lukács, who was the first to pose the problem of constitution in the light of *Capital*: "The proletariat is then at one and the same time the product of the permanent crisis in capitalism and the instrument of those tendencies driving capitalism toward crisis. . . . By recognizing its situation it acts. By combating capitalism it discovers its own mission in society. But the class consciousness of the proletariat, the truth of the process 'as subject' is itself far from stable and constant; it does not advance according to mechanical laws. It is the consciousness of the dialectical process itself: it is likewise a dialectical concept. For the active and practical side of class consciousness, its true essence, can only become visible in its authentic form when the historic process imperiously requires it to come into force, i.e., when an acute crisis the economy drives it to action." [50]

Thus, even in their shortcomings, the works of Grossmann and Mattick belong with the most advanced level of discussion during the 1920s and 1930s. Although Mattick has only posed the problem of the state in its present form of capitalist organization, the so-called mixed economy, its richness can be measured *ex negativo* by comparing it with some of Korsch's essays on the state written during his American exile and published in *Living Marxism* (edited by Mattick himself).[51] Here Korsch develops some ideas on the state by developing and elaborating ideas from some of his other works. The importance of these articles lies in the fact that they demonstrate the overriding importance of the level of representation for the theme of the state. In his "Marxism and the Present Task of the Proletarian Class Struggle," [52] Korsch counterposes Marx as the "theoretician of the proletariat" to Marx the "radical-bourgeois publicist" (referring to Marx's contributions in the *Neue Rheinische Zeitung* and in the *New York Daily Tribune*) and traces the dualism to the Jacobin model of revolution adopted by the founders scientific socialism. Korsch can put forth this scheme because he hypostatizes to the level of a complete and permanent theory the ideas on the state expressed by Marx and Engels in the *Vormärz*, without seeing the possibility of reconsidering the problem on the basis of their later critique of political economy. Having established a relation of simple reversal between civil society and the state, with an explicit anti-state bias,[53] Korsch runs into when he considers the original contradiction of Marxism: since, as *theory*, it is the *reflection* of a *real* process, it cannot also be a theory of proletarian and communist revolution (since the latter has not yet occurred). Thus, up to now Marxism has existed as the reflection of another revolution, the capitalist and bourgeois revolution. Unable to grasp the practical and political function the dialectical mode of exposition as distinct from the "method of research" Korsch posits a relation of mere "reflection" or simple "correspondence" between the level of categorical abstractions and the level of empirical fact.

Hence, the essential simplicity with which he sees that specific historical form of *real abstraction* represented by the state. The latter is not considered in the light of the overall structure of the abstract in the conception of the mature Marx. but in terms of the immediate counter-position of state and civil society paralleling that between speculation and reality. [54] Thus, the attempting to diachronically dilute the dialectical categories of Marxism in order to re-adapt them pragmatically to the needs of a 'practical theory of proletarian revolution,' Korsch flattens out the dialectical problems of historical constitution (which marks the indirect phases of the passage from factory struggles to overall social struggle; from economic to political struggles). and turns them into positivist problems of empirical specification.' The class struggle is thus simplified in a series of

empirically grounded actions set loose in different spatial-temporal locations, the multiplicity of which is never connected with the morphological context of the crisis: the unifying moment of the historical present.

The tragically impotent outcome of Korsch's thought shows, therefore, how the separation of the theory of social revolution—the theory of classes and of the state—from the critique of political economy and its resulting theory of the crisis paradoxically produces a loss of *specificity* in precisely that political dimension which initially was to be privileged.[55] What remains out of consideration is mainly the function of the state in the mature Marxian conception: this is a problem that theory must finally deal with.

The state emerges from the representation of the overall process of social reproduction as the supreme expression of the reality of the abstraction and of its effective complex domination over society. As the last peak of the logical and historical process of socialization of capital, and thus of the real universalization of the domination of the abstract, the state emerges as background to the critique of political economy; a regulating instance and, at the same time, a generalized expression of the crisis.

Footnotes:

*Translated from the Italian by Laurette Flocchi and Wayne Heimbach.

[1] R. Panzieri, 'Plusvalore e Pianificazione. Appunti de Lettura del Capitale,' Quaderna Rossi 4 (1964), p. 287 now reprinted in an anthology of Panzieri's writings, *La Ripresa del Marxismo-Leninismo in Italia*, edited by D. Lanyard (Milan, 1972). pp. 329ff.

[2] *Ibid.*, pp. 286-287n.

