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Unity of labor and means of labor has gone through some violent transformations during various historic periods, none being more disastrous than when labor was separated from the means of labor. The separation of labor from its means signals the birth of capitalism. It was followed by separation of town from country, of mental from manual labor. The unity of labor and means of labor was then achieved by the individual capitalist bringing many workers together in his workshop so that he could extract from them as much labor as possible. This plan of the capitalist gave the labor process its despotic form.

All the while the workers cooperated in the labor process to which they had been brought by the will of the capitalist, they revolted, first against the authority of the capitalist, then against the machine by which the capitalist sought to discipline the workers with its own oppressive compulsion. The plan of the capitalist assumed more despotic forms for it compelled cooperation of the laborers in a manner which would produce surplus labor and this aim of the capitalist was served well by the regularity, uniformity, order and economy introduced by machine production. At the same time the machines which disciplined the laborers also organized and united them, and now their revolt assumed new form: that of an organized mass power.

We then have the plan of the capitalist to bring the workers together for purposes of extracting unpaid labor: it is despotic in form and individual in content. The revolt of the workers which is at first anarchic in form, breaking up machines is from the first however cooperative in content.

The plan of the capitalist to bring the workers together to labor in common for purposes of extracting unpaid labor from them transforms the simple labor process into a means of extracting surplus labor. The labor process becomes thus capitalistic in truth and the form becomes the more despotic with the authority of the capitalist being supplemented by the vampire of machine, into which all science has been incorporated, and which thrives on living labor. On the other hand, the worker is bereft of the virtuosity he possessed as a craftsman and transformed into a mere appendage to the machine. The division of labor between mental and manual thus further degrades the worker, whose quest for universality, or desire to be a whole man, becomes total. His revolt now assumes a new form; he revolts with his fellow man, and in revolting as a social individual the revolt becomes cooperative in both content and form.

At the same time the constant crises in production and the revolts engendered befuddle the minds of men who are outside of the labor process. They see this civil war between capitalist and worker not as it is in the labor process and see this civil war between capitalist and worker not as it is in the labor process where the capitalist's plan having become its motive force it is no longer a natural unity of labor and means of labor to create products of labor, but a capitalist unity which forces labor into one abstract mold and thus gives products of labor their value-form. They see it rather in the forms which it assumes on the surface where surplus labor appears as surplus product and hence planlessness. They thereupon contrast the anarchy of the market to the order in

the factory. And they present themselves as the conscious planners who can bring order also into "society", that is the market.

Marx's answer to these first planners--to Sismondi who "impersonated the doubts" of the classicist analysis which was dominated by its class concept of form as identical with content by asking: couldn't large-scale production be controlled to Malthus, whose concept of order was that of the feudal order with its fixed relations; or Proudhon, whose petty-bourgeois conceptions of social order revealed itself in trying to build a half-way house between the old and the actually existing by synthesizing the two, instead of transcending--was very simple. It amounted to this: "If the order of the factory were also in the market, you'd have complete totalitarianism."

In 1847 Marx expressed the anticipation of this in the phrase "one single master":  
Two decades later the mature Marx keeps emphasizing that what appears "ideally in the shape of a preconceived plan of the capitalist" is "practically... the shape of the authority of the same capitalist, in the shape of the powerful will of another, who subjects their activity to his aims." And Capital then proceeds to demonstrate what forms the despotism evolves:

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"If the division of labor in a modern factory were taken as a model to be applied to an entire society, the society the best organized for the production of wealth would be incontestably that which had but one single master distributing the work, according to a regulation arranged beforehand to the various members of the community." (Poverty of Philosophy, p.147)

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first, the capitalist is relieved of "actual labor" but does the supervision over labor; then he is relieved of "the labor of superintendence": "An industrial army of workmen, under the command of a capitalist, requires, like a real army, officers (managers), and sergeants (foremen, overlookers), who, while the work is being done, command in the name of the capitalist." (Capital, p.322) Then he shows that it is not control necessitated by the cooperative character of the labor process, but the different work of control" necessitated by the capitalist character of that process and the antagonism of interests between the capitalist and labourer." It is because it is rooted in this class antagonism that its form must always remain despotic and this despotism, which shows itself in the market as "anarchy", cannot be done away with by bringing "order" also into the market. The despotism will only become total then. It can be done away with only by its absolute opposite, that is the cooperative form of labor of "freely associated men" consciously planning. So that the opposition is not between "anarchy" and "plan", but between the plan of the capitalist which is always despotic in form, and the plan of freely associated men which is always cooperative in form, and in content.

The classicists' thesis, of laissez faire or free trade, while showing its concern with the distribution of total product between the classes, expressed nevertheless a complete faith in the economic laws as being in full consonance with the "natural order". They were thus having their cake and eating it too--saying that labor was the source of value, but feeling since they never enter the factory no compulsion to account for the surplus labor. They merely took it for granted as "inherent" in production.

The planners wished upon the market the stranglehold of the factory order which had no reality for them since they too had never entered the factory. Order, to them, meant the abstract plan in their heads, not the real plan the workers had to contend with in production.

The thing that we must never forget is that such irreconcilable opposites are plan arising from intellectual analysis, and plan arising from the cooperative labor process which evokes the creative mass movement that even Marx, before he had entered the factory, that is in his Critique floundered among the market forms which are not really forms (~~the~~ ~~transformations~~), general or concrete but transformations of what they were once. The transformation makes the form either the direct opposite of the productive form at least or so different from it that full contradiction must of necessity result.

Let me state right here that we have greatly underestimated Vol. III of Capital which deals with these transformations. It is true that we caught its essence when from the start we put our finger on the spot and said the decline in the rate of profit is crucial; the average rate of profit is completely secondary. Look at the mess we would have been in if we had not seen that and suddenly found ourselves, as did the Fourth, tail-ending the Stalinist's sudden "discovery" (which had been precisely the perversion/the Second International planners had long ago tried to corrupt Marxism that it was the average rate of profit which was the "law of capitalism".

Good, we saw the essence, but that is insufficient, and because that is completely insufficient, we were incapable of being sharp enough even here. For it is insufficient merely to state that the decline, not the average, rate of profit is crucial for <sup>understanding</sup> Volume III. The full truth is: Just as Marx's theory of value is his theory of surplus value, so his theory of surplus value is in reality the theory of the declining rate of profit.

