

rigorous) as to be almost synonymous with the word capitalism. It calls forth the question, if accumulation is to increase the mass of humans to be exploited by capital, how far has accumulation come and how much more room does it have? And it suggests that the materialism in historical materialism needs a further re-examination, perhaps led by the work of Louis Althusser (1965) who put forth the theoretical dominance of social relations of production over productive forces in structuring modes of production.

## **APPENDIX: MARGINAL NOTES ON LUXEMBURG'S *THE ACCUMULATION OF CAPITAL***

### ***Vladimir Lenin (1913)***

*translated from Russian by James Lawler and annotated to the English edition of Luxemburg by Paul Zarembka*

The following marginal notes are translated from the Russian, with Lenin's German notations of Luxemburg rendered into English according to the English translation of Luxemburg (1913). All notations are set to the pagination in the English edition of her work and numbers at the left margin are the pagination. Numbers immediately following in { . . . } refer to the pagination provided in Lenin (1933) (and so provide a cross-reference for those with the Russian text of Lenin's notes). Wording after numbers are wording which Lenin directly comments upon. When the marginal note of Lenin itself uses [ . . . ] or there is a reference by the Russian editor, { . . . } is substituted to be distinct from our usage of [ . . . ], where required. When Lenin uses "i. f.", it is the German abbreviation of "im folgenden," as in "in the following." Finally, note that many times Lenin is only noting what Luxemburg has written and not revealing a reaction of his own.

*SECTION ONE: THE PROBLEM OF REPRODUCTION*

*Chapter I: The Object of Our Investigation*

35{5}, “the individual branches of reproduction show deviations from social requirements amounting to all-round disparity and thus resulting in a general interruption of reproduction.”

“all-round disparity” NB (crisis)

35{6}, “In order to demonstrate the pure implications of capitalist reproduction we must rather consider it quite apart from the periodical cycles and crises.”

“apart from crises” need to NB

36{7}, “if we consider a longer period . . . we can set off boom against slump and work out an average”

“a longer period” crisis and the rise of counterbalances

36–37{7}, “When we speak of capitalist reproduction in the following exposition, we shall always understand by this term a mean volume of productivity which is an average taken over the various phases of a cycle.”

“we shall understand by this term” always

41{11–12} “The old small handicraft units of India and China provide similar instances of a traditional repetition of production in the same forms and on the same scale, handed down from generation to generation.”

Simple reproduction in China and primitive communism

41{12}, “In a capitalist society, moreover, expanding reproduction acquires certain [new] characteristics.”

In capitalism expanded reproduction acquires new characteristics

46{17}, “the lack of a plan in this respect shows itself in the fact that the balance between demand and supply in all spheres can be achieved only by continuous deviations, by hourly fluctuations of prices, and by periodical crises and changes of the market situation.”

“lack of a plan” – crises

46{17–18}, “How is it possible that the unplanned supply in the market for labor and means of production, and the unplanned and incalculable changes in demand nevertheless provide adequate quantities and qualities of means of production, labor and opportunities for selling which the individual needs in order to make a sale?”

Incorrect putting of the question: individual. Not that object of investigation.

*Chapter II: Quesnay's and Adam Smith's Analyses of the Process of  
Reproduction*

52{22–23}, Luxemburg cites Smith: “The gross rent of a private estate comprehends whatever is paid by the farmer; the net rent, what remains free to the landlord after deducting the expense of management, of repairs, and all other necessary charges . . . The gross revenue of all inhabitants of a great country comprehends the whole annual produce of their land and labor; the net revenue, what remains free to them after deducting the expense of maintaining, first, their fixed, and secondly, their circulating capital . . .”

Citation from Adam Smith copied from *Development of Capitalism* NB pp. 11–12. [Lenin, 1899b, p. 49 – P.Z.]

54{25}, “These examples make it seem plausible that an object which is capital for one person may be income for another and *vice versa*.”

Capital for one, income (profit) for another person. (almost literally p. 24 *Development of Capitalism*)

58–59{30}, Luxemburg cites Smith: “Though the whole annual produce of the land and labor of every country is, no doubt, ultimately destined for supplying the consumption of its inhabitants and for procuring a revenue to them, yet when it first comes either from the ground or from the hands of the productive laborer, it naturally divides itself into two parts.”