[3] *Ibid.*, p. 284.

[4] This can be seen in Panzieri's other important work, "Sull'uso Capitalistico della Macchine nel Neo-capitalismo," in *La Ripresa del Marxismo-Leninismo in Italia*, op.cit., pp. 148ff.

[5] R. Panzieri, "Plusvalore e Pianificazione," op.cit., p. 270. This rather substantial revision of Marxism was not merely an historical correction (i.e., an adjustment of Marx's theory in terms of post-war capitalist developments). It upset the fundamental methods of dialectical exposition (*Darstellung*) of the critique of political economy. This exposition is "dialectical" in that it expresses the movement of negativity immanent to the general concept of capital and to the structure of commodities as the "cellular form" of capitalist society. Thus, the dialectical quality of this "method of exposition" consists in its comprehension of the movement of categories as self-contradictory movement of capital, as a self-criticism of the system in terms of the very categorical objectivity, the very "bourgeois point of view." Cf. *Capital*, Vol. III (New York 1967), p. 259. This self-criticism refers to the historical, and thus transitional, character of the mode of production based on commodity exchange. For Marx, "First of all, there is a limit, no inherent to production generally, but to production founded on capital." Cf. *K. Marx Grundrisse* (Middlesex, 1973), p. 415. The horizon of this limit, which is represented by capital itself, and the self-contradictory movement of capital is shown by Marx in the dialectic of limit (*Grenze*) and obstacle (*Schranke*). "To begin with: capital forces the workers beyond necessary labour to surplus labour. Only in this way does it realize itself, and create surplus value. But on the other hand, it presupposes necessary labour only to the extent and insofar as it is surplus labour and the latter is realizable as surplus labour. It posits surplus labour, then, as a condition of this necessary, and surplus labour as a limit (*Grenze*) of objectified labour (*vergegenständlichte Arbeit*), of value as such. When it can no longer posit value it cannot posit necessary labour; and given its foundation, it cannot be otherwise. It therefore restricts labour and the creation of value-by an artificial check, as the English express it-and it does so on the same grounds as and to the same extent that it posits surplus labour and surplus value. By its nature, therefore, it posits a barrier (*Schranke*) to labour and value-creation, in contradiction to its tendency to expand them boundlessly. And in as much as it both posits a barrier specific to itself, and on the other side equally drives over and beyond every barrier, it is the living contradiction." "Since value forms the foundation of capital," continues Marx in the note at the foot of the page, "and since it therefore necessarily exists only through an exchange for counter-value, it thus necessarily repels itself from itself. A universal capital (*Universalkapital*), one without alien capital: confronting it, which it exchanges- and from the present standpoint, nothing confronts it but wage labourers or itself- is therefore a non-thing. The reciprocal exclusion of capitals is already contained in capital [emphasis added-G.M.] as realized exchange value" (*Ibid.*, p. 421). It is evident that the profound dialectical significance (not reducible to an 'allegory' or to metaphor) of this "exposition" would collapse if the limit to the development of capital were not provided by "capital itself." The collapse of the limit-obstacle dialectic would present difficulties for an analysis of the movement of capital, and thus also for the theoretical possibility of critique of political economy.

[6] This argument was developed by Dario Lanyard in his introduction to R. Panzieri, *La Ripresa del Marxismo-Leninismo in Italia*, op.cit., pp. 72-73.

[7] See K. Korsch. "Ueber einige grundsatzliche Voraussetzungen für eine materialistische Diskussion der Krisentheorie," in *Proletarier Zeitschrift für Theorie und Praxis des Ratekommunismus* 1 (1933); republished

in Korsch. Mattick-Pannekoek. *Zusammenbruchstheorie des Kapitalismus oder revolutionäres Subjekt*, with a preface by Paul Mattick (West Berlin, 1973). p. 92. For a discussion on the crisis theory in the Bernstein Debate, see Lucio Colletti, "Bernstein and the Marxism of the Second International," in *From Rousseau to Lenin* (London, 1972). pp. 45-108. For the historical and political background of the debate see K. Mandelbaum's dissertation, *Die Erörterungen innerhalb der deutschen Sozialdemokratie über des Problem des Imperialismus* (Frankfurt, 1926), pp. 32-42.

