

I N T E R N A L B U L L E T I N

October 1943

JOHNSON'S MYSTIFICATION OF MARXISM
Or A Case of Unproductive Self-Expansion

by

Joseph Carter

JOHNSON'S MYSTIFICATION OF MARXISM

Or A Case of Unproductive Self-Expansion

At the conclusion of his article, "Production for the Sake of Production, A Reply to Carter," J. R. Johnson offers himself as "the sacrificial goat" if thereby his "slaughter be a means to deepen our knowledge and expand our ideas." (p.12). This masochistic gesture is a strange ending to a very pompous article.

However that may be, Johnson's invitation is accepted primarily because there are some comrades who are highly impressed by his empty display of erudition and therefore accept as good coin his mystification of Marxism. Experience already shows the stultifying effects of Johnson's tutelage on their study of Marxism and on their general political development. At the same time, I hope that my reply will clear up some fundamental aspects of Marxism for other comrades as well, and in general stimulate a more systematic study of the science of our movement.

I. THE ORIGIN OF THE PRESENT DISPUTE

Johnson's article is presumably an expansion of his letter to The New International and a reply to my answer to it which appeared in the same issue. ("Aspects of Marxian Economics," April 1942). He now informs us that his letter was merely bait in a fishing expedition to bring into the open "dangerous" conceptions of Marx's Capital which he was confident existed in our midst (that is, in the leadership). He assures us, that Carter's implications to the contrary notwithstanding, he, Johnson, was not interested in proving the validity of his viewpoint on the Russian question. "Strictly speaking, Russia was not necessary to my points, though in my opinion invaluable as illustration one way or the other," (p.6) Johnson writes. In fact, he "had only economic theory in mind." (p.11). Indeed, we are given to understand that Johnson is sick and tired of the Russian question and wants to change the subject, so to speak.

This queer interpretation of the letter by its author is nothing short of amazing. Russia was not necessary to his "points". What can this mean when the only two specific questions posed in his letter - for which an "authoritative" (sic!) reply was demanded - referred explicitly to Russia and otherwise had no sense whatsoever? To make this crystal clear I quote the original letter in full:

1. In the article, "Stalin as a Theoretician" (New International, November, 1941, page 282), Trotsky is translated as saying: "There is no contradiction here with the formulae of extended re-production, which are in no way limited by national boundaries, and are not adapted either to national capitalism or, even less, to socialism in one country."

Whatever construction Trotsky may have put on this sentence, as it stands it can give rise to a very profound error. The only formula in the chapter on "Reproduction on an Enlarged Scale" is the formula that $I(v + s)$ must be greater than IIc , if accumulation is to take place. I represents means of production and II means of consumption. Far from being "not adapted to national capitalism," the formula is carefully adapted by Marx to precisely a national capitalism.

The point is not only of academic importance. (a) Some of the greatest controversies in Marxism have hinged upon it. (b) Without it the road is open to the most vulgar and vicious of all misunderstandings of Marxism, i.e., the workers cannot buy back the product and therefore the capitalist is compelled to seek markets abroad. (c) It is my view that there is no way of avoiding bourgeois conceptions of modern economic development except by recognizing that Marx's theory of the reproduction and extension of the total social capital is strictly adapted to a national capitalism, excluding all foreign commerce.

2. I do not propose to take up here and now Trotsky's application of his formula in an article written in 1930 about the dictatorship of the proletariat, against Stalin's theoretical stupidities. The opportunities for confusion are too many. However, the question can be approached from another and more fruitful angle. Trotsky is very insistent that these formulae reveal the basic tendencies of capitalism and socialism alone. This can only mean that the formula would not apply to the "bureaucratic collectivist" society of Russia.

I now assert that the formula, as posed and developed by Marx, not only applies to Russia of 1941, but both theoretically and concretely applies more closely to Russia than to any capitalism which existed in Marx's day or has existed since. I reserve further comment until some adequate and authoritative statement is made (a) taking some position as to whether the formula applies or not, (b) giving some demonstration of the unfeasibility of the formula when applied to bureaucratic collectivism.

Now, if you eliminate all references to Russia in the letter what is left? What questions remain? Note that Johnson did not ask for an "authoritative" position on Marx's theory of accumulation and his formulae of expanded reproduction; he simply asked

whether they apply to Stalinist Russia and if not, why not. He sought to prove that Russia has a capitalist economy by citing Trotsky's statement that Marx's formulae are valid for capitalism alone, and according to Johnson do "apply" to Russia.

If Johnson did not have Russia "in mind" when he wrote the letter, as he now states, but wanted to uncover heresies in the leadership on Marxian economics why did he not ask direct questions on these matters? Surely such a direct method is far more educational! And it does not help Johnson's standing to confess to practising a ruse on his own colleagues, that is to say, to appear to be discussing the Russian question while actually aiming at something else. However, Johnson's explanation does not invalidate the fact that the point of the letter is the class character of Russian economy.

In my reply, I answered the specific questions he posed, and at the same time showed that he does not understand Marxian economics. It was to be expected, of course, that he would dispute my criticism of his views. But instead of a systematic answer to my article, Johnson prefers to misrepresent his own letter, forget the specific questions he originally asked about Russia, and ramble on and on in the most diffuse manner. We are treated to a dissertation on the errors of Adam Smith and Rosa Luxemburg, and on the importance of the Hegelian dialectic, sprinkled with episodic references to my article. Johnson's article, to put it mildly, demonstrates that his pretensions as a theorist far exceed his knowledge of Marxism. I propose to prove this beyond any reasonable doubt.

