

Henryk Grossman and the history of science, a biographical sketch

Rick Kuhn

Henryk Grossman is best known as an economic theorist. This sketch outlines his life, with an emphasis on his commitment to Marxism, which underpinned not only his contributions to the theory of economic crisis, the labor theory of value, imperialism and Marx's method in *Capital*, but also his work in economic history, the history of economic thought and the history of science. It draws on *Henryk Grossman and the recovery of Marxism*, the full biography of Grossman, and only provides citations to sources not referenced there.¹

Chaskel Grossman's parents, Herz Grossman and Sara Kurz, had an unconventional relationship. Herz was much older than Sara and they had five children between 1876 and 1884, before getting married in 1887. Herz's business activities were very successful. The family was Jewish, but increasingly assimilated to the Polish high culture of Galician government, big business and art. For the constitutional reform of the Austro-Hungarian Empire in 1867 had given effective local control of its economically backward Polish province and its thoroughly undemocratic parliament to the upper reaches of the Polish nobility. On 14 April 1881, Herz and Sara's son, Chaskel, was born in Kraków, the administrative capital of western Galicia and the cultural capital of partitioned Poland. Chaskel is a Yiddish name, but he was probably known, like his father, as Henryk from an early age, and formally adopted this Polish name in early 1915.

Henryk and his surviving brother went to a twelve year, academic high school. The state languages of Galicia and the Empire, Polish and German, were on the curriculum every year, as were religion, geography, math and science. His overall results were above average, but not outstanding. During the semester following his father's death, in June 1896, his grades, particularly in mathematics, fell.

Once he came of age Henryk did not, to his mother's disappointment, take on major responsibilities in the family's business enterprises, coal mining, warehousing of imports and exports and landed property. But young Grossman had certainly absorbed some ruling class tastes and even personality traits. The theatre, the great works of Polish literature, art exhibitions and especially classical music gave him pleasure. He shared the fashionable, slightly bohemian enthusiasm for skiing, mountain air, climbing and rambling in the Tatras. Standards of personal behavior in Galicia were set by the Polish nobility. In this spirit, Henryk developed considerable self-confidence and a strong sense of personal honor.

While still at school, however, Henryk had become involved in the socialist movement. By the end of his first year at the Jagiellonian University, he was taking an interest in the Jewish question and was critical of the nationalism of the Polish Social Democratic

1 In German speaking countries Grossman was generally known as Henryk Grossmann. Rick Kuhn *Henryk Grossman and the recovery of Marxism* University of Illinois Press, Urbana and Chicago 2007.

Party (PPSD), the Galician component of the federal Austrian Social Democratic Party. He agitated in favor of rights for Ukrainian students at the university in Lwów (now L'viv, in the Ukraine) and was soon a leading figure in 'Movement', the main organization of radical and socialist university students in Kraków. His political activities included support for Marxist parties in the Russian-occupied 'Congress Kingdom of Poland'. Grossman arranged the smuggling of literature and participated in a welfare body associated with the Social Democratic Party of the Kingdom of Poland and Lithuania, the Party of the influential Marxist theorist Rosa Luxemburg, who was by then living in Germany.

From around 1902, Grossman increasingly devoted his political efforts to revitalizing the Jewish labor movement in Kraków. He established and became the secretary of a new general Jewish workers' association in Kraków, 'Progress', which started out with twelve members. In 1903, when he was Movement's secretary the student group's membership peaked at 110, while Progress already had 130 adherents.

In the face of PPSD neglect of the Jewish working class and the escalating recruiting efforts of Labor Zionists, Grossman, many hundreds of workers and other Jewish university students split from the Polish social democrats in Galicia. They announced the foundation of the Jewish Social Democratic Party of Galicia on May Day 1905, in four Galician cities. As well as writing a pamphlet on the Jewish question before the split, Grossman was the principal author of the JSDP's founding manifesto, and probably the key document in the bulletin which preceded its first congress. He was elected the organization's first secretary.

Although never admitted to the federal Austrian Social Democratic Party, the JSDP quickly organized about 2,000 workers, the bulk of the PPSD's Jewish membership. The new party played a very active role promoting the upsurge in workers' struggles in Austria-Hungary, which followed the outbreak of revolution in Russia in January 1905. Conducting most of its agitation in Yiddish, it came to dominate the Jewish labor movement in Galicia. The JSDP's militancy in economic and political struggles helped it outpace the Labor Zionists. By leading strikes and boycotts, it was able to organize new sections of the working class into local general unions and branches of the Vienna based industry unions under its influence. From the second half of 1905 through to 1907, the campaign for universal male suffrage in Austria was one of the JSDP's most important activities, as it was for the whole Austrian social democratic movement. A crucial element in this and the Party's other work was its newspaper, the *Social democrat*, published weekly from October 1905.

