

This article by Raya Dunayevskaya was originally published as a Bulletin by the Workers Party in March 1944, and is on microfilm in the Raya Dunayevskaya Collection, Vol. I., Sec. III., at the Wayne State University Labor History Archives, Detroit. It is being republished by News & Letters, January 1978, because of its relationship to the new News & Letters pamphlet, Marx's Capital and Today's Global Crisis. Raya Dunayevskaya wrote then under the name of F. Forest.

A RESTATEMENT OF SOME FUNDAMENTALS OF MARXISM  
AGAINST CARTER'S VULGARIZATION

by F. Forest

"Vulgar economy really does nothing else but interpret, in doctrinaire fashion, the ideas of persons entrapped in capitalist conditions of production."

-- K. Marx, Capital, Vol III, p. 9

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NEWS & LETTERS  
2832 E. GRAND BLVD.-RM. 313  
DETROIT, MICHIGAN 48211

I. THE MODE OF PRODUCTION AND ITS AGENTS

1. Carter's capitalists vs. Marx's capitalists

With much bombast Com. Carter has set out to teach us Marxism. In his Johnson's Mystification of Marxism the most elementary thesis of historical materialism is buried beneath his indignation against the evil capitalists who do all sorts of things just for profits. This indignation is surpassed only by his indignation against Com. Johnson who states that capitalists do not determine, but are determined by, production. "Of course the capitalists are controlled by particular forces and laws beyond their control," writes Carter casually. But, having paid homage to materialism, he proceeds to stress the exact opposite: "But they produce in order to rake profits — this motive force is determined by the social relations of production." (p.15) Having given us this idealised version of the motive force of production, he amplifies upon the active role of the capitalists by a quotation from Capital via Borchardt's questionable resume:

"The historic value and justification of the capitalist are to be found in the fact that he ruthlessly forces the human race to produce for production's sake; he thus forces the development of the productive powers of society and creates those material conditions which alone can form the real basis of a higher form of society, a society in which the full and free development of every individual forms the ruling principle." \*

Com. Carter has an inept genius for choosing the wrong quotation "to prove" his point. To expose our theoretician and, above all, to analyze correctly capitalist production, we must quote the entire paragraph as Marx wrote it, not as Borchardt "paraphrased" it and Carter underlined it:

"Except as personified capital, the capitalist has no historical value and no right to the historical existence which, to use an expression of the witty Lichnowsky, 'hasn't got no date'. And so far only is the necessity for his own transitory existence implied in the transitory necessity for the capitalist mode of production. But, so far as he is personified capital, it is not values in use and the enjoyment of them, but exchange value and its augmentation, that spur him into action. Fanatically bent on making value expand itself, he ruthlessly forces the development of the productive powers of society and creates those material conditions which alone can form the real basis of a higher form of society, a society in which the full and free development of every individual forms the ruling principle. Only as personified capital is the capitalist respectable. As such, he shares with the miser the passion for wealth as wealth. But that which in the miser is a mere idiosyncrasy is, in the capitalist, the effect of the social mechanism, of which he is but one of the wheels. Moreover, the development of capitalist production makes it constantly necessary to keep increasing the amount of capital laid out in a given industrial undertaking,

\* Borchardt uses the German text. Carter innocently copies: "Vol. II"

and competition makes the immanent laws of capitalist production to be felt by each individual capitalist, as external coercive laws. It compels him to keep constantly extending his capital, in order to preserve it, but extend it he cannot except by means of progressive accumulation."<sup>1</sup>

What would any one who has read the quotation conclude from it? Clearly, that the capitalist, who reacts to the immanent laws of capitalist production as external coercive laws, cannot establish these laws. Ah, but you have misjudged our superior theoretician. He is not timid. He strikes boldly to the following conclusion:

"Thus it is clear that production for production's sake is not the driving force of capitalism or of the capitalists. Rather it is the capitalists who drive capitalism to produce for production's sake." (p.21)

Com. Carter has indeed been impressed with the prowess of the capitalists — so much so that for "the capitalists driving the human race to produce" he substitutes: "the capitalists driving capitalism to produce." Soon he will have us sympathizing with capitalism as against the capitalists.

Why does Marx stress the fact that the actions of the capitalist in the competitive world are only the reaction of an agent of capital to the immanent laws of capitalist production? Neither Borchardt nor Carter got the point. Yet the whole significance of Marx's analysis is that, irrespective of what men have in their heads, capitalist society is governed by the law of value. The law of value cannot be vulgarized into the manner in which the capitalists react to this law i.e. their subjective search for profits. On the contrary, Marx insists that, although the law of value dominates production, it "remains invisible and unintelligible to the individual agents of production."<sup>2</sup> We must uncover that law by studying the productive process itself, not by observing, as Carter does, the individual agents of production. This is the misconception which runs through all of Carter's article and vulgarizes his conception of Marxism.

## 2. Value production, or the self-expansion of capital

In a capitalist society every commodity is produced according to the amount of socially-necessary labor time needed for its production. The commodity of commodities in capitalist society is labor power, so that the whole society is governed by the necessity of producing labor power according to the socially-necessary labor time needed for its production. Hence the cost of the laborer is the first consideration of the capitalist. That is so because his main concern is to increase the value of such capital as he has and the only power of increasing his capital is the amount of living labor which he can apply to it. Marx has proved, and that much Carter sees, that the self-expansion of capital comes only from the production by the commodity, labor power, of a value greater than itself. But there Carter stops. Classical political economy came almost that far when it recognized

<sup>1</sup> Capital, I, pp. 648-9 (All references are to the Charles H. Kerr edition.)  
<sup>2</sup> Capital, III, p. 964

labor as the source of all wealth. That is where Marx begins his analysis. It is insufficient, he says, to reduce wealth to labor in general. We must continue our analysis and examine the dual character of labor: abstract labor which creates values, and concrete labor which produces use-values:

"... this is the pivot on which a clear comprehension of political economy turns ...."

(a) Abstract vs. concrete labor, or the process of alienation

We have seen that surplus value is extracted from the commodity, labor power. The problem is how is it extracted? Abstract labor which creates value is only an aggregate of various kinds of concrete labor. Labor is not expended twice: once to produce a use-value and again to produce a value. Only by means of concrete labor, only through fashioning a definite article, (a dress, a tractor) can a value be produced. Value may be indifferent to the particular use-value by which it is borne, but it is only through the bodily shape of a use-value that the abstraction, value, can assume material form. But it is not within the nature of the laborer, whose concrete activity strives to objectify itself in a useful article in correspondance with his specific skill (a shoemaker to make shoes, a miner to dig coal), to be concerned about abstract values. Hence the capitalist rightly distrusts the laborer he has hired to create values.

The self-expansion of capital demands that the various kinds of concrete labor be dissolved into a mass of homogeneous abstract labor. It becomes the particular mission of the capitalist as the agent of capital to see that, regardless of the specific ability of the worker, the expenditure of his labor power keeps time with the ticking of his factory clock. This is set to the universally socially-necessary labor time. Socially-necessary labor time is the solvent which reduces the aggregate of concrete labors to a homogeneous mass of abstract labor.

