

RUSSIAN REVISIONISM AND THE DEVELOPMENT
OF MARXIAN POLITICAL ECONOMY IN THE
EARLY TWENTIETH CENTURY

I. THE THREE FORMS OF RUSSIAN MARXISM IN THE 1890s

During the course of Marxism's rise to prominence in Russia during the 1890s, two distinct groups of Marxists evolved away from orthodoxy: the 'Legal Marxists' and the 'Economists'. Orthodoxy was defined by adherence to the tenets of Plekhanov's system, and the repudiation of any allegation that Marx' and Engels' work might be in need of correction or amendment, rather than merely being applied to new circumstances; its principal proponents were Plekhanov himself and Lenin.¹ The 'Legal Marxists' included P. B. Struve, M. Tugan-Baranovsky and S. N. Bulgakov. Their position prior to 1900 was to accept the political programme which Plekhanov had formulated, while adopting a critical perspective on the foundations of Marxian theory itself. At the turn of the century Struve, Bulgakov and other 'Legal Marxists' of lesser importance increasingly drifted away not only from Marxism, but also from materialism and socialism, embracing instead liberalism, idealism and moderation.²

'Economism' was another form of revisionism, but one that was very different from Legal Marxism, both in its origin and in what it sought to revise. Whereas the Legal Marxists were intellectuals with little connection with the developing workers' movement, the Economists were intimately involved with it. In addition, while the Legal Marxists concentrated on revising theory, rather than practice, the Economists' position was almost the exact reverse. They were essentially unconcerned with theoretical issues and sought to increase Social-Democratic involvement in economic campaigns. They considered that organising strikes, aiding the formation of unions and gaining legal concessions from the state were of paramount importance. These activities were not simply means to a political objective, but also substitutes for leading a bourgeois-democratic revolution. To justify their position, however,

they did sometimes appeal to German revisionism, and Bernstein claimed them as his supporters.³

Economism reflected a tension in Marxism between its ultimate goal, socialism, and the means designated to achieve it, the labour movement. And the Economists were distinguished by a willingness to be limited by the labour movement, to follow rather than actively lead. Their influence upon Marxism is well-known. Conflict with orthodoxy over 'reform or revolution' was the process by which 'Leninism' emerged, as it is conventionally understood in terms of a theory relating class to party. Lenin's most famous work, *What is to be Done?*, was written in response to the challenge posed by Economism.⁴ By contrast the Legal-Marxist variant of Russian revisionism has been seriously underestimated as an influence upon Marxian political economy. The most common mistake has been to identify it as a mere offshoot of its better-known German counterpart.

Although no satisfactory account exists of the intellectual relationship between German and Russian revisionism, it is clear that the latter was no clone of the former. The language barrier was one-sided, since the Russians all read German while the Germans seem to have known no Russian. One might thus expect any transfer of ideas to have been from West to East. Yet both Struve's and Tugan-Baranovsky's revisionism was firmly established as early as 1890, when Bernstein was still a loyal orthodox Marxist.⁵ In all likelihood the two streams of heterodoxy developed independently but along very similar lines, responding both to contemporary capitalist reality and to the challenge posed to Marxism by new streams of thought, including 'neoclassical' liberal economics. Once Tugan's works became accessible, with the publication of translations after 1900, German theorists took him very seriously indeed. Among the revisionists, Bernstein praised his introduction of ethical issues as 'breathing life into the cool historicism' of Marxian materialism and placing Kant rather than Hegel at the centre of his socialism, while criticizing him for rejecting the theory of surplus value out of hand.⁶ For the orthodox, Karl Kautsky subjected Tugan's major works to a detailed and lengthy criticism, regarding him as a theoretician superior to any German revisionist, if (in the last resort) equally mistaken.⁷ The SPD's theoretical journal *Die Neue Zeit* and other socialist journals published serious critical pieces in similar vein;

for example, from Conrad Schmidt, Otto Bauer, Anton Pannekoek, and Louis Boudin.⁸

Kautsky's evaluation was essentially correct but did not go nearly far enough. The criticism of orthodoxy made by the Russian revisionists frequently went much deeper than that of the Germans, and only in the latter half of the twentieth century have Marxists themselves acknowledged many of the analytical problems which they brought to light. Moreover, it can be argued that the Russian revisionists significantly influenced Russian Orthodoxy from the start. Thus, central elements of Struve's critique of dialectics and historical materialism find a place in Lenin's political economy after 1905, while Tugan's work was even more important. His theory of disproportionality provided the strongest Marxian refutation of the Narodnik theory of stagnation, and a generation later analytically secured the arguments of those Soviet economists who favored rapid industrialization through squeezing consumption, rather than through consumption-led growth. Not without reason did Bukharin accuse Trotsky, Preobrazhensky, and then Stalin of 'applied Tuganism'.⁹ Tugan's economic analysis also became crucial for understanding the dynamics of the revolutionary process. His treatment of Russian history emphasized precisely those attributes which Trotsky made central to his theory of 'permanent revolution', and it was this theory which proved to be the most prescient forecast of the events of 1917. Furthermore, even Tugan's departure from the ranks of Russian Social Democracy was based upon considerations which were later central to 'Western Marxism'.

Our aim in this article is to substantiate these claims, which have not been recognized by historians concerned with the intellectual development of Marxism. The reasons for this neglect are dealt with in the final section. In the next section we outline Peter Struve's general critique of historical materialism and the particular impact which it had upon Lenin's political economy after 1905. Section III discusses the effect that revisionist ideas on agricultural economics had upon Bolshevik agrarian policy before 1917. Tugan-Baranovsky's theory of reproduction is outlined in Section IV, and we indicate how it underpinned the arguments of Soviet economists in the debates of the 1920s. In Section V, Tugan's empirical work on Russian industrialization is shown to be the foundation for Trotsky's theory of revolution. Important criticisms

of Marx' theory of the falling rate of profit and his theory of value are taken up in Sections VI and VII, while Section VIII considers Tugan's break with orthodox Social Democracy in the light of changes in Marxism in the twentieth century.

II. DIALECTICS AND HISTORICAL MATERIALISM

Struve's *Critical Notes on the Question of the Economic Development of Russia*,¹⁰ published in 1894, was primarily a Marxist attack upon Populism and, indeed, sparked the 'great debate' of the 1890s between Marxists and Populists. Even here, though, there are revisionist themes, and they were to strengthen with time. Three aspects are important to Marxian political economy. First, Struve argued that epochal changes could be evolutionary; antagonistic forces might mutually adjust so that, instead of contradictions intensifying, they could become 'blunted'.¹¹ Second, in criticizing the Populists, Struve painted capitalist progress in a bloodless form. While the Populists, like Danielson,¹² saw only the negative side, he strenuously emphasized the positive. This was reflected in the famous closing sentence of *Critical Notes*: "... let us admit our lack of culture and enroll in the school of capitalism!", which gave substance to the Populist charge that at least some Marxists were indeed apologists for the bourgeois order.¹³ Third, in explaining the parlous state of the peasant economy, Struve utilized elements of non-Marxian theory and was especially attracted to Malthusianism. Overpopulation, he argued, was a central force responsible for the famine conditions of the early 1890s.¹⁴

Plekhanov had little difficulty in parrying the *general* claims for evolutionary social change. No Marxist had ever argued that *all* progress was brought through revolution, and the Marxian conception of dialectical laws was abstract, making possible many concrete manifestations. Moreover, Struve's own exposition of historical materialism was deeply flawed. He saw contradictions in terms of an antagonism between economic relations and the prevailing legal system, but, as Plekhanov rightly emphasized, this was by no means the core of the doctrine.¹⁵ Thus the leader of orthodoxy made no more concessions to Struve's revisionism than he did to that of Bernstein.

