

Columbia University
in the City of New York

[NEW YORK 27, N. Y.]

FACULTY OF POLITICAL SCIENCE
R. R. 3, Pickering, Ont.

January 10, 1952.

Dear Mr. Rotstein:-

Your outline of a Master's Essay in its somewhat expanded form came as a real pleasure to me. The free flow of thought which makes its subject and argument come alive is proof certain of your grasp of the matter and of its import.

Make sure that you limit your subject now that you have realized its scope. I advise you to focus on the original point of the two meanings of economic, their alternation and combination in the course of time. You might find it very helpful to describe the current concept of economic as employed by Marshall or even Weber as 'a compound of the two. This fact in itself should not be regarded as a critique of that concept since there is no objection to such a merging of meanings in concepts. The point is that this merger was either uncritically done, as in case of Marshall, or deliberately, as with Weber, but without ~~any provision for safeguarding against the consequences of such a merger~~ safeguarding against the consequences of such a merger.

Your ideas on military requirements and their influence on the organization of our economy both in its redistributive and its exchange forms of integration are, I believe, basically sound. But it would be rash to accept the current views on Russian economy (1928-52) as having been primarily and 100% military in their inspiration. As to the present American (or Canadian) scene this might also be less true than opinion forming influences indicate. Concentration camps are more closely connected with the general totalitarian trends in modern mass civilization than with military requirements. Altogether, interpretations of the present (and future) are liable to be much less secure than analyses of the past (even though they be done in view of present issues). However, this only means that you should regard it as a subject worthy of separate treatment (of course, you could mention your thoughts on the matter in this Essay, too.)

I sometimes think an abbreviated text of the Great Transformation - dropping the English literature chapters - and maybe adding the 'Commentary' article would be a good thing. This could be combined with a partial re-writing of the text itself, so as to reach a wider public. Sometimes I think a younger man with a winged pen, like yourself, should be my helper. Any comments?

With my best wishes,

Very sincerely yours,

W. W. Ruggie

R.R.3, Pickering, Ont.

January 10, 1952

My dear Arthur:-

I was rather busy these days what with work on my MS., Rosemary's visit with us and Charlie's finishing an outline of his thesis which he wants me to see, while two Master's Essays are simmering in the cauldron and need slow stirring lest they burn. Rosemary, I am glad to say, is living up to expectations; she is the most talented of all my female students, maybe with the exception of Vivian Carlip, whose research ~~work~~ put is impressive, not to speak of her judgment and charming modesty; but Rosemary is more of a theoretical mind and is also in the way of becoming a great teacher. Incidentally, I count Janet Chapman, too, amongst my best. Do you remember my problem child George Woodard? Well, his ~~work~~ for me was not a success, but at Goddard College (a wee, progressive college up Vermont under President Pitkin) he appears to be running top form as a teacher and educator. Eventually, he will turn, of course, to writing, for which God has fitted him better than for the collecting of scrap of the past.

It was a blow to me to have my brother Michael drop his Chicago plans. You ~~remember~~ ~~him~~ ~~together~~. However, he certainly has shown spirit and I am quite proud of him. But by this hangs a story too long to recount. Maybe I better enclose what he just sent me about it.

As ever,

January 16, 1952

To: Officers Giving Graduate Instruction in the Department of
Economics

From: James W. Angell

Two years ago the Department of Economics changed its requirements for the M.A. degree, with respect to all candidates who had not completed the course requirements for the degree by June 30, 1949. Occasional misunderstandings still arise with respect to the new set-up. I should like to call your attention to the following points.

(1) The M.A. candidate must receive, in partial fulfillment of the degree requirements, an average of B in 21 points of graduate courses in Economics. Subject to certain exceptions, which require the permission of the Executive Officer obtained in advance, these courses must be selected from the group entitled "General Courses" in the Announcement of this Faculty.

(2) In computing the B average, a C is offset by an A; but no account is taken of plus or minus signs following a letter grade.

(3) Under rules set by the Registrar's office, a student receiving a grade of D may, with the consent of the instructor, take a make-up examination, or otherwise satisfy the instructor that he should receive a higher grade; but a student receiving a grade of C or F is not allowed this privilege. The point in the present connection is that a C is a "passing" grade, but unless it is offset by an A, it does not count toward the requirement for an average grade of B in 21 points of courses for the M.A. degree.

(4) In reporting the final grades for your courses to the Registrar, please omit all plus and minus signs following the letter grades. You are, of course, free to use them in giving the students themselves your judgment of their performance, but you should then make it clear that the grade reported to the Registrar will be without plus or minus signs.

Dear Dr. Polanyi:

Happy New Year. I am off on a new, or at least different track. I am beginning to feel guilty, since my letter writing seems to lapse until some emergency comes up. At any rate, am now thinking of staying here another year, and in consequence need a letter of recommendation from you to the U S Educational Commission in the U K

55 Upper Brook Street
London, w. 1.

I have been working for Dr. Anstey on India, and gave her a paper on the Indian village, analyzing from the points of view provided by the impact of the market on an economic system integrated by reciprocity and redistribution and by the different implications for Indian social structure given by the different senses of "rationality". She seemed somewhat impressed, and said it would make a very interesting book, but she did not know whether it would make an LSE thesis, but that I might as well submit a proposal to the higher degrees committee and see if they would admit me to Ph D candidacy. This being the case and England a most delightful place to live, I thought I'd take a stab at my degree here, provided that the higher degrees committee says yes and provided that the US Ed Comm says yes to another year of Fulbright. This is the background. The thesis raises the question of what Indian social institutions must affect the process of industrialization, and how one would expect them to do so. To answer this, I raise a set of analytical questions on the line of what is the capitalist impact (Polanyi-ish), what must be the impact of an industrial order (Druckerish) and what different results does one get from analyzing the western impact in terms of the three meanings of rationality; and a set of empirical questions on the line of what principles integrate Indian society and thru what institutions do the principles manifest themselves, on what principles was economic life integrated and thru what institutional mechanisms, and what specifically has been the western impact and what the adjustment; and then on the basis of the analytical and historical analysis see what sort of solutions are relevant to Indian institutions in such realms as land reform, debt, interest, and organization of labor. Aside from the sort of conceptual sources I am given to using, the material will run to accounts of village life, surveys of villages, and historical accounts of just what market and industrial organizations were pushed into Indian society by the British. This is the thesis, had to provide the money the Fulbright people want a recommendation from my American-side adviser.

Since the Commission wants the stuff by Feb. 10 I am sending a copy of this letter to Columbia, in case you are there, so don't be surprised when a duplicate letter finally catches up with you.

I had planned to finish this letter with an account of the more interesting part of our life, but the above was longer than expected, so will write you shortly about how it is to live here, and what we have done. Am now also embarking on a career of public speaking to Rotary and youth groups on anything from American Foreign Policy to Life in New York City. So far I haven't spoken, but beginning next week I average about 1.2 talks to the middle of March.

