

# THE LENIN-LUXEMBURG CONTROVERSY

*Max Beer here continues and concludes the very important article which he commenced in our May issue. In his first article he dealt with three of the points in the discussion.*

4. WITH regard to the relation of Social Democracy to the peasantry, the opinion of Lenin and Luxemburg diverged very considerably. Luxemburg altogether denied that there was any possibility of an alliance of Social Democracy with the peasantry, since the latter was aiming at individual ownership of the land and was, therefore, part and parcel of the *bourgeoisie*. Socialism was essentially the theory and the final goal of the working class movement, and, as far as the land is concerned, Socialism could only address itself to the agricultural labourer, and must *ipso facto* antagonise the farmers and peasants. Luxemburg, in fact, defended in this matter the general opinion of Marxists, and in her essay on the Russian Revolution, written in 1918 and published posthumously in 1922, she declares literally: "Lenin's agrarian reform has created in the country a strong mass of enemies of Socialism, whose opposition will prove more dangerous and more tenacious than that of the great landowners." (*Die Russische Revolution*, p. 87.)

Lenin, on the contrary, looked on this question from the point of view of the Russian Revolution; his attitude was that of a revolutionary leader who had an urgent and immediate problem to deal with. This may be formulated as follows:—Russia was in the throes of a revolution against absolutism and the old order. The bulk of the Russian people consisted of a peasantry that could not undertake the business of government and did not aspire to govern, and yet it had to form the political basis of all government, since it formed the overwhelming majority of the nation. However, on the one side of the peasantry there existed a relatively small group of capitalists, with their *intelligentsia*, and on the other side there was a growing class of fighting proletarians, led by Social Democrats (Mensheviks or Bolsheviks). Both these classes were aiming at the conquest of State power. From 1905 to 1917 practically the whole of Russia was gradually drawn into a revolutionary movement, the victorious course of which could only result *either* in the formation of a Government by the small group of capitalists, based on the man-force of the peasantry and using the State machinery in favour of capitalist development, with its attendant class struggles,

oppression, crises, and devastating wars, or in a proletarian Government, directed by Social Democrats (Mensheviks or Bolsheviks), using the State machinery for the purpose of furthering collective production and distribution. Since, however, the revolutionary proletariat was numerically small, it must needs enter into an alliance with, and make concessions to, the peasantry, unless a revolution of European Socialism and Labour took place, which would, of course, greatly simplify the problem, for it would free the Russian Revolution from the danger of foreign invasion, and would, by financial and technical aid, greatly facilitate the economic transformation of Russia. But failing a European Socialist revolution, the alliance with the peasantry would allow a Socialist Government in Russia to employ State power to socialise the manufacturing industry, to inspire the home administration, the educational institutions, and the armed forces with Socialist ideals, so as to bring up the young generation of peasants and lower middle classes in the spirit of Socialism, and spare the Russian nation all the calamities and catastrophes which capitalism brings in its train.

That was evidently the policy of Lenin.

Luxemburg saw things as a Marxian sociologist ; Lenin mastered things as a Socialist statesman. He was, as far as theory is concerned, the least dogmatic of all Marxists, but absolutely dogmatic in the adherence to, and execution of, adopted decisions and measures ; there was no divorce between his thought and action. In his view, Marxism was not a highway, built by a master-mind, which Socialists had but to follow in order to reach the goal. Lenin saw in Marxism a signpost only, pointing to the direction in which the industrial and political activities of the Socialists had to move, but giving ample scope for the choice of the ways and means to achieve the Socialist aim and end. Bolshevism is, indeed, the only Marxist school that raises the human factor, the will power, the moral courage of man to the height of a great and actively propelling social force. Leninism is Marxism in revolutionary action.

5. We come now to the last difference of opinion between them. It concerns the most difficult Marxist problem, that of the process of progressive accumulation of capital. Only a rough outline of it can be given here, the subject being too vast to be enlarged upon at the fag end of an article. In this discussion Luxemburg has been confronted not only by Lenin and the Leninists, but also by the moderate Marxist school.

Marx, in *Capital*, vol. II., chapters xx, xxi, attempts to give a general view of the process of simple and enlarged reproduction, that is, to show (1) how the incoherent and infinite mass of the multitudinous economic activities of Capital and Labour somehow settle themselves into a certain order ; (2) how the continual extension of

the scope of production, or the progressive accumulation of capital, is going on ; (3) to formulate the law which operates behind the chaotic movements of the economic agents. He arrived at the following conclusions :—

The main economic activities of society fall under two heads—(1) manufacture of means of production and transport ; (2) productions of means of consumption. All other activities of society are remunerated from the fund created by those two departments.

The annual production of the commodities of both departments Marx calls reproduction, which is either simple or enlarged. Simple reproduction merely replaces the same quantity of consumed commodities for further consumption. Enlarged reproduction not only replaces the consumed commodities, but creates a surplus for the purpose of extending the volume and raising the scale of production, so that the produce of one year is, as a rule, quantitatively surpassed by the produce of the succeeding year.

In simple as well as enlarged reproduction the manufacture of means of production and transport must exceed the production of means of consumption, since the former has to make tools and machines, build factories and workshops, etc., for both departments. And this is much more the case in enlarged reproduction, for here new means of production and transport are not only to replace the consumed ones, but to create additional ones for the purpose of extending the scale of production.

Simple reproduction may be likened to a closed circle, enlarged reproduction to a spiral, the outward end pointing towards a higher development.

