MARC LINDER

REIFICATION AND THE CONSCIOUSNESS OF THE CRITICS OF POLITICAL ECONOMY

STUDIES IN THE DEVELOPMENT OF MARX' THEORY OF VALUE

RHODOS

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Marc Linder

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CRITICS OF POLITICAL ECONOMY

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CHAPTER II
SOCIAL DEMOCRATIC THEORY AS THE "STINKING CORPUS" OF MARXISM

There is nothing that has corrupted the German working people to such a degree as the opinion that they are floating with the current. Technical development was considered by them the slope of the current.... The old protestant work ethic celebrated its resurrection in secularized form among the German workers. [...] This vulgar-Marxist concept of that which is labor does not tarry along with the question of how their product affects the workers themselves as long as they cannot control it.¹

A. Introduction

The purpose of this chapter is to show how persistent has been the misunderstanding of the Critique of Political Economy even on the part of Marxists. Although an attempt is made to develop a logical-immanent critique of these Marxist theories both with respect to Das Kapital, which the authors claim to be interesting, and to their own theoretical development, the problem is not merely superstructural.² It too must be seen as "the expression of real relations and their development, the necessary appearance of societal contradictions."³


²This is the same problem Lenin dealt with in tracing the misunderstanding back to the neglect of Hegel's Logik. S. Filosofskie Tedradi, SSP, XXIX, 162. Lenin's answer, in accordance with the second Feuerbachthese: "The struggle over the reality or non-reality of thinking—which is isolated from praxis—is a purely scholastic question." (MEW, III, 5), was very materialistic: the Russian Revolution.

For all these theoreticians Marx' conception of the subject-object relationship in a revolutionary process is apparently reserved for the period of the preparation of the revolution. If:

The main defect of all hitherto existing materialism (including Feuerbachian) is that the object, reality, sensuousness is conceived only under the form of the object or contemplation; not however as sensual human activity, praxis, not subjectively, then it is equally true of these Marxists that they have failed to grasp the Marxist recognition of socialization as the identity of the historical developmental process and "unwälzender menschlicher Tätigkeit"; for them socialization is nothing more than a rational system of organizational measures. That also after the conquest of power:

The coinciding of the changing of circumstances and of human activity or self-change can be conceived and rationally understood only as revolutionary praxis, that is, that a permanent struggle against the old contents and forms of social life must be carried on lest they spontaneously reassert themselves, remains a book with seven seals to these Marxists.

This danger assumes especial acuteness in all those societies in which a socialist revolution takes place before the "economically last Termin," i.e., before the melting point of capital has been reached.

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6MEW, III, 6.

B. The Second International

1. Kautsky

Typical of the vulgar Marxist approach to the problem of political economy in socialist society is Kautskyianism. Indissolubly connected in this respect are Kautsky's false reception of theoretical Marxism and the revisionist direction which the Second International took under his leadership. But the content Kautsky gave to this leadership was by no means merely a reflection of his own personal-psychological situation (that he had, for instance, been personally acquainted with Marx and Engels). Although it is not possible to develop here a materialistic explanation of the practice of the Second International, an attempt will be made to show how Kautsky's theoretical views on socialist society cannot be understood without an appreciation of his (and thus millions of Western European workers') misunderstanding of the Critique of Political Economy.

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8 We note here that throughout we use the term "vulgar" after Marx' usage as applied to political economy in that stage of its development when it abandoned research of the essential relations and remained immersed in semblance. See Kap. I, op. cit., p. 95 n. 32.


10 S. e.g. Lenin's wartime writings criticizing the Second International's national chauvinist position: "Krakh II. Internatsionala," PSS, XXVI, 209-265; Proletarskaia revolyutsiia i renegat Kautskiy," PSS, XXXVII, 235-338.

11 S. K. Korsch, Marxismus und Philosophie (2d ed.; B., 1930), pp. 13-20. Korsch contends that the transmission of Marxism during an objectively non-revolutionary period led to its transformation into a fixed ideology which is brought into the labor movement from "outside" rather than developing as a result of internal contradictions. This of course is Kautsky's "Bewusstsein als ein von aussen Hineingetragenes". That Lenin adopted this view ("Chto deliat'?," PSS, VI, 38f) Korsch considers one of the ideological origins.
The two texts in which Kautsky elaborates his views in some detail are separated by two decades (1902-1922). Although the intervening Bolshevik Revolution made manifest Kautsky's break with revolutionary socialism, the underlying theoretical continuity indicates that Kautsky's political and theoretical revisionism cannot be separated.

of later developments in the Soviet Union. Despite Korsch's judgment, the Kautsky-Lenin position reflects the circumstance that the working class, as a result of being exposed to the physical force of capitalist fetishism eight to twelve hours a day, must overcome a false consciousness become second nature. E. Mandel, "Lenin und das Problem des proletarischen Klassenbewusstseins," Lenin. Revolution und Politik (F., 1970), pp. 159-61, incorrectly interprets this as meaning that Marxism can be acquired only individually as opposed to collectively.

Lenin's materialist explanation of pre-Kautskyian, i.e. Bernsteinian, revisionism stressed that capitalism is constantly creating new simple commodity producers who are also constantly being declassed, i.e., becoming proletarianized, and thus introducing petty-bourgeois ideology into the labor movement. S. "Marksizm i revizionizm," PSS, XVII, 25. At the same time Lenin insisted that Kautskyianism did not represent an autonomous direction, since it was rooted neither in the masses nor in the privileged strata gone over to the bourgeoisie. S. "Imperializm i raskol sotsializma," PSS, XXX, 177. This is connected with Lenin's theory of the labor aristocracy; s. ibid., 173, and "Imperializm, kak vysshaja stadia kapitalizma," PSS, xxvii, 308, 404ff. The generalization of the labor aristocracy phenomenon for all capitalist countries has met with at least partial empirical refutation on the part of J. Kuczynski, who suggests with great caution that owing to slavery a labor aristocracy did not develop in the U.S. until after World War I. S. Die Geschichte der Lage der Arbeiter in den Vereinigten Staaten von Amerika von 1789 bis in die Gegenwart (2d. ed.; B., 1949), pp. 133ff., 247f.

Of paramount importance is Kautsky's reduction of the law of value to its quantitative aspect. He stresses the equivalence compulsion under the law of value:

Nothing more erroneous than the view that a socialist society would have the task of completely carrying out the law of value, of making certain that only equal values are exchanged against equal values.13

As to the nature of the law of value, he can only say that it is not "the best conceivable way to regulate production."14 In this quantitative sense "the necessity to regulate production by the exchange of equal values ceases."15

In the 1922 text even this restriction is removed, thus reinstating the law of value in socialism:

The appraisement of commodities according to the labor contained in them...we find to be an accomplished fact in the shape of transmitted prices....

We may therefore anticipate that the law of labour value would on the whole assert itself in a socialist society in spite of the abolition of private production and of private competition.16

Kautsky's remarks on the function of money in socialism bring out even more clearly the tendency to overlook economy in favor of technology (the relations of production in favor of an objectified conception of the productive forces):

Money is the simplest hitherto known means which makes it possible in such a complicated mechanism as is the modern mode of production with its...division of labor to mediate the circulation of products and

14 Ibid., p. 19.
15 Ibid.
their distribution to the individual members of
the society; it is the means which makes it
possible for each one to satisfy his needs
according to his own individual propensities....
As means of circulation money will remain indis-
pensable as long as nothing better is found.17

By 192218 Kautsky described this technological aspect of money
even less critically, asserting that great progress had been made
as "soon as a commodity appeared which everybody was glad to take."19
Of course this is not entirely incorrect: the development (not the
invention!) of money was also a technical advance—but Kautsky,
seeing only this aspect, is thus unable to perceive the reifying
aspects of money.20 And if he was able to recall these mechanically
when interpreting Das Kapital,21 he conveniently forgets them when
he speaks of the future society. He sees only technical means to
solve technical problems. Absorbed by the technical, phenomenal
form of the role of the law of value, of money, etc., Kautsky
examines them only qua distribution mechanism. What value is,
Kautsky omits to examine. Thus socialism will be able to solve
these technical problems, and eliminate crises and production
anarchy in general. This one-sided emphasis on efficiency will run
like a red thread through the next half-century of Social Democratic
theory and practice.

17Die soziale Revolution, p. 17.
18For inexplicable reasons Kautsky reinstates money as a
measure of value. The Labour Rev., p. 262.
19Ibid., p. 257.
20This becomes clear when Kautsky attacks the bourgeois planner
Neurath for making a fetish of the preservation of money. Ibid.,
p. 259.
21Karl Marx's Oekonomische Lehren (Stuttgart, 1887). On
Engels' opinion of the book—which he encouraged Kautsky to write--
see his letter to N.F. Danielson, 5 January 1888, MEW, XXXVII, 8.
With respect to Kautsky's general conception of socialist society one is struck by its moderation and lack of break with bourgeois society. Apparently obsessed with the ideology of consumer sovereignty and with bourgeois materialist egoism, he sees the need for strict differentiation of wages as the only way to ensure societal reproduction after the fall of capital. Thoroughly frightened by the experiences of War Communism, Kautsky falsely identifies any revolutionary experiments aimed at replacing the old reified capitalist social bonds with transparent ones with the construction of a prison or barracks.

In summary, then, Social Democratic "guild socialism" represents a series of autonomous economic units, differing from capitalism in the liquidation of class rule.

2. A Semi-Critical Interlude

Although the two major non-Russian Marxist economists of the Second International, Luxemburg and Hilferding, both shared Marx' concept of the law of value and of the Critique of Political Economy, they at the same time were not able to free themselves entirely from the then dominant view of the law of nature—i.e., labor as the "concealed" essence of value, rather than the form of value, the commodity form.

22 There are divided views on Kautsky's methodology. A recent Soviet author, A.M. Rumyantsev, "Printsipy ekonomicheskogo obosnovaniia sotsializma v 'Kapitale' K. Marksa," K. Marks i sotsialisticheskaia ekonomika (M., 1968), p. 6, has written that "the contours of communism were determined by Marx in Capital only as real economic and historical tendencies," thereby criticizing those who, like Kautsky, tried to be concrete. Korsch criticizes the Kautskyans for their lack of practical phantasy. "Grundsätzliches über Sozialisierung," pp. 72f.

23 Die soziale Revolution, p. 20.

24 The Labour Rev., pp. 258-60.

a. Luxemburg

For Rose Luxemburg, as for Marx, the reified structure of the gesellschaftlicher Naturgesetze of capitalism made necessary a science which could both distinguish between appearance and essence and develop the former from the latter. In this context she writes that the anarchy of capitalist totality precisely makes it that the societal economy brings forth results which are unexpected and puzzling for the participating human beings, it [the anarchy—ML] makes it that the societal economy has become a phenomenon foreign to and alienated from us, independent of us, whose law we must fathom just as we examine the phenomena of external nature.... Scientific knowledge must subsequently uncover the sense and the rule of the societal economy which the conscious plan has not dictated to it in the first place.