Why couldn't we state it this simply before? It is because we have been too busy showing that profit is only a disguise which surplus value wears and must be removed, again to see "the real essence": exploitation of labor. Because the opponents we were facing were WP underconsumptionists, we had to overemphasize this evident truth. But to overemphasize ~~xxxx~~ the obvious means to stand on the ground the opponents have chosen. Freed from these opponents, and faced with planners who are not underconsumptionists the greater truth of what Marx was saying suddenly hits us in the eyes with such force that now we can say: How could we have not see what Marx was saying? It is all so clear: Since the realization of surplus value is the decline in the rate of profit, the poor capitalist must search for profits. However, adds Marx, you market theorists who think this decline is due to competition are ~~xxxxxxx~~ ~~xxxxxx~~ wrong. And as for you, the planners, who think that the reason for the capitalist's search for profits is "only" his subjective desire and your plan~~xxxxxxx~~ ~~xxxxxxx~~ to do away with the disproportions of his production should knock some sense into his head, are way off the beam. First of all, his subjective desire reflects only the objective truth of his method of



essence, but proceeding from essence to notion, that is to say to that unity of essence and form which on the one hand holds us all in its grip, including even the miserable capitalist, and on the other hand, can be transcended only in transcending the value-form and establishing its complete opposite: the cooperative-form. Without that, all these transformations of form only continue the perversion of subject and object in the process of production:

"The way in which surplus value is transformed into profit is but a continued development of the perversion of subject and object taking place in the process of production. We have already seen all subjective forces of labor in the process appear as the productive forces of capital. On the one hand, the value of past labor, which dominates living labor, is incarnated in the capitalist. On the other hand, the laborer appears as materialized labor power, as a commodity. This perverted relationship necessarily produces even under simple conditions of production certain correspondingly perverted conceptions, which represent a transposition in consciousness, that is further developed by the transformations and modifications of the circulation process proper." (Vol III, p. 58)

So that the difference in forms is not merely the difference between particular forms and the general form. Although the classicists made a "regular hash" in mixing up the two, that is in mixing up the particular forms of profit, rent, and interest with the general form of surplus value, they nevertheless came very close to a theory of surplus value. But what, because they were bound by the bourgeois horizon, they could not overcome despite their discovery of labor as the source of value and despite holding on instinctively to a theory of surplus value they had never worked out was to see the perverted relationship of subject to object, or <sup>men to</sup> machines. It is this which made it impossible for them to dissipate what Marx calls "the objective show of value" for when you get down to brass tacks value itself tells you nothing. On the contrary it is value which

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"converts every product into a social hieroglyphic". To see how it is so we must see the historic period when value gains the "fixity of a popular prejudice", and we must see that bourgeois mode of production--that is to say the modern labor process itself--where value is created. Both bring us back to the forms of labor, which is the nub of the whole question, and that not merely as a matter of intellectual analysis but is far more important as a basic activity of men.

Why Marx himself, instead of continuing with his Critique wrote instead Capital resides precisely in this essential distinction which Marx first grasped in all its profundity, that is to say in its manifold concreteness, when he himself entered the factory. Let us follow him.

The individual capitalist brings workers together not as individual workers but as a fer workers. The relationship appears quantitative: one capitalist, many workers. But these workers find that none of them can produce anything individually, only in cooperation can they produce a commodity. But as cooperators they no longer belong to themselves and cannot decide the manner of their cooperation. ~~They~~ In the factory they are nothing but a mode of existence of the capitalist's capital and it is he who decides the manner of cooperation. Or, to be more precise, the exact manner of cooperation is not set by either of them, but by something outside them, in this case the machine which has replaced the will of the capitalist which has originally brought them together. So that the essential difference is not only not quantitative, and not only not qualitative (that is class). It is a perverted relationship.

of dead (machines) over living labor.

Now when you are in the workshop you see that it is this perversity which exudes a new form. First, it reduces the many concrete labors of the individual laborers to one aggregate mass of abstract labor. So that now the social quality of their labors is not just social, that is not the relation of many labor. It has acquired a peculiar character for the social quality of labor under capitalism is not <sup>only</sup> a specific historic, class relationship; the specificity of this form of labor includes the perverted relationship of dead <sup>dominating</sup> ~~xxx~~ living labor for the laborer must now ~~xxxx~~ completely subordinate himself to the mechanics of the machine to which he has become an appendage. The content of the result, the product of his labor, is now a unity of opposites for both concrete and abstract labor have gone to fashion it since you need a specific type of labor to produce an article of utility whether it is a dress, a lump of coal, a sheet of metal, or a pair of shoes, while all these various labors must have been expended in a manner set by the factory clock, ~~xxx~~ The clock which sets the pace sees that only that which is socially necessary, both as to technology and as to totality of all labors available to produce all the commodities capitalist society needs, has been produced by the abstract mass of labor. Now while the content of the product of labor is this unity of opposite forms of labor, the form assumed is the general value form given it by this abstract labor.

Let us follow the value-form of the product of labor, the commodity, as it appears in the market. The value-form has absorbed the content, labor itself,. This labor is now seen not as the reduction of all labors where its only specific

feature is that it is human. It is now seen as it is "objectified" in a product. Labor having been materialized into some object, it is this transformation which predominates in the market where "things" are exchanged. So that all the intellectuals see not the form of labor, but the process of exchange. Even Marx who knows ~~the~~ social relation of people, not an exchange of things, is what is "really" behind all this, gets lost in the Critique, which is why he did not continue with it.

Here is what happened in the Critique, which deals only with an intellectual analysis, counterposed to the bourgeoisie of course, but an analysis outside of the process of production nevertheless. Individual and social labor appear as individual laborers confronted through a process of exchange with the products of social labor. But atomic individuals and a social process of exchange, while opposites, are not/absolute opposites <sup>the essential, the</sup> Marx is therefore forced to bring in the class relationship involved extraneously: "It is not really a simple question of buying and sellers; it is not really a mere question of commodities and money in the abstract; what is really involved is a question of the capitalist and the worker." But where does all this conclusion flow from? All we saw concretely was a bunch of individuals in a process of exchange.

Now watch with what different eyes Marx sees this in Capital. The individual laborer is confronted with ~~the~~ cooperative labor, which has not merely eliminated his individuality but, by ~~uniting and organizing him~~ the very mechanism of production has united and organized him, has made him into a social individual. He acts en masse and his present antagonism is not to the previous atomic individual, but to the value

process which has transformed him into a mere appendage of a machine. The true antagonistic forms which emerge from this are: ~~abstract and social~~ not individual and social labor but concrete and abstract labor, which has permeated the social aspect with its own peculiarity.

With the perversity characteristic of capitalism the machine has not only reduced individual labors to one abstract mass, but this machine which is after all nothing but materialized labor itself, gets reincarnated in the market as the capitalist. But by then his meeting with the laborer is not of individual to individual, but individual to commodity for all he buys from the worker is his capacity to labor. We thus see that it is not only that the relations between people assumes the fantastic form as a relation between things. No, fantastic as this is, the more perverse thing is that they appear so because that is what in truth they are: "material relation between persons and a social relation between things." Thus the perversity in production creates the form of the commodity and hence its fetishism, which only testifies to the fact that we live in an epoch where "the process of production has mastery over men instead of being controlled by him."