Johnson Evades Five Concrete Points

In my article I showed that Johnson, in his letter, was wrong on a series of elementary matters related to Marxian theory. For example:

1. His contention that "The only formula in the chapter on 'Reproduction on an Enlarged Scale' (in Volume II of Capital - JC) is the formula I ($v + s$) must be greater than II c , if accumulation is to take place."* This is factually incorrect as a glance

*Marx divided all industry into two departments: producer goods industries, or I; consumer goods industries, or II. c is constant capital; v , variable capital and s , surplus value. The product of each department can then be represented as follows:

I $c + s + v$ = total producer goods manufactured
II $c + s + v$ = total consumer goods manufactured

For an expansion of production, let us say next year, more producer goods, means of production, must be manufactured than the sum of I $c +$ II c , that is, the total means of production used up this year. This means that I $c + s + v$ or total producer goods manufactured this year must be greater than I $c +$ II c . Since the expression I c appears on both sides of the formula, it can thus be eliminated, and the formula is simplified to read: I ($s + v$) must be greater than II c , if expanded reproduction is to take place.

at the chapter itself clearly proves. (More important: the statement, in the context of Johnson's letter, means that this formula is the summation of the entire scheme of expanded reproduction developed by Marx in that chapter. A false view which is at the bottom of Johnson's misunderstanding of the scheme, and which will be discussed at length below).

2. He was wrong in asserting that "the formula is carefully applied by Marx to precisely a national capitalism." (Here "formula" must be translated as "formulas," that is, Marx's scheme of expanded reproduction.) And he contradicts his own statement in the very next paragraph of his letter.

3. Contrary to Johnson, all the participants in the famous disputes among Marxists on capital accumulation accepted the fact that Marx's formulae assumed a world and not a national capitalism.

4. The specific formula cited by Johnson as the distinguishing feature of capitalist accumulation is merely the algebraic expression of Stalin's statement against which Trotsky polemicized (in the article from which Johnson quoted). That is to say, Trotsky scornfully rejected the view that this formula was a specifically Marxist theory or expressed a distinctively capitalist process. Johnson did not understand the point made by Trotsky since the algebraic formula was not directly used!

5. Contrary to Johnson's contention, the statement "that the workers cannot buy back the product and therefore the capitalist is compelled to seek markets abroad," whether or not true in itself, cannot logically follow from what Trotsky wrote about a pure world capitalism since the latter means that there are no "markets abroad".

These, then, are five concrete points I made in my article, five pieces of evidence to prove that Johnson is ignorant of Marxian economics. And how does he reply? How does he utilize the occasion to further the education of the members in Marxian economics?

As follows:

On the first two points - not a single word!

On point three: "Carter psycho-analyzes me to prove that I didn't understand that the premises of the formula were abstract, that I misunderstand everything. That discussion he will win by my default. These things prove themselves or vice versa in the end " (p.6). And that's all!

On point four he waxes indignant:

Carter amalgamates me with Stalin and
Babiat. . Bastiat! Peace be to his shade;

and since when, pray, did Bastiat and Stalin "pose and develop" formulae as Marx? (Note the crippling incapacity to discuss anything except in terms of Stalin and Trotsky)!(p.6)

Annihilating, isn't it?

On the fifth point, more indignation. I inadvertently paraphrased Johnson's expression that Trotsky's statement "can give rise to..." to read "it follows..." I accept the correction. And that done, why did not Johnson disprove my contention that what he stated can follow from Trotsky's statement, is completely incompatible with it and therefore cannot logically follow from it?

As we see, Johnson prefers to answer by evasions and expressions of indignation. From each according to his own method of polemic and education! Yet, the five specific errors cited above, though minor in themselves, are introductory evidence that Johnson does not understand Marx's theory of capital accumulation.

II. THE MAGIC FORMULA

Johnson further contended that the formula which he cited (see "1" above) is valid for capitalist society alone and reveals its specific class character. As against this view I showed that the formula, when its terms (c,v,s) are stripped of their concrete capitalist content (constant capital, variable capital, surplus value), expresses a necessary condition for expanded re-production in any and every type of economy, including bureaucratic collectivism and socialism. (c,v, and s would then represent means of production, labor power, and surplus product, respectively). In this sense the formula does not tell us anything about the class character of the economy. All it would be is an algebraic expression for the proposition that if industrial expansion is to take place, more producer goods (machines, raw materials, etc.) must be manufactured than consumed. So that, I wrote:

Therefore one cannot prove that, e.g., Russian economy is a capitalist system - as Johnson seems to do - by showing that the formula describes a necessary aspect of its process of accumulation. On the contrary, one must prove that the terms of the formula, the social relations of production, are in fact capitalist.

Johnson answers at some length. Follow closely!

On page 2 we read:

Yet although specifically capitalistic, this formula illuminates all types of society. "The

bourgeois society," says Marx, "is the most highly differentiated historical organization of production. The categories which serve as the expression of its conditions and the comprehension of its organization and conditions of production which had prevailed under all the past forms of society" - and I add, all future ones also. The terms of these formulae are Marx's own fundamental categories. An intelligent Marxist can apply them to slave society...to a feudal society...to American capitalism in 1914 and 1930." (My emphasis, J.C.)

Reread the above quotation carefully. Johnson here states in simple English that Marx's formula is valid for every and any type of economy, regardless of its class nature. (We will overlook his sudden substitution of "formulae" - many formula - for the single formula!)

But if this is true, it follows that the validity of the formula for Russian economy does not tell us its specific class character. In other words, Johnson contradicts the main point he made in his letter, to wit, the uniquely capitalist nature of the formula!

Ah, but that's Johnson's view on page 2! On page 4 and 5 he presents the opposite view. After quoting my statement that since the formula is valid for any economy - the contention which he repeated on page 2! - one cannot prove that Russian society is capitalist unless it is first shown that "the terms of the formula, the social relations of production, are in fact capitalist," he states:

First, the formula, as I have shown, represents in Marxist thought not a necessary aspect, but the specific, immutable aspect of a capitalist accumulation, production for the sake of production. But (I am speaking here only of method) if even I can show that the specific, immutable principle of Stalinist accumulation is production for the sake of production, I still, according to Carter's logic, must go back and prove that the terms are capitalist. A revealing request! We have left the world of Lenin and Rosa and are back in the Middle Ages, analyzing God in terms of rug-cutting angels, proving terms in terms of terms. How can I or anybody else "prove" what Carter asks?... Today Carter's type of proof is possible only in mathematics and very formal logic. It can never be applied in life and society.