Give my best to everyone, and a happy new year to you,

Walter

BY AIR MAIL

AIR LETTER

IF ANYTHING IS EN-
CLOSED THIS LETTER
WILL BE SENT BY
ORDINARY MAIL.



Dr. Karl P. Polanyi
Pickering
Ontario
Canada

← Please fold here →

← Second fold here →

Sender's name and address :-

W. C Nesle
Wylwood
Colcharbour
Nr Dorking
Surrey
England

← To open cut here →

any use to

COPY

Jan. 29, 1952
169 Demers,
Montreal.

Dear Professor Polanyi,

Since the receipt of your last letter I have several times sat down to reply in a spirit of cool composure, but in vain... Increasing insight has brought with it a great elation, indeed the drunken jubilation of one who walks in a rainshower of wine - it is difficult to say less and convey to you what I feel. I have never before been so caught up in and shaken by ideas. I am firmly convinced that with both hands you have grasped hold of the roots of our civilization of such a blinding simplicity as to make one gasp. The whole gloomy jig-saw puzzle of our day beings slowly to take shape. At random, I get searing insights into such things as the rise of nationalism, the growth of urban civilization, the scope and method of political economy etc. etc.

And with all this has perhaps come the most profound lesson of all - a great humility. And this springs from two sources; firstly, a humility before the results of 40 years of painstaking and meticulous scholarship, unheeded by a later-day world which is too busy and too specialized; and secondly the humility of one young and ill-equipped who by accident stumbles on a body of truths the brightness of which are experienced but once in a lifetime.

And thus I received your letter with the suggestion that I might aid you in the reissue of your book - It has occasioned my walking on air for the past two weeks - ten miles above the din and paper-shuffling of the office where I work. I think it is a great idea and of the most urgent character and I shall eagerly await further plans from you.

Meantime, if I have kicked over the traces of sobriety, I think you will understand.

Very sincerely,

Abe Rotstein.

Columbia University
in the City of New York

(NEW YORK 27, N. Y.)

FACULTY OF POLITICAL SCIENCE

February 12, 1952

Dear Abe:

The short book I have in mind should put the human perspective in the forefront. The 'Commentary' picture of man and society, together with the chapter of 'Freedom in a Complex Society,' (as amplified in the college edition), supplemented by Margaret Mead's cultural indeterminism, would make a new book, this time addressed to the general reader. It might be called 'Freedom from Economics'!

The abridgement would come as a matter of course, since most of the 100 years' peace, and certainly the details of Speenhamland history as well as of interwar fascism, would have to be omitted.

More important than that, the positions of the Great Transformation should, I suppose, undergo a shift of emphasis on account of the lapse of time. What ten years ago was still the actual present, or rather appeared as the immediate future, which I was trying to illuminate, would now have to be treated as a matter of the past. Much of the prophecy would now have become history. Market-economy, the Gold Standard, the balance of power, as well as the liberal state with its separation of politics and economics, would thus be referred to as the general background - partly an aftermath of the England of the Industrial Revolution, partly a reminiscence of the United States of the robber barons. This will allow a more sharply centered treatment of the emerging adjustments to an Industrial Civilization: liberalism, fascism, bolshevism, and New Deal. The market theorem, with its fictitious commodities, then forms the backbone of a social theory of transition from economic liberalism to a new adjustment. Man's existence in an industrial environment should be made humane and livable by a reabsorption of the economic sphere in the society as a whole through a conscious embedding of the elements of the economic process in non-economic institutions. This is the true meaning of the American scene. This is the integral problem of large-scale industry, trade unionism, planning activities, as well as of democratic government. Thus shall the values and purposes embodied in these pivotal institutions humanize the economy, the elements of which are embedded in those institutions. Not an impossible return to primitivism, with its sentimental escapism, but a purposeful aiming at the higher level of social integration is the answer to our problem. There is nothing evil about men's, indeed not even about man's concern for livelihood. But a happy life for all is normally possible only in a hale community.

Before I attempt to set down a more definite outline of such a new short book, which would follow up the Great Transformation by giving wings to its message, I'd like to know what you would think of such a task.

Sincerely,

Karl Branyi

*Wanna return
at once*

February 12, 1952

Dear Abe:

The short book I have in mind should put the human perspective in the forefront. The 'Commentary' picture of man and society, together with the chapter of 'Freedom in a Complex Society,' (as amplified in the college edition), supplemented by Margaret Mead's cultural indeterminism, would make a new book, this time addressed to the general reader. It might be called 'Freedom from Economics'!

The abridgement would come as a matter of course, since most of the 100 years' peace, and certainly the details of Spenglerian history as well as of interwar fascism, would have to be omitted.

More important than that, the positions of the Great Transformation should, I suppose, undergo a shift of emphasis on account of the lapse of time. What ten years ago was still the actual present, or rather appeared as the immediate future, which I was trying to illuminate, would now have to be treated as a matter of the past. Such of the prophecy would now have become history. Markets, money, the Gold Standard, the balance of power, as well as the liberal structure with its separation of politics and economics, would thus be referred to as the general background - partly an aftermath of the England of the Industrial Revolution, partly a reminiscence of the United States of the rebbe. This will allow a more sharply centered treatment of the emerging adjustments to an Industrial Civilization: Liberalism, fascism, bolshevism, and New Deal. The market theorem, with its fictitious commodities, then forms the backbone of a social theory of transition from economic liberalism to a new adjustment. Man's existence in an industrial environment should be made humane and livable by a reabsorption of the economic sphere in the society as a whole through a conscious embedding of the elements of the economic process in non-economic institutions. This is the true meaning of the American scene. This is the integral problem of large-scale industry, trade unionism, planning activities, as well as of democratic government. Thus shall the values and purposes embodied in these pivotal institutions humanize the economy, the elements of which are embedded in those institutions. Not an impossible return to primitivism, with its sentimental escapism, but a purposeful aiming at the higher level of social integration is the answer to our problem. There is nothing evil about man's, indeed not even about man's concern for livelihood. But a happy life for all is normally possible only in a hale community.

Before I attempt to set down a more definite outline of such a new short book, which would follow up the Great Transformation by giving wings to its message, I'd like to know what you would think of such a task.