Nor, overtly, did Lenin, but his own subsequent development of

Marxism did incorporate significant concessions to the substance of Struve's critique. Lenin came to believe that it was quite possible for the bourgeois transformation in Russia to be completed in an evolutionary, 'Prussian', form. After 1905 there was a major shift in Lenin's thought towards Struve's notion of 'blunted contradictions' and non-revolutionary development. Russian history was now interpreted as a 'reconstruction from above' in which Tsarism and the dominant landed class sought accommodation with those elements of the bourgeois order necessary to their own survival.¹⁶ The events of 1905 brought the bourgeoisie itself into the process; it achieved junior status in the ruling coalition and became thoroughly conservative in the face of popular radicalism.¹⁷

It was from this perspective that Lenin formulated his strategy of the 'revolutionary democratic dictatorship of the proletariat and peasantry', but he recognised that success was not inevitable; Russian modernization could be completed by the Tsarist regime, following the 'Prussian road'.¹⁸ Not only was this fully in accord with Struve's revisionist position, but between 1905 and 1914 Lenin's and Struve's interpretations of Russian historical events were remarkably similar. This is very clear from Richard Pipes' biography of Struve, although Pipes himself does not point to the parallel.¹⁹ Like other commentators, he appears to be misled by the different language used to describe the same process and by the opposing *political* stances of Struve and Lenin, in which Struve moved increasingly to the right and welcomed reform while Lenin shifted to the left in order to counter it.

During the 1890s, however, Lenin yielded nothing to Struve in his treatment of capitalist economic development, which he characterised as 'objectivism' rather than 'materialism',²⁰ and described as significantly underestimating the costs of capitalist advance. On this Engels himself was in full agreement.²¹ More specifically, Lenin believed that the contradictions of capitalism are operative from its very inception.²² This was fully consistent with his tendency to view capitalism as a *process*,²³ although in this case it meant he was closer to the view of Danielson than that of Struve. And Lenin 'bent the stick' too far in the other direction. He underestimated the actual importance of population growth as a force generating a deterioration in the peasants' condition.²⁴ Furthermore, it is possible to argue, despite Marx' own hostility to

Malthus,²⁵ that excessive population increase is an inherent effect of feudal economic relations. This theme has been taken up by modern Marxists²⁶ but it was repudiated by Lenin. Nonetheless, Revisionism had its influence upon him in this area, albeit from another direction.

III. AGRICULTURAL ECONOMICS

Although the Russian Legal Marxists could claim a genuine originality in their treatment of most revisionist themes, they were heavily dependent upon the German discussion of agricultural questions. Naturally, given his prominence in the field, Lenin was the principal protagonist in countering the revisionist claims, but like the revisionist critics themselves he did so by relying heavily upon German sources, particularly on Kautsky's *Die Agrarfrage*, which made significant concessions to the revisionist critique.²⁷

The German revisionists maintained that Marx' belief in the economic superiority of large-scale agriculture was incorrect, that peasants were in consequence able to survive the development of capitalism and that, therefore, the SPD must make concessions to ensure their political support.²⁸ Kautsky successfully resisted programmatic change, and sought in *Die Agrarfrage* to counter the revisionists theoretically. However, he did so by modifying the cruder position hitherto taken by orthodox Marxism, and admitted that agricultural development was significantly different from that of industry. He recognised that proletarianization in agriculture was often impure, and that workers retained dwarf holdings which tied them to the land. Peasants could also resist the encroachment of capitalist agriculture through 'over-work' and 'under-consumption' (that is, they worked harder and consumed less than industrial workers).

Lenin used *Die Agrarfrage* against Bulgakov's revisionist treatment of agricultural economics, which was itself little more than a statement of the arguments developed by German revisionists.²⁹ In doing so, Lenin's position moved even further away from Marx' own treatment of primitive accumulation. He reinforced the view, present in his very earliest work, that peasant *households* (not individuals) became differentiated with capitalist development.³⁰ But to it was added the recognition that 'under-consumption' and 'over-work' were mechanisms which allowed peasants to resist proletarianization.³¹ Moreover, unlike

Kautsky who contented himself with a theoretical response, Lenin modified Bolshevik agrarian policy, so as to minimize the effects of those peculiarities in agricultural production to which the revisionists had drawn attention. This reflected the fact that the agrarian question was a far more serious matter for Russian Marxism; the underdeveloped nature of the Tsarist economy and the importance of Populism raised it to the front rank.

In consequence, Lenin made the nationalization of land the centerpiece of his proposed 'democratic dictatorship'. He emphasized that this was not a socialist measure, but would instead most rapidly facilitate agrarian capitalism by providing capital resources for farmers who would be exempt from the payment of 'absolute' rent.³² It would also facilitate the recombination of inputs required by economies of scale or technical progress.³³ In addition, nationalization of the land more easily allowed the efficient location of different, but interacting, production processes, together with appropriate management of common resources. Finally the public authority, as controller and recipient of (differential) rents, would be in a position to force out traditional peasants and provided with the means to finance any investments that were required.³⁴

Lenin's support for land nationalization can be regarded as an attempt to improve upon the 'classical' solution to the 'clearing of the estates' as presented by Marx in his analysis of primitive accumulation.³⁵ Within Lenin's overall scheme it makes perfect sense. The tripartite class structure of English agriculture was for Marx the historical example best adapted to the penetration of capital. It did not have absolute status and, indeed, was deficient in that it involved the persistence of a *petty-bourgeoisie* and a technically superfluous landed class.³⁶ Lenin recognized this and sought an even more thorough de-feudalization, which he also rightly conceived to be the more appropriate, the less advanced is agriculture.³⁷ There seems little doubt that Revisionism had been an important influence in bringing this to the forefront of his attention.

IV. REPRODUCTION, UNDERCONSUMPTION AND PLANNING

In the Russian context, revisionist ideas on agricultural economics supported Populist views rather than those of orthodox Marxism.