And insofar as the Critique of Political Economy is specifically a creature of the capitalist mode of production, it loses its raison d'être as soon as that secondary level of reality which inserted itself between man and his social world with the rise of commodity production has been aufgehoben by conscious, collective action:

Political economy as science has played out its role as soon as the anarchic economy of capitalism has made place for a planful economic order consciously organized by the total working society. The victory of the modern working class and the realization of socialism thus mean the end of political economy as science.

Yet Luxemburg comes to these conclusions in spite of the fact that she at times did not grasp the most critical aspects of the analysis of the forms which human relations assume in capitalist commodity production.

26 Das Kapital, I, MEW, XXIII, 393, n. 89.


28 For the changes, for instance, the Greek language underwent with the rise of commodity production, s. Henri Lefebvre, Le langage et la société (P., 1966), pp. 348ff.

29 Einführung, I, 491.
It is ironic that the critic who pointed out this defect in Luxemburg's theory was representative of a socialist society and of a Marxism which deny that Marx restricted political economy to commodity producing societies, asserting that socialist commodity production does not contradict Marx' view of socialist society. In fact, the very attempt to explain Luxemburg's errors must involve this author in an incorrect interpretation of Luxemburg and of Marx.

In a book first published in 1951 and intended as a companion volume to the first larger edition of Luxemburg's works in the GDR, Fred Oelssner tries to mediate her economic views with her mistaken philosophical views. Being, like Feuerbach, both an idealist and a mechanical materialist, and thus unable to grasp dialectical materialism, Luxemburg had no understanding of the foundations of Marx' political economy. Whereas for Marx production is the foundation of historical development, for Luxemburg it is exchange.

The justification for characterizing Luxemburg's conception of exchange as idealistic and "menshevistic" Oelssner finds in a passage in Einführung in die Nationalökonomie in which she

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31 Rosa Luxemburg, pp. 164f.

32 Ibid., p. 165.
states that exchange rules the economy. But Oelssner has neglected to mention the context in which Luxemburg makes this remark. It comes at the end of a long section on the consequences of the transition from a non-commodity producing, primitive communist community to a commodity producing society. Now the most important aspect differentiating the two societies is that in the latter commodities are produced, or alternatively, goods are produced for exchange. And it is precisely this aspect that Luxemburg was emphasizing. (Oelssner's assertion has, however, a grain of truth: a more precise formulation on Luxemburg's part would have been: production for exchange dominates society.)

From the alleged fact that Luxemburg "forgets" that exchange is determined by production, Oelssner derives Luxemburg's tacit rejection of Engels' "exact definition" of political economy. As will be touched upon in the section on O. Lange, Marx too tacitly rejected Engels' definition without having fallen victim to Menshevik conceptions. If Luxemburg forgot that exchange is determined by production, then Oelssner has forgotten that production need not necessarily lead to exchange, and that even Engels wanted to restrict political economy to those societies in which exchange rather than direct distribution took place.

Similarly false is Oelssner's objection to Luxemburg's reckoning the middle of the eighteenth century as the period in which political economy arose. To say, as Oelssner does, that already Aristotle was concerned with "economic problems," is

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33 Ibid., pp. 165ff.; Einführung, I, 647.
34 Einführung, I, 635ff.
35 Rosa Luxemburg, p. 165.
36 Ibid., pp. 166ff.
37 Ibid., p. 168.
to neglect Marx' significant methodological observations on the connection between the development of capitalism and the development of the science of political economy. For Marx it was incorrect to analyze economic categories in the historical sequence in which they arose; only their relations in developed bourgeois society permitted a comprehension of their essence.  

Ironically it is precisely in this neglect of the dialectical relationship between the logical and the historical development that Rosa Luxemburg's error lies. According to Oelssner "Rosa Luxemburg views value just as Ricardo did, but also just as Kautsky, Braunthal and so on did, purely quantitatively, as socially necessary labor." At this point Oelssner quotes a passage from the Einführung in which Luxemburg does in fact limit herself to this quantitative aspect. But again it is taken out of context; for it stands at the beginning of the section on wage labor and the origin of surplus value, which already presuppose the existence of value. Oelssner explains this failure from the fact that Luxemburg neglects Marx' discovery of the two-fold character of labor; for the Oelssner, abstract human labor is the "essence of value."

But as Luxemburg herself notes:

The discovery that merely human labor lies hidden in the exchange value of every commodity, as well as in money, ... is namely just half of the truth. The other half of the truth consists in the explanation: how it is that, and why, human labor then assumes the strange form of exchange value to say nothing of the mysterious form of money?

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38 Gr., pp. 21-28.
39 Rosa Luxemburg, p. 169.
40 Einführung, I, 680.
41 Rosa Luxemburg, p. 169.
42 Einführung, I, 675. Cf. Das Kapital, I, MEW, XXIII, 87f., 94f, nn. 31-32.
Why Rosa Luxemburg, who was evidently aware of the form problem— unlike Oelssner who, despite his having noticed Luxemburg's error, himself never transcends the Ricardian discovery of the "substance" of value— did not develop it further may be due to the fact that the *Einführung* is merely an unfinished manuscript. Yet it may also be due to the fact that she, like another Marxist popularizer a half-century later, in an effort to simplify an extremely complex analysis, concentrated on the historical development to the total exclusion of the logical problematic.

In her analysis of the results brought about by the transformation of a non-commodity into a commodity producing society, Luxemburg emphasizes that now the amount of time devoted to each product (resp. commodity), the amount of wealth each member of society receives, and the division of labor are all decided a posteriori; that is, she neglects the Wesensgleichheit (consubstantiality) upon which commodity production rests— namely the value form, and not merely abstract human labor, as Oelssner asserts— in favor of singling out the anarchic quantitative distribution of total social labor time.

Thus Oelssner is again— for the wrong reason— right in pointing to Luxemburg's incorrect derivation of money. Not having given attention to the value form, Luxemburg is no longer in a position to understand the origin of money since the latter was implicit in that form. Instead, she derives money from the

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45 *Einführung*, I, 643ff.
46 *Rosa Luxemburg*, p. 169.
47 *Das Kapital*, I, chap. 1.
difficulties that arose historically with generalized exchange relations. By limiting herself to the necessity of money as a means of exchange, she does not go beyond the historical genesis, which is one-sided, only "half the truth." Without relating the historical genesis to the dialectical-logical derivation, Luxemburg cannot transcend the bourgeois view of money as a convenient means of exchange.

b. Hilferding

Hilferding's theoretical works represent something of an ideological curiosity. Whereas the other major figures of the Austro-Marxist school (Renner, Beuer, Max Adler, Friedrich Adler) more or less shared Kautsky's vulgar Marxist assumptions, Hilferding, though certainly not immune to them, retains through the bulk of his works at least some of Marx' critical intentions.

Hilferding analyzes the law of value particularly with respect to its function as abstract expression of sociality and to the behavior of individual members of commodity producing societies. Thus the law of value is only the conceptual expression of the production relationship

48 Ibid., MEW, XXIII, 101ff.
50 Typical of the neo-Kantian, positivistic orientation of the Second International which rejected Marx' "Hegelianism" is Otto Bauer, "Die Geschichte eines Buches," NZ, XXXII (1907-08), 23-33, esp. 31.
in which the commodity producers stand. It expresses therefore a societal connection but it does not produce it as say the law of gravity produces the motion of the heavenly bodies according to the older view of nature. The societal connection has rather been produced by the way in which human beings have structured their relations of production. ...The law of value does not effect any actions, rather just the reverse, in and through the actions of the economic subjects the law of value is realized.53

Referring more specifically to the dialectic of the whole and the part, Hilferding continues:

This determination of the mode of action of the producers, who act in an isolated manner according to their subjective motives, thereby however are unsocialized and determined by the societal connection out of which alone their actions are to be grasped, this determination reduced to its conceptually objective expression is the law of value.54

A decade earlier Hilferding, emphasizing the aspect of natural necessity, described the law of value as

something determining the behavior of the agents of production within the relation of production with necessity. With necessity for the character of the necessity does not become another if it must pass through the will of the individuals which is determined by the peculiarity of the relation of production itself. In this law is asserted vis a vis the individuals with natural necessity the societal connection which here is not one immediately wanted consciously and produced by conscious, collective action, but only one perceived by the theoretical post festum.55

53. Review of Der soziale Inhalt der Marxschen Werttheorie, by F. Petry, Archiv, VIII (1919), 443. See also the formulation by Jakob Schlesinger (alias Singer), Der methodologische Gehalt der Marxschen Werttheorie (dissertation, Jena, 1926), p. 44.

54. Ibid., p. 444.

At this point in the analysis however Hilferding falls back to the level of those whose attention is fixated on the magnitude of value.\textsuperscript{56} Whereas Marx insists that "the late scientific discovery that the products of labor, so far as they are values, are mere object-expressions of the human labor expended in their production, is epoch-making in the developmental history of mankind, but in no way banishes the object-semblance of the societal characters of labor,"\textsuperscript{57} Hilferding believes that the "pointing out of the 'societal substance' of the commodity" is identical with the "discovery of the fetish character of the commodity."\textsuperscript{58} Given this neglect of the problem of forms on the part of the most critical of Social Democratic Marxists, it cannot be surprising that it becomes the hallmark of later vulgar Marxist "economics."\textsuperscript{59}

\textsuperscript{56}This also characterizes Hilferding's review of Kautsky's publication of Marx' Theorien über den Mehrwert: "Aus der Vorgeschichte der Marx'schen Ökonomie," NZ, XXIX/2 (1910-11), 620-28. In addition, Hilferding's theory of money, as elucidated in Das Finanzkapital, pp. 24ff., is no longer conducted on the basis of the Critique of Political Economy, but rather an eclectic formulation of technicistic views. For a further formulation of the gesellschaftlich notwendigen Zirkulationswerts as the new Wertmesser replacing gold, s. Hilferding, "Geld und Ware," NZ, XXX/1 (1911-12), 773-782. Among the many critiques of this neo-quantity theory: K. Kautsky, "Geld, Papier und Ware," NZ, XXX/1 (1911-12), 837-47, 886-93; Kautsky, "Finanzkapital und Krisen," NZ, XXXIX/1 (1910-11), 764-72; V. Poznyakov, "Gil'ferding ili Marks," PZM, 1-2 (1926), 245-67; H. Grossmann, Das Akkumulations- und Zusammenbruchsgesetz des kapitalistischen Systems (Leipzig, 1929), pp. 608ff. The latter author demonstrates the connection between Hilferding's false theory of money—the implicit renunciation of the law of value—and his theory of the general cartel.

\textsuperscript{57}Das Kapital, I, MEW, XXIII, 88.

\textsuperscript{58}"Zur Problemstellung...," NZ, XXIII/1 (1904-05), 109.