Sincerely,

Feb. 11, 52

Dear Dr. Polanyi:

I have waited so long that comments on your forecasts on the Eng election seem to be dragging for mad. At any rate, there was no overwhelming victory, and a striking thing was that among those I know and hear about there is no wvering-- ypu are either one side or the other and still are. The division is amazingly sharp. The feeling seems definite that the Cons will stick out a full five years, and I hazard the guess the division will be as close then as it is now, barring a brilliantly good or brilliantly stupid move by the govt. Last Oct I had no firm domestic Eng politics, but having acquired some under the influence of the Manchester Guardian, when I look at or back at the election I am struck that the crucial issues were slighted--not mentioned-- and are still hush-hush except in independent journals. Rather than being complex, I think the Eng problem is very simple, and I presume close to politically insoluble. 1. The country has passed beyond a war damage or dislocation problem. 2. It has set a high idea of what it expects of life: i.e. in England it is austerity, while in Italy it is poverty, yet I should say the Italian was worse off, but the idea that the Eng are giving up something makes them feel virtuous. 3. As a result the country is literally living beyond its means, and by virtue of \$ aid, blocked balances, and shoving the burden on others (dominions, colonies, and spheres of influence) manages to maintain a higher standard of living than is warranted by national output. That is, the wealthy excluded, the people are better off than before, but are convinced they are worse off. I think it obvious that the British overseas investment position is now and hereafter permanently different, and that the terms of trade are not going to favor industry as international tension remains and as the worlds population increases and the places where it is increasing have no intention of doing without any more. 4. This means a revision of the old outlook, and it is here the Cons seem more advanced than labour. They at least seem to realize that the problem is long term and that something must be done. What must be done say I and the Guardian is reduce the living standard to the point where it equals national product, and solve the foreign balance problem by increasing the output of coal (which will also I think help Europe's \$ problem). Yet the provincialism of the miners and the food subsidies are the two issues which are verboten. The Cons say that subsidies must be eliminated in the long run, but the problem is immediate, and the talk, what little there is, is in terms of a few thousand miners, while my guess is that a figure on the order of 100,000 more is the real problem. Meanwhile the miners continue to pass resolutions against immigrants and the Daily Mirror runs an article under the banner head "Miners Fear Latin Lovers."

The above to be read in the light of my violent anglophilia and strong royalist sympathies, the depth of which I didnot realize until the King's death last week. I was surprised at how moved I felt, and immediately went out to follow the ceremonies of proclaiming the Accession. It then struck me that it is wrong to say that the English maintain their traditions--they do not maintain them, they live them. It is not a tradition, it is the way life functions. Whereas Williamsburg is all colonial, the line of march of the proclamation ceremony was guarded by a mixture of Colosteams in traditional uniform, and half a dozen detachments in khaki and battle dress, while the breast plated and beribboned horse troops were jumbled up with mounted police, and nobody was looking at a show, they were looking at a very important event.

Barbara is just recovering from a mild bout of pleurisy, and is enjoying her convalescence. The children are generally fine this winter, much better than they have been in the past. They get along swimmingly in the new environment, while Jonathan continually points out to us that we do things all wrong and this is how the English do it. On the other side, altho he doesn't know it, the English he admires regard him (and his parents) as some sort of prize pig from across the Atlantic.

I was interested in your remarks about Drucker's new work, and would very much like to see the project. Looking back on the New Society, I am increasingly impressed with his idea of what an industrial order is. I'm not at all sure that what he says is true, some frightens me and some I just don't like to think is so, but it does come to grips with the matter of industry as distinct from capitalism as I do not know where else.

On the question of industrialization, I agree that the problem is much the same all over as regards moving forces, but would say that a good deal of the meat in solving any specific areas lies in local conditions: e.g. in England the manifestations were political and economic liberalism, demands for wider suffrage, dissolution to disappearance of rural society, spontaneous labor movements, monopoly and socialism in what might now be called one of the two classic forms, while in India the manifestations are high rural debt, the reduction of the artisan who in this case is left in the countryside, and massive difficulties over land tenure, rents, size of plots and subdivision of holdings, and literal famine on the land. I guess that in eastern Europe it was nationalism and facism, and so far in *China* nationalism. *water*

What do you think of my taking ~~my~~ ~~old~~ ~~key~~ PAD here at LSE?

To open cut here

Sender's name and address:-

W C Neale, Wyldwood
Coldharbour
Nr Dorking, Surrey
England

Second fold here

Dr. Karl Polanyi
Dept of Economics
Grad. Soc. Pol. Science
Fayerweather Hall
Columbia Univ.
New York City 27
New York
USA

BY AIR MAIL
AIR LETTER
IF ANYTHING IS EN-
CLOSED THIS LETTER
WILL BE SENT BY
ORDINARY MAIL.



To open cut here

Feb. 29, 1952
169 Demers,
Montreal.

Dear Professor Polanyi,

Since the receipt of your letter I have been playing tag with a few ideas which I have hesitated to write about till I had them pinned down properly. But even now they are still leading me a merry chase, so that what follows has an erratic air of touch-and-go about it.

Firstly, I am in complete agreement with your views as expressed both in your letter as well as in your book and the Commentary article. I have a fair idea what you mean by Margaret Mead's 'cultural indeterminism', but would appreciate some explicit references.

I have been thinking that there are today two serious bodies of doctrine that challenge the self-regulating market economy on a theoretical level-- the Keynesian and your own (leaving aside the Marxist one for the moment). Keynes, by his demonstration of underemployment equilibrium, has shown that the market economy does not function automatically, prescribing as a remedy "central controls to bring about an adjustment between the propensity to consume and the inducement to invest".

Your own, a much deeper social analysis of the pernicious character of this economy is essentially, I think, a philosophy of control, in its implications, but still remains to be developed into an explicit blueprint. (En passant, it occurs to me that it would be interesting to relate your social analysis to a mechanistic one such as Wesley Mitchell's work on the business cycle.)

Within the scope of the Keynesian "central controls", however, many political forms are possible of which the New Deal is only one. America over the past two decades seems to be a half-way house in the

emerging adjustment of the economy within society. But when today close to one-fourth of the American national income is expended for military and international-military purposes, I think it is time to sit up and take notice. In 'ordinary' times, due to cultural lag (or call it entrenched reaction), America would probably exhibit strong attempts at a counter-cyclical fiscal policy, steadily hampered and harassed by a congress with a confused liberal ideology. The present world situation obviates many political problems and becomes a most expedient integrating factor for what is in effect a "Military-New Deal" economy. In the present state, it seems difficult to say, as between the economy and society, which is clearly embedded in which. They seem to be interlocked with neither having a clear hegemony. But however necessary and ^{un}avoidable, the military economy is based on the destruction of economic value - an ironic subversion of the purposes inherent in society and devouring the substance of the nation. I think then that the book should include a discussion of the role that the war has played in the shrinking of the market sphere, and how the situation "total war" is one kind of complete reintegration of the economy within society, at the price of course, of society being subjected to the needs of military organization. America's defense economy today is a related phenomenon. (It is interesting that the army, tearing millions of men away from their natural social habitat, is not unlike early capitalism.)

One of the most remarkable portents of our time, I think, is the "Iron Curtain". Not since the Great Wall of China* have men tried to close off one part of the earth from other men, and never as successfully... a strange paragon of protection of an era which claimed to have rediscovered the brotherhood of man. It is a striking symbol of much that has been happening in our generation.

On the other side of the ~~economy~~ ledger, there may be certain indirect benefits of such a military economy such as industrial decentralization as a defense measure, but in general the question that is raised in my mind is one of an ethos or set of goals that society as a whole must agree upon, to serve as a background of a vehicle of social-economic-political integration. The military needs of defense are beginning to approximate this today.