However this was exceptional, and Russian revisionists were as concerned to counter Populism as were the revolutionary Marxists. It is to the credit of Tugan-Baranovsky that he was the first to see the significance of Marx' reproduction models in this regard.³⁸ They were in his view the single greatest achievement of economic theory to date, in that they provided a rigorous framework by which the multiple interconnections of different sectors in a capitalist economy became analytically tractable. Tugan used them in 1894 to formulate a theory of cyclical growth, criticize alternative theories, and organize his empirical analysis of fluctuations in the British economy.³⁹ In the process he spelt out a critique of all theories of underconsumption, including that of the Populists, placing emphasis instead upon the concept of 'proportionality' and its converse, 'disproportionality', as central to understanding the functioning of capitalist economies.

Marx had dealt with reproduction mainly through numerical examples. Tugan followed him in this approach, but integrated two additional elements that Marx had treated independently.⁴⁰ First, he frequently added a new department III (although Marx had sometimes divided department II into wage goods [IIa] and luxury goods [IIb] to the same effect). Second, and more important, Tugan introduced into the analysis a rise in the organic composition of capital. Moreover, and this is of crucial significance, Tugan emphasized, much more strongly than Marx had done, the implications of the fact that capitalist production is production for profit. It is *not* production aimed at the satisfaction of human needs, the fulfilment of consumption requirements or the generation of economic growth. If these occurred they were derivative, not primary. Once this was realised, Tugan argued, and economic analysis was properly structured in terms of the reproduction models, no significant element of underconsumption theory could remain intact: the contradictions of a capitalist economy could be traced solely to factors generating disproportions between the departments of production.⁴¹

However, there were underconsumptionist strands in *Capital* as well, and Tugan did not exempt Marx from the implications he believed to follow from his theory. Marx, like the Populist economists, was guilty of 'Sismondianism',⁴² the notion that effective demand must always be deficient in a capitalist economy because the workers are too poor to buy back their entire net product. This was especially likely to produce

a critical rejoinder from orthodox Marxists, not only because it was an attack on Marx but also because Social-Democratic theorists themselves often relied heavily upon underconsumptionism in explaining crises.

The orthodox response was not impressive. Plekhanov and Lenin charged that Tugan had drawn extreme and unwarranted conclusions from an essentially valid argument against Populism. There was substance in this allegation, but it was asserted, not argued, and rested on nothing more substantial than quotations from Marx.⁴³ True, Lenin did go beyond this by pointing out that underconsumption could be interpreted as a form of disproportionality, involving an imbalance between departments I and II, and was thus in principle consistent with Tugan's crisis theory. However, Lenin's point was a purely formal one, as he offered no convincing reasons why this particular form of disproportionality was more likely than any other. Kautsky, and later Bukharin, added nothing to this.⁴⁴ Nor did Hilferding: in fact his work showed signs of being influenced by Tugan.⁴⁵ Rosa Luxemburg went a little deeper when she accused Tugan of undertaking a mere 'arithmetical exercise,' having failed to explain what motivated capitalists to invest endlessly.⁴⁶ But the basis of her criticism was her own theory of accumulation, and therefore lacked coherence. Only in the light of Keynes were Marxists convincingly able to maintain that her erroneously based critique did have a kernel of truth.⁴⁷ This is not surprising. The Marxists themselves lacked precisely what was needed to treat the problem of underconsumption: a coherent theory of effective demand.

Precisely because of this, Tugan's argument allowed of a Marxian adaption when circumstances changed. In the 1920s they had dramatically done so and it was the logic of Tugan's treatment of extended reproduction which secured Preobrazhensky's argument for 'primitive socialist accumulation'.⁴⁸ Bukharin's objections, which were partially political, did carry some force, but his counter-argument at the economic level was no more than a reassertion of the old Populist position which made accumulation dependent upon consumption demand.⁴⁹ The Marxists' triumph over the Populists in the 1890s made this especially unconvincing, and there remained no underconsumptionist rationale to counter the 'super-industrialisers' intellectually. Tugan had hitherto been criticized by Marxists for proposing a theory of managed capi-

talism.⁵⁰ This had been rather unfair, but the experience of the N.E.P. period indicates that it had some substance. Tugan himself would no doubt have been horrified by the consequences,⁵¹ but it was his theory which had refuted the principal economic objection to the possibility of an ever-increasing weight of department I in national output.

V. 'THE RUSSIAN FACTORY IN THE 19TH CENTURY'

Tugan's theoretical argument was not meant to represent a mere 'possibility'. He believed that actual capitalist development involved the continuous growth of department I relative to department II, and that capitalist economies had an equilibrium mechanism to bring about 'proportionality' between the departments, although he recognised that the process did not work smoothly. It was, however, an argument that did not easily lend itself to comprehensive validation, especially in the relatively backward conditions of the Russian economy. Furthermore, Tugan realized that the historical evolution of industry was far more intricate than his theoretical scheme might suggest. Consequently, although his empirical work on the Russian economy was clearly informed by his theoretical perspective, it ranged far more widely. *The Russian Factory in the 19th Century*, first published in 1898,⁵² traced the whole expansion of industry from the time of Peter the Great.

Tugan's principal concern, however, was to undermine the Populist charge that the role of the Russian state in developing factory production gave industry an 'artificial character'. He argued forcefully that there was no alternative to the advanced capitalist features which had characterised urban industry in Russia from the very beginning. New types of production were undertaken in large-scale factories in order to economise on the use of imported skills, and the state had to play an exceptionally pronounced role in the process due to the very backwardness of the overall economy.⁵³ Thus non-capitalist institutions were fused with capitalist relations; overt coercion complemented market discipline; and there was heavy technological borrowing from abroad.⁵⁴ Also, elements of Western ideology became linked with traditional beliefs; liberalism was remoulded by very specific types of class interest.⁵⁵ Tugan thus became the first socialist to recognize that 'late starters' differed significantly from the British model which Marx himself had

elevated to a canonical status. Moreover, it was precisely the 'uneven and combined development' to which Tugan pointed that provided the materialist basis for Trotsky's theory of permanent revolution, in which it was argued that the proletarian revolution could occur first in the backward society of Russia rather than in the advanced centers of Western Europe.⁵⁶ Unlike Plekhanov and Lenin, who focussed upon the development of agrarian capitalism,⁵⁷ Trotsky followed Tugan in concentrating upon urban industry. The 'modernity' of Russian industrialization was examined in terms of its effects upon the social structure. The form of Russia's industrialization, Trotsky argued, dramatically expanded the size of the Russian proletariat. At the same time it minimized the formation of a domestic bourgeoisie and petty-bourgeoisie concentrated in the cities. In any conflict with the State it would be the proletariat which would prove to be the dominant force; so too would its class interest. Furthermore, the Tsarist method of encouraging industrial development exacerbated the agrarian problem, which allowed the urban revolution to tap peasant support. As has now been widely recognised, this theory more correctly located the class dynamics of the revolutions in 1917 than any of its competitors.⁵⁸

Tugan himself did not probe into these political issues, which Trotsky derived from the same economic perspective that characterized *The Russian Factory*. Instead, his argument was directed against the Populists, and he was concerned to emphasize that Russia's unique pattern of modernization would bring its future history into conformity with that of Western Europe. Tugan believed that, through Russian integration into the world market, the 'special path' which the Populists favored had become impossible to achieve.⁵⁹ In this he was correct, but after the intellectual defeat of the Narodniks the revolutionary implications of the different 'special path' which he had himself had outlined provided the foundation for an important strand of Bolshevik politics in 1917.