Like R. Luxemburg, Hilferding restricts the Critique of Political Economy to commodity producing societies.\(^{60}\)

C. Neo-Vulgarians

1. M. Dobb\(^{61}\)

Underlying Dobb's analysis of the Soviet economy and of the role of the law of value in capitalism is his uncritical, i.e., formalistic-definition interpretation of capitalism. Counterposing Marx' "definition" of capitalism to those of Sombart and Weber and the German Historical School, Dobb opts for the former\(^{62}\) because:

the justification of any definition must ultimately rest on its successful employment in illuminating the actual process of historical development: on the extent to which it gives shape to the contours which the historical landscape proves to have.\(^{63}\)

Although Dobb is certainly correct in emphasizing the historical

\(^{60}\)R. Hilferding, Boehm-Bawerk's Criticism of Marx, trs. Eden and Cedar Paul (Glasgow, n.d.), p. 12. It should be noted that the restriction of economic theory to commodity producing societies is, for different reasons, also common to some bourgeois authors. See, for instance, T.J. Hoff, Economic Calculation in the Socialist Society, tr. M. Michard (L., 1949), p. v; and Lionel Robbins, An Essay on the Nature and Significance of Economic Science (2nd ed.; L., 1940), p. 18.

\(^{61}\)Dobb's pre-Marxist books--Capitalist Enterprise and Social Progress (L., 1926) and Wages (L., 1928)--will be disregarded. The former was published in the Soviet Union in 1929, edited by I.I. Rubin; in connection with the debates surrounding Rubin, both he and Dobb were attacked. S. the review by A. Kholmyanskiy, PE, 1 (1929), 125-28.

\(^{62}\)That Dobb still sees a difference between the content of the two "definitions" must be considered a relatively critical standpoint compared to O. Lange, who asserts that Sombart and Weber "used a somewhat different terminology but in principle
character of capitalism in contradistinction to the formalistic, suprahistorical view of a Weber, he remains uncritical insofar as he bases his "definition" on phenomenal forms and pre-historical conditions of capitalism\(^64\) rather than on its essence—value. Indeed, to the extent that Dobb one-sidedly selects a few characteristics for his "definition,"\(^65\) he renders impossible the working out of a concept of capital which is the mental reproduction of the internal articulation, of the internal structure of an object, and to be sure...in its development, in its rise, its existence, and fall. 'Concept' means the rational understanding, the mental reproduction, the mental appropriation...of the object in its structural-genetic essence, i.e., in its structural-genetic lawfulness,\(^66\)


\(^64\)On the concept of the pre-history of the gewordenen object as opposed to that of its history, s. Zelený, Wissenschaftslogik..., p. 71.

\(^65\)According to Lenin "all human praxis must enter into the complete 'definition' of an object both as criterion of truth and as practical determinant of the connection of the object with that which man needs." "Eshche raz o profsoiuzakh, o tekushchem momente i ob oshibkakh tt. Trotskogo i Bukharina," PSS, XLII, 290.

\(^66\)Zelený, Wissenschaftslogik..., p. 62.
This formalistic approach to the subject matter of the
Critique of Political Economy is retained in Dobb's approach to
the development of the science itself. This leads Dobb to
viewing only those aspects of the latter which it may well have
in common with other theoretical endeavors, thus abstracting
from the specificity of the Critique of Political Economy as
the study of the "anatomy" of bourgeois society:

The materialistic Critique of Political Economy in
Capital...methodically takes as its point of departure
the fact that with the investigation of the bourgeois
mode of production and its historical changes everything
has already been investigated which in the structure
and development of the present economic social formation
can form the subject matter of a strictly empirical
social science proceeding in a manner 'faithful to
natural science'.

Instead of emphasizing this revolutionary aspect of the Critique,
Dobb merely explains that a certain development had to be made
in political economy before one could make "postulates in terms
of the general equilibrium of the economic system" and that in
political economy a value theory fulfilled the function of the
specific "unifying principle, or system of general statements
cast in quantitative form."

Dobb's interest in the formal-quantitative aspect of "a"
theory of value appears once again in his definition of formal
adequacy:

The set of statements must have the form...of an
equational system in which the number of equations,
or known conditions, is equal to the number of
unknown variables in the system to be determined.

That Dobb insists upon the quantitative form of a value theory
is connected with his major interest in "Marxist economics" as

69 Ibid.
a theory of distribution and value resp. price determination.\textsuperscript{70}

As will be seen below in the discussion of bourgeois critiques of Marx' "theory of value" (especially the pre-Marxist Lange and Sweezy, and Joan Robinson), there develops a strong tendency to utilize Marx' theory of value--and of surplus value--merely as a sociological framework, in order to "rectify" the supra-class approach of bourgeois economics.\textsuperscript{71}

Even when Dobb comes to speak of the "qualitative" aspects of value he is exclusively interested in the "substance" of value, human labor as the foundation of human riches, rather than

the decisively important thing...to discover the internal necessary connection among value form, value substance, and value magnitude, ideally expressed, to prove that the value form springs from the value concept.\textsuperscript{72}

But since Dobb is more concerned with formal definitions and imprecisely formulated abstractions (which he actually attributes to Marx as well), he cannot see that for Marx it is the specific form which the products of labor assume in capitalism and the "necessity of this inversion as necessary form of consciousness of that form of societal production which produces its products in the commodity form,"\textsuperscript{73} which represents the critical standpoint of the Critique.

In this connection Dobb betrays his lack of understanding of Marx' method. To compare without further differentiation Marx' and Ricardo's method of abstraction,\textsuperscript{74} for example, makes clear

\begin{itemize}
  \item \textsuperscript{70}Ibid., pp. 9, 11.
  \item \textsuperscript{71}Ibid., p. 22.
  \item \textsuperscript{73}W. Müller, "Habermas und die Anwendbarkeit der Arbeitswerttheorie," SoPo, #1(4/69), p. 42.
  \item \textsuperscript{74}Political Economy and Capitalism, p. 68.
\end{itemize}
that Dobb has even disregarded the very detailed analysis Marx makes of this very subject.\(^{75}\)

For Dobb, as well as for many who follow him (for instance, Sweezy), the law of value remains but a principle regulating: 1) exchange relations; 2) labor allocation; and 3) the distribution of production between classes.\(^{76}\) The capitalistic form of the law of value as the form of abstract societal regularity in capitalist society does not appear relevant for Dobb's "brutales Stoffinteresse."

Although not necessarily a logical outcome of his false understanding of value, Dobb's complete misunderstanding of Marx's theory of money deserves attention. According to Dobb, Marx


These strictures also apply to R. Meek's historically very interesting Studies in the Labour Theory of Value (L., 1956). What was implicit in this book Meek explicated in "Karl Marx's Economic Method," Economics and Ideology and Other Essays (L., 1967), pp. 93-112. Here he openly expresses his doubts about the "excesses" to which Marx carried his logical-historical approach (p. 97), and returns to the Lange-Sweezy insertion of "something like the traditional supply and demand apparatus" into the Marxian institutional framework (p. 106).

\(^{76}\) Political Economy and Capitalism, pp. 70f.
conceived of the function of money in "a simple exchange society" "as a simple intermediary,"77 "merely a convenient technique of exchange."78 Not until the development of capitalism did a "crucial modification" enter which "introduced an opposition into the apparent unity of the exchange process, and created the possibility of a rupture and a breaking of the process into its two parts."79 Although it is not clear from the peripheral positional value of this observation within the text how Dobb arrives at this conclusion, the assertion itself betrays a disregard for Marx' dialectical development of the contradictions inherent in the commodity form. Already in the chapter on money Marx introduces "an opposition into the apparent unity."80

77 Ibid., p. 43.
78 Ibid., p. 39.
79 Ibid., p. 43, n. 1.
80 Kapital, I, MEW, XXIII, 127f. On the dialectical development of these categories s. I.I. Rubin, "Dialekticheskoe razvitie kategorii v ekonomicheskoi sisteme Marksya," FZM, #4 (1929), pp. 81-108; #5 (1929), pp. 51-82. Dobb's misinterpretation of Marx' theory of money derives from his failure to incorporate the value forms into his formalistic formulation of the pre-requisites of "a theory of value." This in turn leads to a widespread misconception among Marxists and non-Marxists alike concerning a historically existing mode of production called "simple commodity production." Although we postpone discussion of this problem until chapter 3, we may remark here that the failure to understand that the first three chapters of volume one of Capital deal with the abstract sphere of circulation on the surface of capitalist society often leads, in concrete analyses, to an inability to explain the origin of crises adequately. In Dobb's case here it makes it impossible even to describe adequately Marx' critique of Say's Law. (Political Economy and Capitalism, op. cit., pp. 115ff.) This is to be sure even more true of non-Marxists; cf. Thomas Sowell, Say's Law: An Historical Analysis (Princetoon, 1972), pp. 169, 175. For an accurate account of Marx' critique see Bernice Shou, "Karl Marx and Say's Law," QJE, LXXI (1957), 611-29; and Anti-Samuelson, op. cit., chapters 11-13.
It is in this context interesting that Dobb's confusion concerning the function of money persists in his discussion of money under socialism. Although Dobb refers to Marx as his source, Marx himself is careful to avoid the concept money, and instead uses receipts (Scheine) or vouchers (Anweisungen). In this latter passage, a discussion of investment in a post-capitalist society, Marx explicitly states that "these vouchers are not money. They do not circulate."

The Kautskyian notion of efficiency as the hallmark of the society that abolishes the anarchy of commodity production, reappears in Dobb in a form not even envisaged by Kautsky himself. In the following passage, quoted at length, Dobb brings to its logical conclusion the quantitative view of the law of value: a new, more "rational" distribution of the factors of production becomes the essence of a socialist society--and of Behemoth too:

...The essence of a socialist economy is that the major decisions which govern investment and production are co-ordinated and unified and are no longer diffused among numerous autonomous individuals. True, there may still be areas of competition in a socialist economy: on the one hand, consumers purchasing in a free retail market, and on the other hand workers actuated in the choice of an occupation by wage-differences. But the significant contrast is that these areas of competition are external to the mechanism by which the major decisions...are made: the decisions which in a capitalist society figure as entrepreneur-decisions.... We sometimes forget that all the most important postulates of the law of value have been

81 Political Economy and Capitalism, p. 300.
83 Kapital, II, MEW, XXIV, 358.
84 Ibid.
concerned with the way in which entrepreneurs behave.

... It is precisely this sphere about which no theory of value could tell one anything of major importance in a socialist economy.... Suppose that in a capitalist economy one were to assume that all entrepreneur-decisions were fused, and all production was controlled by one monstrous monopolist...: would there be much of importance left for economic theory... except that this monster would abstract as much product as possible from us all for the least return, and that he could best do this by making separate bargains with each of us according to the variations in our tastes and aversions, our incomes and physique? 85

It is with this "definitional" apparatus then that Dobb attempts to analyze Soviet Economic Development since 1917. 86 Although Dobb's analysis will be examined more closely below, it will suffice here to indicate how his basic approach is influenced by his false theoretical standpoint.