Now when you are not in the factory you do not see all this in the market. Value appears like a deduction your mind makes instead of a reduction to which your concrete labor has been subjected to. That is why ~~that~~ is pivotal in Capital ~~is~~ concrete and abstract labor, while ~~that~~ individual and social labor is pivotal in the Critique and in the planners who, not seeing the reality of the transformation of individual into social labor in the labor process, desire to have the state consciously do so,

as if you could change society without changing the mode of production, that is the manner in which people work and establish relations with one another.

Marx, on the other hand, never leaves the labor process, that is the conditions under which ~~xxxx~~ the unity of labor with it means of labor takes place. Not even when he is in the market does Marx ever forget that. Watch. He says, right in the first chapter: Value is not my discovery, and this discovery of the classicists "marks an epoch in the development of the human race". But now that we have deciphered this hieroglyphic, value, and related it to labor, where do we go from here? The classicists can't tell us because they "remained more or less the prisoners of the world of illusion which they had dissolved critically, and this could not well be otherwise from a bourgeois point of view." (III, p. 967)

How what is this "bourgeois point of view" which kept them from dispelling the mist and breaking up the illusion? Was it the fact that they did not know that behind the exchange of things, behind exchange value, ~~xxx~~ a social relationship was involved, as Karl Kautsky and the Second said in explaining the fetishism of commodities? Not at all. Ricardo, from the very first sentence of the very first paragraph of his preface states most clearly: "The produce of the earth... is divided among the three classes of the community..." and that all he wants to do is to investigate "the laws which regulate this distribution..." And Marx credits him precisely with having revealed the class relations so clearly in his analysis of value.

No, it is not that the classicists did not see the class relations expressed in the value relation. It is that, having seen it, they did not ~~xxxx~~ to resolve it, and not ~~xxxx~~ <sup>seeing that</sup>

~~to the point~~, they were content to say: This is how things are; it is a "natural order"; and "economic man" will find the best way according to his "best interests".

Here is what followed, in the state of economic science from the class conception: (1) Although value was related to labor, labor was not further analyzed with the result that value seemed to have an "objective" existence. (2) Labor thus having become a dead substance instead of a living subject (Indeed that is what value is: materialized ~~value~~ labor, and this being the subject of political economy, it could not possibly have analyzed the two-fold character of living labor) the classicists continued to use "the language of commodities". That is to say, the perverse way of identifying the value-form of a product of labor, a commodity, with its material or bodily form, a thing. And since it is precisely this commodity-form which exudes all the fetishism, perversity, superstition and hypocrisy of the capitalist world, (3) ~~capitalist~~ classical political economy had to follow the capitalist in not hearing the voice of living labor "attuned in the storm and stress of the process of production" saying "That which on your side appears as spontaneous expansion of capital, is on mine extra expenditure of labor power." (I, 216, 217) And the result of not dealing with this living labor was falling into the illusion of the "objectivity" of value. (4) Thus it ~~was~~ treated the social character of labor as if it were "an objective character stamped upon the product of that labor." The inevitable consequence was to treat the objective "show", that is illusory appearance, of value as if that were an independent truth. No wonder they remained prisoners of "the world of illusion <sup>which</sup> they had dissolved critically" with their discovery of labor as the source of value.

Marx's whole point is that the "objective" character of value is so much bosh. It is the worker's labor ~~which~~ alienated from him both both as an activity and as a product. In other words, when he labors to produce value he is but a fragment of a man, a cog in the capitalist's machine; and when he is through working, the product he has produced neither belongs to him, nor has a bodily shape that could be separated from its value-form or price. It is all one: the price and the thing, while he can produce nothing by himself, but only in cooperation with other men, and in a place (workshop) which has the instruments of labor that neither he nor his fellow-workers have. ~~It is this cooperative labor, however, which has become~~

It is this cooperative labor, however, which has become mere content under capitalism; that is to say, it is subjected to value-form, for cooperative labor cannot produce according to its abilities and talents but it must produce according to the motive force of capitalist production; it must produce value and surplus value. That is the counter-revolutionary development of form, which subjects men to machine--~~and~~ ~~and~~ and gives the capitalist's plan for production its despotic form.

The revolutionary development of form, on the contrary, although it also starts with cooperation, does not subject it to value-form, but lets it develop naturally and thus regard his relation with other men, with nature and with machines rationally. This allows it to dissipate the fetishism that clings to products of labor when they assume the value form. It is in fact only in this way that production can be ~~regulated~~ regulated according to a rational plan: it requires freely associated men.

What we have here then is not plan vs. planlessness, but the value plan of the capitalist which must always be despotic in form vs. the plan of freely associated men whose cooperative form of labor has transformed them into social individuals.

Now, let us take a second look at the planners. I have said to myself: I know why Sismondi, the idealistic aristocrat viewing the ~~misery~~ <sup>both</sup> miseries of the industrial proletariat/at the dawn of large-scale production and from ~~the~~ outside the factory gates, thought that disproportion of production and consumption could be made more proportional<sup>a</sup> with state intervention. He became the first welfare economist, without ever breaking fully from Smith's doctrine of the spontaneous harmony of interests of the classes.

I know why Malthus felt the lack of plan in capitalist society: his old feudal order was not included in it.

I know why Proudhon turned planner: as a petty bourgeois caught between the tidal conflict of the two fundamental classes of society, he could proclaim his independence only through supplying "the evacuating motion of his own head....in place of the practical and violent action of the masses by which alone these conflicts can be resolved...."

But why did the Second International, built on Marxist principles, flounder as badly and see only anarchy instead of grasping Marx's dictum that the capitalist system is "disorder in its order"? Why were all the economic texts produced by the Second built more along the structure of Sismondi than of Marx? How could they deal with slavery, feudalism, capitalism merely descriptively, as if it were only a question of historic results instead of historic movement? And when they finally found their way out of the lengthy descriptions and began dealing with Marxian categories, why treat it as if it were a question of language and definitions, instead production relations to be overthrown? In fact, there is not a single word in any of them about the labor process of their day. The result is that



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the mere repetitions of what Marx said it was has none of the force or dialectic of Marx and in truth moves nowhere.