VI. THE FALLING RATE OF PROFIT AND THE IMMIZATION OF THE PROLETARIAT

Another reason why Tugan failed to appreciate the radical implications of his own economic analysis was that he was simultaneously involved

in critically reassessing the 'contradictions of capitalism'. He was moving toward a position which questioned not only Marx' 'laws of motion', but any determinate link between economics and politics. The proportionality theory implicitly included a critique of Marx' theory of profit. If capitalism might become fully automated, yet continually accumulate, profit could not possibly originate solely in exploited labor. But Tugan made nothing of this, and his actual critique focussed on the law of the falling rate of profit, where he was one of the first⁶⁰ to allege that Marx' theory contained a serious logical error. A rising organic composition of capital, he argued, reflected growing labor productivity and hence a reduction in the amount of necessary labor performed by the working class. If real wages did not rise, this entailed an increase in the rate of exploitation large enough to give a *rising* (or at the very least a constant) rate of profit.⁶¹ He assumes that technical progress involves the substitution of constant capital for direct labor. The value of the constant capital is equal to or less than that of the labor power it replaces, and Tugan argues that "the amount produced under the new technical conditions cannot on these assumptions decline, or there would be no economic sense in replacing hand production by machine labor".⁶² He concludes that the rate of profit either remains constant or rises.

There are deficiencies in Tugan's treatment but his overall argument is sound. Marx had not ignored the 'counteracting tendency' of a rising rate of surplus value, as Tugan rather implies, but he had clearly not regarded it as undermining the entire structure of his own theory.⁶³ This may have been the basis for Lenin's remark that Tugan "simply introduces at random an alteration . . . so as to refute Marx", the whole procedure being "monstrously stupid and absurd".⁶⁴ Also, Tugan's criticism did not recognise the complexity of Marx' argument, which dealt with the matter in the context of a multi-commodity economy, where an innovation raises both the organic composition and the rate of surplus value, so that at the initial prices it appears profitable; only when capitalists fully adopt the new technology does the new set of prices imply a reduced profit rate.

The logical structure of Tugan's argument is confined to a world in which there is a single produced commodity, whose process of production includes itself and labor power (though he does not realize this

himself and sometimes uses a three-department model in which, however, the organic composition is uniform throughout).⁶⁵ Hence there are no relative prices that can change (assuming a constant wage), and Tugan is unable to confront Marx' analysis. Nevertheless, to invalidate a supposed general law only one counter-example is required and Tugan provided such a 'special case' refutation. His insight was a powerful one. It would be fully vindicated by later generations of Marxists in the form of the celebrated 'Okishio Theorem' which states that cost-reducing innovations do indeed raise the rate of profit, so long as real wages are unchanged.⁶⁶

Tugan's argument, however, made little impact on orthodox Marxists. Not until the publication of Henryk Grossmann's *The Law of Accumulation and the Breakdown of the Capitalist System* in 1929 did the law of the falling rate of profit play a significant role in Marxist crisis theory.⁶⁷ But it is to Tugan's credit that he was a pioneer in suggesting this line of development to be a blind alley. His argument was also relevant in the further evolution of Marxism, for it underpinned his belief that capitalism had no 'breakdown' tendencies. It was from this position that he argued that socialism required a non-economic basis, and in doing this he anticipated the later development of 'Western Marxism' (see Section VIII below).

Tugan and the other Legal Marxists were on equally firm ground in arguing that the maturation of capitalism involved a rise in real wages. Like Bernstein and the German revisionists, they believed that immizeration was confined to the early stages of capitalist development; once capitalism was firmly established as the dominant mode of production, there was a tendency for wages to increase.⁶⁸ Of course, history was on their side; real wages have indeed risen in the long run of capitalist development. But where the revisionists failed was in providing an explanation, and here they shared the weakness of orthodox Marxism. Plekhanov and Lenin interpreted Marx as arguing that immizeration would be relative, not necessarily absolute, and sought to show that the statistics from advanced capitalist societies were in accord with this.⁶⁹ This was broadly consistent with the tenor of Marx' many comments upon immizeration, which regard it as a matter of relative shares and, of course, it does not conflict with the substance of what the revisionists claimed.⁷⁰ The problem is that, given Marx' theory of an ever-increasing

reserve army of unemployed, and his own views on the limited capabilities of trade unions,⁷¹ no theoretical justification was provided as to why impoverishment was not more severe. Neither orthodox nor revisionist writers had provided a satisfactory *theory* of wages.

Tugan's own failure is, however, easily understood. His theory of extended reproduction uncritically incorporated Marx' view that technical progress under capitalism has a strong labor-saving bias, as represented by a rising organic composition of capital.⁷² This was precisely the form of innovation most likely to preclude any large and sustained rise in wages. Here again it was Tugan's engagement with Populist economics which hindered his revision of Marxism.

VII. THE THEORY OF VALUE

In the theory of value the arguments of the Russian revisionists were a little stronger, but so were those of the orthodox Marxists. Both Tugan and Bulgakov had seen a serious flaw in the transformation procedure of *Capital*, Volume III, where (they argued) Marx had effectively treated the rate of profit as an exogenous, rather than an endogenous, variable. As Bulgakov put it:

Even if total prices in the economy coincide with total value, it does not mean that value is determined by labour and profit by surplus value . . . If it is not proved that in each individual instance profit consists of surplus value, then it is odd to define the average rate of profit by dividing total surplus value by total capital . . . This is a complete *petitio principii*, although it is the spiritual centre of the theory.⁷³

Tugan identified what he believed to be an 'inner contradiction' in Marx' concept of value: "According to Marx, value is objectified labor. But, as Marx expressly recognizes, price does not equal labor value. And labor cannot objectify itself in anything, if not in price. Hence value is not objectified labor". The consequence is that Marx "lives in a fantasy world, which bears no relation to the real world. Real phenomena — like the price of land — are described as imaginary, while entirely imaginary concepts — like the 'exchange value' which plays no part in exchange relations — are proclaimed as the key to the highest economic wisdom".⁷⁴