For Dobb the historical "moment" of capital consists in the fact that until 1917 it was considered and acted "as a factor of production (with specific costs attaching to its creation or its use, and a specific 'yield')"; 87 or alternatively "as a sum of values, separable from concrete instruments of production--alienable 'capital claims', yielding income-rights to their possessors." 88

If one does not have a narrow concept of capital, i.e., one related only to the production of surplus value (whereby in Dobb this is rather reduced to surplus product, especially in light of the fact that he never refers to value--let alone determines it), but rather one that comprehends capital as the most important mediating link between simple commodity circulation

85 Political Economy and Capitalism, pp. 320f.
86 Here quoted acc. 6th ed. revised, L., 1966.
87 Ibid., p. 28.
88 Ibid., p. 29.
(and the latter's sublated form within capitalism) and the more developed—and a fortiori more fetishized—capitalistic categories such as profit and interest, then one cannot, as Dobb does, confirm that the Soviet economy has abolished all these relations.

Precisely because Dobb takes as his point of departure such historical aspects as the private ownership of the means of production, he must of necessity identify the abolition of the latter with the realization of socialism and/or the definitive destruction of all those relations derived from that ownership. And not even the "essential" aspect of socialism, that "the profit-motive as a regulator of production and investment has been banished," turns out to have been realized, for:

It is apparently assumed...that an industry will display a greater sense of responsibility for its investment projects if these are financed out of its own reserves than if they are financed out of the budget.

In the end result "a planned economy can claim its essential superiority as an economic mechanism" by virtue of its having that wider choice and in choosing that path of development which is the optimum according to some given canon of social policy from among the possible paths confronting it.

89Ibid., p. 28.

90Cf. Mandel's remark that Dobb "a toujours interprete avec fidélité les theses officielles des milieux dirigeants en U.R.S.S." Traité..., IV, ll.

91Soviet Economic Development..., p. 388.

92On the problem complex: financial autonomy vs. budget financing, and material vs. moral incentives, s. infra chap. 3.

93Soviet Economic Development..., p. 11.
2. P. Sweezy

Sweezy's main contribution to Marxist economic theory remains *The Theory of Capitalist Development*, published in 1942. Sweezy's later major work, *Monopoly Capital*, will be drawn on only to exemplify the logical continuation of the original theoretical point of departure.

Already in the first paragraph of the chapter devoted to value Sweezy reproduces Marx' theory inaccurately when he defines a commodity as "anything that is produced for exchange rather than for the use of the producer." For although it is formally true that "whatever is customarily intended for exchange rather than for direct use is a commodity," this remains misleading as long as exchange has not been determined to distinguish it from the distribution of resources, activities, or products within a producing unit (family, feudal manor, capitalist factory, etc.). As a result Sweezy implicitly identifies the division of labor per se with commodity production in spite of the fact that Marx says exactly the opposite, namely that the division of labor is

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94 As in Dobb's case, Sweezy's pre-Marxist writings will be disregarded. Of particular interest is Sweezy's dissertation, printed as *Monopoly and Competition in the English Coal Trade, 1550-1850* (Cambridge, 1938), which already contains a verbal affirmation of Marx' method as do many of his later writings (ibid., p. 148). Of biographical interest too is his co-authorship of the avowedly Keynesian practical program *An Economic Program for American Democracy* (NY, 1938). One of these, however, "Economics and the Crisis of Capitalism," *Economic Forum* (Spring, 1935), pp. 71-80, will be examined in section D.2.

95 Here quoted acc. N.Y., 1968. For an illuminating look into the personal development of the Neo-Vulgarians, s. Lange's review of this book, *The Journal of Philosophy*, XL (1943), 378-84, in which he more or less pleads with Sweezy to return to his senses—that is, "modern" economics.


97 Is it mere coincidence that Kautsky too fell victim to this illusion? s. *The Labour Revolution*, pp. 256f. If this
merely a necessary, but not a sufficient condition of commodity production. 98

Similarly incorrect is Sweezy's treatment of use value. Whereas he asserts that "Marx excluded use value...from the field of investigation of political economy on the ground that it does not directly embody a social relation,"99 Marx states that use value "falls into the sphere of political economy when it is modified by relations of form or appears as modifying the latter."100

In his last economic writing Marx answered another vir obscurus, who had misunderstood him, thus:

> On the other hand the vir obscurus has overlooked the fact that...in the development of the value form of the commodity in the last analysis of its money form, thus of money, the value of one commodity represents itself in the use value of the other...; that surplus value itself is derived from a "specific" use value of labor power belonging exclusively to it etc. etc., that therefore with me use value plays a totally different important role than in economic science until now, that it however notabene always comes into consideration only where such a consideration springs from the analysis of the given economic configurations...101

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98 Kapital, I, MEW, XXIII, 56. In the fourth edition, 1890, Engels included a note to avoid this very misunderstanding: ibid., 55, n. 11a.


100 Gr., p. 736; s. also Zur Kritik der Politischen Ökonomie, MEW, XIII, 16.

Even assuming the correctness of Sweezy's separating Marx' theory of value "into its two component parts,"102 viz. the quantitative and the qualitative (that this in fact cannot be assumed without further ado is shown below), one must observe that even Sweezy's qualitative "component" reveals itself to be quantitative.

Thus when Sweezy comes to the "substance of value," i.e. "labor considered as abstract labor,"103 he notes that "it is not an easy concept to comprehend," but that it is not "mysterious" either.104 But it is precisely the "mysterious" aspect of abstract labor that Sweezy has not comprehended:

Abstract labor is abstract only in the quite straightforward sense that all specific characteristics which differentiate one kind of labor from another are ignored. Abstract labor is, in short, as Marx's own usage clearly attests, equivalent to "labor in general"; it is what is common to all productive human activity.105 (my italics—M.L.)

Although Sweezy notes that Franklin too unconsciously spoke of this aspect, Sweezy himself is unable to go beyond this stage because he does not see that the critical result of the two-fold nature of labor does not manifest itself until the analysis of the equivalent value form. Until one recognizes this, abstract labor remains a "definitional operation. Labor as genus proximum to the specific modes of labor would be in Marx' sense only a reflex determination."106

103Ibid., p. 29.
104Ibid., p. 30.
105Ibid.
106W. Müller, "Marxistische Wirtschaftstheorie und Fetischcharakter der Ware," NK,#51/52 (2/69), p. 80.
It is precisely due to the fact that Sweezy pays no attention to the value form transitions—which perhaps explains why Sweezy chose not to "present" Marx' theory of money,\textsuperscript{107} which is in fact incomprehensible without section three of chapter one of the first volume—that he cannot explain what is mysterious about abstract labor, namely the second and third peculiarities of the equivalent value form:

In the form of tailoring as well as in the form of weaving human labor power is expended, both possess therefore the general character of human labor.... All that is not mysterious. But in the value expression of the commodity the matter is perverted. In order, e.g., to express that weaving not in its concrete form as weaving, but rather in its general character as human labor forms the value of the linen, tailoring, the concrete labor that produces the linen-equivalent, is set over against it as the tangible form of realization of abstract human labor.

It is thus a second peculiarity of the equivalent form that concrete becomes the phenomenal form of its opposite, abstract human labor.

Inasmuch however as this concrete labor, tailoring, is considered as mere expression of undifferentiated human labor, it possesses the form of equality with other labor, the labor residing in the linen, and is therefore, although private labor like all other commodity producing labor, nevertheless labor in immediately societal form. Precisely for this reason it represents itself in a product which is immediately exchangeable with other commodity. It is thus a third peculiarity of the equivalent form that private labor becomes the form of its opposite, labor in immediately societal form.\textsuperscript{108}

\textsuperscript{107} Theory of Cap. Dev., p. 54.

\textsuperscript{108} Kapital, I, MEW, XXIII, 72f.
And because he has not grasped the second and third peculiarities of the equivalent form, he cannot understand the fetishism of commodities which is nothing but the fourth peculiarity.\footnote{109}

Inasmuch as Sweezy neglects the form analysis, he can only describe reification,\footnote{110} and that in a manner which is not principally different from Marx' discussion in the Paris Mss. What it took Marx almost two decades to analyze, namely the genesis of reification, escapes Sweezy.\footnote{111} He remains at best on the level Marx had attained in 1859, when, before he had analyzed the value form transitions, he could only remark that "it is only the habit of daily life which makes it appear as trivial, as self-explanatory, that a social relation of production assumes the form of an object."\footnote{112}

Inasmuch as Sweezy cites Franz Petry as an authority in several dubious matters, it is opportune to examine Sweezy's enthusiastic and uncritical attitude toward him.\footnote{113}

\footnote{109}This was also so formulated in the first edition. S. letter from Marx to Engels of 27.VI.67, MEW, XXXI, 315.

\footnote{110}Theory of Cap. Dev., pp. 34ff.

\footnote{111}This inability to discern the development from 1844 to Kapital, ie the unmediated jump from the one to the other, also characterizes the propagators of the Young Marx thesis; s. H. Popitz, Der entfremdete Mensch (F., 1967), p. 135.


\footnote{113}Theory of Cap. Dev., pp. 25, n.,26ff.
First of all, Sweezy is incorrect in stating that Petry's book "deserves much more attention than it has received."\(^{114}\)

Precisely because Marxists criticized this book along the lines indicated in chapter 1, it has been properly neglected. Already in a review article written in 1916 but not published until after the war, Hilferding showed that Sweezy's predecessor had completely misunderstood the law of value, introducing an irrelevant subjective moment into it,\(^{115}\) de-emphasizing economics in favor of the juridical superstructure.\(^{116}\)

The Soviet theoretician I. I. Rubin also severely criticized Petry's substituting for the law of value, which explains the real process in the object, a Wertbetrachtung, which claims to explain the subjective conditions of knowledge, thereby denying Marx' concept of value any relationship to the quantitative aspect of value.\(^{117}\) In a review article devoted to another member of the Sozialer Richtung, A. Amonn,\(^{118}\) Rubin shows that in consequence of Petry's (and Amonn's) one-sided interest in the formal-qualitative side of economic phenomena and the arbitrary severing of societal relations and the societal process of

\(^{114}\) Ibid., p. 25, n.

\(^{115}\) Archiv, VIII (1919), 439-48.

\(^{116}\) Ibid., p. 447.