Johnson is very difficult to follow, but let us try:

a) Marx's formula can be applied by an intelligent Marx-

ist to any and every type of economy. (p.2)

b) Yet this same formula expresses the distinctive capitalist nature of an economy, "production for the sake of production". (p.4)

c) When asked to prove "that the terms of the formula, the social relations of production, (in Russia) are in fact capitalist" Johnson informs us that he learned from Hegel that you cannot prove "terms in terms of terms" except in mathematics and very formal logic! (p.5) So it is unnecessary, rather, impossible, according to Johnson, to prove what the social relations of production are in a given society!

d) Therefore in order to show that Russian economy is capitalist one does not have to establish the fact that capitalist productive relations exist there - that the terms of the formula, c, v, s stand for constant capital, variable capital, surplus value in the capitalist sense - that's the method of "medieval schoolmen"! All one has to show is that the formula which Johnson agrees (on page 2) applies to all societies also applies to Russia! Q.E.D.

Is it any wonder that Johnson has no use for logic?

Capitalist Categories and Non-Capitalist Societies

But that is not all. If we go back to the citation from Johnson on the applicability of the formula to all societies, we will find that he displays once again that strange knack of quoting Marx without understanding him. Marx did not say that his categories - capital, wage labor, etc. - apply to all societies, as Johnson interprets him when he writes: "The terms of the formulae are Marx's own fundamental categories. An intelligent Marxist can apply them" to slave, feudal and capitalist societies. (p.2) For example, the means of production in all class societies are instruments for the exploitation of the masses by the property owners, but under slavery and feudalism are not "capital," a specifically capitalist category.

Only an unintelligent "Marxist" would try to apply "Marx's fundamental categories" to a non-capitalist economy. Johnson would readily admit this when it is put in such direct form. In fact he may not have had "in mind" what he actually wrote. He can undoubtedly show - and with all the necessary indignation - that he has written somewhere or other that capitalist categories do not apply to non-capitalist societies. Ah, there's the rub! He writes with equal fervor contradictory statements which not even Hegelian dialectics can resolve!

In any case, how does Johnson distinguish capitalist from non-capitalist societies? Immediately following his statement that Marx's formula on expanded reproduction applies to all societies (quoted above) he adds:

In all of them, v would be pretty much the same the second time as it was the first. But in the graph of the capitalist society, c would shoot to the skies, thereby differentiating it from the others. (p.2)

However one wished to translate the above, it is clear that Johnson accepts the legitimacy of using the terms v and c for all societies. Let us assume that he understands that when used in this general sense v and c no longer stand for variable capital and constant capital, that is to say, for capitalist categories.

In capitalist society, however, c develops far more rapidly than v , that is to say, the means of production grow much faster than utilized labor power. This elementary concept of capitalism's "historical mission" as the rapid development of the productive forces is converted by Johnson into the specific differentiating feature of capitalism. So that while in all societies I ($v + s$) must be greater than II c for expanded reproduction in capitalist society, the difference is in the degree to which the new producer goods manufactured exceed the producer goods used up, that is, the rate of industrial expansion.

Here again Johnson falsely identifies a special feature of capitalism, distinguishing it from pre-capitalist societies with the basic differentia specifica, the capitalist productive relations from which it flows. Does Johnson mean that in order to determine the class character of an economy, to find out whether the terms of the formula for expanded reproduction, c and v , actually stand for capital and wage labor, it is necessary to draw a graph and see whether " c would shoot to the skies"? So it would appear!

For example, in his original letter Johnson wrote that Marx's formula "both theoretically and concretely applies to Russia more than to any capitalism" hitherto known. Now we know what Johnson means: since Stalinist Russia has developed the productive forces at a greater rate than any capitalist country (hitherto known) it is therefore.....a capitalist economy! It's hard to believe but this is the only conclusion which I draw from Johnson's writings in this connection.

Yet does this mean that if Stalinism did not (or does not) develop the productive forces rapidly it ceases to build a "capitalist" society?

Does this mean that Trotsky's program for a rapid industrialization of Russia - where " c would shoot to the skies"! - was a plan for constructing capitalism?

Does it mean that when the workers take power in any country and rapidly develop the productive forces (as they must), they are building capitalism?

Or does Johnson think that under a workers' state and under socialism the growth of labor power will be relatively greater than the growth of means of production, that is, that there will be a decline in the productivity of labor?

There is no end to Johnson's confusion. He identifies Marx's theory of capital accumulation (expanded reproduction) with the elementary formula which expresses a necessary condition for expanded reproduction in every society ($I (v + s) > II c$). He then identifies this formula with a rapid development of productive forces. He further identifies the latter - which historically differentiates capitalism from pre-capitalist societies - with the distinction between capitalism and all non-capitalist societies. And this is further equated with the concept of the more rapid development of producer goods compared to consumer goods, and "production for the sake of production"! It is not that Johnson thinks that everything "develops" from the elementary formula of expanded reproduction; it is, rather, for him, that the elementary formula already expresses all these different phenomena!

That is why Johnson contended in his original letter that if the formula did apply to Russia, Stalinist economy is capitalist!

I showed in my original article that Johnson does not understand the meaning of Marx's scheme of expanded reproduction and the formulae which he employs (in Capital, Vol. II). Above all, he does not know that Marx already assumed capitalist relations of production and the profit motive as the driving force of the economy, because he had already proved the validity of these concepts! As Lenin wrote in a polemic against the Russian economist Tugan-Baranowsky, who developed all sorts of schemes, with the aid of formulae similar to those used by Marx, in order to prove that in theory capitalism could continue indefinitely:

Schemes can prove nothing; they can only illustrate a process when its separate elements have been theoretically clarified. (Marx-Engels-Lenin Edition. Capital Vol. II Appendix ix. pg. 566. Quoted by Paul Sweezy in "The Theory of Capitalist Development.")