However, Tugan's value theory had its own problems. He believed that the objectivism of the labor theory had to be supplemented with subjectivist utility theory. Since real economic life had both a subjective

and an objective aspect, value theory must also be two-dimensional. Economic action involved both the (subjective) goal of utility maximization and (objective) changes to the external world. Ricardo at least had recognized this, Tugan argued, and had assumed maximizing behaviour without being able to formulate the law of diminishing marginal utility. This same law, however, completes the Ricardian theory of value rather than contradicting it, in exactly the same way that utility theories of value require the objective element provided by labor cost. Tugan concluded that equilibrium required (for each pair of commodities) equality between the ratio of their marginal utilities and the ratio of their labor costs. Labor was not the substance of value, as Marx had maintained, but the most important determinant of the average price of the majority of commodities.⁷⁵

A similar synthesis was proposed by the German conservative W. Mühlplfort and (in a rather different form) by Alfred Marshall, *doyen* of English liberal economics, as well as by Leif Johansen and Michio Morishima in recent years.⁷⁶ For Tugan it proved to be a path full of pitfalls, and Bukharin showed no clemency in exposing them. Neo-classical value theory rested upon a liberal conception of the relation between society and the individual which was at odds with that of Marxism, Bukharin argued. Its concepts could not simply be appended to those of Marx without undermining the coherence of the whole.⁷⁷ The point was reinforced by some neoclassical critics, who argued that utility theory was sufficient unto itself; it needed no additional theory of costs provided by objectivism, since utility considerations underlay the supply side as much as that of demand.⁷⁸ Furthermore, Austrian neoclassicism, the principal influence upon Tugan, was precisely that form of subjectivist theory which came most into conflict with his theory of accumulation. Austrian theory traced the value of capital equipment to the contribution it made to the production of consumption goods.⁷⁹ Accumulation was thereby made dependent upon consumption demand and, as Bukharin pointed out, this contradicted Tugan's own position in the analysis of reproduction, where consumption demand received no special status.⁸⁰ In addition, Bukharin might have noted — if he had not been equally confused on the issue — that the neoclassical conception of demand precluded the type of demand deficiencies that underlay Tugan's theory of cyclical crises.⁸¹

There were further deficiencies in Tugan's attempted reconciliation

of utility theory with labor cost. Although he recognised elsewhere that different capital intensities will mean that ratios of labor values cannot equal ratios of equilibrium prices, he did not incorporate this into his equations relating labor values to marginal utilities. Furthermore, he rejected Marx' own notion of value but provided no convincing justification for retaining concepts which stemmed from it. Instead, he embraced an ill-defined eclecticism which confused the real issues dividing the 'objective' from the 'subjective' approaches in the formulation of economic theory.⁸²

VIII. TUGAN-BARANOVSKY AND 'WESTERN MARXISM'

Tugan's attempt to incorporate subjectivism into Marxism had a more profound significance outside the narrow confines of the theory of value. Unlike other Legal Marxists, Tugan did not reject socialism. He remained highly critical of capitalism, and it was his economic theory, combined with his neo-Kantianism, which explains why.⁸³ As indicated in Section IV, he believed "the production of machines by ever more machines" to be both incompatible with human values and an expression of the very essence of capitalism. Thus he was led to emphasize the themes of alienation and fetishism which he found in Marx, and which most contemporary Marxists devalued or simply ignored. Tugan condemned capitalism because it was inhuman, not because it would break down. If it was to be replaced, the rationale for doing so would have to be ethical, and the means by which it would be accomplished could only be action based on choice. "Humanity will not receive Socialism as the gift of blind, elemental economic forces. It must consciously work and struggle for the new social order". Socialism ceased to be 'scientific'; its basis was a new form of utopianism, but one informed by Marxism.⁸⁴

This was in many ways a more fruitful perspective than that of contemporary German revisionism, in which socialism was all too often seen as the inevitable culmination of bourgeois liberalism. And ideas similar to Tugan's became central to 'Western Marxism' after the Russian revolution. Increasingly, Marxists like Lukács, Gramsci and the Frankfurt School thinkers repudiated the primacy of political economy and embraced superstructural analysis; social philosophy, epistemology

and aesthetics dominated their critique of capitalism. The 'Young Marx', not the 'Mature Marx' who had most influenced the thought of the Second International, became the principal source of inspiration.⁸⁵ Tugan-Baranovsky can legitimately claim to have led the way, even if this fact went unrecognized.

IX. CONCLUSION

Russian revisionism compares favorably with its German counterpart, both in intellectual importance and in actual influence. The Russian revisionists made analytical errors which were sometimes exposed by orthodox Marxists, but their critique was generally far sharper than that of Bernstein and his associates. Moreover, many of their ideas appear to have significantly influenced revolutionary Marxism. Both Lenin and Trotsky took up themes which were initiated by the Russian revisionists; they were, for all their apparent dogmatism, men of immense erudition whose sensitivity to non-Marxian streams of thought is now generally appreciated. Our argument above indicates that Russian revisionism can also legitimately make its claim as a formative influence upon their thought. Bukharin, by contrast, resisted the logic of Tugan's economics and lost his battle against 'primitive socialist accumulation'. The importance of Tugan-Baranovsky, in particular, for the intellectual evolution of Marxism also goes far beyond its Russian dimension. Precisely those issues which separated him from Orthodoxy have led the main body of 'Western Marxist' theorists to devalue the importance of economics. However, even here, Tugan shares some common ground with Bolshevism. Lenin's theory of class consciousness and party organization pushed the voluntaristic element in Plekhanov's orthodoxy to the extreme. Shortly after the 1917 revolution, voluntarism came to be regarded as the very essence of 'Leninism' and was to make its own impact on 'Western Marxism', contributing to the repudiation of determinism as it was understood before 1914. There is an element of paradox in accepting that Lenin's and Tugan's work had such an important quality in common, but on the argument of this article it is much weaker than might otherwise be thought.

Very little of all this has been recognized by historians of thought. Russian revisionists have, at best, been considered significant critics of

Marxian theory, and not an influence upon its own development. The reasons for this appear to be three-fold. First, the revisionist controversy within Russian Marxism was a muted affair compared to that in Germany. During the 1890s both Legal and orthodox Marxists viewed Populism as the common foe, and consequently tended to close ranks against it. Furthermore, all Legal Marxists at the time accepted the need for a bourgeois-democratic revolution; they were unwilling to embrace Economism, which was seen by the orthodox as the real threat between 1898 and 1903. By 1901 the Legal Marxists had moved out of the Social-Democratic movement altogether, and this further reduced Plekhanov's and Lenin's willingness to engage them systematically. As we have seen, orthodox Marxism did not adopt a policy of total silence toward the Russian revisionists, but its responses were sporadic and sometimes restrained.

Second, and following on from this, the Legal Marxists' departure from Social Democracy meant that revolutionary Marxists could not admit to any influence by the revisionists. To do so would have provided ammunition for their opponents within the orthodox wing of Marxism itself. Thus Lenin's discussion of Russian modernization after 1905 in terms of the 'Prussian' model of bourgeois transformation is virtually identical to that of Struve. But by this time Struve was *persona non grata* in radical socialist circles, and it was natural that Lenin felt no desire to provide Menshevik critics with additional grounds for questioning the political economy of Bolshevism. Because of this, it is impossible *textually* to substantiate the influence of the Russian revisionists upon the orthodox Marxists. However, even if it were the case that this influence was non-existent, it would remain true, as we have seen, that crucially important elements in the theories of the leading Marxists were anticipated by the Russian revisionists.