I think that the reabsorption of the economy into society along the lines of some kind of Keynesian controls or "Functional finance", shifts the whole struggle of classes and tensions of society from the economic into the political sphere which becomes now the all-important one. For example, your proposal of "embedding the ~~economic~~ elements of the economic process in non-economic institutions", in particular as regards trade unions, changes the latter from a political agency operating in an economic environment, to a political agency operating in a political environment. Also, insofar as you advocate the elimination of market-determined pricing (e.g. for staple foods and organic raw materials), every decision on price becomes a political decision- and possibly a political duel.

Moreover, who do you think should control productive organization? In seeking to embed protective institutions within society, shall we include Monopoly on the grounds that historically it has been the protective agency of productive organization? Is not one of the implications of the New Deal that 'Business' remains as the guardian of 'Industry'?

Thus I feel at sea when it comes to the question of how the 'human perspective' is to be translated into a blueprint, other than the fact that the government is to ensure a broad effective demand, direct investment and regulate the rate of saving.

I also believe that an effective program has to have some international coordinates, and I am uneasy at the lack of an integral institutional mechanism to ensure world peace.

In any case, if a detailed program goes beyond the scope of the book, I think it would be a good thing to state our humanistic goals, and insofar as possible our procedures more explicitly, as well as including a substantive analysis of the exchange and redistributive effects of the various emerging adjustments to an Industrial Civilization.

I think that with the questions of communication of our ideas and unscrambling of some of the semantics we have a first class problem on our hands. To cite just a few instances which you are doubtless aware of, the identification in the mind of the general reader of such words as 'freedom' and 'free enterprise', -perhaps the greatest public relations triumph of the N A M- 'planning' and 'dictatorship', a legacy of the Russian experience on the American mind, the synonymous linking of 'Big Business' and 'Industry', and the (at least) two meanings of 'liberal'. Stephen Spender defines it as follows: "Liberalism is the belief in the improvability if not the perfectibility of man". It seems that rather than having evolved to a new meaning the concept seems to have lost all relationship whatever to its original usage and to the times for which it was designated. Also the words 'Capitalism' and 'Socialism' seem to have been battered out of all shape. I have also been doing a good deal of thinking about the rise of nationalism in our time, and I think that the 'cosmopolitan-brotherhood liberals' have missed the mark... I think that nationalism was in general a spontaneous protectionist movement defending habitat, tradition and culture against the market and the faceless market man.

Also, because we are still so much a part of the era you analyze, it is not difficult to follow the material and the general argument and yet miss the whole point due to a lack of perspective. Such was the case with many of the reviews of your book when it first appeared. I once spoke to Professor Bronfenbrenner about your work and he mentioned that for some reason many economists tended to regard you as a sociologist and the sociologists as an economist. I think then that the new book needs an exhaustive discursive style with the significant inferences in all directions of the social compass stated as explicitly as possible. To cite my own case as an example, for a long while I was able to follow and know a good deal, and understand little...

For me a good deal of the significance of your work lies in its spirit and implications that are often implicit. First the fact that our era is so clearly and rationally interpreted, tending to dispel the fears and shadows about our inability either to analyze or control man's social organization... that the crisis of our time derives its coordinates not by virtue of its position at the downturn of some vague cultural or historical cycle but as a result of tangible and objective forces...coordinates derived by analysis rather than analogy. The irrational philosophies of our day are not only symptomatic of the trend toward the Fascist solution, but also of an inability to cope with reality on an analytic or theoretical level. It is precisely this inability which has led to the general paralysis of our social imagination of which you speak, to the frayed and faded condition of our social fabric, and to a creativity sublimated in the shoddiness of our mass culture.

In a recent review of C. Wright Mill's new book, Dwight Macdonald writes as follows:

"Almost everybody, masses and intellectuals alike, feel ineffectual in politics (which is why half the eligible voters don't vote even in presidential elections), but we intellectuals suffer a further frustration: can we understand politics and history any more, can we fit them into any conceptual frame, can we still believe that we can find the theoretical key that will lay bare the real forces that shape history-- indeed, can we believe that there is such a key at all? The liberals and the Marxists as Mills well points out, had their keys but they didn't fit the lock. Mills recognizes this but he has no alternative theory or explanation of why things are as they are. I suspect he feels modern society is just not understandable, that he feels helpless and confused, as, for that matter I do myself."

Thus it is that much of current political thinking holds that there are only two types of social behaviour: renunciation of social effectiveness and pursuit of naked power. If the above passage is a proto type of the general reader (as I believe it is), then we should state explicitly that what you have launched is a humanist counter-attack, whose kernel is a faith in the effective significance of objective truth in human life.

I sometimes think that what has now to be written is the sociology of the new industrial society. My experience at the plant where I am now employed has snowballed my thinking in this direction. The term 'Industrial Revolution' is drab and inadequate when compared with the actual phenomenon. The true revolution is not a 'change-over' but a transformation whose essence is a careening industrial acceleration of ^{industrial} change.

The layout of the plant is significant. There is the shop-floor proper where all the actual labour and technical work is done. High up along the sides of the walls runs the catwalk containing the desks, offices, phones etc., and off to the sides near the entrance is "mahogany row", housing the executives and officers of the company. I have computed some statistics and have found that there are more men at work behind desks and at various indirect functions

than there are working the machines. Modern industry seems to ^{sail along} thrive on rivers of forms whose flow is directed by a network of the white-collar 'salarariat'. No sooner does a man exhibit some competence in the shop at his machine, (often genuinely enjoying the work), when he is deftly picked up and transferred to the catwalk, not always to his own greatest contentment. But it is a peculiar class, whose insides have been turned off, sensitive only to the standards and judgements of their fellows, and having forgotten how to ask many of the basic questions of human existence.

But regardless of who controls the productive organization, I have a feeling that the three classes will continue to exist, Engels notwithstanding. The key question is though, under what kind of set-up are their interests fundamentally reconcilable?

One of the great virtues of your work it seems to me, is the analysis you have of the constituent elements of society. I think that your rediscovery of the reality of society should be supplemented by two corollaries inherent in it:

- (1) that the reality of society must declare itself primarily in the common and active management of what ~~xxxxxxx~~ it has in common, and without this it cannot exist, and
- (2) that no one may subvert the value inherent in society by a pursuit of gain at society's expense.

.....

Perhaps it is time to summarize, and maybe the summary boils down to one sentence- that I don't understand exactly what "a conscious embedding of the elements of the economic process in non-economic institutions" means in practice. I am not sure who controls productive organization under this scheme. You are proposing, I think, to attach the gain motive to a chain and stake

thus limiting its radius-- but then we have to be prepared to meet the tugs and pulls in another arena, the political one.

But when the social fabric has lost its human and creative texture,

and the demons once loosed from the Pandora box are not easily recaptured, *i.e. the present influence of Communist & Fascist philosophies* many things are possible in the way of ~~new~~ severe and irrational political forms developing from similar measures of central economic control. But I imagine that the most any analysis can do is to point to the fork in the road...

You may have missed Li'l Abner of a few weeks ago- the culmination of the episode with that multi-substitute, self-reproducing economic bonanza, the "shmoo", so that I am sending it along. Mass culture has its few tingling compensations for the Marx and Dostoevski that America never produced....