Thus the process of labor under capitalism becomes what Marx called the process of alienation. It is this which Ricardo could not grasp. It is easy enough to see that, since the values the worker produces belong not to him but to the capitalist, the values he creates are alien values. It is not so easy to see that his very activity, the expenditure of his labor power, is alienated as well. Ricardo could not fathom the two-fold character of commodities because he did not understand the two-fold character of labor embodied in commodities. Ricardo, says Marx, sees

"only the quantitative determination of exchange value, that is, that it is equal to a definite quantity of labor time; but he forgets the qualitative determination, that individual labor must by means of its alienation be presented in the form of abstract universal social labor."

This is the gist of Marx's analysis of the labor process under capitalism, which fails to emerge from Carter's concepts. Hence it is possible for him to write of the "ownership" of labor power by the laborer at the very time

<sup>3</sup> Capital, I, p. 48

<sup>4</sup> Theories of Surplus Value, II, 2, pp. 183-4, translated from the Russian.

when that ownership has been alienated from him. Carter writes:

"And he (Marx) shows that this increase of value is the result of the fact that the total capital is divided into two parts: constant capital, the means of production bought by the capitalists; and variable capital, the labor power owned by the workers whose use value exceeds its value." (p.14)

Com. Carter seems entirely unaware of Marx's scorn for bourgeois economists who declare that the worker's labor power is his capital. Marx insists that:

"It is the only commodity which he must and can sell continually in order to live, and which does not serve as capital until it reaches the hands of the capitalist."<sup>5</sup>

The fact that Com. Carter, in a theoretical article, can write and underline "variable capital, the labor power owned by the workers" betrays that his analysis is not far removed from those of the apologists. Carter misses entirely the significance of naming the wage fund variable capital. It was not to equate it to labor power "owned" by the workers, but to show that, from the moment the worker enters the inner abode of production, the factory, his labor power is no longer owned by him. It then becomes variable capital, i.e. a component part of capital.

Labor and means of production are, of course, the main elements of any social system of production but only under capitalism do they unite as "the different modes of existence which the value of the original capital assumed when from being money it was transformed into the various factors of the labor process": variable capital and constant capital. And in the process of capital it is value which asserts its independence. Hence the significance of Marx's contrast of the labor process "in general" and the labor process under capitalism:

"The means of production are at once changed into means for the absorption of the labor of others. It is now no longer the laborer that employs the means of production, but the means of production that employ the laborer. Instead of being consumed by him as material elements of his productive activity, they consume him as the ferment necessary to their own life-process and the life-process of capital consists only in its movement as value constantly expanding, constantly multiplying itself."

Contrast this to Carter's shallow assertion that the "use-value of constant capital is that it functions as a means of producing (ultimately) consumers goods," (p.16) which strips constant capital of its capitalist character and converts it to a simple factor of social production. Carter is unaware that all bourgeois economists do just that, and that only the most vulgar of them would proceed to say: "For ex., a shoe-making machine is produced to serve to make shoes; that is its use-value." He should know that the intention is to produce a machine to make shoes. But since value dominates capitalist

<sup>5</sup> Capital, II, p. 512    <sup>6</sup> Capital, I, p. 232    <sup>7</sup> Ibid. p. 339

society, the machine is permitted to produce shoes only insofar as those shoes embody the socially-necessary labor time; the minute a new invention cuts that necessary labor time, the shoe machine is given no chance to display its "use-value".

(b) Accumulated labor vs. living labor

The mission of the capitalist to reduce the aggregates of concrete labor to a mass of abstract labor he accomplishes by turning the labor process into a process of alienation through the utilization of one of the factors of production, accumulated labor, against the other factor of production, living labor.

Accumulated labor or machines or at least tools existed in pre-capitalist societies but accumulated labor did not dominate living labor. Instead of a tractor, the serf had a wooden hoe. But that crude tool did not have a value which asserted its independence in the process of production so that the energy of the living laborer was a mere means for its expansion. Today, when an all-steel automobile body, despite the heavy costs for steel and new equipment, can be turned out at a cost of \$30 less per unit, the auto worker must bend his energies to the tune of this expansion of value and face unemployment besides. More and more machines need less and less living labor and more and more perfect machines need less and less skill in the general mass of human labor.

The labor process has become a mere means for the creation of values. However, even as living labor can function only according to its specific skill, so accumulated labor can realize itself as value big with value only by means of its inherent use-value. It is true that yarn cannot become cotton, steel a tractor, without uniting with living labor. Dead labor can preserve itself and become a greater value only by absorbing living labor and the worker is unable to resist this "process of suction" because he is now only a component part of capital, "a simple, monotonous, productive force that does not have to have either bodily or intellectual faculties"<sup>9</sup>. The worker has become an "appendage of a machine"<sup>10</sup>. Marx insists that then and only then does the real subordination of labor to capital occur.

It is this domination which turns accumulated labor into capital, a force divorced from the direct producer and exploiting him. Therein is the antagonism between accumulated labor and living labor. That antagonism will continue so long as the world market exists and the workers are not themselves in control of the process of production. The antagonism between accumulated labor and living labor becomes personified in the struggle between the capitalist and the worker. But the mastery of the capitalist over the worker is "only the mastery of things over man, of dead labor over living labor."<sup>11</sup>

3. Reification of people and the fetishism of commodities

Com. Carter is horror-struck when Com. Johnson says that under capitalism machines exploit labor. \* "Capital is then a material thing which exploits

<sup>8</sup> Archives of Marx-Engels, II (VII) p. 3, translated from the Russian.  
<sup>9</sup> Wage Labor and Capital 10 Capital, I, p. 708 11 Archives, p. 35

\* Cf. the manner in which Marx treats this in quotation (7) on p.4

labor." (p.13) Instead of analyzing the capitalist labor process and thus discovering how a material thing becomes an exploiting force, Carter accuses Johnson of having fallen victim to the fetishism of commodities, and indignantly reminds him that for Marxists capital is not a thing but a social relation of production established by the instrumentality of things. What Carter does not perceive is that the thing, means of production, has become the social relation, capital, because of what Marx calls "the contradiction between the personification of objects and the representation of persons by things."<sup>12</sup>

The focal point of Marx's analysis of capitalist society is his critique of capitalist production. The ideology which flows from this historic mode of production is enveloped in the perverted relation of dead to living labor. Marx pointed out that the very simple relation — capital uses labor — expresses "the personification of things and the reification of people."<sup>13</sup> That is to say, the means of production become capital and are personified as capitalists at the same time that the workers become reified, that is, their labor becomes objectified into the property of others.

Marx's critique of capitalist society, based primarily on this inverted relation of dead to living labor at the point of production, extends also to the surface of society (the market), where the social relation between people assumed "the fantastic form of a relation between things."<sup>14</sup> This is the fetishism of commodities. Com. Carter sees only that. But he is blind to the inverted relation of dead and living labor. This relation, without which Marx's political economy is vitiated, never gets one single line in all Carter's theorizing. He thus bungles both of Marx's theses. Had Carter kept in his mind Marx's plan for Volume I, this would have become clear to him.