Citation from Adam Smith = p. 12 of *Development of Capitalism* 23 and 30 also same citation.

59–60{31}, “He [Smith] emphasizes here a radical distinction between fixed and circulating capital from the point of view of society: ‘The whole expense of maintaining the fixed capital must evidently be excluded from the net revenue of the society.’”

Citation from Adam Smith = p. 12 of *Development of Capitalism* !! [Lenin, 1899b, p. 50 – P.Z.]

*SECTION TWO: HISTORICAL EXPOSITION OF THE PROBLEM*

*Chapter X: Sismondi's Theory of Reproduction*

188–89{159}, “Sismondi's . . . theory of reproduction suffers from the fundamental error he took over from Adam Smith: . . . accumulation consists merely of the transformation of capitalized surplus value into variable capital. Yet, if later critics of Sismondi, e.g. the Russian Marxist Ilyin, think that pointing out this fundamental error in the analysis of the aggregate product can

justify a cavalier dismissal of Sismondi's entire theory of accumulation as inadequate, as 'nonsense', they merely demonstrate their own obtuseness in respect of Sismondi's real concern, his ultimate problem."

V. Ilyin "doesn't recognize" the real problem in Sismondi

*Chapter XI: MacCulloch v. Sismondi*

194{163}, "Sismondi was not side-tracked by his opponent's trick."

Ricardian "trick" (forgot g: C-M-C) (the main thing is not in this)

197{168}, [Luxemburg's proposed sentence from Sismondi to MacCulloch,] "Sir, with all respect for the flexibility of your mind, you are dodging the issue."

Sismondi ought to reply to MacCulloch. Ha! with all respect, – swindler . . .

*Chapter XVIII: A New Version of the Problem*

275{243}, "As for our problem: the general prospects of capitalist development, a new generation of Russian Marxists . . . joined forces with George Plekhanov in opposition to [Vorontsov and Danielson] . . . amongst others Professor Kablukov, Professor Manuilov, Professor Issayev, Professor Skvortsov, Vladimir Ilyin, Peter v. Struve, Bulgakov, and Professor Tugan Baranovski."

Russian Marxists: Issayev!! Kablukov, Manuilov!!! Ha-ha!

275{244}, "Ten years later, when the revolutionary risings of the proletariat demonstrated in the streets the darker side of this optimism about capitalist development, none of this Pleiad of Marxist optimists, with but a single exception, was to be found in the camp of the proletariat."

From legal Marxists not one socialist (with one exception) appears in the revolution on the side of the proletariat.

*Chapter XX: Nikolayon*

287{256}, fn. 2, "Vladimir Ilyich has given detailed proof of the striking similarity between the position of the Russian 'populists' and the views of Sismondi in his essay *On the Characteristics of Economic Romanticism* (1897)."

Note: V. Ilyin shows affiliation between Nikolayon and Sismondi

*Chapter XXII: Bulgakov and His Completion of Marx's Analysis*

300{269}, "When we dealt with Marx, time and again the weak point in his analysis, the question really of consumers in enlarged reproduction, cropped up in a perverted form as the question of additional money sources. Here Bulgakov quite slavishly follows Marx's approach"

i. f. Bulgakov slavishly! follows the schema of Marx.

309{280}, fn. 2, "As a matter of fact, his [V. Ilyin's] explanation of the part played by external commerce in capitalist production is far more correct than that of Struve and Bulgakov."

Note: "As a matter of fact" V. Ilyin gives a "far more correct" explanation of the external market than Struve and Bulgakov (not clear) Oracle talk!

*Chapter XXIII: Tugan Baranovski and His 'Lack of Proportion'*

317{288}, [Luxemburg citing Lenin,] 'the law of capitalist production consists in the fact that the constant capital grows more rapidly than the variable capital'.