At the JSDP's 1906 Congress, Grossman retired from the position of secretary, with its now routine responsibilities. But he remained on the Party Executive and in the day to day leadership of the Party until late 1908, apart from a period of study in Vienna, during winter semester 1906-1907. When the Party adopted its own national program at the 1906 Congress, it was Grossman who introduced the discussion. Previously the JSDP had simply accepted the federal Austrian Party's formal position on the national question, which favored transforming Austria into a federation of national territories. Now the Jewish social democrats demanded 'national cultural autonomy', the position of the Jewish Workers Union of Lithuania, Poland and Russia (known as the Bund), in the Russian empire.

By 1907, in the wake of the defeat of the revolution in Russia and as the economy moved into recession, the Austrian labor movement was on the defensive. During the

second half of the year, Grossman wrote *Bundism in Galicia*, a history of Jewish workers' efforts to establish socialist organizations in Galicia. This pamphlet provided a sophisticated historical and theoretical justification for the existence of the JSDP. The pamphlet made a similar case about the nature of an effective socialist party to that of Vladimir Ilyich Lenin and anticipated György Lukács's explanation, in the early 1920s, that the working class was both an object and the potential subject of history. Grossman's nuanced materialist history of ideas offered a sophisticated and dialectical analysis of the relationships amongst political organization and consciousness, national oppression and the routine struggles of the Jewish working class.

Jewish bourgeois nationalism in the form of Zionism, Grossman pointed out, was like Polish nationalism. Both demanded an independent territorial state. Zionism had no practical program and refused to fight for democracy here and now, let alone for the economic interests of the working class. On the other hand, the version of socialism that the PPSD presented to Jewish workers was too abstract. It did not address their immediate problems as both an oppressed and an exploited group; it offered no guidelines for contemporary political practice or struggles against oppression. PPSD leaders maintained that the Jewish question would be resolved under socialism. By promising abstract, future solution to their problems, either in Palestine or under socialism, both the PPSD and the Zionists contributed to the passivity of the Jewish masses. The 'analysis of **all the practical interests** of the Jewish workers' movement and all the important phenomena of Jewish social life' was a precondition for making socialism relevant to Jewish workers and winning them from rival ideologies. According to Grossman, only a Jewish working class party could do these things.

While remaining active in the Party, Grossman also took the opportunity of a quieter political period to get on with his academic career. He completed his doctorate (a first degree) in late 1908. Although his comrades knew that Grossman was about to leave Kraków for a long stay in Vienna, he was still the most prominent figure in the discussions at the JSDP's third Congress, in October 1908.

On 1 December 1908, soon after arriving in Vienna, Henryk married Janina Reicher, a painter and daughter of a wealthy commercial agent in Russian Poland. Socialist friends published congratulatory messages in the *Social democrat*. Not only was Grossman re-elected to the Party Executive, in 1908, but also in 1910 at the fourth Party Congress, which he did not attend. There was no room for him on the Executive after a special Congress in 1911, when the rump of the PPSD's Jewish organization fused with the JSDP.

In Vienna Grossman devoted most of his time to his new family—'Janka' gave birth to Jean Henri on 16 October 1910 and Stanislaus on May Day 1914—and academic research. Under the supervision of Carl Grünberg, the first professor with Marxist inclinations at a German speaking university, Grossman began a major study of the trade policy that the reforming Habsburg monarchs, Maria Theresia and her son Josef II, implemented in Galicia, between 1772 and 1790. Such a thesis was the basis for a higher doctorate, a prerequisite for a university post. The project involved extensive archival research in Vienna, Paris, Kraków and Lwów, in the course of which Grossman not only gleaned material for his thesis but also developed expertise in the history of official statistics in Austria and a series of professional contacts.

The substantial *Austria's trade policy with regard to Galicia during the reform period of 1772-1790* by 'Henryk Grossmann' appeared days before the outbreak of World War

I. It incorporated material and arguments from his earlier work on Galician politics and economic history, and the development of Austrian statistical collections, including academic articles in German and Polish published between 1910 and 1913. The book spelt out the details of Habsburg mercantilist policies during the short period of enlightened rule and the way their goal of increasing the province's value to the Empire, by promoting Galicia's economic development and trade. There were no references to Marx or any other Marxists. These might have raised questions about Grossman's suitability as a university professor. Much later, he asserted that the study was 'written from the standpoint of historical materialism'—a fair claim for this refutation of the nationalist orthodoxies of mainstream Polish and Austrian historians.

The War prevented Grossman from pursuing either an academic or a legal career. He did not share the patriotic fervor of July-August 1914 and only entered the army in February 1915, as a conscript. For a period, his military duties cannot have been very onerous as, in mid 1916, he was able to publish an account of the origins of official statistics in Austria and later a defense of it against criticism.