Let me illustrate. One of the best chapters of Karl Kautsky's Economic Doctrines of Marxism is the one on Cooperation --and we must not forget that this was written not by Kautsky the betrayer, but Kautsky the Marxist teacher and leader of the whole of the Second International, including Lenin. Yet even here Kautsky treats as equal factors 1) "the law of numbers", 2) the concentration of effort, 3) social "emulation", 4) the mass power cooperative labor is from the start, and 5) the productivity of labor resulting from these. The consequence of such treatment is that the mass power that cooperation represents from the start and which unites and organizes the proletariat and develops his resistance into revolt, is lost among "other characteristics" of cooperation. Since neither revolt nor reorganization develop logically from the cooperative form of the labor process over which the value form dominates, the inevitable result is that Kautsky sees only the resultant anarchy of the market. And his only ~~counterposition~~ counterposition is not the creative activity of the masses, but a counterplan: let's eliminate the anarchy, let's organize and plan. The whole Second International was built on that, <sup>essential</sup> ~~anarchism~~ Lassellenism of producers associations supported by the state.

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That was true not only of the reformist and opportunist wings; the revolutionaries too were weighted down by market anarchy, rather than by the oppressiveness of dead over living labor. Thus Rosa Luxemburg's conception of the planlessness of capitalism pervaded her classes in Capital (and it was in fact this which resulted later in her revision of Marx's theory

of accumulation) that she could hardly account for the conti-  
nued existence of capitalism. Thus <sup>in</sup> her book on Political Economy  
after the inevitable descriptions of slavery, feudalism, etc.  
she spends some 200 pages on how total the anarchy is, under  
capitalism. Then she comes to the end of the book and has to  
confront the reality of capitalism's existence, and must account  
for it somehow. And somehow she does. She concludes suddenly  
that it exists despite planless <sup>ness</sup> because of the "mechanical  
K/ action of economic laws." You are just about to say, Finally,  
she saw that the economic laws which move society do bring  
order, capitalist order it is true, but ~~order~~ order nevertheless,  
despite lack of consciousness, will, and the legal planning of  
feudalism, etc. (Good, better late than never that she has seen  
this. Just then however she begins to enumerate these economic  
laws and they turn out to be such a hash, mixing up everything  
in one mess from the "general absolute law" of the unemployed  
army to phenomena like competition, from crises to such market  
results as average rate of profit and price fluctuations,  
from such fundamentals as "the law of wages" (that is labor paid  
at value which gives capitalism its disorderly law of motion)  
to extraneous matters like "money economy" and exchange, that  
you fear to read the end of the paragraph. And the fear is  
justified, for although she will not credit capitalism with  
plan, she credits it with establishing "economic progress" <sup>CL</sup>  
in a manner that makes that a sort of eternal law! (That too  
will reappear in her revision of <sup>Marx's</sup> Volume II where not being able  
to demonstrate the collapse of capitalism except after it has  
transformed the whole world capitalistically, she must hurry  
to bring the workers in to accomplish that "long before then";)  
capitalism ~~has~~ just doesn't seem to get out of breath because  
of its conflict with labor, but only out of its conquest of  
"non-capitalist lands" and "strata".

Thus Luxemburg made plan and planlessness as the absolute class opposites, although her recitation of history showed that there had been "plan" in other class societies. Marx, on the other hand, had used this history to show that plan does not mean creative socialism; it means bureaucratic rule. Just watch the detail with which he describes the administrative bureaucracy in an ancient Indian community which, although "based on possession in common of the land" was also based on "an unalterable division of labor which serves as plan". Here are the horrible results, although there is no commodity production, and no exchange, the total produce being divided among its members: "Side by side with the masses thus occupied with one and the same work, we find the 'chief inhabitant', who is judge, police, and tax-gatherer in one; the bookkeeper...; another official, who prosecutes criminals...; the boundary man, who guards the boundaries against the neighboring communities; the water-overseer...; the Brahmin...; the schoolmaster...; the calendar-Brahmin...; a smith and a carpenter...; the potter...; the barber, the washerman...; the silversmith... here and there the poet, who in some communities replaces the silversmith, in others the schoolmaster. This dozen of individuals is maintained at the expense of the whole community... The whole mechanism discloses a planned division of labor;... this simplicity supplies the key to the secret of the unchangeableness of Asiatic societies, an unchangeableness in such striking contrast with the constant dissolution and re-founding of Asiatic States and the never-censing changes of dynasty." (I, pp. 351, 2)

The division of labor, although entirely different under capitalism, Marx continues, not only perpetuates but deepens the contradiction between mental and manual labor. While the administrative bureaucracy grows with the capitalist first relieving himself of actual labor, and then of labor of superintendence so that he now has a whole army of managers, foremen

(and we might add, time study men), the "~~barrack discipline~~" of the laborers is intensified for the "undisputed authority" is ~~the~~ still that of the capitalist, and the army of the elite only reveals how plan means that the despotism in the workshop must become total, when the laborer, turned into a "crippled monstrosity" by manufacture, comes face to face with the "intellectual potencies of the machine". The whole point of Marx is that it is not <sup>the contrast of</sup> market anarchy and factory order which must be disclosed, but the stark, logical conclusion of capitalist production, which (1) began with simple cooperation where the capitalist appeared to represent the oneness of associated labor to the singleness of the workmen; (2) developed in manufacture where the laborer was cut down to a detail workman; and (3) was complete in modern industry "which makes science a productive force independent from labor and pressed into the service of capital" must end in total plan of capital over labor. The opposite to that is the self-mobilized proletariat against the army of the elite smashing up the value production, and yet arising from that very cooperative form of labor. The opposites are right there in the factory, <sup>outside,</sup> not in the market or in the heads of the planners.

The truth is that unless you have freely associated men planning vs. capitalistic authoritarian despotic plan you inevitably end in the pettybourgeois quagmire of planning to "organize exchange", or in the camp of the one-party-state planners who plan to organize your whole life.

Now Engels, at the very foundation of the Second, tried to warn them against making planlessness the fundamental feature of capitalism; it simply wasn't true, and in any case

with trustification, ~~plan~~ planlessness ceases. But so long as the question wasn't posed concretely by the objective development not only of capital but of the workingclass, it meant nothing to anybody. That is, it remained an abstraction. Lenin finally found the quotation when the monopolization of capital and the fall of the Second posed the question in the concrete form of what workingclass was to ~~reorganize~~ <sup>comprised</sup> society: the ~~masses~~ revolutionary masses, which ~~was~~ Marx's underlying assumption, or the aristocracy of labor planning from above.

Today we can see much, much further for with the development of monopoly capitalism into state capitalism, and the creation of a party of the elite against the self-mobilized proletariat at its very source in production, we ~~must~~ <sup>fetishism</sup> must face the ~~question~~ <sup>fetishism</sup> of the plan ~~as~~ <sup>fetishism</sup> as Marx faced the ~~question~~ <sup>fetishism</sup> of the commodity.