[8] For Korsch it could be said that "the entire historical development of socialist theories of the crisis, from Fourier and Sismondi through the various chronological phases of Marx's and Engels' theory, the 'Marxist' and epigone phase, and up to Steinberg and Grossmann, Lederer and Naphtali, can be seen as a mere passive reflection of the objective economic developments that had preceded them. From the same perspective and beyond the confines of the theory of the crisis, one could also see all of the major struggles that have taken place within the socialist movement in the last forty years as mere derivative phenomena and reflections of crises that have immediately preceded them in the cycle of capitalist crisis" (op.cit., p. 93). Clearly, Korsch's critique is more complex and articulate (especially since he is not hindered by the illusion of being able to find a revolutionary version of the theory of the crisis) but essentially it is no different from an anonymous article in the same journal: "Die Grundlagen einer revolutionären Krisentheorie," *Proletarier Zeitschrift...*, 1(1933); now in Korsch, Mattick-Pannekoek, op.cit., pp. 71ff.

[9] Korsch, op.cit., p. 96.

[10] *Ibid.*, p. 97.

[11] *Ibid.*, pp. 97-98.

[12] This positive reference to Lenin is rather surprising in that by the end of the 1920s he had already broken with Leninism and, in the "Anti-kritik" of 1930, he had even stated that his adherence to the Leninist concept expressed in Marxism and Philosophy was the result of a misunderstanding. See "The Present State of the Problem of Marxism and Philosophy," in *Marxism and Philosophy* (London, 1970), pp. 98-144. If the use of the Leninist theory (or at least the reference to Lenin) has survived the theoretical and political Selbstverständigung of the late 1920s, then it cannot really be explained by the subjectivistic category of 'misunderstanding.' As usual, the solution to this problem in Korsch requires a deeper and more objective analysis. Cf. some of the discussions within Linkskommunismus and Linkssozialismus between the two wars as dealt with by H.M. Bock. *Sundikalismus tend Linkskommunismus von 1918-1923* (Meisenheim am Glan, 1969); H. Drechsler, *Die sozialistische Arbeiterpartei Deutschlands* (Meisenheim am Glan, 1965); K.H. Tjaden, *Struktur und Funktion der KPD-Opposition* (Meisenheim am Glan, 1964); and O. Ihlau, *Die roten Kämpfer* (Meisenheim am Glan, 1969).

[13] It would be useful to trace the analogies between Korsch and Max Adler- an author to whom insufficient attention has been paid. Cf. A. Zanardo, "Aspetti del Socialismo Neokantiano in Germania negli Anni della Crisi del Marxismo," *Annali Feltrinelli III* (1960), pp. 153-165, as well as the interesting comparative treatment of the council conceptions of Korsch and Adler developed by U. Cerroni in *Teoria Politica e Socialismo* (Rome, 1973), pp. 75-83.

[14] The difference between the method of research and the method of exposition is spelled out by Marx in the Postscript (January 1873) to the second German edition of *Capital*: "the method of presentation," writes Marx, 'must differ in form from that of inquiry. The latter has to appropriate the material in detail, to analyze its different forms of development, to trace their interconnections. Only after this work is done can the actual movement be adequately described. If this is done successfully, if the life of the subject-matter is ideally reflected as in a mirror, then it may appear as if we had before us a mere a priori construction." Marx, *Capital*, Vol. I (Moscow, 1965), p. 19. For problems connected to the above distinction and the general relation between Logic and History in Marx, see C. Loporini, "Marx secondo Marx," in *Dialettica e Materialismo* (Rome, 1975), pp. 215ff.

[15] This pragmatic reduction of the dialectical and morphological aspect of the critique of political economy is a *to pos* which connects the European "theoretical left" (often through Sorel, but in forms and ways which still need to be historically specified) to Bernstein and to the revisionist current of social democracy. Korsch's reference to Sorel should be historically (and theoretically) clarified in connection with the Bernsteinian revision of the theme of "industrial democracy" which constitutes, next to the anarcho-sindicalist vein, the other source of Korsch's "conception of the councils" derived from the "Fabian Society." Cf. K. Korsch, "Die Fabian Society," in *Die Tat*, IV:8 (November, 1912). pp. 422-427; "What Is Socialization?" in *New German Critique* 6(Fall 1975); and *Arbeitsrecht für Betriebsräte* (Frankfurt 1969). For Korsch's theoretical and political formation, see M. Buckmiller, "Marxismus als Realität. Zur Rekonstruktion der theoretischen und politischen Entwicklung Karl Korsch's." *Ueber Karl Korsch*, edited by Claudio Pozzoli (Frankfurt, 1973), esp. pp. 19-35. For a comprehensive and peremptory treatment of the European council movement in relation to Linkskommunismus, cf. M. Cacciari's "Sul Problema dell'Organizzazione Germania 1917-1921," which appeared as an introduction to C. Lukacs, *Kommunismus 1920-1921* (Padua, 1972). The same points are developed by S. Bologna in his "Class Composition and the Theory of the Party at the Origin of the Worker-Councils Movement," *Telos* 13 (Spring 1972). pp. 3-27; and C. De Masi, "L'Esperienza Conciliare nella Rivoluzione Tedesca," in *I Consigli Operai* (Rome, 1972), pp. 86-118.