Grossman only spent short time in the field, initially as a non-commissioned training officer, then fighting with his unit on the Russian front in Volhynia. Soon he was appointed as the representative of the recently established Scientific Committee for the War Economy of the War Ministry to the General Government in Lublin, the administration of the Austrian occupied sector of the Congress Kingdom of Poland. The Committee was essentially a high powered think tank on the economic management of the war. Its staff included the cream of the younger generation of professional economists in Austria, from across the theoretical spectrum. While working under the Committee, Grossman was commissioned as a lieutenant.

In February 1917, Grossman wrote a critique of economic statistics produced by the Statistical Office of the General Government, which included his alternative calculation of the wealth of the Kingdom of Poland before the War. In the winter of 1917-18, he gave a lecture on the theory behind his estimates, at the prestigious Polish Academy of Science in Kraków. He also contributed an essay on the organization of credit to a book on the Kingdom of Poland before the War, published in mid 1917. During 1916-1917, Grossman may also have taken an interest in the social history of physics, particularly Descartes' understanding of science as a means to reduce human labor.

After the Bolshevik revolution in Russia, Grossman was recalled to the War Ministry in Vienna. He became a consultant (*Referent*) on economic aspects of peace negotiations, in the War Economy Section of the War Ministry.

When, in early November 1918, the revolutionary actions of soldiers, sailors, workers and, in Austria-Hungary, nationalist mobilizations brought an end to the War and the German and Habsburg monarchies, Grossman seemed to have excellent prospects in peace-time Vienna. But the limited Austrian revolution meant that he could not pursue a career as a senior official of the Austrian Statistical Commission. Such a post required citizenship of the new German-Austrian Republic. And precisely this was denied to large numbers of Galician Jews living in Vienna, like Henryk Grossman, by the racist policy of the new Republic's coalition government, in which the Social Democrats were the largest party.

Instead, he accepted a responsible position with the Polish Central Statistical Office (GUS) in Warsaw. But, before he took up that job, he delivered a paper on the Marxist theory of economic crises at the Academy of Sciences in Kraków. The address

expressed a number of the fundamental themes of his later work in economic theory. These included Marx's method in *Capital*, the inevitability of economic crises under capitalism, and the nature of capitalist production, as the contradictory unity of a labor process, creating useful things (use values) and a valorization process that creates value (that can take the form of money) and underpins profits.

At GUS, Grossman was entrusted with organizing independent Poland's first population census. This was a huge operation, employing at least 60 000 people. His work with GUS was interrupted by the brief Soviet-Polish War of June to September 1920. Grossman was conscripted into the army, as an officer. Fighting against the Red Army did not accord with his convictions. The authorities, suspicious about his behavior, stripped him of his military responsibilities and then had the police watch him. Back at GUS, while still in charge of preparations for the now delayed census, he wrote a report on rail freight statistics.

Grossman did not supervise the completion of the census. In the middle of 1921 he resigned from GUS. Carl Grünberg later explained that, 'as he was not prepared to accept the fudging ('Frisierung') of the census results in favor of the Polish majority and against the interests of the minorities, he left his post at the Statistical Commission and devoted himself exclusively to research and teaching'. How could a veteran of the Jewish working class's struggles against national oppression by the Austrian and Galician authorities be expected to go along with similar maneuvers by the newly independent Polish state? At GUS, there seems to have been sympathy for Grossman's stand. Well after his resignation, the Commission's journal published two articles by him: his wartime study of Russian Poland before the outbreak of hostilities and an account and analysis of the censuses of the Napoleonic Duchy of Warsaw in 1808 and 1810.

The Free University of Poland (WWP), where Grossman taught from 1921 and took up a full professorship in economic policy in 1922, provided a less politicized atmosphere and a job that allowed him to pursue his own research interests. The WWP was not a state institution and its staff included many leftists from the Polish Communist Workers' Party (KPRP) and the Polish Socialist Party (PPS).

One of his projects resulted in a monograph on Simonde de Sismondi's contribution to political economy. It paid particular attention to the relationship between Sismondi's method and analyses of economic crises and Marx's approach. Beyond Sismondi and even 18th century physiocracy and mercantilism, Grossman's interest in the history of political economy extended back to the 15th century and even antiquity. He collected materials on the economic ideas of Copernicus and investigated the history of slavery in Christendom. But the largest of his projects at the WWP was on the foundations and nature of Marx's theory of economic crises.