Citation from Ilyin concerning  $c/v$  NB {Russian Ed: see Lenin, "On the Characterization of Economic Romanticism," *Collected Works*, Volume II [in Russian], p. 27.}

320{291}, "it is a howler if Bulgakov, Ilyin and Tugan Baranovski imagine to have discovered in this law the essential nature of capitalist economy as an economic system in which production is an end in itself and human consumption merely incidental."<sup>14</sup>

A howler by Bulgakov, Tugan-Baranovski and Ilyin. NB

321{291}, "The growth of the constant at the expense of the variable capital is only the capitalist expression of the general effects of increasing labor productivity."

i. f. "Only the capitalistic expression"

321{291-2}, "The formula  $c$  greater than  $v$  ( $c > v$ ), translated from the language of capitalism"

Such nonsense!!

322{292}, "This [the higher the productivity of human labor, the shorter the time needed to change a given quantity of means of production into finished production] is a universal law of human labor."

universal law for *all* social formations

322{292}, "this law must manifest itself by more and more social labor time being employed in the manufacture of producer than of consumer goods."

more labor time in the manufacture of producer goods than of consumer goods (porridge)

323{294}, “compared to the production of consumer goods, production of producer goods [means of production] – measured in units of labor time – must increase more rapidly in a socialist society than it does even today.”

In socialism, production of means of production in relation to production of consumer goods grows even faster.

### SECTION THREE: THE HISTORICAL CONDITIONS OF ACCUMULATION

#### *Chapter XXV: Contradictions within the Diagram of Enlarged Reproduction*

329{299}, [very beginning of Luxemburg’s chapter]

Beginning of the basic mistake

330{300}, [Luxemburg cites passages from *Capital, Volume 1* – Marx (1867, pp. 544–45),<sup>15</sup> and interprets them:] “The following conditions of accumulation are here laid down: . . . (4) Since capitalist production buys up its entire surplus product, there is no limit to the accumulation of capital.”

(4) NB against Rosa L.

330–33{301–2}, [passages cited from several places in Marx’s works<sup>16</sup> for which Luxemburg points to the fact that] “he himself states time and again that he aims at presenting the process of accumulation of the aggregate capital in a society consisting solely of capitalists and workers.”

selection of citations from Marx against Rosa L.

334{304}, “It cannot be discovered from the assumptions of Marx’s diagram for whose sake production is progressively expanded.”

“it cannot be discovered” in Marx “for whose sake”

335{305}, “If we examine critically the diagram of enlarged reproduction in the light of Marx’s [whole] theory, we find various contradictions between the two.”<sup>17</sup>

“schema contradicts Marx’s theory”!! Fanatics etc. (beginning) – phrasemongering

337{307}, [Luxemburg provides an example of a rising, instead of constant, organic composition of capital for Marx’s scheme of reproduction, which shows for means of production] “a deficit of 16 in the second year, of 45 in the third year and of 88 in the fourth year.”

i. f. little example doesn’t make sense

340{310}, “Yet Marx’s diagram . . . precludes any such fluctuations in the rate of accumulation in either department.”

in the following in Marx, “precludes” > increase of I over II

341{311}, “It is therefore downright impossible to achieve a faster expansion of Department I as against Department II within the limits of Marx’s diagram.”

{ > increase of I over II. {Russian Ed: connect this note to the previous one} } “downright impossible to achieve” ???

342{313}, “The diagram thus precludes the expansion of production by leaps and bounds.”

Scheme precludes expansion by leaps and bounds.

343{313}, “Finally, the diagram contradicts the conception of the capitalist total process and its course as laid down by Marx in *Capital*, volume iii.”<sup>18</sup>

Contradicts Volume III!!!!

343–45{314–5}, [Luxemburg cites a long passage from *Capital, Volume III*, Chapter 15 on “Exposition of the Internal Contradictions of the Law” of the tendency of the rate of profit to fall – Marx (1894, pp. 243–245): “Given the necessary means of production . . . under which it is realized.”]

Citation from III, 1, 224 = *Development of Capitalism* pp. 18–19 {Russian Ed: see Lenin, *Collected Works*, Volume III [in Russian], pp. 31–2} [Lenin, 1899b, p. 57 – P.Z.]