[16] Cf. K. Korsch, "Ueber einige grundsätzliche Voraussetzungen...", op.cit., pp. 97-98. Here Korsch probably has in mind the famous passage in *Capital* (ending with the expropriation of the expropriators) in which Marx connected the concentration-improvement process and "working class rebellion." Cf. *Capital*, Vol. I, op.cit., pp. 763-764.

[17] One could discuss (apart from the economic "errors" contained in her book) the completeness of her methodological self-reflection and the oscillations and incongruencies present in her various formulations of the agreement between economic and political moments, between spontaneity and the political and revolutionary direction of the masses. In the above cited essay, Bologna observes that "Rosa finds herself caught between the sociology of organization and the theory of the party" (op.cit., p. 17). This type of "ambivalence" can be reduced to the fact that "What for Luxemburg was a problem of the social composition of the party, for Lenin was a problem of program, or of the party's policy. For Lenin worker's revolutionary direction was to be attained by tying militants to this program and thus disciplining them to centralization. Rosa and Lenin speak of two different types of working class: they spoke against two different types of reformism" (Ibid., p. 21). More scholastic and formalistic is Cacciari's approach, which dismisses Luxemburg's argument as "democratic-libertarian" (cf. op.cit., p. 62). Moreover, Cacciari provides a rather inadequate treatment of the Zusammenbruchstheorie, which he equates entirely with the Luxemburg model characterized by "a constant tendency to under-consumption" and by "an unbearable production-market contradiction" (Ibid., p. 63). But it is precisely this incongruence and this dualism (producing a splitting of the political-strategic dimension) in Luxemburg which was criticized by the "theoretician of collapse." Henryk Grossmann.

[18] Cf. Fritz Steinberg, *Der Imperialismus* (Berlin, 1926).

[19] Steinberg's integration of Luxemburg's theory consists in individuating the phenomenon of overpopulation as a constitutional condition of capitalism (without a reserve army of labor there cannot be a surplus of wage labor and therefore a surplus of value). Moreover, Steinberg maintains that Luxemburg committed important errors, especially in the conclusions of her analyses. He does not accept, for example, the Luxemburgian claim of the impossibility of expanded reproduction in "pure" capitalism and agreeing with Bukharin's criticism in *Imperialism and the Accumulation of Capital* (New York, 1972), which is published together with Luxemburg's *The Accumulation of Capital-An Anti-Critique*-maintains that it is also possible in state capitalism, since the latter can destroy part of the surplus value (see Steinberg, op.cit., p. 102).

[20] H. Grossmann, *Das Akkumulations- und Zusammenbruchsgesetz des kapitalistischen Systems* (Leipzig, 1929), p. 13. In this volume, Grossmann provided a brilliant critique to Steinberg's work written the previous year: "Eine neue Theorie über Imperialismus und soziale Revolution," in *Archiv für die Geschichte des Sozialismus und der Arbeiterbewegung*, XIII (1928), pp. 141-92. Steinberg responded with a pamphlet entitled *Eine Umwälzung der Wissenschaft? Kritik des Buches von Henryk Grossmann. Zugleich eine positive Analyse des Imperialismus* (Berlin, 1930). For an analysis of under-consumption from the perspective of the Marxist theory of value and, in general, for all of the specifically economic aspects of the problem see M. Cogoy, "Les Théories Neo-marxistes, Marx et l'Accumulation du Capital," in *Les Temps Modernes* (September-October, 1972), pp. 396-427 and F. Hermanin, "Ueber einige Aspekte der Akkumulations- und Krisentheorie bei Grossmann und Mattick," in F. Hensanin, M. Lauer, A. Schurmann, *Drei Beiträge zur Methode und Krisentheorie bei Marx* (Giessen, 1973), pp. 85-111.

