

**Rick Kuhn.** *Henryk Grossman and the Recovery of Marxism.* Urbana: University of Illinois Press, 2007. xv + 332 pp. \$60.00, cloth, ISBN 978-0-252-03107-6.



**Reviewed by** Gary Roth

**Published on** H-German (May, 2007)

Rick Kuhn's biography of Henryk Grossman draws attention to a theorist who has always occupied an odd place within the Marxist canon. Known exclusively for his contributions to Marxian economic theory, Henryk Grossman's most influential book, *The Law of Accumulation and Breakdown of the Capitalist System*, was published in Germany on the eve of the 1929 Depression to widespread reviews but almost no practical influence.[1] Grossman (1881-1950) seemed to have anticipated the economic collapse and offered a deeply persuasive explanation of its ongoing persistence and severity. Following Karl Marx, he stressed the inability to extract a sufficient mass of surplus labor from the working population, a matter that became ever more difficult with the replacement of labor by technology. He also offered a means to understand why a crisis might not lead automatically to the restoration of profitable conditions. Neither inflationary policies nor deficit spending were sufficient on their own to prompt a sustained level of economic functioning that surpassed the pre-crash heights. Only the world war eventually erased the crisis. That the world's economic difficulties confirmed Gross-

man's thesis was by then largely immaterial, since few people remembered his book by the late 1930s.

When Grossman first published his magnum opus, the tendency within the various socialist and communist movements was either to revise Marx or ignore his economic theories altogether. Except among small groups of left communists, centered primarily in the United States around Paul Mattick, Grossman's exegesis of Marx found few supporters. Mattick wrote dozens of articles and reviews about Grossman's thesis but was never able to convince any of the more popular left journals to publish a piece about his colleague. Grossman's core audience at any point in time probably numbered in the hundreds, perhaps a few thousand at most. His readers, in any case, were members of a rather rarified group, since his book presupposed a knowledge of the three volumes of Marx's *Capital* (1867-94), an uncommon phenomenon even within the Marxist Left. Socialists and Social Democrats thought in terms of the reform of the existing economic system, not its collapse. The communist parties, on the other

hand, were so fixated on the Soviet Union that Grossman's ideas were of no consequence to them, even though some adherents appreciated his condemnation of the capitalist economy. The rise of German fascism, however, reoriented the entire Left from the economy of the Depression to the politics of democracy, a transformation which left Grossman isolated and irrelevant. This fate he shared with Marxian economic theory.

If Grossman's influence was quite limited, this was not the case with his impact on the Marxist canon. Prior to Grossman, Rosa Luxemburg was the last writer to attempt a breakdown theory. Her effort, some fifteen years earlier, had been based on Volume II of *Capital*. At the time, virtually everyone rejected her thesis, the orthodox because she had revised Marx, inappropriately in their opinion, while the mainstream of the socialist movement hoped for a peaceful transition to a humanistically-based socialism, an aspiration in tune with the relative success of the various socialist, labor, and trade union movements. In the aftermath of the First World War, it was the ultra-Left, such as the Marxists to the left of the Communist Party, that gave her ideas, as well as her politics, a new hearing.

Grossman's interpretation of Marx shifted the locus of theorizing to the largely ignored Volume III of *Capital* (1894). In his book and in subsequent articles, Grossman reframed Marx's theory of capitalist development by targeting the dominant paradigms of economic thought.[2] He criticized theories that posited a fundamental equilibrium in the economy, an assumption commonplace in mainstream economics and common enough within Marxism as well. The Marxist tradition, on the other hand, tended towards theories of disequilibrium, a trait it shared with the emerging field of liberal economics. Luxemburg, for instance, had posited a basic disjuncture between the economy's ability to produce commodities and the restricted capacity of the population to consume. Other theorists pointed to the anar-

chic nature of the production process, in which firms habitually over- or undershot existing demand due to lack of planning within the "free market" context. For Grossman, these explanations focused on concrete manifestations of crises rather than their underlying causes and he moved the focal point of the debate from the overproduction of commodities to the overproduction of capital. This aspect of Marx's theory had never found resonance within the bourgeois world, as Marx's theories of value and surplus value were far too abstract to be of much practical use, except as guideposts for radical social movements.