\(^{117}\) Ocherki..., pp. 148, 97.

production, he is forced to capitulate before traditional (bourgeois) theory and to adopt technical and psychological explanations in order to understand these economic phenomena.\footnote{119}

This is in fact the theoretical tendency Sweezy succumbs to in his major empirical analysis, Monopoly Capital.\footnote{120} Like Dobb and Lange (s. infra) Sweezy fixes his attention on the quantitative aspect of the law of value (he even includes the latter in the chapter on the Quantitative-Value Problem): for him it "summarizes those forces at work in a commodity producing society which regulate (a) the exchange ratios among commodities, (b) the quantity of each produced, and (c) the allocation of the labor force to the various branches of production."\footnote{122} Sweezy explicitly follows Lange in characterizing the law of value as "essentially a theory of general equilibrium."\footnote{123} Thus it is not surprising that, in a discussion of price,\footnote{124} Sweezy more or less reverts to Lange's formula of Marx' institutional-sociological framework plus "orthodox" price theory.\footnote{125}

If Sweezy includes among the "forces at work" the productivity of labor, "the pattern of social needs as modified by the distribution of income," and the "equilibrating market forces of supply and demand,"\footnote{126} then it is certainly correct to cite

\footnote{119}{\textit{Ibid.}, pp. 142, 148.}
\footnote{120}{For an example of the type of insipid Social-Democratic conclusions Sweezy's theoretical position leads to, s. "Communism as an Ideal," MR, XV (1963), 329-40, which is a reprint of a lecture delivered to "future U.S. diplomats."}
\footnote{121}{Political Economy and Capitalism, pp. 70f.}
\footnote{122}{Theory of Cap. Dev., pp. 52f.}
\footnote{123}{\textit{Ibid.}, p. 53.}
\footnote{124}{\textit{Ibid.}, p. 129.}
\footnote{126}{Theory of Cap. Dev., p. 53.}
him in particular as one of numerous Marxist economists who agree with J. Robinson's conception of the law of value as the allocation of resources in the various branches of production brought about by just prices in accordance with demand. 127

Given this theoretical background, it is hardly surprising that Sweezy drops the concept of value altogether in Monopoly Capital. 128, 129

3. C. Bettelheim

Although Bettelheim's major early contribution to the economic theory of socialism 130 is perhaps more heavily influenced by the Kautskyian method than any of the other Neo-Vulgarians, it is not solely for this reason that this work has been selected for closer scrutiny here; but rather because it is indispensable for understanding Bettelheim's later views on socialist economy, and especially his role in the Cuban debates.

Most striking is Bettelheim's discussion of post-capitalist society:

In an economy in which technique and population had arrived at a quasi-stationary state, there would be no need for accounting in "value" distinct from accounting in labor time.

It is completely different in a planned economy in the process of evolution. ...Here, still, we meet again the necessity of distinguishing between static and dynamic, for in dynamics the category of "value," together with all the categories which flow from it, still seems to have a certain place, even in the framework of planning. 131

127. W. Müller, "Habermas...," p. 41.


129. It is to be noted that Sweezy also rejects Marx' development of the modifications undergone by the law of value on the world market--unequivalent exchange--, so important for the
It is clear from these remarks that Bettelheim is inclined to derive the necessity of the fetishized value categories in the transition period from the "dynamic of the productive forces," i.e., technology and population growth. This notion, rooted in an un-Marxist, one-sided view of technological growth in isolation from its place within the process of self-expansion of value, becomes essential for Bettelheim in his critique of Cuban attempts to replace the Soviet model of development with one directed at the more rapid abolition of commodity production. In the 1960's too, Bettelheim will be emphasizing the relatively low (i.e., still dynamic) level of the productive forces, now in ossified, eternal scheindialectical relation to the relations of production, as the main impediment to communism.  

On the basis of his dubious distinction between "valeur intrinsique" and "valeur extrinsique," which is supposed to reflect the distinction between the objectively determined value analysis of the increasingly unfavorable "terms of trade" for relatively unproductive raw material exporting "Third World" countries vis-a-vis industrialized capitalist and socialist countries (pp. 290f). Although Marx never reached volumes five and six of Kapital devoted to Foreign Trade and The World Market, respectively, he did lay the foundation: Kap., I, MEW, XXIII, 584; Kap., III, MEW, XXV, 159ff., 247ff.; and TduM, MEW, XXVI, pt. 3, 101.  

Analysis of the increasingly unfavorable "terms of trade" for relatively unproductive raw material exporting "Third World" countries vis-a-vis industrialized capitalist and socialist countries (pp. 290f). Although Marx never reached volumes five and six of Kapital devoted to Foreign Trade and The World Market, respectively, he did lay the foundation: Kap., I, MEW, XXIII, 584; Kap., III, MEW, XXV, 159ff., 247ff.; and TduM, MEW, XXVI, pt. 3, 101.

130 Les problèmes théoriques et pratiques de la planification (P., 1946).


and the partially subjectively determined market production price (insofar as the latter is subjected to supply and demand factors), Bettelheim derives the necessity of buying power, i.e., money, in socialism, "which, while based on the necessary labor time, could in a certain degree be distinct from it."

Bettelheim's discussion of money, in the course of which he specifically cites Kautsky, is a good example of the technicist view of money as a mere rational instrument: "...Money is in the Soviet economy, the instrument through which the individual utility of the productions provided by the plan finds itself confirmed." Bettelheim too is convinced of the indissolubility of money and "consumer sovereignty": money "thus permits the assurance of a non-authoritarian, free distribution of the means of consumption produced in accordance with the needs of each." Again like Dobb Bettelheim is certain that this money is comparable to Marx' "receipts."


134 Problèmes..., p. 186.

135 Ibid., p. 51.


137 J. Spengler described consumer sovereignty as a "caster of dollar votes to which the configuration of the productive mechanism and the distribution of resources must conform." "Discussion," AER, XXVIII, Supplement (1938), 21.


139 Political Economy..., p. 300.

140 Problèmes..., pp. 188f.
because it "no longer dominates the individuals as in capitalism, but rather it is the individuals who qua consumers, dominate production, thanks to money."¹⁴¹

In Bettelheim's conception therefore the workers are still separated from immediate control over social reproduction by a seemingly technical "thing": in capitalism as in Bettelheim's Soviet model

the system of unregulated commodity production must...bring forth a material nonhuman disciplinary agent. The power of this agent is the form of appearance of the system's own spontaneous...process of self-discipline.¹⁴²

Bettelheim can maintain that only an "objective" theory of value "can serve as base, for establishing a plan and social accounting a priori,"¹⁴³ only because for him, as twenty years earlier for the "value proponent" in the Communist Academy debates, Bogdanov, the only difference between simple commodity production and socialism consists in the alleged circumstance that in the latter exchange value is regulated a priori.¹⁴⁴

In general there is confusion among the Neo-Vulgarians concerning the relationship of simple commodity production to capitalism and/or socialism. Thus Lange contends that

¹⁴¹ Ibid., p. 190.
¹⁴³ Problèmes..., p. 5.
¹⁴⁴ Leont'ev and Khmel'nitskaia, op. cit., p. 137.
on account of the approximate equality of incomes in such a system [i.e., commodity production] a socialist economy could partly embody such a system in its own. Therefore, socialism does not need to abolish the private ownership of the means of production in small-scale industry and farming, provided large-scale production is not more economical in these particular fields.¹⁴⁵

In this analysis of simple commodity production embodied in socialism there are two closely related misconceptions. First, Lange, like many bourgeois philosophers and sociologists, has not grasped the dialectical development of simple commodity circulation into capitalism. As I. I. Rubin has demonstrated, capitalism is the Aufhebung of simple commodity circulation: its negation to the extent that in it appears for the first time value as self-expanding—as the subject of the process;¹⁴⁶ its further development to the extent that the contradictions inherent in the value and money relations "work themselves out" in the process of the production of surplus value.¹⁴⁷


¹⁴⁶ Kap., I, MEW, XXIII, 169.

¹⁴⁷ Rubin, "Dialekticheskoe razvitie...," PZM, #5 (1929), pp. 62-64. Croce, for example, asserts that in simple commodity production there was no fetishism because the relation between value and labor was "less disputed and obscured by other facts." Saggi filosofici, iv. Materialismo storico ed economica marxistica (5th ed.; Bari, 1927), 68, n. 2. Although in itself the statement is false that commodity fetishism first appears in capitalism, it is more significant that Croce does not see that these are not simply "other facts" that appear in capitalism, but rather phenomena which arose in the process of simple commodity circulation. But this is a consequence of Croce's disregard for Marx' logical-historical method—s. Zeleny, op. cit., pp. 57-66—which is recapitulated in Croce's notion: that the law of value dominated only "in his [Marx'] view, not in economic reality." (p. 62.) On Croce and the Critique of Political Economy s. A. Gramsci, Il materialismo storico e la filosofia di Benedetto Croce (Turin, 1966), pp. 205-15.
At this point a certain confusion manifests itself. If according to Bettelheim only the consideration of the divergence between value and market price permits the rational orientation of the economy, and if it is only the two aspects of money qua unit of calculation and embodiment of buying power that renders it possible to "dominate the opposition" between value and market price, then one must ask to what extent this transitional society is objectively distinguished from the one it destroyed.

If, to use P. Mattick's term, the Russian Revolution, owing to specific historical conditions, brought about the "nationalization of capital as capital," and if the ensuing developments led to a strengthening rather than a weakening of this initial phenomenon, then it is perhaps appropriate to analyze the situation in this light. This is in fact what recent Soviet and GDR economists have begun to do with respect to their theory of socialist commodity production, whereby for political reasons the ideological conclusions which would have to be drawn from this analysis, namely that consciousness is still false in the transitional society, have been rejected.

But to talk as Bettelheim does of "pseudo-competition," only confuses the issue. Bettelheim's confusion in this matter results from the above-mentioned failure on his part to overcome a technicistic approach to the Critique of Political Economy.

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148 Problèmes..., pp. 193, 195f.


151 Problèmes..., p. 7. This is to be sure directed against Lange's theoretical model rather than against the Soviet Union; yet to the extent that decentralization and financial autonomy
Thus even in correctly criticizing Lange for his "pseudo-competitive" pricing mechanism, Bettelheim is mainly interested in efficiency:

...This mechanism thus permits all the energy wastes to continue to exist which imply such adjustments, instead of reducing them to a minimum.\textsuperscript{153}

4. O. Lange\textsuperscript{154}

Lange, as the last representative of Neo-Vulgarism, makes manifest all that was latently uncritical in his predecessors. But it must be remembered that Lange, unlike these latter, was at the same time a leading figure in Poland's planned economy, and was thus formed by certain practical forces unknown to his "unaffiliated" counterparts.\textsuperscript{155}

Lange's book represents an attempt to take up Engels' challenge with respect to creating a political economy in the wider sense:

Political Economy as the science of the conditions and forms under which the various human societies have produced and exchanged and under which accordingly each time the products have been distributed—political economy in this extension is however still to be created.\textsuperscript{156}

have become dominant in the Soviet Union in the last decade, it may also be considered as a critique of Soviet reality.\textsuperscript{152}

Mattick, Marx and Keynes, pp. 290, 322, too speaks of quasi-market relations, is due rather to his political conception of the Soviet Union than his economic critique.\textsuperscript{153}

Two of Lange's pre-Marxist writings are examined in the next section.\textsuperscript{154}

As will be explained below, these forces have nothing to do with obligatory lip-service to the ideological formulas of his day.\textsuperscript{155}

\textsuperscript{156}Herrn Eugen Dührings Umwälzung der Wissenschaft, MEW, XX, 139.
The danger implicit in such an undertaking was also recognized by Engels:

He who would want to bring the political economy of Tierra del Fuego under the same laws with that of present-day England would thereby obviously bring to light nothing but the most banal platitude. It is precisely this danger to which Lange succumbs.