Political persecution forced Grossman to leave Poland in 1926 as a consequence of his membership of the KPRP. Given that the Party was subject to considerable police repression, cultural and educational front organizations were particularly important for the KPRP. The largest such organization was the People's University. It offered popular and specialist courses and collaborated with the trade unions' Workers' School. Other bodies close to the KPRP, like the 'Workers' Culture' association (Kultura Robotnicza) and the 'Book' publishing cooperative, used the facilities of the People's University. At the start of 1922, Henryk Grossman was the secretary of the People's University and soon became its chairperson, continuing in this role until 1925. He contributed to the

journal *Workers' culture*; for *Książka*, he translated, introduced and annotated several important works by Marx, which had not been published in Polish before.

Like other Communists, Grossman was subjected to harassment and arrest. Between 1922 and 1925 he was arrested and held in custody five times, for up to eight months. He was, however, never convicted. It seems that an unofficial arrangement with the Polish authorities for a kind of qualified exile was involved in his departure from Poland. He would leave the country but could visit for two weeks a year, so long as he only saw his family and did not engage in politics. Even before he departed, Henryk and Janka's marriage had apparently broken down, as a result of pressure from her family while he was in prison. They were never divorced and remained on good terms.

Carl Grünberg, now the Director of the Institute for Social Research in Frankfurt am Main, offered his former student a post as his assistant. The Institute was a remarkable body, associated with the University of Frankfurt and devoted to Marxist research. It provided Grossman with a good income, stable employment and a very favorable environment for his studies.

Grossman did not join the Communist Party of Germany (KPD), as a condition of his residence in Germany, and probably also of his arrangement with the Polish authorities. While still a sympathizer of the Communist International, he was no longer subject to Party discipline, especially in his research which was very much shaped by his earlier experience as an activist in the Jewish workers' and Communist movements. Like many Communists, out of loyalty to the Russian revolution and commitment to militant working class struggle, Grossman supported the Soviet Union, the KPRP, the KPD, and the Communist International despite all their political zigzags during the 1920s and, by 1930, the eradication of the last vestiges of workers' power in Russia.

The German police, concerned about Grossman's political associations, delayed the award of his higher doctorate. But he eventually received it, in March 1927, for *Austria's trade policy* and a trial lecture on 'Sismondi and classical political economy'. His inaugural lecture as a teacher (*Privatdozent*) at the University of Frankfurt, was 'Oresmius and Copernicus as monetary theorists'. In March 1930 Grossman was appointed to an extraordinary professorship (ausserordentlicher Professor) in the University's Faculty of Economics and Social Sciences.

Grossman's first publication in Germany appeared in 1927. It was a long critique of Fritz Sternberg's *Imperialism*, a large study of contemporary capitalism, which had received financial support from the Institute. The book dealt with issues Grossman was working on for a major publication. Against Sternberg's views, Grossman presented his own account of the scientific method used by Marx in *Capital*, foreshadowed in his 1919 lecture on economic crises. He argued that the simplifying assumptions Marx made early in *Capital*, in order to grasp fundamental processes, were progressively lifted as he introduced complicating factors, step by step. In this way, the analysis successively approached the empirical reality of capitalism. In contrast to Sternberg's voluntarist understanding of the process of revolution, in which its timing was determined only by the consciousness raising efforts of a socialist party, Grossman identified the Marxist position by quoting 'a specialist in revolutionary matters and at the same time a Marxist'. This expert, Lenin, had emphasized that the impossibility of the ruling class maintaining its domination in the old way and an acute deterioration in the living conditions of subordinate classes are objective preconditions for revolution.

The law of accumulation and breakdown of the capitalist system (being also a theory of crises), Grossman's best known work, appeared in 1929. The book employed Marx's method in *Capital*, moving from the abstract to the concrete. In their competitive drive to make profits, by increasing the productivity of their workers, individual capitalists invest a larger and larger proportion of their resources in machinery and equipment (constant capital) and a smaller proportion in wages (variable capital). But living labor is the source of new value and hence profit. Although more commodities are produced, the rate of profit, that is, the ratio of newly created value to capitalists' total outlays, tends to decline; in response, many will eventually stop investing and there will be a crisis.

At a more concrete level of analysis, Grossman drew attention to 'counter-tendencies' to this process, significantly expanding Marx's discussion of these. In the course of crises, bankrupt capitalists sell their means of production cheap. On the basis of the lower cost of these means of production, their new owners can produce at a profit. New, cheaper sources of raw materials may be found, including through the activities of imperialist states. Bosses can increase the rate of exploitation, by cutting wages or intensifying work, to raise the share of profits in total output. The very process of increasing productivity reduces the value of commodities and therefore the amount that has to be paid to workers so they can feed, clothe, shelter and educate themselves. Higher productivity also reduces the value of means of production. It therefore slows the fall in the rate of profit.