Following the Depression, Grossman's ideas remained dormant until interest in Marxian economic theory revived during the 1960s and 1970s, when the world's economy unraveled anew. Much of his work was republished in Germany, where the new Left was more Marxist-inclined than perhaps in any other country. With the subsequent decline of the new Left, Grossman's exposition of the catastrophic aspects of Marx's theory seemed out of touch with reality yet again. Some discussion of his ideas can still be found here and there, but much of it is highly academic and focused on methodological considerations which are expressed, as is the habit in the field of economics, with mathematical formulas and without direct reference to social conditions or the actual economy.

Much to the credit of Kuhn's biography, Grossman is presented as a complex, talented individual whose career progressed through marked shifts at different points in his life. Grossman had a much more varied career than often assumed. His book on capitalist breakdown was such a significant achievement that it lends itself to images like those stemming from the twenty-five years Marx is alleged to have spent in the British Library researching and writing *Capital*, while he was actually spending considerable time sitting in cafes, drinking coffee and beer, and talking with friends. For neither Marx nor Grossman does the

image quite mesh with reality. While still a student, Grossman dedicated himself to labor organizing and the development of a Jewish working-class movement in Poland modeled on the Jewish Bund in Russia. The Bundists were socialists and anti-Zionists, but they were also cultural nationalists who favored nondiscriminatory policies and separate cultural and educational institutions within a multicultural state. Two years of engaged political activity culminated in Grossman's sudden return to graduate school, where he pursued a law degree. His mentor and post-doctoral research supervisor was Carl Grünberg, the future founder of the Institute for Social Research (the Frankfurt School). During the First World War, Grossman was employed as a statistician, demographer, and economist by the Austrian Ministry of War. His scholarly pursuits were as much applied as theoretical. Expelled from Austria after the war when the socialist-dominated coalition purged the civil service of all non-Austrians, Grossman supervised Poland's newly established census bureau until political pressure forced his ouster because he planned to count the minority populations of the country accurately. He was, however, able to secure a university appointment, which he held from 1922-25. When membership in the Polish Communist Party and repeated arrests led to his expulsion from Poland, Grünberg invited him to join the Frankfurt School. Grossman's book on capitalist breakdown became the school's most well-known and influential publication during the early 1930s. Some five weeks after the Nazis were invited to run the German government in 1933, Grossman's life was turned upside down. He fled to Paris, where he lived for three years, before a brief move to London and a decade-long exile in New York City, supported the entire time through the Frankfurt School endowment.

If Grossman's life before exile was distinguished by the rapid evolution of his career, the remainder was characterized by the slow evolution and hardening of his politics. He seems to have been entirely unaware of the irony of his

comments when he wrote to Mattick, in one of his few surviving letters, that the failure of the German Communist Party to thwart the fascists was due to its paltry, inadequate leadership--this a statement about a party that prided itself on its leadership capabilities. Grossman defended the Soviet Union against its critics on the Left, including Mattick and his colleagues of the Frankfurt School. If he had been a "critical" Stalinist in the mid-1930s, all reserve slipped away by the end of the decade. With the anti-communist hysteria that unfolded in the United States in the late 1940s, Grossman felt himself in danger of prosecution. An offer to join the faculty at the University of Leipzig in the newly founded GDR resulted in his 1949 relocation. But he was already an ill man and his death followed at the end of the next year. Although he had continued to write during the years of exile, his level of productivity declined progressively and he never rekindled his research program. Except for a few essays and reviews, he did not follow through on the many aspects of his theoretical work he had hoped to clarify, including its empirical verification.

The strongest parts of Kuhn's biography center on the earlier aspects of Grossman's career, particularly on his attempts to create a counterpart to the Russian Bund within the prewar Austrian empire. This section of Kuhn's book is also the most elaborated, although Kuhn's habit of alternating between chronological and episodic modes of presentation lends a certain confusion to the early chapters. Kuhn is by no means the first historian to stumble on the complex nature of socialist and nationalist politics in prewar Poland. That he has unearthed relevant documents in Polish, Yiddish, and German speaks to the thoroughness with which he conducted his research and is one of the many strengths of this finely grained study. The focus on the early years of Grossman's career is also what distinguishes Kuhn's biography from the one written a decade ago by Jürgen Scheele, who concentrated much of

his book on Grossman's not always harmonious relationship with the Frankfurt School.[3]