Sincerely,

A. Roxkin

ECONOMICS : TRENDS AND ISSUES

A Book of Readings -

Scott Keyes
Department of Economics & Commerce
Pennsylvania State College

Number of Pages

I. The Study of Economics

1. It's Political (Repeat Political) Economy.
Ben W. Lewis 9
2. Focal Points for Economic Study
Council of Economic Advisers 6

II. Basic Characteristics of the Economy.

3. The Significance of Economic Organization
George W. Stocking and Myron
W. Watkins 9
4. The Census. Philip M. Hauser 6
5. Recent Trends in the Labor Force. Harold Wool. 9
6. The Changing Structure of the American Economy.
George W. Stocking and Myron
W. Watkins 6
7. Risk Capital and Concentration
A. A. Berle, Jr. 4
8. Some Features of Farming
George Brandow 7
9. Role of the Unions in Contemporary Society
E. E. Witte 13
10. The Federal Reserve System: Its Purposes and Functions
Board of Governors of the Federal
Reserve System 20
11. Divergent Views on Corporate Profits
John W. Welcker 16
12. Is a Theory of Wages Possible?
Frederic Meyers 13
13. A General ^{Appraisal} ~~View~~ of the American Tax Problem
Harold Groves 6
14. Wages, Profits, Prices and Taxes
Wassily Leontief 8

(over)

III. Measurement of Economic Activity.

- | | | |
|-----|----------------------------------------------------------------|----|
| 15. | Four Changes in the Cost of Living | 8 |
| | Ewan Clague | |
| 16. | National Income Accounting and Its Relation to Economic Policy | 39 |
| | Richard Ruggles | |
| 17. | National Income and Product: 1929-50: A Review | 19 |
| | George Jaszi and
Carl P. Blackwell | |

IV. Theory of Income and Employment, Forecasting and Model Building.

- | | | |
|-----|-------------------------------------------------------|----|
| 18. | An Exposition of Keynesian Economics. | 10 |
| | Loris Tarshis | |
| 19. | The Problem of Economic Instability. | 9 |
| | Donald H. Wallace and
others | |
| 20. | The Nation's Economic Budget. | 7 |
| | Gerhard Colm | |
| 21. | Financial Surveys Among Consumers. | 9 |
| | George Katona | |
| 22. | Business Investment Programs and their Realization. | 10 |
| | Irwin Friend and
Jean Bronfenbrenner | |
| 23. | The Reconversion Period: Reflections of a Forecaster. | 8 |
| | Everett E. Hagon | |

V. Economic Policy.

- | | | |
|-----|------------------------------------------------------------------------------------------------------------------------------------|----|
| 24. | Government and Business | 3 |
| | Council of Economic Advisors | |
| 25. | A Program to Promote Competition | 7 |
| | James M. Landis & others | |
| 26. | The Problem of Economic Instability (Cont.) | 17 |
| | Donald H. Wallace & others | |
| 27. | National Labor Policy. | 12 |
| | George W. Taylor | |
| 28. | Reflections on the Welfare State | 5 |
| | Paul H. Douglas | |
| 29. | Agriculture in an Expanding Economy. <i>American Agriculture: Domestic Programs and Potentialities.</i> | 12 |
| | Committee for Economic Development <i>Finance Committee on National Service</i>
<i>Committee on National Service</i> | |
| 30. | Foreign Economic Policies | 18 |
| | Gordon Gray and others | |

31.	The Economics of National Defense, Council of Economic Advisors	31
32.	The Defense Production Act of 1950 and the Amendments of 1951. U.S. Department of Labor	8
33.	Federal Expenditure Assumptions and the Defense Program. Joint Committee on the Economic Report	5
VI.	<u>Evaluating Economic Thought and Development, Alternative Economic Systems.</u>	
34.	Economic Means: To What Ends? John M. Clark	17
35.	Conditions of survival. B. M. Keirstead	9
36.	Our Obsolete Market Mentality Karl Polanyi	14
37.	The March Into Socialism Joseph Schumpeter	10
38.	National and Per Capita Income in Seventy Countries in 1949 Statistical Office of the UN.	5

PREFACE

The following book of readings is intended primarily for the use of the student who is entering upon the study of economics for the first time. Its purpose is to make readily available to him materials drawn from the current literature which may be helpful in contributing to his understanding of our contemporary American economy and its problems.

The book differs from similar collections in many respects. In the first place, the selections have been drawn exclusively from post war literature. In the second place, they have been drawn entirely from professional or governmental sources. In the third place, the selections are in most cases presented in their entirety. Where they have been abridged, every effort has been made to preserve the spirit and the context of the original. Finally, the collection differs from others somewhat in the nature both of the selection and the arrangement of the material which has been included. A word on the latter point may be helpful in explaining what I have tried to do.

Because of the rapidly shifting character of the problems with which our country has been confronted the past two decades, there has been a growing concern among economists with immediate questions of economic policy, especially at the National level. This concern has contributed to corresponding efforts, particularly through empirical research and analysis, to improve the base of knowledge from which policy recommendations can be made. Recent years have confirmed this general orientation, and if anything have given it renewed urgency. The problems with which we have been confronted since the war have tended to change in character even more rapidly; at the same time, they have grown in magnitude and complexity.

Small wonder that economists have felt the need for an ever improved understanding of our economy - its organization and operation, and the magnitude and character of the forces at work within and upon it. Small wonder that there has been growing emphasis on sharpening the analytical tools which have been developed in the past, and on devising new means of measurement and of anticipating the shape and character of potential developments as guides to present choices among alternative choices of action. In selecting and arranging materials for this book, therefore, I have tried to mirror for the student what I conceive to be the larger imperative of these concerns and efforts of contemporary American economists.

The arrangement may be described as follows. Following the initial selections intended to give a general orientation to the collection as a whole, I have brought together in one group certain writings which are of a broadly descriptive character, dealing with various phases of the organization and operation of our American economy. Next, I have grouped together materials having to do with techniques for and efforts at measuring the activity and changes taking place within this economic system. The following group of selections deals with efforts to probe into the reasons for these observed characteristics and behavior patterns, with particular reference to forecasting the possible course of development to come, or to appraising the probable effect of policies under consideration. The general field of economic policy is taken up in the fifth group of selections, which considers first, the continuing problems of the character and growth and stability of the American economy as a whole, and secondly, the more immediate problems of National defense. Finally, the last group of selections deals briefly with questions of a broadly philosophical character: the values which people seek to achieve through any system of social organization; the role of economic arrangements in the pursuit of these values; the development of alternative economic systems in the world; and, as a backdrop for these considerations, the comparative levels of economic achievement presently prevailing throughout the world, at least

(over)

100-100

as measured by the most recent available statistics of National income.