In Part I of Volume I Marx deals with capitalist wealth as it appears to be: "an immense accumulation of commodities."<sup>15</sup> Because he deals only with the appearance, or what Marx calls the phenomena, of capitalism, he does not here analyze the class relationship under capitalism. Here our capitalist is still only Mr. Moneybags, who has bought a commodity, labor power. That is why, in "The Fetishism of Commodities", Marx uses the words, "social relation", or "personal relation", not capitalist relation.<sup>16</sup> In the market, then, where rule "Freedom, Equality, Property and Bentham"<sup>16</sup>, where the cardinal tie between men is exchange, the social relation between them appears as a relation between things. Marx advisedly does not analyze the class relationship until after Mr. Moneybags has left the market and gone into the factory, where his capital can expand and he become a real capitalist, that is, where the class relationship is created.

Marx proceeds to analyze the capitalist mode of production. Now that the worker is in the factory, the "social relation" becomes a production relation. By virtue of that fact his relationship to the boss is very clear; it in no sense assumes the fantastic form of a relation between things. On the contrary, there the worker overestimates the capitalist's might. He thinks that the capitalist alone is responsible for his plight instead of seeing the cause in the mode of production which the capitalist represents. There the worker personifies things: the means of production used as capital become the capitalists. We are here confronted with what Marx called "the

<sup>12</sup> Capital, I, p. 128    <sup>13</sup> Archives, p. 159    <sup>14</sup> Capital, I, p. 83  
<sup>15</sup> Ibid, p. 41    <sup>16</sup> Ibid, p. 195

personification of things and the reification of people". Marx was most emphatic in laying bare this "reification of people" because that is the very heart of his critique of political economy. He grasped this very early. "When one speaks of private property," wrote the young Marx in 1844, "one thinks of something outside of man. When one speaks of labor, one has to do immediately with man himself. The new formulation of the question already involves its solution."

4. Production and distribution, or "production taken as a whole"?

Carter has discovered that Johnson "by sleight-of-hand has passed from the notion of capitalism to the notion of the 'strict process' of capitalist production .... capitalism is not and cannot be confined to a 'strict process of production' or reduced to this by any ever-wonderful miracles." (p.14)

Our theoretician is anxious to show us that his hand is on the pulse of life, and not on Hegel's Logic. He is eager to demonstrate his opposition to any such "sleight-of-hand" as Johnson practises. Hence he clearly distinguishes his conception of the strict process of production from that of Johnson:

"Without the preliminary social distribution of the material factors of production, without the preliminary process of circulation in which the products are sold and profits are once again converted into capital; the immediate process of production is a meaningless abstraction; a complete impossibility." (p.15)

Insofar as distribution, both of the means of consumption and of the elements of production, is concerned, there is no ambiguity whatever about Marx's emphasis that production is the determining factor from which a certain type of distribution flowed. He went to great length to argue against those who thought that either distribution or conquest was a determining factor. He demonstrated how even the Mongol devastation of Russia logically flowed from the Mongol method of production.

Insofar as social distribution, or circulation of the aggregate capital is concerned, Marx was equally emphatic as to which is the determining factor and which the subordinate. Let us follow Marx. Volume I is subtitled: The Process of Capitalist Production; Volume II: The Process of Capitalist Circulation; and Volume III: The Process of Capitalist Production as a Whole. It is clear that capitalism there is not the process of production and the process of circulation, as if each is an equally important movement of the development of capitalist society. Rather the summation of the analysis of capitalism is the process of capitalist production "taken as a whole". That is so because circulation or social distribution is but the other side of the same coin, production.

Marx tells us that Volume III deals with:

"the movements of capitalist production as a whole ... (which) approach step by step that form which they assume on the surface of society in their mutual interactions, in competition

and in the ordinary consciousness of the human agencies in this process,"<sup>18</sup>

Here Carter always remains. Here, then, we learn that commodities sell, not at value, but at price of production; that surplus value is not an abstraction, congealed unpaid labor, but that it has the concrete form of profit, rent and interest; that capital is not only a social relation of production, but has the bodily form of money-capital. Here we study the role of credit and even learn about gambling and swindling.

What is the grand result of learning all the facts of life? In order to get at the real cause of crisis Marx has to make an abstraction of "the bogus transactions and speculations which the credit system favors."<sup>19</sup> In order to ascertain the cause which will doom capitalist production, we revert to the law which dominates over production, the law of value and hence of surplus value:

"In order to produce the same rate of profit when the constant capital set in motion by one laborer increases ten-fold, the surplus labor time would have to increase ten-fold, and soon the total labor time, and finally the full 24 hours a day would not suffice even if wholly appropriated by capital."<sup>20</sup>

Marx thus brings us back and "confines" us to the strict process of production and to that supreme commodity, labor power.

Compare this with Carter who never leaves the surface of society even when he thinks he is in the inner abode of production:

"... in the immediate process of production of commodities, the capitalists may not be found physically present; in such cases they are represented by the managers, foremen, etc." (p.14)

And this is supposed to teach Johnson that if the "capitalists are nowhere", they are represented by managers, foremen, etc.:

### 5. Value and profits

In Carter's thought-formations the appearance and the essence are always identical. His failure to understand the quotation on pages 1028-9 of Volume III is a good example. \* Let us examine the structure of the chapter, "Conditions of Distribution and Production", in which this quotation appears. Marx shows, first, how the condition of distribution appears to "the ordinary mind".<sup>21</sup> He then counterposes "the scientific analysis".<sup>22</sup> Marx completes the part regarding the condition of distribution with the conclusion that the condition of distribution "is merely the expression of this historically determined condition of production."<sup>23</sup>

Thereupon, without restating his method or treatment, he reverts to the appearance of the condition of production to the ordinary mind: "And now let us take profit .... It is a relation which dominates reproduction."<sup>24</sup> Marx

<sup>18</sup> Capital, III, p. 26    <sup>19</sup> Ibid, p. 568    <sup>20</sup> Ibid, p. 468    <sup>21</sup> Ibid, p. 1022  
<sup>22</sup> Ibid, p. 1023    <sup>23</sup> to 25 (see next page) Ibid, pp. 1028-9

\* Cf. use of quotation by Carter, New International, April 1942, p.80; criticism of Carter's interpretation by Johnson: Production for Production's Sake, p.7; and rejoinder by Carter: Johnson's Mystification of Marxism, pp. 16-17

analyzes this concept of the ordinary mind by saying that profit "appears here as the main factor, not of the distribution of production, but of their production itself."<sup>25</sup> But, Marx continues, that is not true at all. To the scientific mind profit arises "primarily from the development of capital as a self-expanding value, creating surplus value."