346{317}, “In yet another passage, Marx clearly shows that Tugan Baranovski’s notion of production for production’s sake is wholly alien to him” [Luxemburg then cites Marx (1894, p. 304–305): “Besides, . . . constant capital is never produced for its own sake but solely because more of it is needed in spheres of production whose products go into individual consumption.”<sup>19</sup>]

Citation of III, 1, 289 = *Development of Capitalism* 17, on the back {Russian Ed: see Lenin, *Collected Works*, Volume III [in Russian], p. 30} [Lenin, 1899b, p. 55 – P.Z.]

#### *Chapter XXVI: The Reproduction of Capital and Its Social Setting*

350{320}, “The workers and capitalists themselves cannot possibly realize that part of surplus value which is to be capitalized.”

Against Marx NB especially i. f.

350{320–21}, “Therefore, the realization of the surplus value for the purposes of accumulation is an impossible task for a society which consists solely of workers and capitalists.”

NB “an impossible task”

351{322}, “the deficiencies of the diagram can be corrected.”  
“can be corrected”!!

351–352{322}, “only if it is sold to such social organizations or strata whose own mode of production is not capitalistic.”  
uses neither capitalist nor worker, noncapitalist producers

354{325}, “If we assume, however, that the surplus value is realized outside the sphere of capitalist production, then its material form is independent of the requirements of capitalist production itself.”

Surplus value in noncapitalist producers = V.V.!.. [Vorontsov]

357{327}, “there is no obvious reason why means of production and consumer goods should be produced by capitalist methods alone.”  
not only capitalist!!!

358{328}, “In general, [the] capitalist [mode of] production has hitherto been confined mainly to [industry in the] countries in the temperate zone, whilst it made comparatively little progress in the East, for instance, and the South.”  
“capitalist mode of production” is limited primarily to “industry” Ha-ha!!

**[The following paragraph of Luxemburg’s text is missing from p. 359 of the English translation, i.e. before the paragraph beginning with “Between the production of surplus value. . . .” Lenin has a marginal note on the last sentence, which follows the translation below:]**

“It must be noted that, when we assumed above that only the surplus product of the first or the second department is realized in a non-capitalist milieu, we were taking the most favorable case for examining Marx’s schemes, a case which shows the conditions of reproduction in its purity. In reality, nothing forces us to assume that there is not a fraction of the constant and variable capital which is also realized out of the capitalist realm. Accordingly, the expansion of production as well as the replacement in kind of the materials consumed in production may be undertaken by means of products from the non-capitalist sphere. What should be clear from the above-mentioned examples is the fact that, *at least*, it is impossible that the capitalized surplus value and the corresponding part of the capitalist output can be realized within the capitalist realm; this part must be sold out of the capitalist sphere, in social strata and forms which do not produce in capitalist way.” [translated by Alejandro Ramos-Martínez]

359{330}, [Lenin, citing the last sentence above]



Impossibility of capitalist realization of surplus value!!

361{332}, "On these assumptions, the natural increase of the working class is the only source of extending the labor supply commanded by capital. This view, however, is contrary to the laws governing the process of accumulation."

Growth of  $v$  through rise of population "contrary to the laws governing accumulation"

362{332-3}, "the very process, that is to say, of incessant transition from non-capitalist to capitalist conditions of a labor power that is cast off by pre-capitalist, not capitalist, modes of production in their progressive breakdown and disintegration."

what porridge!!!

365{337}, "Since the accumulation of capital becomes impossible in all points without non-capitalist surroundings"

Root of the mistake. . . "impossible" NB

365{337}, "Sismondi and his school, when they attributed their difficulties entirely to the problem of realizing the surplus value, indeed revealed a proper sense for the conditions vital to accumulation."

better sense in Sismondi

366{338}, "The solution to this problem . . . thus lies between the two extremes of the petty-bourgeois skepticism preached by Sismondi, v. Kirchmann, Vorontsov, and Nicolayon, who flatly denied accumulation, and the crude optimism advocated by Ricardo, Say, and Tugan Baranowsky . . ."

solution of the problem between two extremes

366{338}, "The external market is the non-capitalist social environment which absorbs the products of capitalism and supplies the producer goods and labor power for capitalist production."

external market = noncapitalist social environment!!!