Lange contends that Marx and Engels used the term political economy "to denote the study of the social laws of the production and the distribution of goods\[^{44}\], whereby Marx sometimes\[^{44}\] called his work a 'critique of political economy', i.e. a critique of the doctrines of so-called classical political economy.\[^{45}\]

Thus of the revolutionary aspect of Marx' two-fold critique Lange has understood nothing. For Lange political economy is merely "the study of the social laws governing the production and distribution of the material means of satisfying human needs."\[^{46}\]

Inasmuch as Engels notes that production can take place without exchange but not vice versa, he appears to be limiting political economy to commodity producing societies. Lange, still concerned with attaining the greatest possible generality—if need be—at the expense of all content, replaces exchange with distribution, asserting that Engels meant this anyway. Apparently Lange is not aware that

\[^{44}\]Ibid., 136.

\[^{45}\]Ekonomia polityczna, op. cit., I, 33.

\[^{46}\]Ibid., I, 17.

\[^{44}\]Anti-Dühring, op. cit., 136.

such an interpretation would only plunge us into new difficulties; for since according to Engels, distribution is determined by the relations of production and exchange, we would be driven to the ugly conclusion: distribution is determined by distribution.  

It is then not surprising that Lange concludes that "it does seem...that Engels did not fully appreciate the significance of this branch of political economy."  From this it follows that Lange attacks those Marxists who, like Marx, have restricted political economy to commodity producing societies: Luxemburg, Hilferding and Bukharin.  

Bound up with this notion of political economy is Lange's view of "societal laws of nature." According to Lange, Hilferding, Luxemburg, et al., having confused Naturwüchsigkeit with objectivity, mistakenly identified the end of anarchic commodity production with the end of all societal objectivity, thereby proclaiming the disappearance of political economy in socialism.  

Even on an informational level Lange is wrong. Rosa Luxemburg, for example, did not deny the existence of certain general laws valid for all human production, although she considered them hardly worth writing a textbook about. But more importantly, Lange's argumentation reveals his formalistic-technicistic understanding of the laws of the capitalist mode of production. Joining Kautsky and Stalin, Lange emphasizes that the essential
aspect of Marx' societal laws of nature is that they are independent of man's consciousness. And since all economic laws, irrespective of the society for which they are valid, are in this sense objective, Lange succeeds in his attempt to construct "a bridge to 'eternal', suprahistorical economics."  

Lange proceeds to describe reification as follows:

...Spontaneity...is an indication that the operation of economic laws does not agree with the intentions of man. The control of the operation of economic laws, that is to say, the securing of their agreement with human intentions, is achieved by the proper use of the operation of economic laws.  

Just as Bettelheim implied that it was the low level of the productive forces that prevented the rapid realization of communism, so Lange suggests that the development of the natural sciences—the mastery over nature—can overcome the reification of human relations. That this technical mastery is not restricted to nature, Lange betrays by his contention that establishing social ownership of the principal means of production "makes it possible to set economic stimuli so that people react to them in conformity with the will of organized society."

validity are so self-evident that there is scarcely need for a special scientific technique for their study...." On the Economic Theory of Socialism, p. 132, n. 86.

168 Ekonomia polityczna, op. cit., I, 49, n. 11.
169 Ibid., I, 85, n. 18.
171 Ekonomia polityczna, op. cit., I, 115. Cf. the discussion of A. Mora, chapter 4, below.
172 Ibid., I, 112.
Finally Lange transforms the Critique of Political Economy into a "socialist cameralistics": 173

It was only with the emergence of scientific socialism--a historical undertaking intended to control social development, and to create conditions in which it would be possible to use economic laws in order to obtain intended effects--that political economy acquired a new, creative, practical role. 174

A few years before Lange had indeed demonstrated what a new, creative, practical role political economy could fulfill, namely eternalizing the law of value via "imputation": in the exchange of products between socialist factories the law of value operates indirectly by means of imputation. As the final products are sold to consumers...they are commodities. By imputation this transfers a kind of commodity character on the means of production which are used to produce the final commodities. The value of the final commodities is by an accounting process reflected (imputed) backwards to the means of production which are used to produce them. 175

Thus Lange falls victim to the very theory and practice he fancies he is criticizing. 176

173 Rosdolsky, op. cit., II, 664.
174 Ekonomia polityczna, op. cit., I, 124.
D. Bourgeois Allies

1. The Epistemological Counterattack

The purpose of this analysis of bourgeois critiques of Marx' "theory of value" is not to present an exhaustive survey of the various objections raised during the past one hundred years,177 but rather to concentrate on those aspects of these bourgeois economists and philosophers which reappear in a slightly different figure among the Neo-Vulgarians (with respect to which it is secondary that in certain cases—Lange and Sweezy, for example—the two are the same people at different stages in their development). The most important topos to be mentioned in this context are: 1) the quantitative view of the law of value; 2) total disregard for Marx' method; 3) one-sided emphasis on technological efficiency as the hallmark of post-capitalist society; and 4) the reduction of Marx' Critique to a general sociological discipline ("historical materialism") which can be used to provide the institutional framework needed to purge bourgeois economics of its class bias. In general only those authors are examined who have at least programatically made an attempt to "come to grips" with Marx by means of an immanent critique.178

The avowed purpose of Stanley Moore's article "The metaphysical argument in Marx' labour theory of value" is to provide the philosophical underpinning for Joan Robinson's rejection of Marx' theory of value as metaphysical and justification for concentrating on Marx' "return to common sense" in the third

177 This has been done, at times superficially, in W. Jahn, *Die Marxscbe Wert- und Mehrwertlehre im Zerrspiegel bürgerlicher Ökonomen* (B., 1968), chap. 1.

178 Cf. Donald Gordon, "What was the Labor Theory of Value?", *AER*, XLIX, (1959), Papers and Proceedings, 462, who contends that neither Smith, nor Ricardo, nor Marx ever propounded a labor theory of value, but only a "labor theory of relative price."
Since the bourgeois rejection of Marx' theory of value is implicitly common to many Neo-Vulgarians, it is appropriate to lay bare some of the methodological assumptions of the epistemologically more conscious representatives of this "school."

After quoting Marx' statement that the first sight appearance of exchange value as a quantitative relationship must be examined more closely, Moore asserts that Marx' "first step" in this examination is "to accept as self-evident the proposition that 'the properties of a thing do not result from its relations to other things but merely manifest themselves in such relations.'" This is factually false. Marx takes this alleged "first step" some twenty pages after the original statement. Having already misrepresented the logical order of Marx' argumentation, Moore compounds the mistake by asserting:

Solely on the basis of this general principle he asserts that the ratios in which each commodity exchanges for other commodities must be explained in terms of some non-relational property possessed by that commodity independently of the process of exchange.

In what follows it will be shown that neither is it:
1) "solely" on this basis that Marx develops his theory; 2) nor is this a "general principle" for Marx; 3) nor is the term non-relational property accurate.

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180 Ibid., p. 75.

181 Kap., I, MEW, XXIII, 50f., 72.

182 Moore, p. 75.
ad 1) Moore neglects the fact that the passages quoted from Marx⁸³ were not a mere exercise in abstract logic—and this in reference both to objective reality and to the scientific study of it (the two Critiques). If Moore had bothered to follow Marx' argument rather than to collect quotes arbitrarily, he would have noticed that the "pure logic" of the passage is immediately followed by an abstract description of the structure of commodity producing societies: namely, universal exchangeability and Gleichsetzbarkeit. This in turn rests upon a further assumption which—for reasons explained below—though not made explicit at this point by Marx, does receive treatment elsewhere: namely that social exchange in its totality is subjected to a definite regularity (Gesetzmäßigkeit), without which empirical price formation would be characterized by chaos.⁸⁴

That Marx does make this assumption is evident from his discussion of Bailey's assertion that only relative, exchange value exists:

If 3 lbs. of coffee exchange for 1 lb. of tea today or would exchange tomorrow, it is not at all said that equivalents have been exchanged for each other. According to this a commodity always could be exchanged only at its value for its value would be any quantity whatsoever of another commodity for which it happened to be exchanged. This, however, is not what people generally mean, when they say that 3 lbs. of coffee have been exchanged for their equivalent in tea. They suppose that after, as before, the exchange a commodity of the same value is in the hand of either of the exchangers [sic]. The rate at which two commodities exchange does not determine their value, but their value

⁸³Kap., I, MEW, XXIII, 50f.
⁸⁴Rubin, Ocherki, op. cit., pp. 121ff.
determines the rate at which they exchange. If value is nothing than the quantity of commodity for which commodity A happens to be exchanged, how to explain the value of A in the commodity B, C etc.? Because then, as there is no immanent measure between the two, the value of A could not be expressed in B before it had been exchanged against B.\textsuperscript{185} That Marx should not have made this explicit is easily explained by the fact that he was "adopting a principle which was part of the settled tradition of classical Political Economy."\textsuperscript{186}

ad 2) and 3)

It is false that Marx "claims" that "relational properties can be reduced to non-relational properties,"\textsuperscript{187} or more exaggeratedly that "\textit{all} relational properties are manifestations of non-relational properties."\textsuperscript{188} If one looks at Marx' statement in context, it appears that Marx is restricting its validity to physical properties of things. Marx makes a partial analogy between the property of weight and the weight relation between two objects, and the property value and the exchange value relationship between two commodities. If, like Bailey, one views the commodity as a thing, then it seems to possess the property of "immediate exchangeability" by nature, just as it possesses the property of weight.

Now although Marx does maintain that the property of value is independent of the \textit{quantitative} relationship in which the two commodities stand to each other, it is false to assert, as

\begin{itemize}
\item[\textsuperscript{185}]{TudM, MEW, XXVI, pt. 3, 129f.}
\item[\textsuperscript{186}]{Dobb, \textit{op. cit.}, Political Economy..., p. 68.}
\item[\textsuperscript{187}]{Moore, \textit{op. cit.}, p. 77.}
\item[\textsuperscript{188}]{\textit{Ibid.}, p. 85.}
\end{itemize}
Moore does, that this is an example of the "doctrine of internal relation."\(^{189}\) For as J. Zelený has demonstrated, Marx' concept of property is not identical with the Aristotelian-Cartesian-Wolffian-Ricardian fixed, rigid substance.\(^{190}\) Marx employs both the relational (\(aRb\)) and predicate structure (\(S-P\)); but even in the latter, the "property value" is not a fixed entity, but itself relative, in the sense of historical relativity (being restricted to commodity producing societies) and in representing the "relations of human beings in their productive activity."\(^{191}\)

But even if in some sense—though not the one Moore depicts—Marx does in this case mean that "in the quantitative relation a property appears which has not been created by this relationship,"\(^{192}\) in other cases Marx points to the existence of properties created by relationships: "Marx carefully distinguishes the cases where the entrance into certain relationships changes the substantial properties of certain phenomena, and where it does not change them...."\(^{193}\) Thus, for instance, the "substantial property" capital depends on the relationships in a developing totality, namely whether it is merely a sum of money, revenue, or self-expanding value.\(^{194}\) Thus the "relationship of a substantial property and the external phenomenal relationship, which is expressed by a quantitative relationship (proportion)" which is secondary to a certain societal property, is only one type of relationship and may by no means be construed as Marx' positing the absolute primacy of the property vis a vis the relationship.\(^{195}\)

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190 Zelený, pp. 35-50.
192 Zelený, p. 43.
194 *Gr.*, pp. 412f.
195 Zelený, p. 45.
The other major objection Moore presents is that Marx's "doctrine" of commodity fetishism contradicts his "derivation of value from exchange value." It should first be observed that Moore has apparently not understood that for Marx "the decisively important thing however was to prove that the value form springs from the value concept," that the value form or the value expression of the commodity springs from the nature of the commodity value and not vice versa value and value magnitude from their mode of expression as exchange value.