~~What~~ The more than 10 years that passed between the publication of the Critique and the second edition of Capital during which period Marx rewrote entirely the whole amassment of data of three decades, came to ~~the~~ <sup>helped</sup> head of the First International, and ~~the~~ the Paris Commune write its heroic page in history, were spent in clarifying the question of form. In the Critique he thought he would not only deal with the forms in production, but that in the state and the world market. By the time of Capital, he stopped with production, the other political forms not only falling in naturally as subordinate features, but even production itself "stopping" to take a look at the concrete universal form, that everyday thing a commodity, which has society so in its grip that even Marx

could fully dispel its fetishism until the Parisian workers had established the absolute opposite to that form, and with the Commune "at last discovered the political form to work the economic emancipation." It was only then that the counter-revolutionary development of form under capitalism, with its commodity form in the market, and its despotic form of plan in the factory; and the revolutionary development of form beginning with cooperative labor and ending in revolt and reorganization of society stood out in such bold relief that Marx could state simply (1) That the fetishism of commodities comes

"clearly from the form itself;"

(2) That only when production is treated by "freely associated men and is consciously regulated by them in accordance with a settled plan" can the fetishism be dispelled;

(3) That "the economic effect remains the same" "whether the full centralization of capital reaches its logical limit ("in the hands of a single capitalist or single capitalist corporation") "is accomplished by the violent method of annexation...or...by the smoother method of joint-stock company formation"; and

(4) See that "hand in hand with this centralization, or this expropriation of many capitalists by few, develop, on an ever extending scale, the cooperative form of the labor process."

Let us compare what he developed on the question of form in the two periods, 1857-9, and 1867-73/

1) In the Critique he treats the social form of production called capitalism as one dominated by capital, built by labor in the abstract. But this abstract labor appears more like an intellectual deduction, than a reduction the concrete labor underwent in production. Because the latter is not oppressively present, the fetishism of the value-form of the product of labor, that is the commodity, appears to be "as yet very simple." The result

is that when he deals with the development of the forms of value from the barter stage to its independent form as we know it today, exchange value, we fail to get oppositional development of ~~these~~ the forms of labor, so that the opposites <sup>OR use-value and exchange -value</sup> appear as commodities and money, instead of concrete and abstract labor. In other words, a thing, the commodity, and not an activity, labor, seems to be the pivot around which everything revolves. That is not because Marx did not know it was the other way around. It was because no such internal logic could flow from the development of forms until he viewed not from the outside but from the inside of the factory.

2) In 1867-73, he changes nothing of course in treating the social form of production called capitalism as one dominated by capital built by labor in the abstract. But this time he has placed himself in the factory, and the abstraction is no intellectual deduction; the voice of the total labor force is there to say how many different talents it had, how distinct were their concrete labors and how only through the actual concrete labor could they have fashioned the raw materials into a finished product and transferred to it also all the value of the past labor embodied in the machine, only to have been reduced to one abstract mass of labor, poured into this mold by the mastery of the machine over him and assisted by the factory clock, the two compounds of socially necessary labor time. This being so, the following consequences flow from this perverse relationship of dead to living labor

a) The value-form of the product of labor makes it appear as if value were an "objective" quality of the commodity, whereas in reality it is nothing but my labor

materialized into some object, useful for others. It is this social quality of our labors, a very subjective activity indeed for it is not only labor paid for but as much labor unpaid for, which ~~is~~ making a big show as a thing outside of me with independent qualities which is the cause of all the fetishism inherent in commodities. It dominates over all of us, and makes everything appear the opposite of what it is. Thus labor "takes the form" of value, the amount of labor time spent in production "takes the form" of the magnitude of this value, and my relation with my fellow men as well as my relation as a worker to the capitalist, take the fantastic form of a relation between things" for after all ~~the~~ <sup>ability to</sup> ~~the~~ I am exchanging, my/labor (as if it were a thing I could dissociate from my living self) as a commodity for another thing, the capitalist's money. Yet this fantastic form ~~is~~ ~~is~~ is even more perverse in the factory itself where the machine is complete master over me. So the reality is even

form taken by the product in bourgeois society.

more ~~is~~ fantastic than the appearance, and that is why the commodity is not only "the most abstract but the most universal bourgeois society." b) At the same time the constant technological revolutions in production make a joke of the capitalistic value. For value, which is the socially necessary labor time necessary to produce anything, undergoes constant transformations; what took yesterday four hours to produce takes only two now. The result is that, "socially-necessary," and "labor time" have split into opposites, and while the value of the newest product is still ~~the~~ labor incorporated in it, the magnitude, the time element, is something else again. Value is constantly depreciating yet the value-form remains dominant both over the content, labor, and over the whole of society, the capitalist included.



c) Furthermore, the organic composition of capital, that is the relation of constant (machines) to variable (worker) capital, makes it necessary for the capitalist to concern himself not only with labor, which is the only source of value and surplus value, but with the ever greater expansion of machines. For all this means that the unpaid hours of labor do not come to him as "pure profit" (surplus value) but must go to pay for the machines and this transformation of surplus value into "net profit" brings in so great a difference between what he extracted from the worker and what he realizes as profit that even without competition in the market which further averages out profit he is in a hell of a spot: his very method of production, ever greater use of machine vs. men, conflicts with the motive force of production itself, amassment of ever greater masses of surplus value which can only come from living labor, of which he uses constantly less relative to machines. Plan helps him not at all, private property doesn't either, nor does cooperative labor for all of these, and including his miserable self, are subjected to the value form of production.

4) On the other hand, the reduction of all concrete labors to one abstract mass which, with the ever greater accumulation of capital, has established at the other pole "an accumulation of misery, agony of toil, slavery, ignorance, brutality, mental degradation" has been united and organized by the very mechanism of production. Not only that "But from the moment that the special development ceases, the need for universality, the tendency toward an integral development of the individual begins to make itself felt" (Pov., p. 157) The laborer has become a social

individual, and the development of the value-form to a sort of god unto itself, achieving an independent form as exchange value, or money, has had its opposite development (from the same beginning in cooperation) in the forms of revolts that he, not as an individual now but as a mass body, has evolved in its conflicts with capital: revolts that begun as a wild breaking up of machines, to an organized fight for the shortening of the working day, to the establishment an absolutely new order, the commune.

You see how far from value we have moved. Moreover, we have done so while staying in Capital, that is in the sphere of "economics". Only Marx, by bringing in the subjective factor, the wage worker himself, has transformed it from a study of things into a study of production relations, <sup>and how to transform them</sup> ~~and~~ At the same time, it was only by substituting for Ricardo's underlying assumption of "natural order" in which "economic man" worked for his best interests, the underlying assumption of a new class, Marx's assumption of a revolutionary proletariat as the grave digger of the old and organizer of the new society, that it was possible to solve "pure" economic questions of value, price, profit, wages,. Just one more thing before we return to see what has happened to our planners. We have underestimated Marx's statement about the Commune being "the political form" at last discovered to work out "the economic emancipation" of the proletariat. That is to say, we thought <sup>of it as the old</sup> ~~the~~ division of economics and politics, and great as the statement was, we attributed the division appearing in it as a sign of his times when economics and politics could still be divided. In actuality, it is not a division but a new concept of form away from economics

For economic emancipation means reorganization of production and the state and the human relations and the Commune was that higher form; "political form" denotes that higher social form.