The book drew a great deal of attention and was widely reviewed. But, despite his precautions—noting the correctness of Lenin's comment that, for capitalism, 'there are no absolutely hopeless situations' and implicitly endorsing Lenin's approach to the politics of revolution—Grossman's argument was criticized for being a 'mechanical' theory of capitalist breakdown, by orthodox Communist and social democratic reviewers alike.

Shortly after *The law of accumulation* appeared, Grossman published a 'small programmatic work'. 'The change to the original plan of Marx's *Capital* and its causes' was concerned with Marx's method in *Capital* and its implications for the Marxist understanding of capitalism. Two further essays on economic theory were published in 1932. One developed Grossman's critique of Rosa Luxemburg's economic analysis, her treatment of gold production in particular. The other applied Grossman's insights about Marx's method to the question of the relationship between the value of commodities, reflecting the amount of socially necessary labor time involved in their production, and their prices.

In addition to his theoretical work and teaching, between 1930 and 1932 Grossman wrote and edited the entries on the socialist movement for the fourth edition of Ludwig Elster's three volume *Dictionary of economics*. His most significant essay in the dictionary, a survey of Marxism after Marx, was also published separately to mark the fiftieth anniversary of Marx's death. The survey made Grossman's Communist sympathies very clear and included an account of his own work on Marxist economics. This tacitly responded to reviewers' misrepresentations of *The law of accumulation* by insisting that 'a fatalistic policy of waiting for the "automatic" collapse, that is without actively intervening, can not be in question for the proletariat'.

After Grünberg retired in 1930, Grossman was by far the best known member of the Institute for Social Research. He had substantial academic reputations as a researcher in

the areas of economic history, the history of economic thought and economic theory. The items he wrote for Elster's dictionary gave him prominence as an authority on the history and theory of socialism before a much wider, lay audience. But the core intellectual concerns of the Institute began to shift away from Grossman's areas of interest under the new director, Max Horkheimer.

After the Nazi takeover in Germany, Grossman moved from Frankfurt to Paris, in March 1933. The failure of the German labor movement to stop the Nazis led him to reassess his political position and to adopt a very critical attitude to the official Communist movement under Stalin's leadership, while reaffirming his commitment to Marxism. He associated with other dissident Marxists in the German exile community in Paris.

Although separated from the Institute's head office, initially located in Geneva and then in New York, Grossman remained one of its members and worked on projects formulated in correspondence with Horkheimer and his associates. While in Paris, he wrote two reviews for the Institute's journal, the *Journal of social research (ZfS)* which touched on crisis theory and prepared the entry on Sismondi for the *Encyclopedia of the social sciences*.

The Institute had funded a project undertaken by Franz Borkenau, on the origins of the modern scientific world view. Horkheimer, drawing on advice from Theodor Wiesengrund Adorno, who had no expertise in the area, agreed to publish an article by Borkenau, summarizing his conclusions, in the *ZfS* in 1932. The appearance of Borkenau's book-length study, *The transition from the feudal to the bourgeois world view*, was delayed because there were concerns that Borkenau's analysis was neither Marxist nor accurate. In response to criticisms from the Institute, inspired by Grossman, Borkenau wrote a new first chapter that related intellectual developments to the emergence of manufacturing. But the Institute still had major reservations. Horkheimer's perfunctory preface disowned the book's analysis.

To increase the distance between the Institute and Borkenau, Horkheimer initially lined up Walter Benjamin to write a review for the *ZfS*.² Benjamin failed to come up with the goods, so Horkheimer turned to Grossman, who had previously undertaken historical research into the development of ideas, their relationship to changes in the mode of production and, at least as far back as 1917, had been interested in the social history of Descartes' contribution to science.

Grossman threw himself into the critique of Borkenau and transformed the project from an act of institutional arse-covering into the presentation of a systematic alternative account of the emergence of the modern mechanical world view. He became immersed in the project. 'The problem of the origins of mechanistic thought has so gripped me and taken up all of my efforts' he told Paul Mattick 'that I have spent almost all of my time for months in the Bibliothèque Nationale in the literature of the 16th and 17th Centuries'. By July 1934 he was thinking of writing not only a review article dealing with Borkenau's arguments, but also a book, 'Cartesianism and manufacture' which

2 Letters from Walter Benjamin to Gershom Scholem 15 January 1933 and 17 October 1934, Walter Benjamin *Walter Benjamin Briefe 2 1929-1940* Suhrkamp, Frankfurt am Main 1978 pp. 561, 624.

would settle accounts more with Weber's position in *Protestant ethic and the spirit of capitalism* than Borkenau.³

Grossman wrote three essays which demolished the central arguments in Borkenau's book. Borkenau contended that modern mechanics, the precondition for the emergence of a mechanistic world view, dated from the middle of the 17th Century. The development of mechanics was in turn, based on a metaphor between physics and economic practice: the division of labor in the stage of capitalist development, known as 'manufacture', that preceded industrialization.