Carter is blind to all this. He is certain that he has not used the quotation out of context. To "prove" his point, he quotes "supporting evidence" from Marx's analysis of the thing which worries Ricardo, "the fact that the rate of profit, the stimulating principle of capitalist production" is declining. Once again Carter has picked the wrong quotation. A few lines further he could have read that this characterization of profit is from "a bourgeois point of view, within the confines of capitalist understanding."<sup>26</sup>

Marx has stated thus the theory of the law of the declining rate of profit: "The fall in the rate of profit therefore expresses the falling relation of surplus value itself to the total capital."<sup>27</sup> Bourgeois economists do not understand this law. They are, however, struck with the expression of this law, the manner in which it asserts itself: the declining rate of profit. Marx considers it significant that a bourgeois economist is worried about this law because thereby Ricardo reveals that he "vaguely feels" that "something deeper" than the declining rate of profit is hidden in the decline itself. That something deeper is the fear that the bourgeois mode of production is not an absolute but a historically transitory mode of social production. Marx could not prove this to a bourgeois economist by lecturing to him on the historical development of labor. But because the same point was brought home to him "in a purely economic way, that is from a bourgeois point of view", he shows the first signs of understanding: confusion and worry.

Had Carter not used "the language of the capitalists"<sup>28</sup>, he would have understood the quotation on page 1028 and would have realized as well the scientific reason why Marx refused to analyze profits in Volume I where he analyzed "pure" capitalism, stripped of all its phenomenal and confusing forms:

"We shall show in Book III that the rate of profit is no mystery so soon as we know the laws of surplus value. If we reverse the process we cannot comprehend either the one or the other."<sup>29</sup>

Com. Carter has reversed the process and hence has understood neither the one nor the other. He may, if he wishes, repeat that the scale of production is determined by what profit the capitalist thinks he may get. (p.15) However, I underlined for his benefit that Marx considers such language to be the "language of the capitalists". Carter's theorizing is a vulgarization of Marxism. Because we live in a bourgeois world and are bound by a thousand threads to bourgeois concepts, language which is "within the confines of capitalist understanding" is easy for the simple-minded to grasp. That is why pseudo-Marxism always "seems to make sense".

#### 6. Production and consumption

Carter writes:

<sup>26</sup> Ibid, p. 304    <sup>27</sup> Ibid, p. 250    <sup>28</sup> Ibid, p. 303, my emphasis  
<sup>29</sup> Capital, I, p. 239, footnote

"Thus, given the divorce between production and consumption under capitalism, there is an inherent tendency for the unlimited development of the productive forces (production for the sake of production in contrast to production for the sake of direct consumption.) Far from excluding the profit motive, this tendency is the result of the profit motive, its objective consequence." (p.20)

With Carter everything stands on its head. According to him production for the sake of production takes place not because of the immanent laws of production, its constant technological revolutions, but because of the divorce of production and consumption. Under capitalism there is, of course, a divorce between production and consumption. But the divorce of production from consumption is itself a surface expression of the fact that the process of production continues regardless of the extent of consumption. Marx insists that the disregard of production for consumption "resides within production itself."<sup>30</sup>

Divorce of production and consumption also reflects the class composition of society. That is precisely why Marx took it for granted in analyzing capitalist production. I believe that Maurice Dobb has expressed this Marxist view very well when he wrote that:

"the conflict between productivity and consumption was one facet of crises and one element of the contradiction which found expression in a periodic breakdown of the system. At the same time it remains only a facet, and it seems clear that Marx considers the contradiction between the growing productive power, consequent on accumulation, and the falling profitability of capital, between the productive forces and the production relations of capitalist society, as the essence of the matter."<sup>31</sup>

Where, in Carter's theorizing, does one see the contradiction between the productive forces and the production relations? Oh, he has much to say against the production relations, but they are not in contradiction with the productive forces. On the contrary, the striving of production for limitless expansion "is the result of the profit motive, its objective consequence." How, then, do the relations of production become fetters upon the productive forces? One can see it nowhere in Carter for he has liquidated what Marx called the general contradiction of capitalism. Wherein, then, is the scientific basis to our movement? Is it really sufficient just to show that the capitalist is anxious for profits and has overreached himself? Or has our theoretician overreached himself in trying to prove Johnson's "mystifications" of Marxism?

<sup>30</sup> Theories of Surplus Value, II, 2, p. 198

<sup>31</sup> Political Economy and Capitalism, p. 131

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## II. EXPANDED REPRODUCTION

### 1. Lenin vs. Luxemburg

The confusion in our movement on this question is matched only by the presumption of the comrades who discuss it. \* Lenin, they say "significantly", did not write a book against Luxemburg's Accumulation. I do not know what this statement is supposed to prove but, to me, it merely indicates that the comrades either have not read or do not understand Lenin's theoretical writings on the question of expanded reproduction. Luxemburg was not the first to state that the "facts" contradicted the Marxist theory. Lenin's description of Luxemburg's theory as "kasha" (mush) was not a casual remark but was based upon an exhaustive analysis of this problem. Lenin's defense of Marx's analysis of expanded reproduction is embodied in his theoretical articles on Marxism in general and in his extensive debates with the Narodniki in particular. For Lenin not to have opposed Luxemburg's theory of accumulation would have meant that he had rejected his entire theoretic past on the question. Unless Com. Carter and Craine are ready to argue that Lenin had changed his position, all discussions as to why he did not write a book on Rosa's Accumulation belong to the realm of psychoanalysis and not of theory.

Lenin's theoretic position and hence opposition to Luxemburg's theory, we can easily find in detail in his polemics with the Narodniki. In the future I hope to present this issue in an article on Rosa's theory of accumulation. Here, however, I must limit myself, and very briefly, to a few points raised by Carter.

#### (a) The formula\*\* and underconsumptionism

The significance of the formula of expanded reproduction does not at

\* Cf. New International, March 1943. In answer to my criticism of her very inadequate summary of the theory of expanded reproduction, Com. Craine answered me thus: "If F. Forest knows the origin of Luxemburg's book and against whom it was written, she could readily have understood that my reference to 'stripping socialism of its last shreds of utopianism' was to the German and Austrian social-patriotic revisionists (Bauer & Co.)." Com. Craine thus demonstrates that: (1) she confuses Rosa's Accumulation with her Antikritik; (2) she has read neither the one nor the other; and (3) she knows nothing at all about what prompted Rosa's Accumulation, although she could have easily learned that from my letter. Accumulation does not mention and is not concerned with Bauer & Co. Antikritik, written in answer to the criticisms of Accumulation, does take issue with Bauer & Co. Far from "stripping socialism of its last shreds of utopianism", Rosa's book polemicized precisely against the central thesis of the one who had "stripped socialism of its last shreds of utopianism", that is, she took issue with Marx's theory of expanded reproduction.

\*\* Formula, formulae, formulas. Now add to these, schemes, schemata, and you will be repeating the five words Luxemburg and the other Marxists used interchangeably in the debate on the theory of expanded reproduction. The reason Carter has chosen to stir up a storm in a teacup over Johnson's use of "formula", instead of "formulae", is indicative of Carter's method of

all revolve around the question of underconsumption, though the Narodniki and Luxemburg dragged the question into it. Johnson stated that Luxemburg was not "oppressively aware" (p.6) of the role of constant capital in capitalist society, and hence reduced the question of capital accumulation to the question of the realization of surplus value. She thus narrowed the question to a variety of underconsumptionism. Carter is so oblivious to the real issue that, in attempting to defend Rosa, he brings to her defense the very proof that she did drag underconsumptionism into an "explanation" of the formula. He says that the discrepancy between production and consumption "was in fact the main burden of her criticism of Marx's scheme". (p.20) That is exactly why she was wrong.