Now back to our planners, what happened to those people of plan while Marx worked out the question of "form". Proudhonism was destroyed by big scale production; there was no room for that type of plan; the very development of production took care of exchange. But that same development of production called for planning, not of exchange but of production, and Lassalleism appeared. I am not concerned here with his "iron law of wages" but his concept of state as a sort of "handmaiden" to socialism. The state was conceived as an instrument that could be used by any one and "should" be at the disposal of producers association. Now Lassalle considered himself a Marxist, and we must see that in the Communist Manifesto there is some ground for that. That is, as Marx stated later, the conception of the state as the "executive committee of the ruling class" was rather abstract and did not contain in it the smashing up of the state, which he got only from the Commune. But long before the Commune, he knew it wasn't just an "instrument" to be ~~used~~ "used". However, what is important here, is that until the workers with their new form showed concretely the smashing up of the old and the establishment of the new, Marx fought Lassalle's state socialism only in general and for his utter stupidity in considering that the particular type of state--Bismarck's Germany--to be of any use. With the Commune, however, ~~the~~ the attack isn't just against the particular state, but any

and all but the Commune form of state must be smashed so that a cooperative form of working and living ~~can~~ and the abolition of the division of labor between mental and manual may finally make labour "not merely a means to live but is in itself the first necessity of living...with the all-round development of the individual..." Lassalénism isn't <sup>really</sup> dead till the collapse of the Second International and the clear view that when large-scale production assumes the form of monopoly the labor force has become encrusted with an aristocracy of labor.

Counter-revolution has moved right into the revolutionary movement, but with the creation of the new form of Soviets and Third International it seemed to have been nipped in the bud. Surely from this point on plan moved definitely into the counter-revolutionary corner. Lenin "found" the Engels quotation, ~~defining the state as the organization of the~~ but while plan was not the division between classes, the plan to have the workers ~~manage~~ "to a man" manage the economy and the state was the real division. It was the State and Revolution, that is the theory. It was the Declaration of Toilers, that is declaration of practice of the first workers state. It was the actual practice, in its beginning but there, in the "single plan" of Lenin in the early years of USSR.

So we once again had facing each other, this time ~~ix~~ not in Capital, but in the real world, the plan of the Soviets on the one hand, and the plan of the capitalists (state intervention into the economies as a "war measure") on the other hand. The 1929 depression transforms the "war measure" into a peace necessity and gives it two apparently opposite aspects: the New Deal on the one hand, Nazism on the other.

With the end of World War II and the destruction of fascism, it is clear the capitalists can "plan" and Varga is all there ready with a book to prove and "therefore" to prove a crises can be avoided for a decade or more.

O.k. let's take our modern planners, and in the most advanced country from that standpoint, Russia. In "The Planning of the National Economy of the USSR", Kursky tries to root himself in Marxism. No less.

Kursky quotes Marx on the fact that the "necessity of the distribution of social labor in definite proportions cannot be done away with by a particular form of social production, but can only change the form in which it appears."

So far so good. All it means is that there are only so many people in any country or in the world, and there are so many goods to be produced and therefore the total labor force must be distributed to the various branches of production. Now the "particular form of social production" that is slavery, feudalism, capitalism, or socialism cannot do away with that distribution of the labor force. But here you must watch it: what can change, says Marx, is "the form in which it appears." The form in which it appears under capitalism is value. Marx spent all his life telling us this, and analyzing it from every aspect, and he repeats it right after this sentence in that letter to Kugelmann which Kursky quotes. But Kursky fails to quote that sentence which specifies "the form in which it appears" the form of value, exchange value.

There is of course a very good reason why Kursky skips that sentence. That is ~~the~~ precisely the form in which it appears in Russia, and since 1943, that is a secret to no

one, but an acknowledgement shouted at the top of the totalitarian state voice, to whole world, but mainly and most important to the Russian workers.

That Kursky hopes thus to diffuse the class character of the form of social production is not all too evident, but not important to us here. What is decisive here is that Kursky follows up that quotation from Marx with this seemingly logical, but actually totally perverted conclusion:

"The distribution of social labor among the various branches of production is determined by the state plan for the developing the national economy. The proportions in the national economy of the USSR are fixed in accordance with the economic and political tasks and the main links of the state plan."

The reason for the perversion is clear: the state plan is presented as the change in the form in which the distribution of social labor appears. That is to say, by leaving any reference to value out either on the part of Marx, or on the part of Leontiev, and jumping directly from some abstract ~~the~~ form in which the distribution of labor appears, to the particular form of the state plan, ~~the~~ <sup>three</sup> Kursky hopes he has done ~~the~~ things:

- 1) Make the particular flow from the general <sup>the</sup>
- 2) Make the state plan/equivalent of an economic law, like value; and at the same time
- 3) Make this particular form as the absolute opposite to the capitalist form.

The question is: how can he possibly hope to get away with this greatest perversion of Marxism after all Marx has said on despotic plan vs. plan of freely associated men?

The truth is that until the question of plan has been made concrete, that is until capitalism developed into state capitalism and its totalitarian state plan has faced us as the main enemy and the presence of the counter-revolution within the revolution, no one saw what Marx was speaking about in his constant harping on plan, always despotic in form, and plan stemming from cooperative labor and based on freely associated plan.

We must now do with bureaucratic plan what Marx did with private property, showing that it wasn't private property at all, that is it wasn't private property based on labor of its owner, self-earned, but it was capitalist private property, based on the labor of others.

Two. We must show that cooperative labor runs from bottom up, not top down.

Thirdly, we must show what the new form of unity of labor and means of labor, of subject and object, would be.

Finally, we must go back to division of labor and show that until there is the abolition between ~~the~~ mental and manual labor, we will have the all mess all over ~~again~~ again, capitalist planning, perverse relationship of dead over living labor, disorder, crises, degradation, non-human living for the only ~~thing that remains~~ specific feature of ~~the~~ labor as abstract labor is that it is human.