Third, precisely because the Legal Marxists broke with Russian orthodoxy, and their ideas were given no explicit recognition by the orthodox, it has been assumed that they were actually insignificant in the development of Marxism. This is a mistake which is most pronounced in the case of Tugan-Baranovsky. While he did part company with Russian Marxism, he did not follow other Legal Marxists in ceasing to be a socialist. Instead, he sought to provide a different foundation for his critique of capitalism by marrying his economics with

ideas considered by the orthodox to be 'utopian'. It was precisely these elements, under different designations, which subsequently defined the dominant tradition of Marxism in the West during the present century.

NOTES

¹ References to Plekhanov's *Selected Philosophical Works* (Moscow, Progress Publishers, 1974—1981) are indicated by *SPW*, followed by volume number. References to Lenin's *Collected Works* (Moscow, Progress Publishers, 1960—1970) are indicated by *CW*, followed by volume number.

² On this see R. Kindersley, *The First Russian Revisionists*, Oxford, Clarendon Press, 1962; L. Kolakowski, *Main Currents of Marxism*, Vol. 2, Oxford, Oxford University Press, 1981, pp. 362—373; R. Pipes, *Struve: Liberal on the Left*, Cambridge, Mass., Harvard University Press, 1970; A. P. Mendel, *Dilemmas of Progress in Tsarist Russia*, Cambridge, Mass., Harvard University Press, 1961; G. Fischer, *Russian Liberalism*, Cambridge, Mass., Harvard University Press, 1958.

³ J. Frankel (ed.), *Vladimir Akimov on the Dilemmas of Russian Marxism, 1895—1903*, Cambridge, Cambridge University Press, 1969, p. 42. For a general account of Economism see also N. Harding, *Lenin's Political Thought*, London, Macmillan, 1983, Chapter 6.

⁴ *CW*, V, pp. 349—520.

⁵ Kindersley, *op. cit.*, pp. 112, 204; Pipes, *op. cit.*, p. 107; L. I. Kowal, 'Economic Doctrines of M. I. Tugan-Baranovsky' (unpublished Ph.D. thesis, University of Illinois, 1965), Chapter IV.

⁶ E. Bernstein, 'Tugan-Baranowsky's Marx-Kritik', *Dokumente des Sozialismus, Hefte für Geschichte, Urkunde und Bibliographie des Sozialismus* 5, 1905, pp. 418—421; Bernstein, 'Tugan-Baranowsky als Sozialist', *Archiv für Sozialwissenschaft und Sozialpolitik* 28, 1909, pp. 786—796.

⁷ K. Kautsky, 'Krisentheorien', *Die Neue Zeit* 20, 1901—1902, pp. 37—47, 76—81, 110—118 and 133—143; Kautsky, 'Verelendung und Zusammenbruch: die Neueste Phase des Revisionismus', *ibid.* 26, 1908, pp. 540—551 and 607—612.

⁸ C. Schmidt, 'Zur Theorie der Handelskrisen und der Ueberproduktion', *Sozialistische Monatshefte* 9, 1901, pp. 669—882; O. Bauer, 'Mathematische Formeln Gegen Tugan-Baranowsky', *Die Neue Zeit* 26, 1906—1907, pp. 822—823; L. S. Boudin, 'Mathematische Formeln Gegen Karl Marx', *ibid.* 26, 1907, pp. 524—535, 557—567 and 603—610; A. Pannekoek, 'Herrn Tugan-Baranowsky's Marx-Kritik', *ibid.* 28, 1910, pp. 772—783.

⁹ S. Cohen, *Bukharin and the Bolshevik Revolution*, Oxford, Oxford University Press, 1980, Chapter VI.

¹⁰ P. B. Struve, *Kriticheskie zametki k voprosu 'ob ekonomicheskom razvitiu Rossii* (Critical Notes on the Question of the Economic Development of Russia), St. Petersburg, I. Skorochodov, 1894.

¹¹ P. B. Struve, 'Die Marxsche Theorie der Sozialen Entwicklung: ein Kritischer Versuch', *Archiv für Sozialwissenschaft und Sozialpolitik* XIV, 1899, pp. 658—704; Kindersley, *op. cit.*, pp. 131—134.

¹² Nikolai-on, *Ocherki nashego poreformennogo obschestvennogo khozyaystva*

(Essays on Our Reformed Social Economy), St. Petersburg, A. Benke, 1893 (Danielson wrote under the pseudonym of Nikolai-on).

¹³ A. Walicki, *The Controversy Over Capitalism*, Oxford, Oxford University Press, 1969, pp. 172ff.; G. Plekhanov, *SPW*, II, pp. 477ff.

¹⁴ Kindersley, *op. cit.*, p. 176.

¹⁵ G. Plekhanov, 'A Critique of Our Critics' in *SPW*, II, pp. 474–595.

¹⁶ *CW*, III, p. 32; IV, pp. 14–5; VI, p. 401; IX, p. 17; XI, p. 187; XII, pp. 221, 854; XIII, pp. 239, 243, 276, 422, 442; XV, pp. 42, 80–90, 161, 267, 337, 349–50; XVI, p. 330; XVII, pp. 27, 68, 112, 121; XIX, pp. 104, 180; XX, pp. 117, 242.

¹⁷ *CW*, II, p. 33; VIII, pp. 488, 492, 511, 526; IX, pp. 50, 124, 399; X, pp. 374, 464; XI, pp. 51, 79, 147, 208, 211, 229; XII, p. 212; XIII, p. 456; XV, pp. 337, 399; XVI, pp. 16, 99, 199, 290; XVII, pp. 212, 250; XVIII, pp. 130, 151, 494.

¹⁸ *CW*, XIII, pp. 212, 234, 387; XVI, pp. 93, 117; XVII, pp. 117, 124.

¹⁹ Pipes, *op. cit.*; R. Pipes, *Struve: Liberal on the Right, 1905–1944*, Cambridge, Mass., Harvard University Press, 1980.

²⁰ *CW*, I, pp. 395, 400; IV, p. 74.

²¹ K. Marx and F. Engels, *Selected Correspondence*, Moscow, Progress Publishers, 1965, p. 463.

²² *CW*, I, pp. 44, 171, 400, 407, 446, 483; II, pp. 187, 215; III, pp. 172, 233, 272, 313, 317, 415, 424, 430, 447, 490, 516, 544, 595, 599; IV, p. 312.