In 'The capitalism of the Renaissance period', Grossman demonstrated that modern mechanics was elaborated under the influence of capitalist development around 1500. On the other hand, in 'Manufacture of the 16th-18th centuries', he showed that a systematic division of labor did not become characteristic of manufacture until the second half of the 18th century. In other words, modern mechanics existed *before* the middle of the 17th century, when Borkenau asserted it arose. And a systematic division of labor, which, according to Borkenau explained the formulation of mechanics, only emerged well *after* that period. 'The beginnings of the capitalism and the new mass morality' responded to Borkenau's uncritical reliance on Max Weber's analysis, by demonstrating that capitalism predated Protestantism. This essay was only published in 2006.

Initially Horkheimer agreed to publish the first two of Grossman's essays. Then, concerned that they would give too much publicity to Borkenau's book, he changed his mind a couple of weeks later and demanded a single review 'to distance us from his work.'⁴ Faced with Horkheimer's 'painful' decision, Grossman was disappointed. He agreed to proceed as Horkheimer wished but pointed out that the publication of a straightforward critique, separately from new research results, could damage the Institute. 'The more significant the mistakes, indeed the *factual mistakes* that I have to insist on, the more people will ask why the Institute published such a book.'⁵ Then Horkheimer requested that the article should be about 32 printed pages long, raising the possibility of a later, pamphlet-length supplement to the journal.⁶ Grossman tried but failed to fit and trim his overabundant material into a compact article before the end of the year.⁷ Eventually he gave up on this effort and, in early January, sent a manuscript

3 Letter from Grossman to Friedrich Pollock, 13 August 1934, Leo-Löwenthal-Archiv, Universitäts- und Stadtarchiv Frankfurt am Main A 325 p. 86. Grossman outlined the structure of the book on a contents page, headed 'Der Kartesianismus und die Manufaktur' 23 July 1934, Max-Horkheimer-Archiv, Universitäts- und Stadtarchiv Frankfurt am Main (MHA) VI 9 p. 409.

4 Letter from Horkheimer to Grossman 25 September 1934, MHA IV 9, p. 404, referred to in MHGS15 p. 225; letter from Horkheimer to Grossman 8 October 1934 Max Horkheimer *Max Horkheimer, Gesammelte Schriften, Band 15: Briefwechsel 1913–1936* Frankfurt am Main: Fischer, 1995 (MHGS15) pp. 236-237.

5 Letter from Grossman to Horkheimer 26 October 1934 in MHGS15 p. 254.

6 Letter from Horkheimer to Grossman 7 November 1934 MHGS15 pp. 257-258.

7 Letter from Grossman to Horkheimer 26 October 1934 MHGS15 p. 254.

three to four times the length requested in early January, along with two letters justifying his work.⁸ ‘You set me an unachievable task,’ he complained.

The core of Grossman’s positive argument in the article drew on his understanding of Marx’s scientific method. This, with the assistance of Marx’s comments about machinery in *Capital*, he applied to the history of science, demonstrating that constructing, working with, and observing machines had made it possible to set aside some of the concrete appearances of physical phenomena—complicated by different kinds of motion and friction, for example—to identify abstract mechanical work. Grossman supported his case with references, for example, to the discoveries of Leonardo da Vinci and René Descartes. The material foundations of mechanics and the mechanistic world view lay in the impetus given by capitalism to the invention of new machines.

Horkheimer response to the draft was expansive praise: the piece was ‘entirely excellent’.⁹ In view of the significance and quality of the work no sections were to be excised, although references to Marx were edited out. Grossman’s response indicated his continuing political engagement,

After all, we all fight for the great proletarian cause. But since the destruction of the labor movement, a satisfaction which every fighter felt earlier, before the world war, from recognition from within his movement is no longer possible. So one is happy with finding satisfaction in the narrow circle of ties and gets encouragement to further work from it.¹⁰

Grossman had expressed the hope that the study would be ‘a nice contribution to the materialist conception of history and not through general prattle, á la Bukharin, but through *concrete* research of historical material.’ In fact, a Russian Marxist had briefly examined the development of science during this period, as background to a concrete assessment of Newton’s work. But neither Borkenau nor Grossman were familiar with Boris Hessen’s 1931 paper, ‘The social and economic roots of Newton’s *Principia*’ when they wrote their studies.

The history of science was on Grossman’s mind during a visit to Spain in the summer of 1935. In Madrid he saw some examples of machines used in antiquity, at the National Archaeological Museum. From Valencia, he wrote a long letter, including diagrams, about them to Friedrich Pollock and Horkheimer. Given the prevalence of cheap slave labor, Grossman argued, these were not designed to save labor but to perform functions which were otherwise impossible. They did not, therefore, prompt the formulation of a theory of mechanics, which only emerged during the 15th century, in association with the application of machines to labor saving purposes.