### *Chapter XXVII: The Struggle Against Natural Economy*

368{340}, "Capitalism needs non-capitalist social strata as a market for its surplus value"

Market for surplus value in noncapitalist environment/nonsense/

371{343}, "Their means of production and their labor power [of a natural economy] no less than their demand for surplus products is necessary to capitalism."

surplus product

*Chapter XXVIII: The Introduction of Commodity Economy*

Priceless! “Chapter 28, The Introduction of Commodity Economy.” In the beginning: “Realization” surplus value (second paragraph of the chapter) – and the story of the forceful introduction of opium in China!!! The story is very, very interesting, detailed: how many junks were sunk 7 IX 1939 etc.!! Oh, scholar.

*Chapter XXIX: The Struggle against Peasant Economy*

Opium in China – citation from Nikolayon concerning “bonanza farms” etc. – Boers, torture of Negroes in South Africa, etc. Noisy, motley, without content.

417{392–3}, “From this we get most complicated relations, divergences in the speed and direction of accumulation for the two departments, different relations with non-capitalist modes of production as regards both material elements and elements of value, which we cannot possibly lay down in rigid formula.”

NB Ignorance of Marx and Engels. False

*Chapter XXX: International Loans*

?{394} [cannot identify passage, J. L. and P.Z.]  
(main thing) Nonsense

421{396}, “These inherent conflicts of the international loan system are a classic example of spatio-temporal divergences between the conditions for the realization of surplus value and the capitalization thereof.”

“conditions for the realization of surplus value and the capitalization thereof” (?). Not only surplus value, but also  $c + v$ !!

427{403}, “The consumption of the capitalist and working classes at home is irrelevant for the purposes of accumulation, and what matters to capital is the very fact that its products are ‘used’ by *others*. The new consumers must indeed realize the products, pay for their use, and for this they need money.”

“Use” in noncapitalist sectors (railroad in Asia, etc.)

428{404}, “the part played by lending abroad as well as by capital investments in foreign railway and mining shares is a fine sample of the deficiencies in Marx’s diagram of accumulation.”

“deficiencies in Marx’s diagram of accumulation” . . . /nonsense: in the other country, the same capitals and the same workers use  $c$  and  $v$  and  $s$ ,

in this nothing changes. Development of capitalism goes wider (other countries) deeper/

438{415}, “Evidently, only by use of the *kourbash* could the historical development which would normally take centuries be compressed into two or three decades, and it was just the primitive nature of Egyptian conditions which proved such fertile soil for the accumulation of capital.”

Egypt’s Ruin, very good, by Rothstein, etc. Conclusion: “only by use of the *kourbash*” [whip made of hippopotamus skin]

Just so! R. L. whips herself! Not thanks to the “realization of surplus value” but thanks to the convenience of exploitation (“whips,” unpaid labor, etc.) capital migrates to wild countries. Bigger percent! And that’s all. Plunder of lands (gifts) loans at 12–13%, etc. Etc. – here’s the *root*. (Government guarantees) etc. etc.

### Chapter XXXII: Militarism as a Province of Accumulation

467{445}, “But even before this natural economic impasse of capital’s own creating is properly reached it becomes a necessity for the international working class to revolt against the rule of capital.”

i. f. natural economic impasse of capital’s own creating “even before”!!

467{445}, “Capitalism is the first mode of economy with the weapon of propaganda, a mode which tends to engulf the entire globe and to stamp out all other economies, tolerating no rival at its side. Yet at the same time it is also the first mode of economy which is unable to exist by itself, which needs other economic systems as a medium and soil.”

i. f. capitalism – “first mode of economy with the weapon of propaganda”!!!

??? – and “first mode of economy which is unable to exist by itself” NB

## NOTES

\*A first draft of this chapter was presented at the International Seminar: “Development Issues of the Third World Countries,” Maharaja Sayajirao University of Baroda, India, November 22–26, 1999. Subsequently, much material was added and material which had been included on posthumous critiques of Luxemburg was incorporated into Zarembka (2001) and so no longer included here. A second version was then presented at “The Other Conference, 2000,” Association for Heterodox Economics, London, June 27–28, 2000.

Throughout this work, italicized portions of quotations are reproduced as is; bolding is used for our emphasis.

1. Marx had learned Russian during 1870–71 and had obtained Sieber’s book from Danielson a month or less before completing the “Afterword” dated January 24, 1873