²³ *CW*, I, pp. 69, 93, 141, 149, 153, 173, 175, 178, 218, 228, 309, 367, 380, 407, 424, 430, 436, 438, 450, 459, 466, 467, 480, 485, 492, 494; III, pp. 27, 67, 69, 155, 174, 178, 181, 193, 205, 244, 252, 284, 309, 311, 317, 324, 369, 335, 344, 355, 367, 376, 383, 389, 392, 408, 417, 431, 453, 470, 496, 535, 540, 548, 589, 595, 611, 656; IV, pp. 51, 115.

²⁴ P. Gattrell, *The Tsarist Economy, 1850–1917*, London, Batsford, 1986, pp. 48–97.

²⁵ R. L. Meek (ed.), *Marx and Engels on Malthus*, New York, International Publishers, 1954.

²⁶ See R. Brenner, 'Agrarian Class Structure and Economic Development in Pre-Industrial Europe', *Past and Present* 70, 1976, pp. 30–75, P. Anderson, *Passages from Antiquity to Feudalism*, London, Verso, 1978, pp. 182–209.

²⁷ K. Kautsky, *Die Agrarfrage*, Stuttgart, Dietz, 1899.

²⁸ A. Hussain and K. Tribe, *Marxism and the Agrarian Question*, Vol. 1, New Jersey, Humanities Press, 1981.

²⁹ Kindersley, *op. cit.*, pp. 172–175; *CW*, IV, pp. 109–159; V, pp. 107–223; VI, pp. 341–347; XIII, pp. 171–216.

³⁰ *CW*, I, pp. 51, 209; III, pp. 72, 78, 87, 114, 176, 311, 355, 545; IV, pp. 54, 136.

³¹ *CW*, XIX, p. 210.

³² See K. Marx, *Capital*, Vol. III, London, Lawrence and Wishart, 1972, Part VI, and *Theories of Surplus Value*, Part II, London, Lawrence and Wishart, 1971.

³³ *CW*, XIII, pp. 294–325, 390.

³⁴ *CW*, VI, p. 346; XIII, pp. 81, 272, 290, 318; XV, pp. 256, 260; XVIII, pp. 144, 148.

³⁵ K. Marx, *Capital*, Vol. I, London, Lawrence and Wishart, 1970, Part VIII; Brenner, 'Agrarian Class Structure' *op. cit.*; R. Brenner, 'The Agrarian Roots of European Capitalism', *Past and Present* 97, 1982, pp. 16–113; *CW*, IV, p. 118.

³⁶ This causes certain difficulties for his model of capitalism: see K. Tribe, 'Economic Property and the Theorisation of Ground Rent', *Economy and Society* 6, 1977, pp. 66–88.

³⁷ *CW*, XIX, p. 291.

³⁸ K. Marx, *Capital*, Volume II, London, Lawrence and Wishart, 1970, Chapters XX and XXI. A Russian translation appeared in 1886.

³⁹ M. I. Tugan-Baranovsky, *Promyshlennyye krizisy v sovremennoi anglii* (Industrial Crises in Contemporary England), St. Petersburg, I. N. Skorokhodova, 1894. A second edition appeared in 1900, and a third in 1914. The second edition was translated into German as *Studien zur Theorie und Geschichte der Handelskrisen in England*, Jena, G. Fisher, 1901. The third edition has been partially translated into English as 'Periodic Industrial Crises', *Annals of the Ukrainian Academy of Arts and Sciences in the United States*, 1954, pp. 745–802.

⁴⁰ Tugan's schemes are presented in Kowal, *Economic Doctrines*, *op. cit.*, pp. 309–320.

⁴¹ This claim was backed up by a critique of Marx' arguments on the falling rate of profit and immizeration (see Section VI below).

⁴² M. Tugan-Baranovsky, *Studien*, p. 203; L. M. Kowal, 'The Market and Business Cycle Theories of M. I. Tugan-Baranovsky', *Rivista Internazionale di Scienza Economica e Commerciale*, 4, 1973, p. 308; S. Amato, 'Tugan-Baranovsky's Theories of Markets, Accumulation and Industrialisation', in I. S. Koropeckyj (ed.), *Selected Contributions of Ukrainian Scholars to Economics*, Cambridge, Mass., Harvard University Press, 1984, pp. 15–16.

⁴³ *SPW*, II, pp. 491, 552; *CW*, I, p. 187; II, p. 166; III, pp. 45, 54; IV, p. 46.

⁴⁴ K. Kautsky, 'Krisentheorien', *Die Neue Zeit*, XX, 1901–1902, p. 117; N. Bukharin, *Imperialism and the Accumulation of Capital*, New York, Monthly Review Press, 1972.

⁴⁵ R. Hilferding, *Finance Capital*, London, Routledge and Kegan Paul, 1981, pp. 243, 285, 420, 421.

⁴⁶ R. Luxemburg, *The Accumulation of Capital*, London, Routledge and Kegan Paul, 1951, p. 315. Also see R. Luxemburg, *The Accumulation of Capital — An Anti-Critique*, New York, Monthly Review, 1972.

⁴⁷ M. Kalecki, *Selected Essays on the Dynamics of the Capitalist Economy, 1933–1970*, Cambridge, Cambridge University Press, 1971, pp. 146–155. See also J. Robinson, 'Introduction' in Luxemburg, *Accumulation of Capital*, pp. 13–28; and P. M. Sweezy, *The Theory of Capitalist Development*, New York, Monthly Review Press, 1968, Chapter X.

⁴⁸ E. A. Preobrazhensky, *The Crisis of Soviet Industrialisation*, New York, Sharpe, 1980 (consisting of articles first published in the 1920s) and *The New Economics*, Oxford, Oxford University Press, 1965 (first published in 1926).

⁴⁹ N. I. Bukharin, *Selected Writings on the State and the Transition to Socialism*, Nottingham, Spokesman, 1982 (mainly consisting of writings first published in the 1920s); Cohen, *op. cit.*, Chapter VI.

⁵⁰ Luxemburg, *Accumulation*, pp. 311–326.

⁵¹ See Section VIII below.

⁵² The book went through three editions between 1898 and 1907. There was a German translation based on the second Russian edition of 1900, published in the same year. The third edition has been reprinted four times in Russia since 1917, which indicates its seminal quality. References here are to the English translation (Home-wood, Illinois: Richard D. Irwin, 1970) of the third Russian edition.

⁵³ Tugan-Baranovsky, *Factory*, pp. 1–43, 204.

⁵⁴ *Ibid.*, pp. 53, 297; also see Chapter 12.

⁵⁵ *Ibid.*, Chapters 8 and 13.

⁵⁶ L. Trotsky, *Results and Prospects in The Permanent Revolution*, New York, Pathfinder Press, 1969, pp. 29–122 (first published in 1906); L. Trotsky, *1905*, New York, Random House, 1971 (first published in 1908); L. Trotsky, *The History of the Russian Revolution*, London, Pluto, 1977 (written in 1930).

⁵⁷ *SPW*, I, pp. 107–352; *CW*, III.