III. HEGEL, THE "NOTION" AND SELF-EXPANDING VALUE

In a section of his article called "Hegel, Marx and Carter" Johnson contends that Carter does not understand the "notion" of capitalism (or historical materialism and dialectics) as is proved by his (Carter's) insistence that the profit motive of the capitalists is the driving force of capitalist production. Carter, you see, does not go beyond the accidental, contingent aspects of capitalism in which the capitalists appear to be the active forces in production and accumulation.

Capitalism is not production for profit, Johnson writes, it is for "self-expanding value". And this conception is in the "full Hegelian tradition". (p.7) It is true, Johnson notes in passing, "Marx's work was to stand Hegel's principle on its feet." (p.7) But he then forgets this on the following page by quoting Hegel's definition of the "notion" and agreeing with it without a word of reservation!

It was once said of Stirling's Secret of Hegel (from which Johnson quotes) that the author of that ponderous volume did a good job keeping Hegel's secret. However that may be, Johnson assures us that Hegel's meaning in his definition of "notion" is easier to understand out of context". (footnote p.8)

For one who has mastered Hegelian dialectics, like Johnson, this may be so. For others, however, the meaning of Hegel's "notion" is the most difficult concept in that most difficult of philosophies. In fact, it is the core of Hegel's idealist system!

Though I have spent some time on and off, for many years, studying Hegel, I make no claim to having mastered his philosophy, Nonetheless Johnson's newly acquired wisdom deserves some comment.

Johnson quotes Hegel:

The Nature, the peculiar inner Being, the veritably eternal and substantial element in the multiplicity and contingency of the phenomenal and passing outward, is the Notion of the Thing. (p.8)

And then he comments: "It sounds outlandish. In reality it is very simple." (p.8) To repeat: Johnson accepts Hegel's "notion" without reservation. Without knowing it, he thereby accepts the essence of Hegelian idealism!

For Hegel the "notion" is the real. The "notion" of a thing has the same relation to the thing itself as the Absolute Notion or Idea has to the world. What materialists call the real world is for Hegel "only a miserable copy of the concept (notion) going on from eternity, no one knows where, but at all events independent of any thinking human brain." (Engel's "Feuerbach". Selected Works of Karl Marx, Vol. II, p. 452)

Things develop according to their "notion," Hegel wrote, because their reality, their real inner being, is a stage in the logical idea, that is, is "notion". At least that is what Hegel said. To cite a few examples of Hegel's own view of the idealistic nature of "notion":

The position taken up by the notion is that of absolute idealism. Philosophy is a knowledge through notions because it sees that what on other grades of consciousness is taken to have Being,

and to be naturally or immediately independent is but a constituent state in the idea. (The Logic of Hegel. Translated from the Encyclopedia of the Philosophical Sciences by William Wallace. p. 289) (My emphasis in all cases - JC)

If, as was said at an earlier point, the different stages of the logical idea are to be treated as a series of definitions of the Absolute, the definition which now results for us is that the Absolute is the Notion.

The movement of the notion is as it were to be looked upon merely as a play; the other which it sets up is in reality not another. Or as it is expressed in the teachings of Christianity: not merely has God created a world which confronts Him as an other, He has also from all eternity begotten a Son in whom He, a Spirit, is at home with Himself. (Ibid, p.288)

It is all very simple, isn't it? But simple or not, it should be clear that Hegel's "notion" is an idealist conception. And when Johnson tells us that Marx's conception of "self-expanding value" is in the "full Hegelian tradition" (and the term itself directly lifted from Hegel) he shows that he understands neither Hegel nor Marx. Of course, one cannot expect that Johnson would apply Hegelian idealism with any consistency. He reads that Marx put Hegel's dialectics on its feet. So he naively combines the idealism of Hegel with the materialism of Marx and we get:

"The self-expanding value expands (!) according to its 'notion,' accumulated labor devouring living labor." (p.9) In the full Hegelian tradition this means that the 'notion' of self-expanding value determines the process of self-expanding value; or more crudely, the idea is the reality which takes the form of a material process. Marx's "concept" however, is not merely another word for Hegel's "notion"; what is important is that it involves an entirely opposite view of the nature of the world and the relation between reality and our thoughts. Marx's "concept" is a theoretical formulation of a material process looked at abstractly, in its essentials. In a word, it is derived from the material process. Once the concept has been formulated and verified, one can say that a new given material process develops "according to the concept" of the material process already analyzed, and is therefore a similar process.

Without further elaborating on this matter, the reader can refer to my New International article on Marx's method of abstraction, it is necessary to add that Marxism is not a philosophical preconception of social development (as Johnson, other amateur dialecticians and semi-Hegelian Marxists suggest),

but scientific theory supported by historical and empirical evidence which must be constantly verified against such evidence when new phenomena and problems arise (see Engels, Feuerbach on philosophies of history.)

Marx once wrote (in his preface to the first volume of Capital) that he employed Hegelian phrases as a challenge to his contemporaries who were defaming the sound features of Hegel's dialectics. This has undoubtedly increased the difficulty in understanding Capital. Johnson, however, accepts these phrases in their "full Hegelian tradition" and completely mystifies Marxism.

Capitalism Without Capitalists

On page 9 of Johnson's article we find, as already cited, that "The self-expanding value expands according to its 'notion,' accumulated labor devouring living labor." And this we are told is Marx's notion of the "strict process of production". Johnson then adds:

And where are the capitalists in all this? Nowhere. Just nowhere. Capital and labor are the moments. The capitalists are not moments, i.e., determining active factors in production. They do not determine. They are determined.

On page 8 we were told:

Marx reduces his analysis of capitalist production to an ever-wonderful miracle of notional simplicity, stripped of all contingency! less and less of the day's labor going to the worker, more and more going to the other moment, or active factor, the machinery.