For the purpose of simplifying his problem Marx assumes that all countries are based on capitalist production, that is on the division of society into two classes, Capital and Labour, and that the progressively growing mass of commodities find their market through the growing effective demand both of the capitalists and working people. According to this assumption, capitalism goes on absorbing its surpluses of capital, and keeps up a proper ratio or corresponding proportion between the various branches of industry, and consumption does not lag behind the increasing productivity of labour.

By a series of diagrams Marx illustrates (*Capital*, vol. II., chap. xxi) the mathematical proportions which are maintained between the process of production and mutual exchange of commodities of both departments, showing how by this means the progressive extension and technical improvement of capitalist production is being effected.

The whole chapter xxi. is one of the greatest achievements in economic science ; it surpasses by far François Quesnay's (1694-1774) *Tableau économique*, just as French economic life in the

middle of the 18th century is surpassed by the English industrial life in the third quarter of the 19th century. But, unfortunately, the chapter xxi. is a torso, for it was written in the last years of the life of Marx, when his health was already shattered by overwork.

This chapter gave rise to several questions : (1) Did Marx mean that the process of capitalist production was directed, or could be directed, by a fixed plan, which laid down the proper ratio or corresponding proportions between the various branches of production ? (2) Was it possible for consumption in capitalist society to go hand in hand with production, or was there no under-consumption ? Could capitalism, then, satisfy the customary needs of the masses and thus obviate industrial crises ? (3) If capitalist society could thus go on progressively accumulating capital and marketing it within capitalism itself, how was this to be reconciled with Marx's doctrine of the revolutionary outcome of capitalist development, which is the corner-stone of his sociology ?

These questions pre-occupied the mind of several Russian scholars. Professor Tugan-Baranowsky thought that the diagrams of Marx proved that capitalism could be made stable enough to last for any length of time. Lenin argued that the diagrams of Marx were correct, but that Tugan-Baranowsky drew wrong conclusions from them. Luxemburg dealt with this matter in her book *Akkumulation des Kapitals* (1913), a large volume of about 500 closely-printed pages, distinguished by great erudition, keen logic and vigorous style. She adversely criticised Marx's diagrams of enlarged production, trying to prove that they were faulty and incomplete. She further argued that his assumption of an all-round capitalist world corresponded neither with reality nor was it good economic logic. For, capitalism could not thrive by itself, but depended on having at its disposal a large annex of non-capitalist or backward countries, where surplus capital could be profitably invested. This economic fact found its political expression in Imperialism, which, on the one hand, rendered the class struggle and the international contests more acute, and led to devastating wars and economic catastrophies, and, on the other hand, promoted the industrialisation of the hitherto non-capitalist countries and thus deprived Western capitalism of its outlets. Capitalism, from its inherent contradictions, found its barrier and its end in its very success. Thus the capitalist development must result, even before it reached its final term, in the upheaval of the working class and in the collapse of capitalist society.

Lenin regarded the arguments of Luxemburg against Marx as essentially wrong. And his disciple Bucharin\* showed at length that Marx's diagrams were quite correct. According to Marx, anarchy

\* *Imperialismus und Akkumulation des Kapitals*, Vienna, 1926.

reigned in capitalist production, so that the proper ratio between the various branches of capitalist industry was only arrived at through a series of fluctuations and crises, when both departments of production finally attain to a certain equilibrium, working and exchanging in corresponding proportions—of course, only for a limited number of years. And it was the ratio, arrived at in that way, with which Marx operated in his diagrams. Cyclical crises were the result of the *disproportionality* between the various branches of production. For instance, if there was no corresponding proportion between the production of coal, pig iron, machinery, textiles, etc., a crisis was inevitable. This was the primary cause of industrial crises, and not under-consumption, as Luxemburg maintained. According to Marx, under-consumption was only setting in at the approach of a crisis; for, as a matter of fact, prior to a crisis, that is, in the period of brisk trade, wages and salaries and profits were good, the percentage of unemployed was low, and the effective demand was high. It was only when the disproportionality between the various industrial branches grew more and more pronounced that depression set in; then wages and profits declined, resulting in under-consumption, which, in its turn, aggravated and prolonged the crisis. Bucharin further showed that Marx's assumption of a fully developed capitalist world did by no means contradict his revolutionary doctrines. Neither the brutality of Imperialism nor the existence of a fully industrialised capitalist world would result in the collapse of capitalism. There was no need for the working class to wait for the full development of Imperialism or of universal capitalism to abolish itself and make room for Socialism. As soon as the contradictions inherent in capitalist production made themselves felt through the decline of the productive forces, which induced Capital to press down the standard of life of the labouring masses, to attack the rights and liberties of the organised working class, to exploit and dispossess the lower middle class, to heap up burdens on the peasantry, and to tighten the yoke of the colonial populations—all the elements for the social revolution were given, and it was high time for the proletariat, in alliance with all oppressed classes and nationalities, that is, with the peasantry, the lower middle classes, and the colonial peoples, to have recourse to revolutionary action and to overthrow capitalism. It was human action, directed, on the one hand, by Marxist insight into the dialectical development of capitalist society, and, on the other hand, by Lenin's revolutionary statemanship, which led to the emancipation of mankind. Luxemburg, looking mainly at the industrial evolution and at the proletariat, failed to grasp—in spite of her undoubted intellectual greatness—the meaning of the nationalist problem, of the agrarian question, and the rebellions of the colonial masses.

M. BEER.