Kuhn does not draw special attention, however, to key moments in Grossman's trajectory. Grossman, for instance, came from an upper-class family and was enrolled at the university when he undertook organizing among Jewish tailors for the local socialist (Social Democratic) party. Kuhn never asks how this was possible. To be sure, the historical record is not particularly helpful in this regard. Only a few letters of Grossman's were available to Kuhn and no autobiographical statements or personal interviews have been found. During Grossman's lifetime, no one ever took much interest in the details of his life, nor was he prone to writing about it. Nonetheless, a discussion of the contours of cultural and religious affinities and how these overrode differences of class and breeding within a socialist milieu would have been warranted. Kuhn fails to interrogate the historical record in search of such matters. The focus on social class is everywhere, in Grossman's activities and publications, yet the politicized context of Grossman's life is barely scrutinized. Kuhn writes that Grossman was the "pre-eminent leader" of the Jewish Social Democratic Party of Galicia and that "members recognized that the party was, to a large extent, his creation" (p. 50). That Grossman packed his bags one day and simply returned to law school would also seem to warrant some further reflection on Kuhn's part. How did class privilege function in the realm of socialist politics? Is it really possible to posit an identity of interests between Grossman and the working class tailors he briefly represented, as Kuhn does?

That Kuhn fails to examine these kinds of inter-class relations indicates the degree to which he remains enmeshed in the history of his subject. He seems unable to step outside its boundaries, as if Grossman's worldview forms the limits of his own as well. When Kuhn states in the preface that the book "involved a search for my own roots"

and that he regards "the history of the labor movement, Marxist theory, and working-class struggles for socialism ... as part of my heritage as a socialist," he inadvertently raises the issue of whether the identification between biographer and subject is too close to work effectively (p. vii). For the biography, this identification cuts both ways. On the one hand, we have an intricate and nuanced description of Grossman's life, a biography filled with the kinds of detail, description, and depiction that allow a deep appreciation of the man, his political beliefs, and his activities. But the very success of this biographical quest is also a major limitation to our understanding of Grossman. Kuhn's construction of Grossman's reality echoes Grossman's own construction, rather than reflecting upon it and contextualizing it anew.

A more serious problem is highlighted in Kuhn's conclusion, in which he writes that Grossman "held fast to the fundamental Marxist idea that socialism means the revolutionary self-emancipation of the working class" (p. 220). Actually, Grossman never thought the working class could emancipate itself and there is no evidence for such a conclusion in any of his publications. After the Russian Revolution, he adhered to Lenin's theories of politics and state formation. Leninism at its best is a doctrine of representational politics, not a canon of self-emancipation. Kuhn's invocation of self-emancipation when he has just depicted Grossman's wholesale acceptance of Stalin's empire is just sloppy theorizing on his part. Other minor irritants are sprinkled throughout the book. Notwithstanding Antonio Gramsci's confused use of "organic intellectual" to apply to ideologues born and bred within the social class they represent, Kuhn's application of the term to describe Grossman's relationship to the working class is badly chosen. His repeated juxtaposition of Grossman with Georg Lukács and Leon Trotsky speaks primarily to Kuhn's own predilections. The assumed affinity between Grossman and Lukács is never made clear, whereas Trotsky was largely irrelevant to Grossman. These moments mar gra-

tuitously an otherwise informative biography about an important theorist.

#### Notes

[1]. Henryk Grossmann, *The Law of Accumulation and Breakdown of the Capitalist System* (London: Pluto Press, 1992). This is an abridged version of the original from which the sections on the history of Marxian crisis theory were eliminated. The original was reprinted as Henryk Grossmann, *Die Akkumulations- und Zusammenbruchsgesetz des kapitalistischen Systems* (Frankfurt: Verlag Neue Kritik, 1970).

[2]. See the essays collected in Henryk Grossmann, *Aufsätze zur Krisentheorie* (Frankfurt: Verlag Neue Kritik, 1971).

[3]. Jürgen Scheele, *Zwischen Zusammenbruchsprognose und Positivismusverdikt. Studien zur politischen und intellektuellen Biographie Henryk Grossmanns (1881-1950)* (Frankfurt: Peter Lang, 1999).

If there is additional discussion of this review, you may access it through the network, at <https://networks.h-net.org/h-german>

**Citation:** Gary Roth. Review of Kuhn, Rick. *Henryk Grossman and the Recovery of Marxism*. H-German, H-Net Reviews. May, 2007.

**URL:** <https://www.h-net.org/reviews/showrev.php?id=13137>



This work is licensed under a Creative Commons Attribution-Noncommercial-No Derivative Works 3.0 United States License.