There is nothing sacrosanct about the above arrangement, certainly. The materials can be read in whatever order and context the individual instructor may feel is useful to the study of economics as he sees it and offers it to his students. It is simply an arrangement I have found helpful in attempting to assemble a balanced group of introductory readings somewhat representative of the recent concerns and efforts of economists in our own country. Perhaps I should add that I do not necessarily agree with all of the points of view expressed in these articles, even though it has seemed desirable to include them to get as representative a selection as possible within the space available. In view of the rapidly shifting character of postwar economic problems, readers of these articles should pay particular attention to the dates when they first appeared, since they will reflect the circumstances and the outlook prevailing at the time they were written. In a few cases, I have indicated by footnotes points at which substantial changes may have occurred since the date of original publication.

In conclusion, I would like to express my deep appreciation to the many authors and publishers and private and public agencies whose kind cooperation has made this collection possible. Likewise, I would like to thank my colleagues at The Pennsylvania State College and elsewhere for their many suggestions, and their frequent indulgence in allowing me to raid their libraries and even, at times, to eviscerate some of their favorite publications. Needless to say, the editor, rather than his colleagues or even authors of the several articles, is responsible for the final choices and the method of presentation of the material.

Scott Keyes

State College, Pennsylvania
February, 1952

Brantwood Hotel
Oak Drive
Fallowfield
Manchester 14.
1,3,52.

Dearest Karli,

Misi is most grateful to you for wanting to act on his behalf. He held back so far in the interest of the Polanyi-clan in general, (John too is trying to get to the States; he got his fellowship for Sept. next subject to obtaining a visa). But Misi now feels that out of sheer self-defence he cannot remain silent ~~longer. Things stick, even in this country.~~

Misi is at present lecturing in Oxford and had no time for writing to you before leaving. He has asked me to do the following:

1) I enclose copy of a letter which will come out in the Manchester Guardian in a day or two. The contents of the letter are confidential until it actually appears in print. Misi will send you a cable as soon as the M/c. Guardian brings it; you can do what you think fit with it after receipt of Misi's cable.

2) Ed Shils has all the dope about the 'affair' and 'Who is Who' brings a complete list of Misi's publications. But the Princeton citation at the Honorary Degree ceremony may be of some use, Misi thought. It is the following:

(I am quoting from "Lights in Nassau Hall", A Book of the Bicentennial, 1951, Princeton University Press.)

P.192: "Michael Polanyi, Doctor of Science. A physical chemist who ... ; a veteran campaigner against those who would take from science the freedom she requires for the pursuit of truth."

All this has been quite upsetting and humiliating. Still, it might have been worse if Misi had resigned his job here. But you know all about that.

Much love to you all

Magda.

YALE UNIVERSITY
LAW SCHOOL
NEW HAVEN, CONNECTICUT

FILMER S. C. NORTHROP
Professor of Philosophy and Law

14 March 1952

Professor Karl P. Polanyi
Visiting Professor of Economics
Department of Economics
Columbia University
New York 27, New York

Levinson

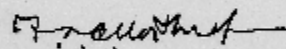
Dear Professor Polanyi:

Mr. Marshall M. Levinson, whom I understand has done work under you and who is applying for a Social Science Research Council fellowship for the next academic year, has suggested to me that I write you concerning my impression of his project. I am very happy to do this.

He has sent me certain of his manuscripts on this subject. I have also had a very lengthy discussion with him here in New Haven. I have been looking for a considerable time for someone with his training in economic science to attack afresh the problem of economic and social dynamics. He seems to me to have both the qualifications and the spontaneous interest in this particular topic. My predecessor here in the Yale Law School, the late Professor Underhill Moore, contributed some very precise work which, if Levinson gets this grant and comes here, I will want him to go through. Moore's attempt to obtain a theoretical dynamics in social science ended, as he recognized, in failure. But in this failure one approach to the question generally regarded as fruitful has I believe been eliminated. Furthermore Moore's work throws some very important light on the problem. I myself have been working on this problem not merely initially in a paper some years ago in the Quarterly Journal of Economics, but also through the philosophy of culture and the way in which the philosophy of natural science affects the philosophy of culture, thereby introducing changes in social norms and institutions through time. I believe Underhill Moore's work shows that it is impossible to get a theory of the changes in an economic or any other social system through time except by going beyond recent economics proper to the inner order of society and of social norms. I gather that Mr. Levinson has come to this position also. The problem, however, in such an approach is to make the application to technical economic science precise. It is the hope if Levinson gets the fellowship and comes here that by pursuing his own reflections plus Underhill Moore's and the cultural philosophical ones which I have outlined, something fresh and constructive upon this problem may result. Certainly none of the present theories which assume social determinism are satisfactory.

Trusting that this may make clear the importance of Levinson's proposal as I see it, I am

Very truly yours,

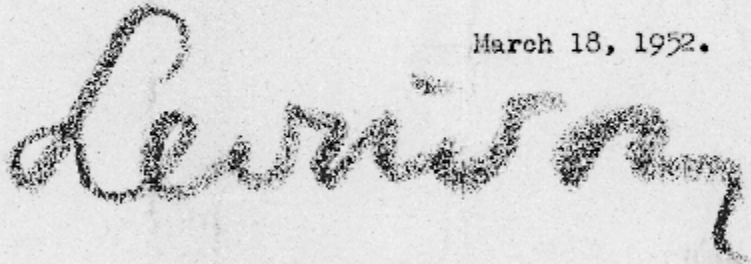


F. S. C. Northrop

THE PENNSYLVANIA STATE COLLEGE
SCHOOL OF THE LIBERAL ARTS
STATE COLLEGE, PENNSYLVANIA

SOCIOLOGY

March 18, 1952.



Professor Karl Polanyi
Department of Economics
Graduate School
Columbia University
Morningside Heights, N.Y.

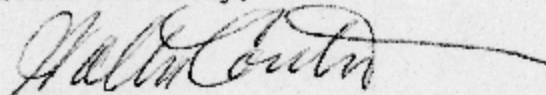
Dear Professor Polanyi:

Marshall Levinson has suggested that it might be of benefit to him if I were to give you my impressions of him and his work.

My chief professional interest is the application of field theory to the problems of human behavior in the realm of social psychology. Marshal learned of my work mainly from my colleagues, friends and students and through my first volume *EMERGENT HUMAN NATURE*, Knopf, 1949. This interest in field theory brought us together, and I was delighted to learn that he is interested in applying these principles to economic theory.

I mention these things partly to identify myself, but mainly to indicate that Marshal and I were brought together by ideas. This, to me, is the significant thing about Marshal Levinson -- he is a man of ideas and he stands out as such even in an atmosphere of university life which, presumably, is a world of ideas. I am sure that you are aware that even in such an atmosphere truly original and creative thinkers are a bit rare. Marshal is one of them. Although his theory is not yet fully matured, he is a vigorous, dynamic thinker, and being young, he is intense, self-assured and impatient with slower or more conventional minds. These characteristics of youth will pass with time, sound criticism and training with competent men. We have here a genuine potential force, a fine seed that will repay cultivation.