Johnson's "ever-wonderful miracle of notional simplicity" gives us machinery and labor as the active factors of capitalist production. The capitalists, then, are not active factors in production according to Johnson. First of all, they do not exist in the process of "self-expanding value". And in the second place, they are "determined"! (How they can be determined if they are nowhere to be found "in all this", is a "mystery" to be cleared up later. But the workers are also "determined," according to Johnson: "Once this mass of accumulated labor dominates the laborer in the process of production, nobody is free, neither the workers nor the capitalists." (p.10) If, therefore, the capitalists are nowhere to be found in the "strict process of capitalist production," the process of "self-expanding value," because they are determined (as would appear from one "translation" of Johnson) it follows that the working class is also nowhere "in all this"; what you have then is machinery and labor as

material elements of production, as the "active" factors! It is clear from the above quotations that Johnson uses "capital" and "machinery" interchangeably, as the same thing!

Or again to follow Johnson: if you eliminate the capitalists because they are agents of capital (and therefore non-existent or non-active, or what-have-you!) then you eliminate the workers because they also are agents (representatives) of labor power (and not "free")! And this is presumably a description of the essence of the capitalist system of class exploitation!

But let us assume that labor power is inseparable from the working class, while "capital" is separable from the capitalist class, (that is, another translation of what Johnson intended to say). Then it is "capital" as machinery which exploits the working class. Capital is then a material thing which exploits people!

For Marxists, however, capital is a social relation between classes expressed through material things. Machinery is capital when it is owned by the capitalists and used to exploit the workers; that is, it is an instrument of social, class exploitation. Do away with the capitalists, namely, the private owners of the means of production, and the machines cease to be capital! How else will the working class destroy capitalism - put an end to the process of "self-expanding value" of capital! - if not by expropriating the capitalists, taking the machines away from them and thus establishing collective ownership by society of these machines.

Johnson's exposition on "self-expanding value" shows that he has not even begun to understand Marx's critique of the "fetishism" of commodities, capital and money under capitalism. As Marx wrote, the relation between commodities "is a definite social relation between men that assume in their eyes, the fantastic form of a relation of things." (Capital, Vol. I. p. 83) Or as Engels put the matter:

The difficulty with a commodity is that, like all categories of the capitalist mode of production, it represents a personal relationship (that is, relation between persons - JC) under a material wrapping. The producers bring their different kinds of work into relation with each other as general human labor by relating their products to each other as commodities - they cannot accomplish it without this mediation of the thing. The relation of persons appears as the relation of things. (Engels On Capital. Int. Publ., p.45)

Johnson has studied Hegel's Logic so diligently and has become so enthralled by the conception of a "self-movement" that he reduces the capitalist process to a self-propelling material process in which machines exploit labor (without capitalists). It is impossible to discover from his exposition why "self-expanding value" takes place, why it ever stops, why it ever starts again;

in a word, what is the driving force of the economy. More exactly, it would appear that the driving force of self-expanding value is.....self-expanding value! But even if we were to accept this, why does self-expansion ever stop? Here we come up against a blank wall - it is a mystery whose solution Johnson does not tell us!

To unravel Johnson's mystifications, we first have to explain Marx's phrase "self-expanding value". Briefly it means this: the capitalist class (and the individual capitalist) starts with a given sum of money which serves as money-capital. With this he purchases the material elements of production (means of production and labor power) to produce commodities. At the end of the process the commodities which are produced are sold at a value greater than the value of the original money-capital. There has thus been an expansion of capital-value. The first problem is: where was this value increased? Marx showed that, assuming the capitalists bought the material factors of production at their value and sold the commodity-products at their value, the increase in value took place during the immediate or strict process of production, and not in the preliminary or final stages of circulation. Thus from the viewpoint of the total money-capital originally invested, the production of a net increase of capital value, in other words, surplus value, is the "self-expansion" of the value of the original capital.

But how is this possible? Marx asks. And he 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. The capitalist (it is assumed) buys labor power at its value; but the application of this labor power produces a new additional value (surplus value). It is this which accounts for the increase in capital values - which from the view point of the original capital taken as a whole is a self-expanding process.

We have seen that Johnson could not find any capitalists in this self-expanding process. (Though he quickly found them two lines later and decided that they were "determined"!) If you look closely at the above quotations from Johnson you will discover that by sleight-of-hand he passed from the notion of capitalism to the notion of the "strict process" of capitalist production. In the latter process, that is, 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.! In any event, capitalism is not and cannot be confined to a "strict process of production" or reduced to this by any ever-wonderful miracles. The capitalist process of immediate production is the central phase of capitalist production and reproduction, which begins when the capitalists bring together the means of production, as his property, and labor power (preliminary circulation), and ends with the sale of his commodities, which provide the capitalists with money-capital

(profits) to continue the process all over again.

In other words, the immediate process of the creation of commodities under capitalism already assumes the capitalist production relations, the relation between the capitalist class and the working class. As we have seen, the productive relations are based upon the existing social distribution of the material elements of production; that is, the capitalist ownership of the means of production and the proletarian character of the working class. These class relations are constantly reproduced in the development of capitalism. Without the preliminary social distribution of the material factors of production, without the preliminary process of circulation, without the final 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. Only when the intermediary position of this process is clearly recognized and understood can it be isolated for analytical purposes with which it is necessarily connected. The precise forms of these processes may and do change in the development of capitalism. But the essential features outlined above are indispensable for capitalism.

The dispute between Johnson and myself is on the question of capital accumulation. To reduce the essence (or "notion") of capitalism to the immediate process of production is to exclude all reproduction - the realization of surplus value, that is, its conversion into profits and then money-capital; the purchase of labor power and machines for expanded production! Capitalism without capitalists; machines (without capitalist owners) exploiting labor!