[21] Among Grossmann's theoretical and methodological works are *Marx, die klassische Nationalökonomie und das Problem der Dynamik* (Frankfurt and Vienna, 1969); "Die Aenderung des ursprünglichen Aufbauplans des Marxschen Kapital und ihre Ursachen." in *Archiv die Geschichte des Sozialismus und der Arbeiterbewegung* XIV (1929), pp. 305-338; "Die Wert-Preistransformation bei Marx und das Krisenproblem." in *Zeitschrift für Sozialforschung* 1(1932), pp. 55-84; "Die Goldproduktion in Reproduktionsschema von Marx und Rosa Luxemburg," in *Festschrift für Carl Gunberg zum 70. Geburtstag* (Leipzig, 1932), pp.152-184; "The Evolutionist Revolt against Classical Economics," in *The Journal of Political Economy* LI (1943), pp. 381-396, and pp. 506-522. These are now collected in H. Grossmann, *Aufsätze zur Krisentheorie* (Frankfurt, 1971). For an analysis of the epistemological basis of Grossmann's theory, see my "Political Economy and Critical Theory," *Telos* 24 (Summer 1975), pp. 56-80.

[22] H. Grossmann. *Das Akkumulations- und Zusammenbruchsgesetz...*, op.cit., p. 608.

[23] *Ibid.*, p. 60.

[24] "The fact," writes Grossmann to Paul Mattick in a letter of July 18, 1937, "that the clique of neo-harmonists, the Hilferdings and the Bauers, have for decades systematically tried to distort Marx, does not mean that we should likewise follow the neo-harmonists. Once you think Marxian thought consistently to the end, how can a crisis arise in the simple reproduction process which seems to be characterized everywhere by such a harmonious equilibrium? Only then will you discover in Marx theoretical elaborations of which the 'philosophers' have not even dreamed, even those such as Karl Korsch, who imagined that they understood some Marxian economics." In the appendix to *Marx, die klassische Nationalökonomie und das Problem der Dynamik*, op.cit., pp. 112-115.

[25] Cf. A. Pannekoek. "Die Zusammenbruchstheorie des Kapitalismus," in *Ratekorrespondenz* 1 (1934), now reprinted in *Korsch.Mattick-Pannekoek, Zusammenbruchstheorie...*, op.cit., pp. 20ff.

[26] Pannekoek uncritically restated the objection to Grossmann made by many "professional economists," i.e. of having shown the inevitability of the crash through Otto Bauers scheme. Cf. "Die Akkumulation des Kapitals," *Die Neue Zeit* XXXI (1912.13), pp. 831-838, 862-874. The objection would make sense only if Grossmann had really meant to provide a schematic representation of the crash. But Grossmann denied the possibility of such a description. His actual aim was to show the impossibility of harmonious development starting from Bauer's premises. Cf. *Das Akkumulation- und Zusammenbruchsgesetz*, op.cit., pp. 95ff. The same objection to Grossmann was put forth by Sweezy in *The Theory of Capitalist Development* (New York, 1968), pp. 209-213. On this subject see also Roman Rosdolsky, *Zur Entstehungsgeschichte des Marxschen "Kapital"* (Frankfurt and Vienna, 1968).

[27] A. Pannekoek, op.cit., p. 39.

[28] P. Mattick, "Zur Marxschen Akkumulations- und Zusammenbruchstheorie," in *Ratekorrespondenz* 4 (1934), now in *Korsch-Mattick-Pannekoek*, op.cit., pp. 47-48. Mattick's points are significant not only because they run counter to a general tendency of left communism (and socialism), but also, and what is more important, because they go beyond narrow theoretical and political confines, thus unknowingly touching on a general political weakness of European Marxism, noticeable in the wavering between a speculative and a pragmatic version of the relation between theory and practice.

[29] A. Pannekoek, op.cit., p. 39.

[30] To realize the relevance of this problem one need only examine the polemics generated by the Habermasian critique around the concept of "work" in Marx. Cf. J. Habermas, *Knowledge and Human Interests* (Boston, 1971), chapter 1, paragraph 2. In this respect, see also H. -J. Krahls polemic, "Produktion und Klassenkampf," in *Konstitution und Klassenkampf* (Frankfurt, 1971), p. 392ff. "Habermas," notes Krahls, "can throw a restricted concept of praxis in Marx's face only because he has a restricted concept of production. According to Marx, production includes all the elements of social praxis, i.e. the subjective-objective relation and inter-subjectivity, work and the division of labor. Habermas, instead, reduces the concept of production to a non-intersubjective subject-object relationship of instrumental activity, i.e., to an instrumental concept of work. The price paid by Habermas for such a reduction of the concept of production is the dematerialization of intersubjectivity which he characterizes with the abstract title of interaction, or the dematerialization of revolutionary praxis (Ibid., p. 394).