Yours sincerely,



Walter Coutu
Professor of Sociology

March 21, 1952

Monsieur P. Marcier
Institut Français d'Afrique Noire
Abomey, French West Africa

Dear Sir:

In April of last year you were so kind as to send me a copy of the paper written by M. Thomassey, entitled "Autour des Poids d'Or Ashanti-Saoulé." I feel extremely apologetic for having taken so long to let you know that the paper reached me safely and was read with the greatest interest.

M. Thomassey's examination of the Hindu influence on the indigenous weight systems raises questions of the first importance and is far in advance of previous investigations. Despite his reluctance to regard his conclusions as more than tentative, it is my opinion that his investigations greatly advance matters in this field and would be welcomed by scholars. If it were agreeable to M. Thomassey, I would undertake with pleasure to ascertain whether his paper could be published in America. If this suggestion seems feasible to you, I shall appreciate your advising me where I can communicate with this gentleman.

In the meantime, please accept my hearty though belated thanks for your courtesy in having made available to me this study, which has been of considerable help to me in my own investigations.

Very sincerely yours,

Karl Polanyi

THE PENNSYLVANIA STATE COLLEGE
ECONOMICS AND COMMERCE

3/30/52

Dear Professor Polanyi

Thank you very much for
giving me permission to use
your article. For your
information, I am attaching
a copy of the outline and
preface. The publisher is
Russell F. Moul Co., 475 Fifth Ave.,
New York 17 N.Y. We hope to
have the book out in May.
You will, of course, receive a
copy.

Sincerely yours,
Scott Keyes

Dr. R. Thurnwald

Prof. d. Fr. Univ. Berlin

Berlin-Nikolassee

Teutonenstraße 4

Ruf 80 74 67

Berlin-Nikolassee, 8.4.1952

Dr. Karl Polanyi,
Columbia University, New York 23

Dear Dr. Polanyi:

Dr. Laura Thompson advised me to approach you for an article or book reviews in the "Sociologus".

At the same time I send you an issue of the revived journal. There had been two issues: 1 and 2; in May the first issue for 1952. The next issue will be out in fall. We should be glad to have an article of about 10 printed pages, the page with 2400 letters.

Would you kindly inform me of the article you should plan to send us. We would highly appreciate it.

Sincerely yours

R. Thurnwald

Dr. R. Thurnwald
Prof. d. Fr. Univ. Berlin
Teutonenstraße 4
Berlin-Nikolassee
Ruf 80 74 67



Berlin-Nikolassee
Telefonstraße 4
Ruf 80 74 67

Abs: **Dr. R. Thurnwald**
Prof. d. Fz. Univ. Berlin
Berlin-Nikolassee
Telefonstraße 4
Ruf 80 74 67

LUFTPOST BRIEF

Dr. Karl Polanyi
Columbia University

NEW YORK 25
U.S.A.



DURCH
LUFTPOST
PAR AVION

TAXE PERÇUE 60 PF.
DEUTSCHE POST
BERLIN

ERSTER FALZ

Wenn dieser Brief irgendwelche Einlagen enthält,
wird er nur durch gewöhnliche Post befördert

ZWEITER FALZ

Selten zusammenfalten, den unteren Teil des Briefes
hochschlagen und mit der Klappe verschließen

April 16, 1952

Sal
San
12 am
125

Happy

M6
990

Dear Dr. Polanyi:

I am returning a manuscript which belongs to you, and I am also sending a copy of my article.

Since this leaves me temporarily without any copy of it, I enclose a return envelope so you can send it back to me when you are through with it.

My other copy has been sent to the Yale Review for their consideration. I sent it to them because they often accept articles which are on a higher level than those which most other magazines accept. Whether they will have any interest in this, of course, I do not know.

If the Yale Review is not interested in it, I would very much like to have your opinion as to whether there is any level of publication for which such an article is suited.

All of my family are well and happy.

With best wishes,

George Woodard

April 16, 1952.
169 Demers
Montreal.

Dear Professor Polanyi.

Thank you for your mimeographed pamphlet. I am enclosing the draft of my Master's Essay which I have just completed. It follows essentially the outline submitted to you earlier, although there are some fresh insights in the latter section. I had some trouble finding the Marx' reference to "titles to property" and "means of production"; the nearest thing is a reference to "conditions of production" in Capital Vol. III p. 901, (Charles H. Kerr edition). I have substituted "money-capital" and "productive capital" for it. Also, is there any significance to your omission of householding as a form of integration in your mimeographed outline?

There is no need to send the enclosed copy back unless you wish to note something right on the draft. If you think certain revisions are necessary, please indicate whether you would like to see the revised draft before I submit it for final typing. I am trying to crowd under the May 15th deadline so I would appreciate an early reply.

There are many things that have become clearer in the writing of this draft, but it seems that every step up brings a larger vista of problems into view. There are a few questions I should like to put to you but perhaps at a later date. New concepts are still jockeying for position with old ones in my mind.

If you are going ahead with plans for your new book, I shall be glad to help in whatever way I can and am prepared to devote all my spare time to it. In fact I look forward to the idea very much.

Hoping for an early reply, I remain,

Sincerely,

UNIVERSITY OF MANCHESTER



FACULTY OF
ECONOMIC AND SOCIAL STUDIES
DOVER STREET
MANCHESTER, 13

17th April 1952

TELEPHONE ARDWICK 2681

By Air Mail.

Dr. Karl Polanyi,
423 W.120 Street,
Apt. 76,
NEW YORK 27, N.Y.

Dear Dr. Polanyi,

Professor Polanyi has asked
... us to send you the enclosed carbon copies.
He is away on the Continent until 23rd April
and will be writing to you on his return
to Manchester.

Yours sincerely,

Olive Davis

Professor's Secretary.

COPY

COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK
(NEW YORK 27, N.Y.)
DEPARTMENT OF ECONOMICS

April 19, 1952

My Dear Abe:

I was glad to have the draft of your Master's - it is well written and fairly well organized. However, on the essentials it offers too little.

The need is for expansion of the nuclear part: the two meanings^{is} reflected in the history of the discipline. Since you shifted - and rightly - the emphasis from a monographic study of a few authors to a general survey, this latter task should be done in an outline study of the whole field. You are, of course, entitled to use secondary sources for such somewhat recondite authors as Cantillon or most of the Physiocrats, but the main object must remain this: to show the manner in which the two meanings have been combined and re-combined over the course of the last 200 years' history of political economy.

Roughly, you might use the grouping of "economistic vs. societal" writers.

Societal: Montesquieu, Physiocrats, Smith

Economistic: Townsend, Ricardo, Malthus,

Societal: Sismond^é, List, Marx, Jones, Schmoller, Veblen,

Economistic: Menger, Marshall, Pareto,

Synthetic? Max Weber

I need not say that this grouping is not, as it stands, completely adequate (Townsend e.g. although one of the first to separate out the hunger motive of the labour market, is throughly "substantive" in his selection of elements of the economy etc.)

You might however simply adhere to the traditional distinctions of mercantilists, physiocrats, classics, historical school, neoclassics, institutionalists - should you so prefer.

Roughly you would find that the substantive meaning was traditional with the mercantilists thinking in terms of power while at the same time generating the extreme formalism of the "balance of payment" concern about money.