Luxemburg was not a vulgar underconsumptionist and did not put her case as crudely as Carter. Like Marx, she took for granted that capitalist production developed beyond the consumption demand, given the class composition of society. Their premise was the same, but the similarity ends there. She contended that neither the Marxist theory of expanded reproduction in general nor the diagrams in particular correctly explained capital accumulation; that Marx was out of touch with reality.

Lenin argued that the theory and diagrams give the correct explanation of capital accumulation because they show how the contradiction is realised:

"That consumption is not the aim of capitalist production is a fact. The contradiction between this fact and the fact that in the final analysis production is linked with consumption, also depends upon consumption in capitalist society -- this contradiction is not a doctrine but a reality. The Marxist theory of realisation precisely for that reason, by the way, represents a tremendous scientific value in that it demonstrates how this contradiction is realised, that it brings this contradiction forward for first consideration." <sup>32</sup>

To understand how this contradiction is realised you must forever be "oppressively aware" of the overwhelming significance of constant capital in capitalist society. Rosa was not. She posed the question subjectively: "for whom" does the constant expansion of production proceed:

"Accumulation is effected here without it being seen even to the least degree for whom, in the end, for what new consumers, does this ever-growing expansion of production take place. The

polemic and has no other justification. The use of the word "formula", referring specifically to the formula  $I v plus s$  (Department of means of production, variable, surplus) is greater than  $IIC$  (Department of means of consumption, constant) was used as a summation of all the formulae in Volume II, Part III. When Carter reads (he would have fared better if he had read the whole article, instead of having "translated" it), he arrives at the correct conclusion: Johnson uses the formula as a summation of all the formulae. That precisely is the point and that is the manner in which it will be treated here.

<sup>32</sup> Works, II, p. 413, translated from the Russian.

diagrams presuppose the following course of things. The coal industry is expanded in order to expand the iron industry. The latter expands in order to expand the machine-construction industry. The machine construction industry is expanded in order to expand the production of means of consumption. The latter, in turn, is expanded in order to contain the ever-growing army of workers from the coal, iron and machine construction industries as well as its own workers. And thus 'ad infinitum' in a vicious circle .... But under these conditions, his diagrams permit no other interpretation than production for the sake of production."<sup>33</sup>

Carter writes: "Only Johnson could be so illogical as to accept Luxemburg's major criticism of Marx but reject the inescapable conclusion." (p.19)

Carter to the contrary notwithstanding, all Marxists accepted Luxemburg's conclusion that the diagrams mean production for production's sake. They only rejected her contention that this makes the capitalists fanatics. It is not Johnson but Bukharin who wrote:

"If production for production's sake makes the capitalists fanatics, why not money for money's sake?"<sup>34</sup>

(b) The formula and constant capital

Com. Carter contends that Johnson's quotation from Lenin on the inevitability of the disproportion between the production of means of production and the production of means of consumption shows that Lenin "is not dealing with Marx's scheme developed in the second volume of Capital." (p. 19) Carter then continues:

"That is clear from the first sentence. Disproportion between the two departments of economy are inevitable in the development of capitalism; but it does not exist within the hypothetical progressively expanding capitalism postulated in Marx's scheme. Marx there assumed a balanced, harmonious self-enclosed capitalist system; that is to say, one in which the more rapid growth of producer goods industries compared to the consumer goods industries is at the same time a proportionate development of the relation between the two." (p.19-20)

Everything stated in the above two quotations is wrong.

First, insofar as the fact of the matter is concerned, Lenin does deal with Marx's analysis of expanded reproduction in that and all the works against the Narodniki. The Narodniki numbered among their midst the learned N--on, pseudonym of N. Danielson, the translator of Capital into Russian and the friend of Marx and Engels. The Narodniki were constantly quoting "to prove" that capitalism would not arise in Russia. Since these polemics revolved around the realisation of surplus value, i.e. the possibility of capitalism arising in Russia, the discussions, no matter on what aspect of the

<sup>33</sup> Accumulation of Capital, p. 229, translated from the Russian.

<sup>34</sup> Imperialism and Accumulation of Capital, p. 15, translated from the Russian.

subject they started with, and no matter whether they did or did not directly refer to the "scheme", that is the diagrams of reproduction, always ended with the Marxist theory of expanded reproduction.

Secondly, insofar as the interpretation of the scheme is concerned, disproportion exists between the two departments: "... under capitalist production I ( $y$  plus  $s$ ) cannot be equal to IIc, in other words, the two cannot balance."

Carter says, yes, but this disproportion "is at the same time a proportionate development of the relation between the two." Not at all. Before Marx begins his diagrammatic presentation of expanded reproduction, he presents us with a new formula of simple reproduction and explains it thus:

"It is not the quantity, but the destination of the given elements of simple reproduction which is changed, and this change is the material basis of a subsequent reproduction on an enlarged scale."

The changed destination is nothing more than the disproportional growth of constant capital.

The only thing "harmonious" in the self-enclosed ideal capitalist system of Marx's formulae is that the capitalist has no headaches concerning realisation of the production, not only of surplus value, but of the whole product, because everything that is produced is sold.

What Carter almost gathered from the first sentence of Johnson's quotation from Lenin is that it was not merely a theoretic dispute but a concrete demonstration. Lenin utilized the actual disproportional development between the production of means of production and means of consumption as well as the disproportion of production within each of these departments to prove Marx's theoretic correctness. At no time did Lenin reduce the question of the disproportional growth of constant capital to variable capital to a disproportion between production and consumption. On the contrary, in that very article he hit out against that point of view:

"From the point of view of Sismondi that accumulation (growth of production in general) is determined by consumption, and from the incorrect explanation of the realization of the whole social product which is reduced by him to the share of the worker and the share of the capitalist, there flows naturally and necessarily the doctrine that crises are explained by the disproportion between production and consumption.... The scientific analysis of accumulation in capitalist society and the realization of the product undermined the foundations of this theory .... This (second) theory explains crisis by another contradiction, precisely the contradiction between the social character of production (socialised by capitalism) and the private, individual method of appropriation ... The first theory sees the root of the phenomena outside of production ... the second precisely within the conditions of production." 37

35 Capital, II, p. 609, my emphasis    36 Ibid, pp. 591-2, my emphasis  
37 Works, II, pp. 35-6

Only one who is as completely unaware of the weight of constant capital in capitalist society as is Carter can state that the formulae denote "a balance between production and consumption":

"Thus Marx's formulae do not express the disproportions which are inevitable under capitalism. On the contrary, they express the relations which must obtain between the two departments (and the factors within) for a harmonious, balanced development of capitalism. They assume that all that which is produced is consumed, that is, a balance between production and consumption." (p.20)

Let's listen to Marx instead:

"With the advance of accumulation, therefore, the proportion of constant to variable capital changes. If it was originally, say, 1:1, it now becomes successively 2:1, 3:1, 4:1, 5:1, 7:1, etc., so that, as the capital increases, instead of 1/2 of its total value, only 1/3, 1/4, 1/5, 1/6, 1/8, etc. is transformed into labor power, and, on the other hand, 2/3, 3/4, 4/5, 5/6, 7/8 into means of production."<sup>38</sup>

Poor Marx, he belabored the point for nothing. To Carter the fact that it is not 1:1 but 7:1 merely means that "a balance between production and consumption" exists! Such a "balance" exists in the formulae purely because of the production relations under capitalism which has resulted from 7c:1v. That is why the categories of Marx are so immutable to capitalism and apply to no other society. \* "They assume that which is produced is consumed" because it is capitalist production and hence, mainly, productive consumption. In other words, 7c is consumed by capital, not by people. To try to deduce from this that there is no "disproportion" in an ideal capitalism -- and attribute that viewpoint to Lenin -- should make Lenin turn in his grave. To Lenin disproportion in capitalist production was not merely a reality, that is, something that occurred on the surface. It was more than that. It was inherent in production and hence there could never be a "balance" between production and consumption even in the ideal capitalist society:

"Even under the ideally-smooth proportionate reproduction and circulation of the whole social capital, there is inevitably a contradiction between the growth of production and the limitations of consumption. In reality, in addition to this, the process of realisation does not proceed along the ideally-smooth proportionality but only with 'difficulties', 'fluctuations', crises, etc."<sup>39</sup>

<sup>38</sup> Capital, I, p. 690    <sup>39</sup> Works, II, pp. 415-16

\* If Com. Johnson, after he had emphasized its specifically capitalist character, stated that an intelligent Marxist could apply the formula to all societies, the emphasis was, clearly, on the word, intelligent. An intelligent Marxist would have realized that it was a standard by which to judge the extent to which, if any, it applies to any one society. As Bukharin put it: "Abstract theory is a 'key' to knowledge of reality which one must be capable of operating." (Imperialism and Accumulation of Capital, p. 100)

The "proportional reproduction of the whole social capital" means that the whole product is realized, that is, that there is found in capitalist society a portion to replace  $c$  (constant capital),  $v$  (variable capital), and that an ever increasing portion of the surplus is reinvested. That is why Lenin had previously emphasized that the problem solved in the formulae was how this contradiction between production and consumption is realized. This realization, or "proportionate development" does not eradicate the disproportionate development between constant capital and variable capital, but rather emphasizes that inherently, even in the formulae of Marx of an ideally-perfect capitalism the disproportions between social production and private appropriation, that is, between production for capital and not for social needs, would lead to capitalist collapse.

On the historic stage the geometric increase of constant capital, or accumulated labor, becomes so oppressive upon living labor that instead of remaining a purely economic problem, it is brought out upon the social arena. The working class faces the capitalist class on the opposite sides of the barricades, where, in the last analysis, social issues are decided.

It is needless to point to the fact that the barricades form no part of the diagrammatic presentation of capital accumulation. As Lenin points out and as Carter correctly quotes him:

"Schemes can prove nothing; they can only illustrate a process when its separate elements have been theoretically clarified."

The scheme was intended to illuminate this capital-labor relationship in a diagrammatic form. That is why it was wrong to drag in the question of foreign trade (as did the Narodniki and Carter) or "third groups" (as did Rosa) because that only shifts the problem of accumulation from the capital-labor relationship to a subsidiary feature: foreign trade or non-capitalist milieu. By dragging that question in, the conclusion is reached that the capitalists have to go to foreign markets. But Marx and Lenin insisted that the capitalists go to foreign markets, not because they have to, but for "convenience" -- profits are higher there, and, furthermore, a crisis within the most highly developed industry is avoided. But as far back as 1898 Lenin foresaw that:

"Under a different\* distribution of the national capital, the same quantity of produce could be realized within the country."<sup>40</sup>

Thus Lenin remained firmly rooted in the realm of production. Hence he realized that capitalist collapse was imbedded in capitalist mode of production and hence reflected in the formulae of Marx. Rosa, on the other hand, was not "oppressively aware" of the role of constant capital and hence of

40 Theoretic Mistakes of Narodnik Economists, translation of which is running currently in the New International.

\* Warning to Carter: A "different distribution of the national capital" does not refer to socialism but a different distribution under capitalism than the one which leads the most advanced industry to seek a foreign market. Stalin, that is, Russian state capitalism, has achieved such a different distribution of the national capital. Lenin, however, dealt with a purely theoretic situation.

capitalist collapse even within the ideally-perfect capitalist society. Therefore, she concluded, as did the reformists, that the formulae meant that capital would forever fructify itself. The reformists stood by such an interpretation of the formulae because they were social patriots. Rosa vigorously protested against the formulae because she was a revolutionist. But their interpretation of the formulae was the same, and equally wrong.

## 2. A national and world capitalism

Com. Carter informs us that "Contrary to Johnson, all the participants in the famous disputes among the Marxists on capital accumulation assumed the fact that Marx's formulae assumed a world and not a national capitalism." (p.4)

Everything Com. Carter says is wrong. But that does not seem to bother Carter who stands by his original N.I. article (April 1942):

"It would not be surprising that, when Johnson wrote that Marx 'strictly adapted the formulae to a national capitalism', he had in mind a passage in the first volume of Capital which declares the exact opposite:"

(I must confess that it has been very convenient to have Carter underline his own mistakes so poignantly.)

O.K., let's leave Johnson out for the moment. Let Marx do his own paraphrasing:

"In order to simplify the question, we abstract foreign trade and examine an isolated nation." <sup>41</sup>

Lenin and Bukharin very clearly understood the application of the formula to a single nation and hence insisted that both in theory and in fact the formulae were valid. Marx in theory had taken as his premise a world capitalism without foreign trade, hence a national capitalism. Lenin applied this analysis to the historic concrete. All his articles on the theory of realisation, that is, on expanded reproduction, revolve precisely around this point. His Development of Capitalism in Russia originated during his polemics with the Narodniki, as much to concretize his theoretic viewpoint as to learn about developing capitalism in Russia. As Lenin stated it, after his study of Russian capitalism was published:

"Whether we take one country or the whole world, the basic laws of realisation discovered by Marx remain the same." <sup>42</sup>

Com. Carter is completely ignorant of this accumulation of evidence. Yet he parades his ignorance as a counter-weight against Johnson's "empty display of erudition". (p.1) The least that can be asked of Com. Carter is that he please inform himself of the facts of the accumulation debate before he burdens us with his conclusions.

<sup>41</sup> Theories of Surplus Value, II, p. 25, my emphasis

<sup>42</sup> Works, II, p. 414

### 3. Russia and the formula

#### (a) Terms in terms of terms

Above all, one must know the subject of discussion. Johnson's article, Production for the sake of production, discussed the formula of expanded reproduction. The terms of that formula are Marx's specific categories for capitalist production: c stands for constant capital, v for variable capital, s for surplus value -- all specifically capitalist terms. But our theoretician, completely unaware of his ludicrous position, demands that Johnson prove "the terms of the formula ... are in fact capitalistic."