[31] Within the labor movement, neo-Kantianism (and, in general, the influence of all those philosophical currents characterized by the centrality of the subject) did not emerge, as the history of ideas would require, from the new results of scientific and epistemological research, abstractly demonstrating the "erroneous character" of the evolutionist and determinist viewpoint, nor did it emerge as the subjectivist viewpoint itself maintains, from a revisionist "deviation" or "degeneration." Rather, on the level of theoretical consciousness, it can be seen as a recoil to the advent of the monopoly phase of capitalism which, by contradicting in reality the positivist conception of an unavoidable evolutionary passage to socialism, had precipitated into a crisis the flatly objectivistic interpretation of Marxist theory. In reading Max Adler's work one notes, much more than in Bernstein or, to mention a neo-Kantian Marxist, in Colander, the peculiar connection between the crisis of the Second International (which is both a crisis of a scholastic framework based on the absolute legitimacy of the historical process, and of the objectivistic-economist conception of politics which this framework supported) and the birth of the so-called "Western Marxism." The latter emerged at the same time as a critique of every deterministic concept of history and of every reformist practice, while seeking an activist-revolutionary reconstitution of the forms of subjectivity. Max Adler's attempt to find an autonomous theoretical and political way (a sort of "third way" between social democracy and Bolshevism) based on a broad and comprehensive philosophic reconstitution of Marxism. took place at this delicate point in time, characterized by the war, the October revolution and the theoretical crisis of 1923. For this whole range of questions dealing with neo-Kantian socialism, see the openly social-democratic treatment contained in N. Lesser, *Zwischen Reformismus und Bolschewismus. Der Austromarxismus als Theorie und Praxis* (Vienna, Frankfurt and Zurich. 1968). For Max Adler, cf. pp. 513-561.

[32] In H. Grossmann, *Marx*, op.cit., p. 88.

[33] Cf. A. Schmidt, *Geschichte und Struktur* (Munich, 1971), PP. 41ff., as well as C. Luporini, *Marx secondo Marx*, op.cit., pp. 84-112.

[34] In addition to the already mentioned work on the genesis of Capital, cf. Rosdolsky's recently published collection of essays on the theory and practice of the Second International, *Studien Über revolutionäre Taktik* (West Berlin, 1973). Concerning the problem of a political reading of the *Darstellung*, cf. H. Reinicke, *Ware und Dialektik* (Darmstadt-Neuwied, 1974). This book takes up and develops several of Krahls ideas.

[35] On the relationship between the commodity form (Warenform) and the thought form [Denkform], cf. A. Sohn-Rethel's controversial but stimulating considerations in his *Warenform und Denkform*. pp. 101ff., and *Geistige und körperliche Arbeit*, pp. 24 (both works published Frankfurt, 1971). The publication of Sohn-Rethel's writings, written during the 1930s in the context of the internal discussion of Critical Theory, but "discovered" only recently, perhaps constitutes the most relevant theoretical event of the last decade in West Germany. Cf. H. Reinicke, op.cit., pp. 103-118, and "Ware und Dialektik-Zur Konstitution des bürgerlichen Bewusstseins bei Sohn-Rethel," *Politikon* 56 (April-May, 1971), pp. 22-35.

[36] Cf. B. De Giovanni, *Hegel e il Tempo Storico della Societa Borghese* (Bari, 1970), pp.173-202.

