

Grossmann, Henryk

Born April 14, 1881 in Cracow, died Nov. 24, 1950 in Leipzig. Studied in Cracow, lived 1908 to 1918 in Vienna (collaboration with Carl Grünberg), from 1918 to 1925 in Warsaw (Central Statistical Office and Free University), from 1925 to 1933 as a political refugee in Germany (University of Frankfurt/Main) later in France, England and U.S.A. Spent his last years in the German Democratic Republic (University of Leipzig).

His main work (1929), based on Marx, deals with the inevitability, for economic reasons, of the breakdown of capitalism. The method of Marx in his view is a stepwise approximation to reality which starts from a simplified abstract model of the accumulation process (based on the reproduction schemata and assuming a closed system, two classes only, no credit, commodities sold at their values, constant value of money) and proceeds by gradually adding realistic details of secondary importance ("surface phenomena") among which he counts monopoly, money and credit, capital exports, struggle for raw materials. In following this method Grossmann demonstrates first the inevitability of breakdown and deals then with the factors which counteract and therefore delay the breakdown.

The starting point of his theory is an arithmetic example of Otto Bauer based on the reproduction schema of Marx which was intended by Bauer, in a polemic against Rosa Luxemburg, to demonstrate that realisation under extended reproduction was perfectly possible. Bauer worked out his example only for four years, but Grossmann extended it to 35 years in order to demonstrate that the accumulation process could not proceed without limit. Following Bauer he made the following assumptions: 5 p.c. growth of variable