No wonder Com. Johnson objected to being asked to prove terms in terms of terms: "How can I or anybody 'prove' what Carter asks? ... Terms exist for one purpose -- proof. Proof does not exist for terms." (pp.4-5) However, Johnson's answer makes no dent in Carter's obtuseness. He insists that Johnson must prove that "the terms of the formula, the social relations of production (in Russia) are in fact capitalist." (p.6) But Russia was not the subject of Johnson's article which concerned itself with an abstract formula.

Times have not changed radically since the days of the Narodniki. The arguments of the Narodnik and our bureaucratic collectivist are not far apart. When Lenin argued from a theoretic viewpoint, the contention was: Ah, but he did not know Russia. When he showed, through an exhaustive study of the Russian economy, that there was nothing in its economic development essentially different from general capitalist development, the contention was that he did not understand theory. Russia, as we see, is always a point of departure for theories of particularism. If it is not the Russian "soil", it is the Russian "soul", and if it is not the Russian "soul", it is the "body politic". \*

#### (b) Trotsky vs. Carter

Carter makes a big show of the fact that he is defending Trotsky against Johnson. It is true that Trotsky did not consider the formula of expanded reproduction applicable to Russia in 1930. But that has nothing whatever to do with the applicability or non-applicability of the slogan to Russia now. Moreover, the method of argument used by Trotsky is as different from that used by Carter as the dialectical method is different from the scholastic. Even without the aid of Hegel's mysticism, Carter is quite adept at turning theories on their head. His demand of proof of the terms used was completely foreign to the methodology of Trotsky. If any one thinks that Carter, in defending Trotsky, knew what Trotsky was talking about, let me quickly dispel that illusion by counterposing the two positions:

\* elsewhere -- cf. my Analysis of Russian Economy in the Dec. '42, Jan. & Feb. '43 N.I. (Jan. 1978 note: these articles were reprinted by News & Letters in 1973 in pamphlet Russia as State-Capitalist Society) -- in a study of the development of the Russian economy and the historical development of labor, I have described production relations in the USSR, which in no essential respect differ from those in a capitalist state. To prove explicitly what was implicit in those objective articles would, however, take me too far afield from the object of this article.

Trotsky: "Marx's formulae deal with a chemically pure capitalism which never existed and does not exist anywhere now. Precisely because of this they reveal the basic tendency of every capitalism but precisely of capitalism and only of capitalism." <sup>43</sup>

Carter: "Trotsky scornfully rejected the view that this formula was a specifically Marxist theory or expressed a distinctly capitalist process."

Trotsky quoted Stalin: "The Marxist theory of reproduction teaches that contemporary (?) society cannot develop without annual accumulations, and it is impossible to accumulate without extended reproduction year in and year out. This is clear and evident." Trotsky remarks that this could not be clearer but "'The Marxist theory of reproduction' refers to the capitalist mode of production." <sup>44</sup>

In other words, Trotsky, contrary to what Carter says (p.76) is not arguing against Stalin's formulation but against Stalin's attempt to apply it to a "socialist society". To prove Stalin's application wrong, Trotsky writes:

"'Accumulation' as a condition of development of 'contemporary society' is precisely the great idea which vulgar political economy cleared of the elements of the labor theory of value which had their foundation in classical political economy."

Carter did precisely that; he "cleared the reproduction theory of the elements of the labor theory of value" when he stated that the formula could be "stripped of its capitalist content", that the formula described a condition of capital accumulation "only if" the terms are "actual capitalist categories", and then proceeded to demand such proof of Johnson.

How Carter fell into that trap of vulgar political economy is worthy of note. In his discussion (p.78) Carter stated that if expanded reproduction is to occur,  $I v$  plus  $s$  must be greater than  $IIC$ . But Marx was not concerned with the "if"; that he took for granted for accumulation is capitalism, Marx was concerned with how it occurred and his formula explained how and that should have put an end to all idle speculation about "if" it applied to other societies. In this I absolutely agree with Com. Trotsky: it is impossible to take an algebraic formula dealing with how a certain process occurs in a given (capitalist) condition and apply it to a contrary (socialist) condition.

<sup>43</sup> N.I., Nov. '41, p. 280    <sup>44</sup> Ibid, p. 281

\* My emphasis

### III. THE "INCOMPLETE" CAPITAL AND CARTER'S DEVIATION

We have seen that Carter has not grasped the core of the capital accumulation problem. Where he cannot blame Johnson, he blames Marx:

"Marx's general theory of capital accumulation is the central point of his theory of capitalism. The scheme of expanded reproduction found in the second volume of Capital is one phase of the general theory, which was neither completed by Marx nor integrated by him with the other aspects of his theory." (p.23, my emphasis)

Com. Carter has no idea what bourgeois quagmire he is stepping into when he says that. That Marx had not completed the three volumes of Capital and that the second and third volumes were edited by Engels is a well-known fact. But to jump from that to the assertion that the analysis of expanded reproduction is not "integrated" with other aspects of the "theory of capitalism" is entirely unfounded.

The whole intricate analysis of Marx's entire work was completed "in its essential parts" <sup>45</sup> before Volume I was prepared for the printer. The first edition of Volume I appeared in 1867. Many sections of Volume II were not written before 1870. But that was before the final edition (during the author's lifetime) of Volume I, which incorporated many changes, was published in 1873.

Neither Engels, who edited Volumes II and III, nor the great Marxists who followed him, found any lack of integration in his theory as expressed in Volumes I and III, until Luxemburg found need "to supplement" Volume II.

Carter's choice of example to prove the unfinished state of Marx's work is replete with bold and confident errors:

"For example, as Marx explained his original plan in a letter to Engels (July 6, 1863) he intended to show how profits, which he wrote are "only formally distinguished from surplus value", are further divided into industrial (including commercial) profit, interest and rent. (See Marx-Engels Correspondence, p. 241). And in an accompanying economic table appearing opposite page 154 of the same volume, Marx graphically depicted this division." (p.23)

Carter has not the slightest conception of what Marx is talking about in either the letter of July 1863 (pp. 153-5 of the Correspondance) or the one dated April 30, 1868 (pp. 240-5). He has used the letter only to get from it the phrase, that profit is "only formally distinguished from surplus value" and has entirely by-passed its significance. Every word of that letter speaks sharply against Carter's vulgarization.

Marx: "In Book III we come to the transformation of surplus value into its different forms and specific component parts ....

"If profit, then, is at first only formally distinguished from surplus value, the rate of profit is at once really

<sup>45</sup> Preface by Engels to Volume II of Capital, p. 9

distinguished from the rate of surplus value." (p.241)

And why is this, and not the phrase quoted by Carter, the essence of the problem? Marx tells us:

"This rate of profit expressed absolutely can be nothing else than the surplus value produced (annually) by the capitalist class in relation to the total social capital advanced." (p.243)

Carter could not have missed the significance of the letter nor the conclusions that Marx drew had he gone to it for other purposes than getting a phrase. Marx's language is unambiguous:

"At last we have arrived at the forms of appearance which serve as the starting point in the vulgar conception: ground rent coming from the earth, profit (interest) from capital, wages from labor .... Finally, since these three (wages, ground rent, profit, interest) constitute the respective sources of income of the three great classes of landowners, capitalists, and wage laborers, we have, in conclusion, the class struggle, into which the movement of the whole Scheisse is resolved." (p.245)

We are back to the historic stage where not terms nor phrases will decide but the relationship of forces between the two antagonistic classes: the workers and capitalists, and not between the various kinds of capitalists.