⁵⁸ J. Molyneux, *Leon Trotsky's Theory of Revolution*, London, Harvester, 1981; M. Löwry, *The Politics of Combined and Uneven Development*, London, Verso, 1981; B. Knei-Paz, *The Social and Political Thought of Leon Trotsky*, Oxford, Oxford University Press, 1978. See also B. Moore, *The Social Origins of Dictatorship and Democracy*, Harmondsworth, Penguin, 1967 and A. Gerschenkron, *Economic Backwardness in Historical Perspective*, Cambridge, Mass., Harvard University Press, 1966.

⁵⁹ Tugan-Baranovsky, *Factory*, pp. 94–95, 257, 268, 277.

⁶⁰ Simultaneously with Tugan this point was made by B. Croce, 'A Critique of the Marxian Law of the Fall in the Rate of Profit', in Croce, *Historical Materialism and the Economics of Karl Marx*, London, Cass, 1966; article first published in 1899.

⁶¹ *Studien*, ch. 7; M. Tugan-Baranovsky, *Theoretische Grundlagen des Marxismus*, Leipzig, Dunker and Humblot, 1905, pp. 174–185.

⁶² Tugan-Baranovsky, *Studien*, p. 212.

⁶³ K. Marx, *Capital*, Volume III, Moscow, Foreign Language Publishing House, 1962, Ch. 14; M. C. Howard and J. E. King, *The Political Economy of Marx*, Harlow, Longman, 2nd ed., 1985, pp. 200–205.

⁶⁴ E. M. Hill and D. Mudie (eds.), *The Letters of Lenin*, Westport, Connecticut, Hyperion Press, 1973, p. 86.

⁶⁵ See P. Garegnani, 'Heterogeneous Capital, the Production Function and the Theory of Distribution', *Review of Economic Studies*, Volume 37, 1970, pp. 407–436.

⁶⁶ N. Okishio, 'A Mathematical Note on Marxian Theorems', *Weltwirtschaftliches Archiv* 91, 1963, pp. 287–298; Okishio was anticipated by K. Shibata, 'On the Law of Decline in the Rate of Profit', *Kyoto University Economic Review* July 1934, pp. 61–75 and 'On the General Profit Rate', *ibid.*, January 1939, pp. 40–66, and much less rigorously, by N. Moszkowska, *Das Marxsche System: ein Beitrag zu dessen Aufbau*, Berlin, Verlag Hans Robert Engelmann, 1929, Ch. II, both owing much to L. von Bortkiewicz, 'Value and Price in the Marxian System', *International Economic Papers* 2, 1952, pp. 36–51 (first published, in German, in 1907).

⁶⁷ H. Grossman, *Das Akkumulations — und Zusammenbruchsgesetz des Kapitalistischen Systems (Zugleich Eine Krisentheorie)*, Leipzig, C. L. Hirschfeld, 1929; reprinted 1970, Verlag Neue Kritik, Frankfurt am Main; M. C. Howard and J. E. King, 'Henryk Grossmann and the Breakdown of Capitalism', *Science and Society*, 52, 1988, pp. 290–309.

⁶⁸ Tugan-Baranovsky, *Factory*, pp. 351–352; see also Kindersley, *op. cit.*

⁶⁹ *SPW*, II, p. 537; *CW*, I, p. 470; IV, pp. 106, 201, 233, 310.

⁷⁰ R. L. Meek, *Economics and Ideology and Other Essays*, London, Chapman and Hall, 1967, pp. 113–128.

⁷¹ Howard and King, *op. cit.*, pp. 119–123, 197–199.

⁷² *Ibid.*, pp. 194–207.

⁷³ S. N. Bulgakov, 'Trety tom "Kapitala" K. Marksa' ('Third Volume of the "Capital" of K. Marx'), *Russkaya Mysl*, 3, 1895, p. 12, quoted in Kindersley, *op. cit.*, pp. 157–158. There is an indication that this worried Lenin: see *CW*, IV, p. 197.

⁷⁴ *Theoretische Grundlagen*, pp. 140, 142; cf. *ibid.*, pp. 166–174.

⁷⁵ M. Tugan-Baranovsky, 'Subjektivismus und Objektivismus in der Wertlehre', *Archiv für Sozialwissenschaft und Sozialpolitik* 22, 1906, pp. 557–564; *Theoretische Grundlagen*, pp. 154–165. For neoclassical influences on other Legal Marxists see Kindersley, *op. cit.*, pp. 154–172.

⁷⁶ M. C. Howard and J. E. King, 'Dr. Mühlfort, Professor von Bortkiewicz and the "Transformation Problem"', *Cambridge Journal of Economics* 11, 1987, pp. 1–4; A. Marshall, *Principles of Economics*, London, Macmillan, 1890, Appendix I; L. Johansen, 'Labour Theory of Value and Marginal Utilities', *Economics of Planning* 3, 1963, pp. 89–103; M. Morishima, *Marx's Economics: A Dual Theory of Value and Growth*, Cambridge, Cambridge University Press, 1973.

⁷⁷ N. Bukharin, 'Tugan Baranovsky's Theory of Value' in his *The Economic Theory of the Leisure Class*, New York, Monthly Review Press, 1972, pp. 169–172; see also R. Hilferding, 'Böhm-Bawerk's Criticism of Marx', in P. Sweezy (ed.) *Karl Marx and the Close of His System*, New York, Kelly, 1966, pp. 121–196 (Bukharin's book was written in 1914 and Hilferding's article was first published in 1904).

⁷⁸ V. P. Timoshenko, 'M. I. Tugan-Baranovsky and Western European Economic Thought', *Annals of the Ukrainian Academy of Arts and Sciences in the United States*, 1954, pp. 803–823; V. Walsh, *Introduction to Contemporary Microeconomics*, New York, McGraw-Hill, 1970, pp. 265–271.

⁷⁹ See M. C. Howard, 'Austrian Capital Theory: An Evaluation in Terms of Piero Sraffa's "Production of Commodities by Means of Commodities"', *Metroeconomica* 32, 1980, pp. 1–23.

⁸⁰ Bukharin, *Imperialism*, pp. 218–219.

⁸¹ See M. C. Howard, *Profits in Economic Theory*, London, Macmillan, 1983, pp. 164–177.

⁸² Howard, *Profits*, pp. 143–144, 153–155.

⁸³ Tugan-Baranovsky, *Studien*, pp. 228–231.

⁸⁴ Tugan-Baranovsky, *Theoretische Grundlagen*, pp. 236–239; see also M. Tugan-Baranovsky, *Modern Socialism in its Historical Development*, London, Swann Sonnenschein, 1910.

⁸⁵ P. Anderson, *Considerations on Western Marxism*, London, New Left Books, 1976; L. Kolakowski, *Main Currents of Marxism*, vol. 3, Oxford, Oxford University Press, 1978; D. McLellan, *Marxism After Marx*, London, MacMillan, 1979; J. Merquior, *Western Marxism*, London, Paladin, 1986.

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