Around the start of 1936, Grossman moved to England. The political situation in Europe and the prospects of war between France and Germany were one consideration in the move, the unsatisfactory research conditions in Paris another. He again devoted most of his time to economic research. In September Horkheimer asked for an article to

8 Letters from Grossman to Horkheimer 4 January 1935 MHGS15 pp. 293-296, 5 January 1935 MHGS15 pp. 297-299.

9 Letter from Horkheimer to Grossman 26 January 1935 in MHGS15 p. 301.

10 Letter from Grossman to Horkheimer and Friedrich Pollock 7 February 1935 in MHGS15 p. 316.

be published in the *ZfS* in 1937, suggesting that he might use the methodological part of his work on crises. Instead, Grossman, proposed a long and original piece to mark the 70th anniversary of the publication of the first volume of *Capital*.

Divergence in the outlooks of Grossman and Horkheimer outlooks became clearer after Grossman moved to New York in October 1937. Horkheimer's shift away from Marxism was one element in the widening gap. Another was a radical change in Grossman's political views in 1935-36. The Spanish Civil War and his perception that the Soviet Union was playing a progressive role in the conflict, seem to have had a major impact on him. He became and remained an uncritical supporter of the USSR under Stalin. The Hitler-Stalin Pact and the outbreak of World War II led Horkheimer to make more open and sweeping criticisms of the Soviet Union, while Grossman's attitude to Russia did not change. A political gulf therefore opened up between Grossman and the group around Horkheimer in addition to growing theoretical differences. Nevertheless, relations remained friendly for a period and Grossman happily participated in Institute activities and seminars. Between 1938 and 1942, he wrote nine book reviews for the Institute's journal. One was his summary of Marx and Engels on the civil war in the United States. Six were related to crisis theory. Two dealt with issues in the history of science.

One of the reviews concerning the history of science examined books by George Clark and George Sarton, the other works by Lynn Thorndike. In 1937 Grossman praised Clark's account, in *Science and social welfare in the age of Newton*, of the development of technology under the pressure of socio-economic circumstances during the 17th Century. But he was critical the way Clark underplayed these factors in explaining scientific advances and engaged in a sustained defense of Boris Hessen's analysis of Newtonian physics. Sarton's chapter on the influence of 'oriental' culture on European science came in for particular praise, as an antidote to the orthodoxy, shared by Max Weber, that exaggerated the 'western European spirit'. Arabic was superior to western European culture until around the middle of the 13th Century. Grossman regarded volumes 5 and 6 of Thorndike's *A History of Magic and Experimental Science* as valuable compendiums of information about the thought of the 16th Century. But Thorndike failed to account for the rise of rationalist thinking in the 12th and 13th Centuries, its decline and then revival in the 16th Century. This was one of the concerns of the reviewer's own current research.¹¹

The Institute's very impressive financial resources survived not only the Depression but exile in excellent circumstances; Lukács called it the 'Grand Hotel in the Abyss.' Its investment strategy ran into difficulties in the late 1930s. Eventually the stresses caused by political and theoretical differences, a salary cut and financial insecurity led to a crisis in relations between Grossman and the Institute. Their association was subsequently very limited, although he continued to draw his salary and remained on good terms with the office staff.

After this break and prolonged delays, just before Christmas 1941, the Institute issued a tiny duplicated edition of the essay on Marx's economics that Grossman had been working on since 1937. *Marx, classical political economy and the problem of dynamics*

11 See the brief outlines of Grossman's research project, 5b 'Capitalism in the 13th Century'; 5c 'Kapitalismus im 13. Jahrhundert' 'Mitarbeiter 1939', MHA IX 58.

identified two aspects of Marx's original contribution. The first was the importance of the distinction between use value and value. The second was Marx's conception of capitalism as a dynamic system, which Grossman contrasted with the static approach of contemporary neo-classical economics. The essay was and remains one of the most impressive critiques of the methodological underpinnings of what is now simply called 'economics' in most universities and the media.

In 1943 Grossman published the two part 'The evolutionist revolt against classical economics', in the *Journal of political economy*. It, like the study of dynamics, cleared a path to identifying Marx's original contribution to social theory. The argument challenged two related, false conceptions: that Marx was the first to introduce an historical perspective into economics; and that this was due to the influence of Hegel on Marx. Much of the essay dealt with the question of 'how dynamic or evolutionary thinking actually entered the field of economics' and laid the basis for Marx's approach.