[37] Marxist theory is rigorously analyzed in the works of R. Rosdolsky, *op.cit.*; O. Morf, *Geschichte und Dialektik in der politischen Oekonomie* (Frankfurt and Vienna, 1970); and, more recently, in the work of H. Reichelt, *Zur logischen Struktur des Kapitalbegriffs bei Karl Marx* (Frankfurt and Vienna, 1970); H.-G. Backhaus, "Zur Dialektik der Wertform," in *Beitrage zur marxistischen Erkenntnistheorie*, edited by A. Schmidt (Frankfurt, 1970), pp.128-52; and "Materialien zur Rekonstruktion der Marxschen Werttheorie," in *Gesellschaft. Beitrage zur Marxschen Theorie I* (Frankfurt, 1974), pp. 52-77. Concerning the relation between the critique of political economy and the theory of history, the dialectical *Darstellung* and the theme of class consciousness (*Konstitutionsproblematik*), the contributions of A. Schmidt are relevant. In addition to the already cited *Geschichte und Struktur*, see his "Zum Erkenntnisbegriff der Kritik der politischen Oekonomie," in *Kritik der politischen Oekonomie heute. 100 Jahre "Kapital"* edited by W. Euchner and A. Schmidt (Frankfurt and Vienna, 1968), pp. 30-43; O. Negt, *Soziologische Phantasie und exemplarisches Lernen* (Frankfurt, 1971). But, above all, see the volume, written in collaboration with A. Kluge, *Oeffentlichkeit tsnd. Erfahrung. Zur Organisationsanalyse von burgerlicher und proletarischer Oeffentlichkeit* (Frankfurt, 1972). All these authors develop (often with sharp polemical points) central themes of Critical Theory.

[38] Cf. N. Badaloni's perceptive article. "Il 'Meccanismo Unico' nel Tardo Capitalismo," in *Rinascita* XXX:20 (May 18, 1975). pp. 23-25. Here Badaloni takes up and clarifies several central points concerning his contributions to the discussions on Marxism in the 1960s. Cf. *Il Marxismo Italiano degli Anni Sessanta e la Formazione Teorico-Politica delle Nuove Generazioni* (Rome, 1972), pp. 19ff., subsequently developed in *Per il Comunismo. Questioni di Teoria* (Turin, 1972), which along with the already-mentioned works of Luporini and De Giovanni, constitutes the major recent contribution to the Italian Marxist discussions. For the critical-methodological conceptions of Mattick, see the recent collection of his essays, *Kritik der Neomarxisten* (Frankfurt, 1974).

[39] The anonymous author of the article on crisis theory which came out in the *Proletarier* together with Korsch's, had accused Grossmann of not understanding Marx's method. "Marx," he wrote, "does not mean to explain capitalist reality through a 'procedure of approach' (*Annaherungsverfahren*) his theory is not meant as a means to reconstruct economic reality in its totality. It is meant, rather, to unveil the absurdity of the economic foundations of the system...and, furthermore, to give to the proletariat the chance to examine concretely its reality from the perspective of revolutionary transformation." Cf. "Die Grundlagen einer revolutionaren Krisentheorie," reprinted in *Korsch.Mattick-Pannekoek, op.cit.* p. 75. After having read this article, Grossmann wrote to Mattick in a letter dated May 7, 1933. "To Marx-assures the critic- it is not important to explain the capitalist reality (as I claim). The same critic proposes, besides, to furnish a 'theory' of crises. But what significance does the theory have unless one proposes not only to describe the data, but to understand it in its functional connections and thus to explain it?" Cf. Marx, *op.cit.*, p. 99.

[40] K. Marx, *Capital*, Vol. III, *op.cit.*, p. 259. Pannekoek's methodological misunderstanding is further clarified if we examine the more theoretical and political side of his critique. Challenging Grossmann's claim that the collapse is neither an alternative to nor a contradiction of the class struggle (cf. *Das Akkumulations- und Zusammenbruchsgesetz, op.cit.*, p. 602), Pannekoek accuses Grossmann of having a reductionist conception of the latter, i.e., of seeing it as a simple struggle for wage increases and for the reduction of labor time (cf. Pannekoek, *op.cit.*, p. 29). Actually, as a consequence of his line of argument, which Pannekoek ignores, Grossmann does not refer solely to the factory struggle, but to the overall dynamic of the capitalist system. He connects the class struggle, in all of its complexity, to the process of reproduction and not to the simple productive process. "precisely because in Marx the entire analysis of the process of reproduction leads to the class struggle" (Grossmann. *op.cit.*). Here Grossmann quotes a conclusive passage from a letter by Marx to Engels dated April 30, 1868. concerning the structure of the second and third volumes of *Capital*. Having shown the phenomenal character of the independent movement" of the economy, which makes economic categories appear as if they followed an objective, autonomous and self-given process, Marx concludes that, when one relates wages and profits to the three classes (landed owners, capitalists and workers) which constitute the sources of income, the result of the entire dialectic of the forms is "the class struggle as an outlet in which the movement and dissolution of all the crap is worked Out" (Marx and Engels. *Selected Correspondence [Moscow, 1955]*, pp. 207-208). To the extent that this conclusion implies the totality of the reproductive process, it rules out all restricted conception (economistic or syndicalist) of the class struggle. And Grossman uses it in order to demonstrate that, at a high level of capital accumulation, the struggle for the distribution of income "is not only a struggle for the betterment of the standards of living of the struggling classes, but a struggle for the very existence of the capitalist mechanism" (*op.cit.*).