ONCE MORE ON FORM AND PLAN, 1.14.51

Stop a moment on the question of presupposition. As Benjamin Fairless, President of U. S. Steel and John Smith, laborer in the open hearth, approach the factory, the conception that each has of the factory work is entirely and absolutely opposed, one to the other. It could not be otherwise. Even if each had "sincerely" said to himself, "I must have no pre-conceived notions of this object," the type of work that each does of necessity produces in each certain ideas. The ideas are inseparable from the place each occupies in the labor process. So when I showed the presuppositions that Ricardo and Marx each had, I was showing not something subjective, but the consequence of objective facts. I slipped however into subjectivism when on p. 13 I wrote: that the classicists "did not dare" to resolve the contradiction in the class relations. This is careless writing and shows I am outside of production.

The truth of course is that it was not a question of them "daring".~~xxxxxxxxxx~~ What I meant is that Ricardo saw no proletariat who could and therefore would dare to resolve these contradictions in "value production" which ended in the accumulation of wealth at one end, and the accumulation of misery at the other end. Without seeing a human force who could do so, it was impossible to <sup>see</sup> a contradiction that had to be resolved. His presupposition of an economic man working for enlightened self-interest in a natural order was not, however, that of a vulgar ~~xxxxxxxxxx~~ apologist; it was the natural preconceived notion of bourgeois man at the beginning of large-scale production. At the same time, the degradation of the particular labor process of capitalism into some sort of abstract, formal



identification with an earlier labor process precluded ~~the~~ his seeing the specific form of appearance of capitalist production. That is why his discovery of new economic categories, the direct relationship of value to labor, he could not see the real forms of development of this value, and could not dispel the mist in which it enveloped class relations.

Contrariwise, Marx's presupposition of a revolutionary proletariat who would overthrow the conditions of production arose from his acute awareness of the contradictions in production. But that awareness came as a result of the proletariat's constant revolts against the conditions of his labor. Marx's presupposition was thus the natural preconceived notion of a proletarian revolutionist in the process of wrenching the cooperative labor process from its subjection to machine production which knows no other productive force but itself. The transformation of the simple labor process, of a unity of labor and the instruments of labor, into the capitalist labor process of extracting from the laborer surplus, unpaid labor, produced a new subject, a new opponent who would smash up this perverse relationship of machine to man.

Moreover, the development of all the productive forces itself has need of this smash-up of the division of labor between manual and mental labor which has reached its most disastrous form in machine production, where all essence is incorporated in the machine, and none in the laborer who is but a cog in this machine. This is the meaning of Marx when he writes:

"Modern Industry, indeed, compels society, under penalty of death, to replace the detail worker of today, crippled by the life-long repetition of one and the same trivial operation, and thus reduced to the mere fragment of a man by the fully developed individual, fit for a variety of labours, ready to face any change in produc-

tion, and to whom the different social functions he performs, are but so many modes of giving free scope to his own natural and acquired powers." (IP ed, p.494)

Now the hardest thing for an intellectual is to see that the phrase, "under penalty of death" is not a poetic license, but, on the contrary, the stark reality that labor productivity as mere machine productivity has reached, and that not a single step ahead can be taken out of the chaos and the plan, the privacy of monopoly and the community of state power, economic crises and world wars--not a single step out of these calamities can be taken until that one thing, the mode of labor, is changed. Otherwise all the old crap reappears. And that is why Marx's whole point, the logic of his entire work, was not "plan" vs. "anarchy" but the despotic plan of the capitalist vs. the association of free men "the final result of which" would be "the abolition of the old division of labor" in which is comprised "the capitalistic form of production" and "the economic status of the labourer corresponding to that form." An absolutely new form of labor would have to arise.

Kursky's latest attempt to make the totalitarian one-party-state plan be that absolutely new form of "the distribution of social labor", which is allegedly the opposite of the capitalistic form of value, exposes itself for what it is in reality the minute he comes down to concretize this form. We then suddenly find that this new state plan is the old crap of value relations, thus:

1)"The balance sheets and distribution plans... include: firstly, material balance sheets, secondly, value (price) balance sheets....; ~~finally~~ thirdly, balance sheets for labor power"

2) The "balance sheets for labour power" include also "the state labour reserve system". (That is an easy way indeed of speaking of the planned reserve army of labor which is to act under the Draconian 1940 labor laws and be subject not only to be sent wherever the state orders, but subject to 6 months forced labor for coming 15 minutes late to work.)

3) "new output rates" for "all the workers" drawn up by "Stakhanovites, engineers and technicians"/ And, finally

4) "the plan must orientate itself towards the leading workers, engineers and technicians...."

Plus the final proof that they are "following" Marx that the division of social production is according to the Marxian schema of Volume II of Capital. That the schema described planned capitalist production seems only "one" of the things they change. And, besides, they are improving on Marx's division of capitalist production into two major departments, one producing means of production and the other means of consumption, by adding a third division "and armaments". That completes "the new form" of the social distribution of labor!

For the moment I'm not interested in the objective reasons for this mutilation of Marxism; they are clear enough. What interests me here is the ideological ancestor of this glorification of plan. The ideological ancestor has every subjective justification violently to deny this since there is no doubt that he was a great revolutionist, while Kursky is nothing but a petty state capitalist bureaucrat. But theoretically the line was laid by Trotsky (and Bukharin with whom we'll deal at a future date) for the historic period of the Russian Revolution and the first workers state, as it was laid by another great revolutionary martyr, Rosa Luxemburg, for the period of imperialism preceding the Russian Revolution. Before, however, I tackle Trotsky I wish to return once more to the dialectics of blue-form.

In Marx's day of competitive capitalism the obvious value-form was money as exchange value or universal equivalent. In the period of monopoly capitalism the value-form assumed a new form to befuddle the minds of men outside of production. Marx called the capital-form (or "value big with value") the most fetishistic and perverse of all transformations of value-forms since it appears completely unconnected with production. By refusing to start with the abstraction, value, and tracing instead the value-form from its first appearance as it enveloped a product of labor, Marx was enabled to trace not merely the history of exchange, that is, its past, but its dialectic, that is its continuing development. So minutely had he traced this development of form that even though he dealt with capital form only generally as it appeared in credit and fictitious capital, it was impossible for any Marxist to be fooled even for a moment by finance capital. The financial oligarchy clearly gained its potency through domination over production, and that it was a cheat to boot they shouted at the top of their lungs. The trouble was they were incapable of concretizing the general statements of Marx other than through interminable statistics.

Thus Hilferding at the turn of the century in his Finance Capital ~~xxxxx~~ fails so tightly to connect finance capital to its fundamental base, monopoly capital, that the internal logic appeared on the face of it as 1) the transformation of competitive capitalism into its opposite, monopoly capitalism, and with that necessity, 2) the inevitability of socialism as the only new form that would overcome the deeper contradictions. Instead he speaks of finance capital as the "unification" of commercial and industrial capital that "has

as base the transcendence of free competition of the individual capitals by the great monopolistic alliances." But that is precisely what it is not. It is not a transcendence. Were monopoly a Transcendence of free competition it would be completely new form. If that were so, ~~that would be the~~ alternative to socialism, and indeed with the outbreak of W W I Kautsky's theory of ultra-imperialism which stemmed from this economist analysis ended up as apologist for imperialism.