However, by this time we should know better than to expect consistency from Johnson. So we learn that there are capitalists but they are "determined". Of course the capitalists are controlled by particular forces and laws beyond their control, collective or individual; that is to say, determined. They cannot do anything they want - how elementary! Certainly they cannot make profits whenever they desire or to the extent they desire - even a capitalist can tell you that! But they produce in order to make profits - this motive force is determined by the social relations of production! They are therefore compelled to buy the means of production and labor power and produce commodities, that is, exploit labor, in order to realize this aim. If they cease making profits - and this does not depend on their "free will"! - they stop production; the process of self-expanding value which Johnson depicts as some mysterious perpetual motion, thereby ceases! The capitalists decide on the scale of production in accordance with their estimates on how much profit they can make.

IV. THE PROFIT MOTIVE AND
PRODUCTION FOR PRODUCTION'S SAKE.

For Johnson, however, the statement that the driving force of capitalism is capitalist profits is a "bourgeois delusion" (p.11) which is shared by Carter. In reply to my citation of Marx on the central role of profits for the allocation of capital to the different sectors of the economy, he charges that the quotation is taken out of context.

He cites the last sentence of the quotation: "Profit then appears here as the main factor, not in the distribution of products but of their production itself, as a part in the distribution of capital and labor among the various spheres of economy." And adds that this is "the most superficial of capitalist conceptions," since "Two lines later Marx says, not what the primary factor appears to be, he says what in essence it is. 'But it arises primarily from the development of capital in its capacity as a self-expanding value, creating surplus-value, it arises from this definite social form of the prevailing process of production.'" (p.7)

Johnson has made another elementary discovery - profits arise from surplus value! That is to say, the source of profits is surplus value: Or as I stated against Johnson, profits are the peculiar capitalist form of surplus value. (In fact, if you look at page one of Johnson's article you will find the following: Marx "showed that any surplus or profit, s, could come only from v (variable capital, JC)!" Surplus value and profits here are identical).

In any case, Johnson has mastered Hegel's Logic. He grasps at Marx's word "appears," and translates this to mean a mere illusion. He has not the faintest idea of what Marx is writing about. It should be obvious for one acquainted with Marxian economics that while the total surplus value produced in a given period is equal to the total profits (assuming all the surplus value realized), the allocation of capital and labor to given industries cannot be determined solely from a knowledge of the total surplus value produced by the economy or the rate of surplus value. For this surplus value must first be "realized," converted into money, into profits which then serve as capital. Capital is then invested in industries where the largest profits can be made. (In competitive capitalism the competition among the capitalists result in a tendency towards an average rate of profit. Though for Johnson capitalist competition can "determine" nothing).

The irony of Johnson's charge that I quoted Marx out of context is the fact that he omits the first sentences of my citation in which the word "appears" is absent and Marx's meaning cannot possibly be misunderstood:

" And now let us take profit. (Marx wrote). This definite form of surplus value is a prerequisite for the new creation of means of production by means of capitalist production. It is a relation which dominates production....

Could anything be more unambiguous?

For those who may still have lingering doubts as to Marx's view of the role of profits under capitalism, his well-known words on Ricardo should settle the matter:

What worries Ricardo is the fact that the rate of profit, the stimulating principle of capitalist production, the fundamental promise and driving force of accumulation, should be endangered by the development of production itself. And the quantitative proportion means everything here. There is indeed something deeper than this hidden at this point, which he vaguely feels. It is here demonstrated in a purely economic way, that is, from a bourgeois point of view, within the confines of capitalist understanding, from the standpoint of capitalist production itself, that it has a barrier, that it is relative, that it is not absolute, but only a historical mode of production corresponding to a definite and limited epoch in the development of the material conditions of production." (Capital, Vol. III, p.304. My emphasis - JC).

Production for the Sake of Production

It is in opposition to this Marxist view of the motive force of capitalism to which Johnson counterposes "production for the sake of production" (the main thesis of his article, which gives it its title).

In my New International article (April, 1942) I already commented on his use of an identical phrase, accumulation for the sake of accumulation. I wrote:

Again, he tries to paraphrase a major thought of the Marxian theory of capitalist accumulation but forgets the essential feature, i.e., the driving force of this accumulation! It is precisely the drive for profits which compels the capitalist constantly to produce, accumulate and expand in order that they can realize greater profits - or perish as capitalists in the competitive struggle. (p.80)

Instead of replying to me directly, Johnson cites Lenin and Luxemburg on "production for the sake of production". In

this phrase, he informs us, is expressed the kernel of the differences between the common-capital accumulation.

Rosa agreed completely that "under the abstract conditions Marx's diagrams permit of no interpretation than production for the sake of production." That is what Marx meant by the formulae, she said, and he was wrong because actual society is not like that. That is what Marx meant, said Lenin, and he was right, because actual capitalist society is like that. Both knew Marx's second thesis on Feuerbach: "The question whether objective truth is an attribute of human thought is not a theoretical but a practical question...The dispute over the reality or non-reality of thinking that is isolated from practice is a purely scholastic question". (p.4)

Johnson has been misled by the identity of the words used by Lenin and Luxemburg, to believe that they were therefore referring to the same thing! He has read only the quotations which he cites, and not the works from which they are culled, and completely misinterprets Lenin and Luxemburg. (I should add that since both works appear only in Russian and German, I am at the same disadvantage as Johnson in not having read them. However, I will show from the citations themselves that Johnson's interpretation is false).

First, as to Luxemburg: As is well-known, she held that Marx's scheme of expanded reproduction (in the second volume of Capital) was incorrect. Johnson quotes her:

...who realizes the constantly expanding surplus value? The diagrams (of Marx, JC) answer: the capitalists themselves and only they. What then do they do with their constantly expanding surplus-value? The diagrams answer: they utilize it for the ever greater expansion of their production. These capitalists then appear to be fanatics expanding production for the sake of production. They build new machines in order with them to build again new machines. What this amounts to is not accumulation of capital but expansion of the means of production without aim..."(p.3. - my emphasis, JC)

Johnson adds: the capitalists are such fanatics expanding production for the sake of production. That is what Marx did mean and that is what Lenin wrote.