During the 1940s Grossman continued to work on the question of crises under simple reproduction and a study of the early history of modern science, with a focus on Descartes' contribution. These studies grew out of several of Grossman's ongoing research projects. He also dealt with 'The social history of mechanics from the 12th to the middle of the 17th century' and 'Universal science against the specialists: a new attempt to interpret Descartes' philosophy' in separate manuscripts.¹² Grossman had written these works in German and did 'not have the money to have them translated into English. I cannot pay a translator from my meager income and therefore cannot prepare my manuscripts for publication.' The Institute may have provided some funds, for his essay on Playfair as an early theorist of imperialism was worked into English by Norbert Guterman, a professional translator and 'freelance associate of the Institute',¹³ and 'Descartes' new ideal of science: universal science vs. science of an elite' was also translated.

Having sent the Playfair piece off to Guterman, in the spring of 1947, Grossman wrote to Christina Stead and Bill Blake that 'I am not decided what to do now: finish Descartes? or the book on Marx's simple reproduction (which I regard as my chief contribution to Marxist theory).'¹⁴ This may have been a matter of tinkering with the Descartes manuscript more than anything else. A year later he wrote of visiting Paris in order to find a publisher for it.¹⁵

Although consumer prices rose 72 per cent between 1940 and 1948, Horkheimer froze Grossman's income of \$200 a month. His standard of living dropped dramatically and his health deteriorated. After his break with the Institute, however, he was far from isolated. Amongst the refugees in the United States were old acquaintances from Kraków, Vienna and Germany. He struck up new friendships, amongst Poles and

12 'Aufzählung der nicht veröffentlichten und nicht registrierten Arbeiten von Prof. Dr. Henryk Grossman', Henryk Grossmann', PA 40, Universitätsarchiv Leipzig p. 68.

13 Rolf Wiggershaus *The Frankfurt School: Its History, Theories and Political Significance* Polity, Cambridge, Mass. 1995 p. 386.

14 Letter from Grossman to Stead and Blake 4 and 5 May 1947, Box 17 Folder 125, Stead Collection, National Library of Australia.

15 Letter from Grossman to Schreiner, 14 April 1948, Albert Schreiner Nachlaß, Bundesarchiv, Berlin Ny 41 98/70 p. 103.

Germans, particularly Communists, and became very close to the Australian novelist Christina Stead and her partner, the American writer and economist, Bill Blake. Already thinking about leaving the United States for Europe in September 1946, Grossman's desire to cross the Atlantic increased as the Cold War intensified. His most fruitful contacts were in East Germany. He was one of the most prominent Marxist economic theorists still living and his transition from New York to the Soviet Zone of Germany would be a coup for its emerging administration.

The University of Leipzig invited him to take up a chair in political economy. On his arrival, in March 1949, he received a very friendly welcome. Grossman lived in a conveniently located and well-appointed apartment, paid a low rent and received a salary higher than his income in New York. In Leipzig, Grossman found a number of friends and acquaintances from Germany before the War and exile in New York.

The new professor of political economy threw himself into teaching, social interaction and political life, joining the Socialist Unity (i.e. Communist) Party in June. But he was unable to sustain these activities for long, due to ill health. He was in poor physical shape, with arthritis, Parkinson's disease, weakened kidneys, already a problem in New York, and a heart condition. By March 1950 he was in hospital, had suffered a small stroke and undergone an operation for a prostate growth. The doctors concluded that he had less than a year to live and his cousin, Oskar Kurz who had also been an exile in New York, had already come from Vienna. As an important public figure, he received privileged treatment in Leipzig's premier hospital, the Polyclinic.

After recovering from the shock of the surgery, Grossman's condition improved somewhat. According to Bill Blake, his interest in politics and sense of humor revived. Fond memories of the Institute under Horkheimer also animated him: 'He discussed the Institut [sic], that really made him sprightly. I learned the entire German thesaurus for villainy, outright deceit, fraud, persecution, etc.'

Grossman was able to return home and continue his research for a period. He tried to have his work published in the East Germany. But, during 1950-51 regime conducted a campaign against people who had returned from exile in the west, after the fall of the Nazism. Grossman, extremely ill and with an international reputation, was not regarded as a threat. He remained a supporter of the authorities in Russia and its German ally. Yet he continued to propound his original contributions to economic theory, which had been inspired and informed by working class struggles and Marx's own conception of socialism as working class self-emancipation, although Stalinist mouthpieces had 'refuted' them. None of his work was ever published in the German Democratic Republic or the Soviet Union.

Grossman's contribution Marxist economics was largely dormant until the late 1960s, when a new generation of young Marxists, initially activists in the West German new left, rediscovered them. The recovery of his study of 'The social foundations of mechanical philosophy' and his manuscript on Descartes took even longer.