Beyond this failure to understand how Marx develops the "essential" contradiction in the commodity, Moore falls victim to the very fetishism Marx analyzes. The alleged contradiction between Marx's theory of value (in order to correct Moore's "derivation") and his theory of commodity fetishism consists in the "fact" that whereas the "contrast"--the inaccuracy of this term alone indicates Moore's defective understanding--"between value and exchange value rests on the assertion that relations of exchange must reflect some non-relational property common to the things exchanged," Marx's "exposure of commodity fetishism asserts that the existence of such a property is a delusion." (my italics--M.L.)

But Marx never asserted that value is a non-relational property of things. That is what Bailey and Mill did. Marx

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196 It is significant that Moore too has a clearly quantitative understanding of the law of value: "commodities exchange for one another in ratios proportionate to their labour costs." (p. 83; s. also p. 94).
197 Moore, p. 91.
199 Kapital, I, MEW, XXIII, 75.
200 Moore, p. 91.
simply showed that value was not equivalent to the quantitative relationship between commodities, but rather a property stemming from a different relationship, viz., that of men in their productive activity.\footnote{201} For Moore as for Bailey applies the following:

> This semblance our fetish servant takes for something real and believes in fact that the exchange value of things is determined by their properties as things.\footnote{202}

Mission accomplished, Moore can now announce that the "basis for the contrast between price and value, profit and surplus value" is destroyed,\footnote{203} Joan Robinson and common sense once again reigning supreme.\footnote{204}

2. The Vanguard

The original thrust in the direction of co-opting Marx for "modern" economics was made during the manifest depression of the 1930's at a time when a number of bourgeois economists began to become skeptical of the progressive nature of monopoly capitalism. And to the extent that this feeling has survived in the "affluent society," "this be-devilled age,"\footnote{205} it represents a return to the petty-bourgeois utopias of a capitalism without capitalists.\footnote{206}

\footnote{201}{\textit{TudM}, MEW, XXVI, pt. 3, 127.}
\footnote{202}{\textit{Tbid.}}
\footnote{203}{Moore, p. 95.}
\footnote{204}{J. Robinson, \textit{An Essay on Marxian Economics} (2d ed.; L., 1967), p. 15, n. 2.}
\footnote{205}{Robinson, \textit{Essay...}, p. 4.}
\footnote{206}{Cf. Marx' critique of the utopian socialist economists Hodgskin and Bray: \textit{TudM}, MEW, XXVI, pt. 3, 291, 315f. They, like Robinson, were unable to see capital as a social relationship rather than as a thing.}
The seminal article was O. Lange's "Marxian Economics and Modern Economic Theory," published in 1935. Here Lange expounds the view that the sole "superiority" of Marxian economics consists in the "exact specification of the institutional (or... sociological) data which form the framework in which the economic process works in Capitalist society." Characterizing the labor theory of value as a "static theory of general economic equilibrium," Lange contends that Marxian economics stands "quite powerless" before such problems as monopoly price, credit theory and taxes. Thus Lange pleads for a fusion of the historical materialist theory of economic evolution and the "modern economic theory" "grasp [of] the phenomena of the everyday life of a capitalist economy." In addition, Lange urges the eminent practicability of Marshallian economics for the "current administration" of the Soviet economy; in this way, "modern economic theory, in spite of its undoubted 'bourgeois' origin, has a universal significance." Paul Sweezy went a bit further, claiming that "the best and most valuable parts of Marx' analysis remain quite untouched if we adopt any other scientifically tenable theory of value" than

207 Although Sweezy's paper, "Economics and the Crisis of Capitalism," predates Lange's by several months, Sweezy was apparently acquainted with the latter before having written his own contribution.


209 Ibid., p. 189.

210 Ibid., p. 194. A good refutation is H. Grossman, Marx, die klassische Nationalökonomie und das Problem der Dynamik (F., 1969).

211 Marxian Economics..., p. 191; Meek, Studies..., pp. 228f., has subjected this to closer scrutiny.

212 Marxian Economics..., pp. 201, 191.

213 Ibid., p. 191, n. 1.
"the crude labor theory." The chain of development leading from accumulation to monopoly and imperialism and the "accelerating instability of capitalism which is already beginning to sound its death knell as a world system," Sweezy promises to explain without the labor theory of value "at some date in the future." True to his word, Sweezy does just this thirty years later in Monopoly Capital:

What are these "conclusions just as revolutionary in their character and implications as any based on the labor theory of value" which "it is possible to arrive at"? Kautsky's technical efficiency resurrected! But whereas for Kautsky, no matter how one-sidedly, greater socialist efficiency was in some sense derivative of the contradictions in capital, for Sweezy it "remains both an ethical judgment and an article of faith with those of us who think the present system unjust and wasteful."219

214 "Economics...," p. 75.
215 Ibid., p. 76.
216 Ibid., n. 7.
217 Ibid., p. 76.
218 Ibid., p. 77.
219 Ibid. This tendency attains its logical conclusion in R. Schlesinger's statement that free distribution in socialism is economically not different from a guaranteed minimum income in "reformed capitalism." Marx. His Time and Ours (L., 1950), p. 390. Lange too had admitted that capitalism could "remove" (like slum re-oval?) much of the waste, socialism merely being able to do it with "much greater efficiency." On the Economic Theory..., p. 104.
Wassily Leontief's contribution to the "brilliant" beginning made by Lange supplemented the work of his predecessor with two new topoi—those of method and practicability, which for Leontief are "nondialectically" inseparable. In the "group of essentially nonoperational prescriptions" he would "place all references to the efficiency of the dialectical methods"; for, after all, it is "very doubtful whether even a most careful reading of Engel's exposition of this principle ["unity of opposites"] could help Mr. Keynes, for example, with his solution of the unemployment problem." Confusing Marx' theory of reification with Mannheimian sociology of knowledge, Leontief presents a rather confused notion of "practical scientific work":

It might be true, for example, that a bourgeois economist, by the very virtue of his social and economic position, is essentially unable to recognize

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221 Ibid.
222 Ibid.
the driving forces and to discern the fundamental relation which govern the rise and fall of capitalist society. But what can he do about it? Give up teaching and investigating and join the proletarian ranks? This might render him a more useful member of society, but will anybody seriously maintain that such a change could improve his economic theory?224

Although even Leontief must have understood that Marx' Critique had other intentions than serving as an operational instrument for the practical purposes of profit making,225 it is difficult to see how anyone could not "seriously maintain" that "such a change" as destroying capitalism would not only "improve" but also sublate one's economic theory.

By the time Joan Robinson got around to "translating"226

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224 "Significance...," p. 6.
225 The ultimate stage in misunderstanding this relationship is Abba Lerner's plea for practically avoiding business cycles "instead of learning the secrets of the inscrutable gods", for after all, did not Marx say "the task is 'not to understand the world but to change it'?". "Marxism and Economics: Sweezy and Robinson," Journal of Political Economy, LIII (1945), 87. The second Feuerbach these was of course directed at the young Hegelian "windbags" like B. Bauer and Stirner, who were interested only in changing the consciousness of a world they accepted as given. S. H. Lefèbvre, Der dialektische Materialismus, tr. A. Schmidt (F., 1969), p. 51; and E. Bloch, Das Prinzip Hoffnung, I (F., 1968), 319-27.
226 This was necessary because "you cannot talk to a Marxist in English because he only understands Hegel's, a language I have never mastered and which seems to me...a very poor medium of communications for ideas about pure logic." On Re-reading Marx (Cambridge, 1953), p. 6. Similarly Schlesinger refers approvingly to Stalin's description of the dialectic as one that avoids the "pitfalls connected with specific Hegelian language...." Marx. His Time..., p. 15. As will be explained below, Stalin also manages to avoid everything else specific in Hegel. One wonders therefore why Schlesinger was expelled from the German and Soviet CPs "as a slightly non-conformist element...." "British Studies of the History of the Soviet Union," S&S, XXV (1961), 3.
Marx's concepts into language an academic could understand,227 her predecessors' preliminary work was well enough formed for her to mould its disparate elements into what is still considered today the textbook critique of "Marxian economic theory" for those academics who wish to use a scholarly source for their rejection of Marxism.228 Based on this material, she is thus able to canonize the principles of Marx-criticism while enhancing the latter's usual literary level.

As for Dobb, so for Robinson too Marx' theoretical concepts easily lend themselves to rigid, fixed definitions. Thus the first chapter of the book, appropriately enough entitled "Definitions," provides the reader with a formalistic-algebraic introduction to Marx' methodology.229 This is quite in order since for Robinson value, a metaphysical term, has no operational content;230 being just a word, it is "purely a matter of definition."231 Obviously not recognizing any connection between the development of the subject matter and that of the science studying it, not recognizing both as belonging to the same totality,232 Robinson regards definitions as "arbitrary operations of the researching subject."233

232 Lukács, Geschichte und Klassenbewusstsein, p. 47; Zelený, p. 106.
233 Müller, "Habermas...," p. 40.
Robinson's affirmation of Lange's suggestion that economists retain Marx's sociological framework is joined with the assertion that "according to Marx' own argument, the labour theory of value fails to provide a theory of price." This is false. Marx never neglected the quantitative relations of value magnitudes on the less abstract levels closer to market and concrete competitive phenomena; it is merely due to the fact that for Robinson Marx' dialectical development of the categories value, price, production price, market value, market price, market production price, is "mysticism," "a lot of Hegelian stuff and nonsense," that she cannot see Marx' theory of price.

Robinson's contention that Marx believed that "under socialism the law of value will come into its own" betrays her

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234 Essay..., p. 17.
235 Ibid., p. 15, n. 2.
236 On Re-reading Marx, p. 20.
237 That with permanent inflation and planned obsolescence one cannot demonstrate the exact relations on an empirical price level is no objection to Marx' concept of value. S. Müller, "Habermas...," p. 40.
238 Essay..., pp. xviii, 23. On a similar level of understanding is the assertion of the "non-dogmatic Marxist" Howard Sherman that Soviet economists of an earlier period "used the concept of 'law of value' in a very peculiar fashion. For them the 'law of value' meant that prices are formed by the unconscious and automatic working of the competition of independent units." (Radical Political Economy, op. cit., p. 226.) It is no wonder that such a view appears "peculiar" to Sherman since according to him "the Marxist 'law of value' states roughly...that the value of any commodity is equal to the amount of socially necessary labor embodied in it." (Ibid., p. 225.)
total lack of understanding for the form of the law of value. Inseparably bound up with this is the Kautskyian emphasis on efficiency. For Robinson the debate concerning the law of value refers to how the difference between total retail prices and total costs (ie the turnover tax)\textsuperscript{239} "should be allocated between commodities,"\textsuperscript{240}—or to use a more current vulgarian term, how to use the surplus "rationally."