But since as I have already showed in the previous section of this article, the Marxist view is that the capitalists expand production for the sake of profits, it should

be clear that if Luxenburg's statement is valid, then Marx's scheme does contradict the essential nature of capitalism as a profit making system. Marx's scheme would therefore be false. The nub of Luxenburg's criticism then is that on the basis of Marx's scheme surplus value cannot be converted into money profits and then into capital accumulation. If that is so, how can Marx's scheme of expanded reproduction be an expression of capital accumulation?

Marxists who accept the validity of Marx's scheme thus necessarily reject Luxenburg's contention that it means that the capitalists are fanatics producing for the sake of production. On the contrary, they hold that the scheme does explain how surplus value is converted into money-profits and becomes capital accumulation - and this is the essence of the dispute on capital accumulation. Only Johnson can be so illogical as to accept Luxenburg's major criticism of Marx but reject the inescapable conclusion!

Now let us turn to Lenin. Johnson quotes him as follows:

"In the development of these two departments (means of production and means of consumption industries, JC)...disproportion is inevitable. The fact that means of production grow faster than means of consumption corresponds to the "historic" mission of capitalism and its specific social structure: the first consists precisely in the development of the productive forces of society (production for the sake of production), the second excludes their utilization by the masses of the people. (p.3)

Johnson then comments:

That is what the abstract formula is intended to show concretely. At the end of Volume II Marx concretized the formula in some difficult diagrams which also illustrate this among other themes. (p.3)

Enough has already been said about the specific elementary formula to prove that it does not and cannot express the above "concretely" or abstractly. What should be noted here, in the first place, is that Lenin, in the above citation, is not dealing with Marx's scheme developed in the second volume of Capital!

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 consumer goods industries is at the same time a proportionate development of the relation between the two. (See my original article. Note that Johnson has not disputed the validity of my brief exposition of this character of the scheme).

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 them) 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. Some Marxists (see Borchart's "Marxist Theory of Crises". Modern Library Edition of Capital and Other Writings) have explained the Marxist theory of crises exclusively in terms of the inability of the capitalists "to realize" these formulae in practise. (Actually this is only one aspect of the Marxist theory).

What then did Lenin (and Marx) mean by "production for the sake of production"? Simply this: that in contrast to the major pre-capitalist societies, where production is directly for consumption, the surplus product is consumed unproductively by the ruling class (slave holders, feudal lords) - only a small part is used for expanded production; in capitalist society, production is not for the direct purpose of consumption (for use values) but for ever-greater profits, which can be obtained only by the constant reinvestment accumulation of the major part of the profits; that is, the conversion of the surplus value into money-profits, which in turn forms the capital accumulation. 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 capitalist profit motive, this tendency is the result of the profit motive, its objective consequence.

Despite Johnson's arrogance in charging that Luxemburg did not know the elementary concepts of Marxism (such as, that a large part of surplus value is converted into constant capital, and that the "historical mission" of capitalism is the development of the productive forces) and that "Rosa's conception is essentially bourgeois" (.6), she was obviously correct that the capitalists are not fanatics producing machines for the sake of producing machines, etc. She not only knew that capitalist production develops beyond the consumption limits set by the social relations of production; that very thought was in fact the main burden of her criticisms of Marx's scheme. She denied that even in theory the capitalists could find the necessary markets for their commodities in a hypothetical system in which there are only capitalists and workers. Of course, given Johnson's inter-

pretation of the phrase "production for the sake of production" there is no reason why the capitalists have to find these markets (why they have to sell commodities, get profits, etc.)! How capital accumulation would then take place would be another mystery!

Lenin differed with Luxemburg (though he never wrote a direct polemic against her Accumulation of Capital.) However this is what Lenin once wrote on the phrase discussed above:

The development of production (and consequently of the home market) because it relates chiefly to means of production, appears paradoxical and undoubtedly does present a contradiction. This is genuine "production for production's sake", expanded production without a corresponding expansion of consumption. (The Development of Capitalism in Russia. Chap. I. Translated from the Russian by F. Forrest. My emphasis - JC. This writing will soon appear in The New International).

And here is what Marx wrote on the active role of the capitalists and the question of "production for the sake of production":

The historical 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. (Capital, Vol. II. See Modern Library Edition of Capital and Other Writings of Karl Marx, pp. 160-161 - my emphasis, JC)

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 production for production's sake - that is, without direct concern for consumption and by constantly reinvesting (instead of directly consuming) the major part of the surplus value (capital accumulation). They are not "fanatics" - their concern is profits, and therefore they develop the productive forces of society.

Did Luxemburg disagree with this view of Marx? Of course not! In complete agreement with Marx (and Lenin) she contended that the capitalists do not produce machines for the sake of producing machines, etc. As Marx stated the matter:

...a continuous circulation takes place between constant capital and constant capital (even without any accelerated accumulation) which is in so far independent of individual consumption but which is nevertheless definitely limited by it, because the production of constant capital never takes place for its own sake, but solely because more of this capital is needed in those spheres of production whose products pass into individual consumption. (Capital, Vol. III, p.359. My emphasis - JC)

Note well: "the production of constant capital never takes place for its own sake!" The meaning of the expression is clear from the context. For example, a shoe-making machine is produced to serve to make shoes, that is its use-value. This is not in contradiction to the statement that the production of constant capital is for the sake of capitalist profit making. Or that the production of constant capital takes place without a corresponding consumption expansion (let us say, for shoes) -- "production for the sake of production". In each case the same words "production for the sake of" is clearly used in a different sense. In each case the meaning is made clear by the context.

And as shown, above all, these concepts are closely interrelated in the Marxist theory of capital accumulation. For the sake of making profits, the capitalists produce commodities which must have use-values (the use-value of constant capital is that it functions as a means of producing (ultimately) consumer goods). In the struggle for increasing profits, they are compelled to develop constantly the productive forces beyond the limits set by the consumption power of capitalist society, which is determined by the productive or property relations.