Carter knows all that, you might say. However, he surely has not applied his knowledge to the theory of Marx on expanded reproduction which, to Carter, is "not integrated" with Marx's "theory of capitalism" and is "incomplete". And what is further proof of the "incompleteness"? Carter tells us that in the letter of July 6, 1863, Marx had told Engels that he "intended to show how profits ... are further divided into industrial (including commercial) profit, interest and rent."

It happens to be factually incorrect since the only reference to the division of surplus value in that letter is not to how it is divided but how it flows back to the industrial capitalist of the department producing means of consumption. But that is of minor importance. For the letter of April 30, 1868, to which Carter referred to for a phrase, does deal with that division of surplus value into profit, rent, interest, etc. But what is the crux of the matter is that both the idea and elaboration (stated respectively in the letters of July 6, 1863 and April 30, 1868) were incorporated in his Capital. Volume III, in its entirety, deals with the various divisions of surplus value into profit, rent and interest. Parts IV and V of that volume deal directly with the topic of interest to Carter: the division of profit into industrial, including commercial, profit and interest. Carter talks as if he had not the slightest acquaintance with Volume III.

I do not know why the diagram on p. 154 of the Correspondance, which was included in the July 6, 1863 letter to Engels, should have so confused Carter. That diagram is a scheme of reproduction of the aggregate capital as finally developed in the diagrams in Volume II. The graphic description of the division of surplus value, on the other hand, is included in Volume III. It is true that there is no single economic table either in Volume II or III. But

that economic table was an early attempt on the part of Marx to present a picture of the reproduction of social capital. That first attempt dates to 1863 when he was working on all three volumes of Capital and before he prepared the first volume for the printer. This attempt to adapt a Tableau Economique of a type used by Quesnay was not used in the final <sup>draft</sup> Marx lived to write, not because Marx's theory was not "integrated" or was "incomplete", but because this early attempt was rejected by the fully-alive Marx in favor of what he considered a better way to present his views. That better way was the manner in which the schemes of reproduction were used in Volume II. Volumes II and III are not in the finished form in which Volume I was published. But they do not deviate from the theory set down in Volume I. Who deviates is Carter.

It is necessary for Carter to state his views positively. The great Rosa did not hide beneath a false cloak of being an exponent of the Marxist theory of expanded reproduction. She openly challenged it, and offered "to supplement" it. If Carter likewise disagrees with the formulae of expanded reproduction, I'm perfectly willing to argue their validity. But in that case he must drop the mantle of the true exponent of the Marxist theory and come out as its opponent.

\* \* \*

P.S. Carter on Johnson and Hegel

I make no pretense at being able to expound Hegel and hence had originally not intended to take issue with the section by Carter on Hegel, although I categorically disagreed with his interpretation. However, my judgment was not so much due to my small knowledge of Hegel's works as to what I know of the views of Marx, Engels and Lenin on Hegel. However, I found Carter's polemical method in that section so revolting that I feel constrained to make a few remarks, not on Hegel, but on Carter's method in dealing with Johnson, especially as expounded in that section on Hegel.

(1) The cheap tactic of Carter's culling a quotation from Hegel on God is the first such red herring in our movement that I have ever seen dragged across the path of a theoretical discussion. His quotation is adorned, fore and aft, all to the effect that Johnson quoted Hegel's definition on "notion" and agreed with it without a word of reservation.

But to my simple mind -- and I admit I'm not in the habit of "translating" English into English, as does Carter, but merely of reading it -- the fact that Johnson states that Hegel is a bourgeois philosopher (p.7), that, for a revolutionist, is a very considerable "reservation". When Johnson follows this up with:

"Marx's work was to stand Hegel's principle on its feet. He places the dictation in the hands of the mode of production and its expression in the concept of value",

Johnson has not merely made "further reservations". He has moved far away from the world of Hegel and God as well as from the world of Carter and profit.

(2) As is clear to anyone with the slightest acquaintance with Marx's work, his use of the Hegelian dialectic is not, as Carter implies, limited to the use of a few Hegelian "phrases". Not at all. Engels paid this tribute to the Hegelian method:

"What distinguishes Hegel's mode of thought from that of all other philosophers was the enormous historical sense upon which it was based. Abstract and idealist though it was in form, yet the development of his thoughts always proceeded in line with the development of world history and the latter was really meant to be a test of the former. He was the first who attempted to show an evolution, and inner coherence in history. This epoch-making conception of history was the direct theoretical prerequisite for the new (that is, Marxist -- FF) materialist outlook." <sup>46</sup>

Insofar as Hegelian "phrases" are concerned, it would have helped Carter a lot if he had been able to grasp at least the manner in which Marx used them, at least on the question of profit, a subject so dear to the heart of Carter. That would have meant he would have had to understand surplus value, or the self-expansion of value. He would then not have complained: "It is impossible to discover from his (Johnson's) exposition why 'self-expanding' value takes place, why it ever starts again." (pp.13-14) He would not have complained because he would have understood Marx's dialectical approach to the self-expansion of value:

"Those who look upon the self-development of value as a mere abstraction forget that the movement of industrial capital is the realization of this abstraction .... It is clear that capitalist production can only exist and endure in spite of the revolutions of capital-value, so long as this value creates more value, that is to say, so long as it goes through its cycles of a self-developing value, or so long as the revolutions in value can be overcome and balanced in some way .... These periodical revolutions in value, therefore, prove that which they are alleged to refute, namely, the independent nature of value in the form of capital and its increasing independence in the course of its development." <sup>47</sup>

(3) Carter says Marx's use of Hegelian "phrases" has "undoubtedly increased the difficulty in understanding Capital". (p.12) That has been a bugaboo in the Marxist movement for all too long a time. It is no more than a repetition of the arguments lazy "intellectual fellow-travellers" have given for reading Machiavelli instead of Marx, and glossing over their incapacity for understanding Marx. The difficulty in understanding Capital is not due to the use of Hegelian "phrases". Rather it is because the thought, the ideas themselves are profound, not simple, and can therefore not be presented in the manner of a morning headline. It is a question here of presenting a new science, one that challenges the existing mode of production and of thought, and yet painstakingly analyzes them. Capital is no more difficult to study than any scientific work, provided one is serious about it. As Marx phrased it: "there is no royal road for science and only those have the possibility of reaching its bright summits who do not fear tiring themselves by climbing the steep cliffs."

November 14, 1943

-- F. Forest

<sup>46</sup> The Materialism and Dialectic of Marx, included in Ludwig Feuerbach, my emphasis <sup>47</sup> Capital, II, p. 120

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*Reference is made to a statement of some fundamental Marxism which was published in March 1944.*

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