An entirely opposite attitude to imperialism on the part of the revolutionary Luxemburg who tried to connect the latest phenomenon of imperialism to the general laws of capitalist accumulation likewise ended in failure of grasping Marx's method instead of just his conclusions. Instead of seeing the latest phenomenon of capitalism as related to the old competitive capitalism and yet its opposite, as Marx had indicated in the transformation of value into price, surplus value into profit, commodity-form, into value-form, into capital form, Rosa Luxemburg satisfied herself with the fact that Marx had not witnessed imperialism, and she proceeded to regale us with its history. Instead of being able to anticipate the ultra-imperialist theory of Kautsky she had failed to find the connecting link either with the past or the future. She failed because she herself had made plan the division between the capitalist and the proletarian orders. Instead of hitting out against the planners, she hit out against Marx. His schema of expanded reproduction were just "paper schema", a production for production's sake that bore no resemblance to the reality of the capitalist's thirst for palpable money profits, etc.etc. Her revision of Volume II of Capital brought

to a climax the disputes around since the day of its publication in 1895 to the outbreak of W W I.

The capitalform still remained to be analyzed, (For the period of state capitalism I will try to return to it at a future date.) until Lenin caught on to monopoly, rather than finance capital, as the decisive transformation of ~~anarchy~~ competition which at the same time connects with the fundamental attributes of capitalism. Although Lenin's Imperialism is a "popular outline" and does not deal with abstract value-form or capital-form, the essence was there, and it was, moreover, a decisive motion away from Bukharin's concept, which had held on to plan as the division, merely transferring planlessness from the national to the international arena, (Bukharin too must be dealt with in detail separately; it is he who is the theoretician both for Trotskyism and Stalinism.) and landing in "imperialist economism," and later into "state planning". In other <sup>words</sup> ~~cases~~ there is no alternative to self-activity of workers containing plan within themselves, but the despotic plan of state capitalism.

I must here take a too lengthy jump into state plan; it will help to establish the general line although many links will be missing.

1/8

Dear Rae:

I just read your letter to J of 1/6/51.  
I haven't had a chance to give it to J yet.  
It is a tremendous leap, clarifying  
Capital and Hegel at the same time.

More about it this weekend. I shall  
send you some of my ideas which were  
really pecking at what you have seen  
as a whole.

As ever -

G

9288

1/31/51

Dear J:

In looking over the Russian press in search of an article for the FI, which I found most difficult for the moment since nearly all major themes seem as if made to taunt the party with, the outstanding practical and theoretical battles for the next 6 months are: (1) the "cyclical timetable"; (2) "state capitalist tendencies in the development of monopoly capitalism." For the time being I'll not go into the question of the new horror in the development of forms of labor called "cyclical timetable" other than to say that it now seems that to raise productivity in the Donets Basin Mines there was "invented" what they call a "cycle operation of the vein" of which the point seems to be operations to be accomplished within a 24 hour period, evidently day in and day out. Since not even forced labor or miracles could make humans work 24 hours this work around the clock must include shifts, but they do not bother to say of what duration. Moreover, the emphasis on 24 hours throughout so that all these operations could be accomplished "for the next day's work" is without meaning to our miners since operations listed: holing of the seam, stoping of coal and the bracing and preparation of the wall do not involve more than a few hours. There is definitely something there more than meets the eye. I have an idea that it might mean that "socialist emulation" is not working out too well, and that therefore the Stakhanovism is tied to a single mine or factory (The editorials all speak of "advance labor organization methods" "Strictly observe cyclical schedule" "Innovators experience for all workers, and evidently they will try spreading the method from the mine to the factory.) and to around clock operation rather than to inter-factory and inter-district, etc. For the time being let's leave it there.

Now the theoretical front which in the economic field has not been without criticism ever since the change in value theory. By now they have gotten to criticize all works on crises since they claim that the "Marxist-Leninist" theory means contradiction between production and consumption, whereas the studies in Russia were on expanded reproduction, so one of the authors answers: but I was dealing with crises in 19th century, that is, pre-imperialist crises which have "Leninist-Stalinist" theory to guide us, etc. etc. And the disputes move to monopoly capitalism, and some of it sounds very much like Pablo, but much of it is far advanced since although the claim is that state capitalism is only a "tendency" a la Pablo, the admission is that the "tendency" is further advanced in the US than in Britain, despite nationalizations in the latter. Here in detail is the development of the dispute.

then extended into the Pravda,  
(2) The dispute started in September with a long article by A. I. Kazodoyev, directed against Prof. L. A. Mendelson's book, "19th C. Eco. Crises and Cycles", which was published in 1949 but is first now on the carpet. And it is still going on.

(1) The controversy began June 1950 at a conference of the Economic Institute of the Academy of Sciences, at which the major report was by A. I. Sneyerson and was entitled

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"About State Capitalist Tendencies in the Development of Monopoly Capitalism". The point is as follows: Lenin spoke of monopoly capitalism going logically over into state-monopoly capitalism, and that is true. But of course state capitalism (there seems to be a distinction between state-monopoly and state capitalism) is but a tendency, "because what is characteristic for capitalism is its incompleteness" (that is said in 3 different ways, I meant the word "incompleteness"). Thus:

- (a) competition remains even under monopoly
- (b) "Even the most extreme form of development of state capitalistic tendencies--the partial transformation of the means of production into state property--does not remove the private capitalistic appropriation of income and only somewhat changes its forms."
- (c) the confines of private property remains.

Thus "state-monopoly capitalism which is allegedly generated by the growth of monopoly concentration.....is in its turn a most powerful factor of the strengthening and ~~the~~ omnipotence of monopoly. This is the chief condition of state-monopolistic degeneration of capitalism." (Problems of Economy 9/1950)

In the dispute it was brought out that such things like ZVA and state role during war shows certain control over private capital can be accomplished by capitalists, and that now with the control of foreign trade, such as Marshall Plan, the "tendency" of state-capitalism is definitely furthest advanced in USA, which is the worst country, etc. etc., and main enemy of USSR, and for professors to show progressive features in its development, etc. etc. Incidentally, but important, is that they consider the Marshall Plan and Export-Import Bank as "new forms of export of capital"!

You must be working very hard, and I'm sorry I cannot be of help, even the question of planning I did not do since my impression was that you'd sent me in which section you wish it in so that I know "the style".

*Redp*

*Incidentally I never did receive your comment on my MS which you said was already on the shelf. You were evasive but which was*