Unfortunately, the more Johnson reads, the more confused he gets. Some time ago he was able to state correctly:

Marx wrote three volumes describing the structure and function of capitalist economy. For Marxists, labor power is a commodity like any other commodity which the capitalist buys and sells. Consumption is a function of production. The iron law of such a method of production is the accumulation of profits in the form of capital leading to an ever-greater accumulation. (The New International, July 1940, p.116. My emphasis)

Johnson was a wiser man three years ago!

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. 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.

The differences between Lenin and Luxemburg on Marx's scheme are at bottom related to the connection between this scheme and Marx's views on the inherent contradictions between capitalist production and consumption. At least so it appears to me from a more or less inadequate study of the question - a study necessarily limited by the fact, already stated, that the main works on the dispute, apart from Marx's, are in languages which I cannot read. And I have to admit frankly that for this reason I do not have a definitive position on the dispute. The problems involved are highly complex ones. As I understand them, I find that Luxemburg's criticisms of Marx are weighty but not entirely conclusive. Her own theory of capital accumulation which she connected with her theory of the nature of capitalist imperialism and capitalist collapse appears to have "loopholes" which are not easily explained. At the same time, I have found the critics of Luxemburg whom I have read completely inadequate on the main points she raised. I hope, through further studies, to arrive at a definitive view.

The fact that the problems treated in Marx's scheme and the questions raised by Luxemburg are of real importance is indicated by the fact that since the economic crisis which broke out in 1929 bourgeois economists have sought to grapple with them. The problems revolve around the question of capital accumulation. The central problem is that of "full employment" - the relation between the rate of capital accumulation and full employment; between producer goods and consumer goods; between production and consumption. The increased conscious intervention by the state in the economy, made imperative by the economic depression and the social crisis of world capitalism and further accelerated by the present war, compelled the bourgeois economists to turn to these crucial problems. And all the discussion of plans for the post-war world necessarily involve the same unifying question: how to achieve full employment or face permanent capitalist social crisis.

Yet one should be wary of Johnson's care-free reference to Marx on Feuerbach (the question of "objective truth" as "an attribute of human thought is not a theoretical but a practical question...") as presumably the manner in which the validity of Lenin's or Luxemburg's views can be tested. Johnson oversimpli-

fies and therefore distorts the actual relation between theory and practice. Particularly is this true in regard to Marx's scheme of expanded reproduction. For example, in practice there is not and never has been a "pure," self-enclosed capitalism. In practice, there is no balanced capitalist system in which production and consumption are in harmony. In practice, the capitalists are compelled to find non-capitalist markets for their surplus goods and capital, to seek foreign markets. In practice, overproduction and crises do inevitably arise out of capitalism.

In other words, the practical proof of Marx's scheme is not the simple matter suggested by Johnson. It involves a whole series of intermediary theoretical studies (including, for example, such matters as credit, state-managed currency, monopoly). Only Johnson can write about the formulae of Marx's scheme as though they do or can "apply" to capitalism of today in a direct sense. Of course, such an elementary formula as the one which Johnson incorrectly contends is identical in substance with all of Marx's formulae, with his scheme and with his entire theory of capital accumulation, does "apply" directly to any economy in which expanded reproduction takes place. That is to say, statistics can be cited which show that the formula is an expression of the actual process at work in the United States, Germany, Russia, etc. But this is so because the formula is essentially a definition of the first elementary prerequisite for any industrial expansion!

In Conclusion

I have criticized Johnson's article in considerable detail in order to show that his method of approach to the problems involved, his exposition of Marx's method and theories and his own reasoning and conclusions are not only false but also stultifying for those who look to him as a teacher of Marxism. In no case does he understand the specific problems considered; he therefore constantly introduces irrelevant quotations and self-contradictory comments. The most elementary concepts of Marx are presented as complicated, mysterious theories; the more difficult ones as ever-so simple views. His self-agitational style, in any case, is in harmony with his entire approach. The result is a complete mystification of Marxism.

This method of approach is to be found not only in Johnson's writing on Russian society and Marxian economics, but permeates virtually all of his writings of recent years. Through his reading of Hegel, he has picked up the dialectic jargon, as it were, and gives a semi-Hegelian twist to Marxism. He displays an inability to comprehend the many-sided aspects of the subject-matter which he treats and the inter-relations between these aspects which make up the whole. He seeks the essence ("notion") of the matter in what is one or another aspect of it. He confuses Marx's analysis of the entire process. In a word,

his approach is not a dialectic or scientific one in which all the necessarily relevant factors are taken into consideration, but a one-sided approach buttressed by the most irrelevant material.

In politics, such an approach leads to a sectarian outlook and sectarian view on the problems facing the movement. This is the logical consequence. For sectarianism, from the viewpoint of theory, is one-sidedness in politics. A false view on one or another question is far less harmful than a false general approach to questions. The first can more easily be corrected. The latter soon becomes an integral part of one's personal-political make-up, as a habit or set of habits which can be corrected only with the greatest difficulty.

Of course, one whose method is false and sectarian can hold correct views on this, that or any number of matters. However, it is when he is confronted with a new problem that his sectarianism is revealed most glaringly. And since our movement faces a series of new problems (with more on the horizon), the question of the method of approach, our conception of Marxist theory, our attitude toward new events is of the utmost importance.

The living events can be understood adequately only with the aid of the instruments of Marxism. These instruments, these theories, must themselves be tested, modified and improved as required by life itself. Marxism, like all scientific theory, is thus self-critical, self-corrective. The study of Marxism itself must also be in the same scientific spirit. I hope that my article, in addition to helping the general reader understand Marxist theory and stimulating his further studies, will aid particularly in the reorientation of those comrades who today are under the influence of Johnson's sterile conception of Marxism.

Joseph CARTER