[41] Grossmann wrote a sizeable study on Sismondi: *Sismonde de Sismondi et ses theories économiques (Un nouvelle interpretation de sa pensee)* (Varsaviae, 1924). Some important considerations concerning the Swiss economist can also be found in the essay "W. Playfair. The Earliest Theorist of Capitalist Development," in *Economic History Review* XVIII (1948), pp. 65-83.

- [42] Cf. in this regard P. Mattick, 'Marxismus und die Unzulänglichkeiten der Arbeiterbewegung,' in Ueber Karl Korsch, op.cit., p. 195, where Korsch's refusal to connect the theory of social revolution with that of capitalist development is sharply criticized.
- [43] R. Panzieri, 'Plusvalore e Pianificazione.' op.cit., p. 283.
- [44] K. Marx, Capital, Vol. III, op.cit., p. 851. Italics added.
- [45] R. Panzieri, op.cit., p. 282.
- [46] Cf. H. Reichelt, op.cit., pp. 245ff.
- [47] Cf. A. Schmidt, Geschichte und Struktur, op.cit., pp. 41ff.
- [48] K. Marx, Capital, vol. III, op.cit., p. 273. For all of these problems, cf. C. Luporini, Marx secondo Marx, op.cit., pp. 99-101.
- [49] Cf. Marx and Keynes, The Limits of the Mixed Economy (Boston, 1969), and "Marxismus und die Unzulänglichkeiten der Arbeiterbewegung.' op.cit., pp. 192ff. For a look at Mattick's theoretical-political positions considered as a whole, see the French anthology of his work edited by R. Paris, Integration capitaliste et rupture ouvrière (Paris, 1972).
- [50] G. Lukács, History and Class Consciousness (Cambridge, 1971), p. 40.
- [51] Living Marxism, which was first known as International Council Correspondence a then as New Essays [all the issues of these journals have recently been reprinted by Greenwood Publishing Company (Westport, Conn., 1971)], published political, economic and social theory of some of the better-known exponents of Linkskommunismus during the 1930s and 1941. Besides Mattick and Korsch (both in emigration in the United States), Anton Pannekoek and Otto Ruhle also wrote for it and articles were periodically translated from Ratekorrespondenz Amsterdam in it. For an excellent account of this, see Gabriella M. Bonacchi, "Teoria Marxista e Crisi: I Comunisti dei Consigli' tra New Deal e Fascismo,' in Problemi del Socialismo XVII:25-26 (1974).
- [52] In Living Marxism IV:4 (August, 1958); cf. in particular pp. 118-119.
- [53] Cf. "Economics and Politics in Revolutionary Spain." Living Marxism IV (May 5, 1951 and "Collectivisation in Spain," *Ibid.*, IV (April 6, 1939).
- [54] Within this perspective, the parallel drawn in Marxism and Philosophy between the abolition of philosophy and the abolition of the state is to be seen as a theoretical and political failure related to a rather limited reading of Marx's early philosophical works. On this point cf. B.D. Giovanni, Marx e lo Statts' Democrazia e Diritto 3 (1973), p. 49.
- [55] The flip side of Korsch's critical program is his dogmatic conception of the critique of political economy. The latter is considered conclusive once and for all with the analysis of the essence of the mode of capitalist production developed by Marx in Capital: one need only sum up the fundamental concepts from time to time. Marxist theory is constantly rediscovered and updated, however, as the theory of the class struggle. Separated from the structural analysts of capitalist development and from the consequent critical reflexion on the logical apparatus 0: Marxist categories to relation to the changed morphology of the mode of production, the theory of revolution ends up wavering impotently between the extreme poles of dogmatism and empiricism. In this respect, see Oskar Negt. 'Theory. Empiricism and Class Struggle.' in this issue of Telos. The importance and originality of Marx and Keynes (especially if compared to the model of Baran and Sweezy. which has conditioned international discussion for many years) lies on the contrary, in the fact that it makes possible a unitary theoretical and political discourse grounded in a comprehensive economic analysis connecting production with markets, distribution, reproduction and the state-all on the basis of the Marxist theory of value.

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