Appendix: The Rearguard

P.J.D. Wiles' *The Political Economy of Communism*\textsuperscript{241} is chosen for closer scrutiny not for any intrinsic merit it may have,\textsuperscript{242} but rather because it unites in four chapters almost all the topoi of the most vulgar bourgeois anti-Marxism. Unlike Robinson, Lange et al., Wiles makes no attempt whatsoever to come to terms with Marx; he is content with a mindless invective\textsuperscript{243} which is by no means uncommon among "free scientists."\textsuperscript{244} Since Wiles' literally wild accusations have no logical connection, it is difficult to present a (philosophically) discursive account of them. At times then it will be necessary to let this "free scientist" speak freely for himself.


\textsuperscript{240}Essay..., p. xx.

\textsuperscript{241}Cambridge, Mass., 1962. The title is a misnomer: Wiles has abandoned Political Economy in favor of "Economic Economy" (p. 52).


\textsuperscript{243}Even Robinson was "irritated" by "his slap-dash style and cocky manner." "The Political Economy of Communism," Collected Economic Papers, III (Oxford, 1965), 82.

\textsuperscript{244}Wiles, p. 331, n. 2.
Page 125 was omitted in numbering.
Although Wiles assumes a basic knowledge of Marxist economics on the part of the reader, the reader cannot confirm a similar basis in the author himself. Already Wiles' reading of Marx is prejudiced. In a footnote he informs the reader that he is indebted to R. Dahrendorf, W. Leonhard and the index to Lenin's Collected Works for his sources. Now it is interesting that Dahrendorf himself, aside from being one of the originators of the thoroughly discredited young-old Marx dichotomy, has admitted approaching Marx via the index-"content analysis"!—method. And Leonhard, though a ranking Kremlinologist, has never been known for his acuity with respect to Marx' Critique of Political Economy. The cunning of reason is again at work. The very "free scientists" who accuse Marxists of treating Marx as a Bible, are themselves incapable of transcending concordanceology.

Thus, projecting his own mechanical thinking on to others, Wiles derives the "extreme egalitarianism" (?) practiced in the Soviet Union until Stalin from the preponderance of passages in Marx favoring it compared to the one allegedly opposed to "equal pay" in the critique of the Gotha Programm, which was allegedly little read. That the latter was little read is patently false, especially in light of Lenin's extensive analysis of it in State and Revolution.

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245 Ibid., p. 47.
246 Ibid., p. 33, n. 1.
247 To which of course Wiles also subscribes: p. 364.
249 Wiles, p. 58.
But not only were the Bolsheviks confused: "It is not clear whether Marx saw that his definition of 'socialism' was in contradiction to his constant recommendation of equal pay."\textsuperscript{250}

Whose definition of socialism? "Our definitions of socialism and capitalism are exceedingly simple: public and private ownership respectively of the means of production...it is quite certainly the only logical and useful distinction."\textsuperscript{251} Although Wiles' "exceedingly simple definitions" correspond to his own mental faculties, it is a mystery why this should be the only logical definition. Even stranger is that this "free scientist" can then ascribe this definition to Marx: "To Marx," opines Wiles, nationalization "was the definition of socialism."\textsuperscript{252} Yet Marx explicitly recognized the theoretical possibility of bourgeois nationalization, thereby excluding this as the sole criterion of socialism.\textsuperscript{253} But then Wiles cannot be expected to know this, for no concordance has yet been compiled to the Marx-Engels Werke.

Wiles' misunderstanding of Marx' conception of socialism is based not only on ignorance, but also on willful distortions. Thus alienation is "obscure": the root of it is that "man is only perfect \[\ldots\] when he directly enjoys his own product...\ldots"; it is a "pathetic Rousseauian belief...that there is a social mechanism paid up in heaven which can centralize without alienating";\textsuperscript{254}

\textsuperscript{250} Ibid.
\textsuperscript{251} Ibid., p. 3.
\textsuperscript{252} Ibid., p. 57.
\textsuperscript{253} TdM, MEW, XXVI, pt. 2, 38f.
\textsuperscript{254} Wiles, p. 337.
"man under Full Communism is to be 'free' in that he is an atomized, traditionless unit; to pervert Leibniz, a transparent monad."255

"The prejudice against money is absurd and has no intellectual basis. It is absolutely vital as an alternative to compulsion...." And that alternative is the "natural, voluntary, American way,"256 for "one cannot change human nature to the extent of substituting altruism for personal gain without neurosis."257 But this is only natural because "it is primarily by profit that we know in any detail what a...society's common economic goals" are258 and it is only the "usual Marxist obsession with ownership [that] brings to the fore an irrelevant distinction between commodity exchange and product distribution and obscures the fundamental identity of exchange in all societies so far as it concerns resource allocation."259

This is in general Wiles' approach—to emphasize the "fundamental unity" of all developments in order to obscure what is specific: "Consumption in Marx, and more specifically under Stalin, is treated as a drain from the never-ending cycle of production."260 Here Wiles "demonstrates" the "fundamental unity" of the needs of self-expansion of capital261 and the construction of socialism in one country. That there is a certain

255Ibid., p. 366. That Leibniz' monads were in fact an expression of atomized sphere of circulation of bourgeois society and needed no perversion, escapes Wiles.

256Ibid., p. 395.

257Ibid., p. 396.

258Ibid., p. 54.

259Ibid.

260Ibid., p. 64.

261Ibid., p. 64.

261Ibid., p. 64. Te., "the mute compulsion of the economic relations seals the domination of capital over the workers." Kap., I, MEW, XXIII, 765.
parallel involved, namely, that just as there was a period in capitalism in which "accumulation demanded great frugality," so too a relatively backward Soviet Union had to go through a period of original accumulation, escapes Wiles, who would rather ascertain the "unity" of Marx' "definition" of productive labor and Smith's and Ricardo's.\(^263\)

Further examples of how free this "free scientist" is with texts: "My own reading of Marxism is that technology univocally determines the relations of production...."\(^264\)

That this is not so, that for instance the transition from the guild artisan workshop to capitalist manufacture took place without a change in the productive forces,\(^265\) also escapes Wiles, who is too busy vilifying Marx to see that he himself is expounding vulgar-materialism: "...Communist leaders are not in their right mind; they are in Marx' mind."\(^266\)

In order to put an end to any doubts about how "free" a scientist he is, Wiles includes several relevant personal references. Thus Marx was "temperamentally opposed, like any German professor, to other people's exercise of freedom...."\(^267\)

\(^{262}\)Ibid., 620.

\(^{263}\)Wiles, p. 65. Marx' very lengthy critiques of the classical theories are in TudM, MEW, XXVI, pt. 1, 122-277, 365-88. This is a very widespread misrepresentation among bourgeois economists; cf., for example, John W. Kendrick, Economic Accounts and Their Uses (NY, 1972), p. 13; for further critique see Anti-Samuelson, op. cit., chapter 10.

\(^{264}\)Ibid., 338. N. Spulber, Soviet Strategy for Economic Growth (Bloomington, 1964), p. 21, shares this view: In Marxian theory one economic system supercedes another because its productivity is higher." That this is true "in the long run" is obvious—but what transforms the quantitative increase in productivity into a qualitative change of systems? It is precisely this dialectic that Spulber and tutti quanti cannot understand. S. Gespräche mit Georg Lukács (Reinbek, 1967), pp. 95ff.

\(^{265}\)Ibid., pp. 44ff. Kap., I, MEW, XXIII, 341.

\(^{266}\)Wiles, p. 356.

\(^{267}\)Ibid., p. 332.
The sexual sphere must also be touched upon: Soviet sexual life can be explained by the fact that Engels "found fidelity dull," and that Lenin was perhaps impotent; this process allegedly culminates in Stalin's destruction of the family.\footnote{268} That in fact during the period of intensive accumulation certain needs were fulfilled by the restabilization of the family\footnote{269} would spoil Wiles' vituperative purposes and is accordingly disregarded.

Returning to somewhat more substantive matters, Wiles claims that Marx' having written nothing on marginal utility theory constitutes "striking proof of his self-confidence and self-isolation."\footnote{270} Engels, presumably other-directed, "disparages it with his usual vulgarity"; "Engels seems never to have seriously discussed the truth of the theory: it was obviously untrue since it contradicted Marx."\footnote{271}

Since Wiles himself has rejected political economy, he cannot understand why Marx did not incorporate into his Critique a discipline which no longer concerned itself with the objective totality of bourgeois society:

\textit{He had however in principle no more interest for the thought of people who to be sure still called their science economy thereby however did not want to have any relation whatsoever any longer to that empirically...}

\footnote{268}Ibid., p. 364.
\footnote{269}Trotsky, The Revolution Betrayed, pp. 144-59.
\footnote{270}Wiles, p. 50.
\footnote{271}Ibid., p. 51.
historical investigation of the material foundations of societal life which had formed the theme of classical political economy, than for any other "auxiliary science" which treats of the area of natural and technical facts which is not particularly important for the historical change and development of society. Such an economic doctrine gained interest for the economic theory of society of Marxism only then when it drew practical useful applications from its "pure" theory subsequently and thus...found supporters within the workers movement. This case however had not yet occurred during Marx' lifetime with respect to marginal utility theory."

Engels' "vulgarity" apparently consists in his having pointed out that marginal utility theory completely neglected the contradiction between use and exchange value.

With respect to the law of value Wiles imputes to Marxists the view that it is equivalent to exploitation, overlooking that the law of value in simple commodity production excludes exploitation in the sense of the alienation of surplus value. Totally blind to difference of form, Wiles criticizes Sweezy's (in reality Preobrazhensky's) counterposing the law of value to planning: "as if a rational planning principle could be other than a law of value." Once again Wiles succeeds in establishing the "fundamental unity" of those developments which Marxism

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272 K. Korsch, Karl Marx, pp. 68f.
273 Letter from Engels to Danielson of 5.1.88, MEW, XXXVII, 8.
274 Wiles, pp. 52f. Perhaps the lowest level of understanding is reflected in Spulber's identification of "cost-price considerations" with the law of value. Soviet Strategy..., p. 87.
275 Wiles, pp. 52f.
"obscures"—namely the differences between economic formations of society.  

*276* Even Max Weber, whose abstract-formalistic definition of capital exceeds in rigor that of any of the authors discussed here: "Capital is called the determined estimated sum of money of the disposable resources for the purposes of the enterprise for the purpose of balancing in the capital account..." punctures his monolithic categorial system to concede that "the capital account in its formal rationalized form...presupposes the struggle of man with man." Wirtschaft und Gesellschaft, ed. J. Winckelmann, 1 (Cologne, W.B., 1964), 64, 66.