Montesquieu, their sociologist, thinks however of the economy in purely substantive terms. The Physiocrats develop the concept of wealth (in the form of the produit net); this is a substantive term derived from Cantillon (cf. Jevons on him). A. Smith ~~removes~~ the agrarian limitations of this "wealth" mainly through his discovery of the facts of production and markets and clarifies its meaning. However all these writers remained "societal".

The economy "separates out" with Townsend and soon becomes semi-formal the substantive element withdrawing into the postulates of population (Malthus) and diminishing returns (Anderson - Ricardo) of the soil. Even Gossen's discovery of the laws of saturation of wants was substantively conceived.

The emphatic reaction against Ricardo who was no longer interested in production, but in circulation and distribution was ethical, national, historical, empirical "social", esthetic, anthropological each of these representing some substantive element or other in the societal whole which didn't prevent Marx from being ultra Ricardian on the catallactic triad in regard to capitalism.

The countermove came with the conscious assertion of the economical vs. economic, the formal vs. the substantive meaning, the insistence on the scarcity definition as against the subsistence one, while ignoring the latter, (Marx had done the same for utility but not for technology).

With the recession of market institutions from dominance the substantive meaning reasserts itself in the guise of institutionalism. This is a "convergent" movement: the fringes of the market-system are hemmed and patched with the same pattered cloths (American institutionalism) as are displayed in the whole cloth of the non-market systems of the past and tho' maybe to a lesser extent, of the future (institutional analysis of the Weberian type as developed in my "Semantics".)

Use for this the best histories of doctrines Gide Rist, J.M. Clark, Bagehot, Bonar, E. Roll, E. Heimann, Cannon, Mitchell, Schumpeter where indicated. An au fond study of the authors themselves would in many cases transcend the scope of your assignment.

The task is essentially an analytical one. With the help of the conceptual tools at our disposal it should be not too difficult to give a rough indication of the varying locations of the two meanings within the theoretical systems of economics.

Please answer soon. With my best wishes

K.P.

P.S. After a further study of your draft I felt that its completion in an other direction than that indicated above might be considered by you as an alternative. I

liked the concrete elaborations of your substantive examples. Unfortunately they are given without any conceptual penetration of sequence or system. Could you not bring some order into this part of the matter? (The final remarks on militarization would certainly have to be subsumed, or dropped for anything claiming completeness). I might enlarge on this alternative, but invite your reactions first. I am expecting a swift answer -

All the best

K.P.

April 24, 1952,
169 Demers,
Montreal.

Dear Professor Polanyi,

Reading your letter of the 18th it was somewhat of a jar to realize that I had omitted the nucleus of my master's essay and merely presented the contours. In trying to arrive at some kind of explanation for this, it seems that for this past year I have been slowly re-traveling the paths you have laid, and this essay was, in effect, a private summary with a few minor embellishments. Too uncritically I identified its substance with the topic at hand.

Insofar as the essay does have a certain coherence, it is centered around the explanation of price by the formal meaning, and the need for some substantive revisions. It was this which I implicitly harbored as the main theme.

Of the two alternatives now - the alternation and combination of the two meanings, or bringing some order into my substantive excursions - I ~~think~~ ~~think~~ I am inclined to the first. I think that my substantive excursions into modern developments are still floundering, more a symptom of cogitation than meditation. At best I could perhaps break economic analysis into the standard divisions such as international trade, money and banking, the theory of the firm etc. and indicate the growing fringes not explained by market theory. But I don't think I'm ready for that.

I am inclined to the plan that you outlined. It seems to me however, that done comprehensively, it means rewriting the whole history of economic thought from a fresh viewpoint - while done on a smaller scale, it has the danger of appearing pretentious and vaguely general. Nevertheless, I think I could find some medium level on which to work, and it would be a material addition to the part already written.

Frankly, I think it would be a good thing for me to get in and do some solid digging around the pillars in the literature, as well as some overhaul work on some of the old courses I took.

If you still remember back to my long letter of Feb .29th I wonder if you would care to make some comments on its contents. It was rather disjointed and confused but I think it had a few interesting ideas. Also, if you have issued any new material to your class I would appreciate seeing a copy.

Sincerely,

COPY

COLUMBIA UNIVERSITY
DEPARTMENT OF ECONOMICS

(April 26, 1952.)

Dear Abe,

I was most pleased with your answer and the implied decision to review doctrinal history from the point of view of the two meanings of economic. I confess I was afraid you might be tempted to choose the 'substantive items', a task which is in truth still just out of reach.

It is precisely on the middle level that the alternation and combination of the two meanings can be best appreciated. After all the distinction is ex post - over-precision would be hardly appropriate. Since it was only in 1871 that the distinction was consciously made, the period since that date comes naturally to the fore. Marshall and Weber are the chief culprits in the miscegenation. Above all: don't be too subtle, handle the terms massively; you will not be in danger of confusing an ox with a differential equation - and after all that's what it's about. (Please disregard this latter remark which may not be sufficiently illuminating).

In haste

Karl Polanyi

P.S. Even more than Cantillon Condilliac was a precursor of the subjective theory of value.

Columbia University
in the City of New York

[NEW YORK 27, N. Y.]

COUNCIL FOR RESEARCH IN THE SOCIAL SCIENCES

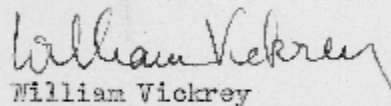
April 29, 1962

Professor Karl Polanyi
405 Fayerweather Hall

Dear Professor Polanyi:

I am happy to inform you that at its meeting on April 25 the Council for Research in the Social Sciences approved an allotment of \$2,500 for your project #191, "The Origins of Economic Institutions". If you will need any part of this before July 1, please let me know and appropriate arrangements will be made. Otherwise the grant becomes available on July 1.

Sincerely yours,


William Vickrey
Secretary

3 May 52

Dear Karl, Much excitement here: we're planning to drive east the end of the month to see John's family, and I fervently hope I can see you and your family too. Will you be in ^{MI} during June, or up in Toronto? We may take the night-boat across the lake to Buffalo, in which case I could easily whoop up to Canada; or else go down to New York after we get to Cobleskill. John is anxious to get up to Lake Champlain, and I don't know how long we will stay east, so I had better try to contact you on the way instead of later, but whenever is convenient for you. We plan to leave Illinois on June 2nd, so would be in New York State by the 4th; the only hitch would be the continuing oil strike, which might make gas impossible to get, but I trust that will be settled soon.

I do hope we can arrange something; let me know what's convenient for you. I'll send a copy of this to your other address, just to be sure of catching you in time.

I hope your family is all well, and your book progressing. We are all well, and happily knee-deep in road maps and camping equipment and pld clothes.

No more for now - hope to hear from you soon -

love ever

Char

1716 Oswego St.
Aurora, Colo.

P. Thomasson
en congé
les Barrans
Bagnères de Bigorre
Htes Pyrénées
France

Bagnères de Bigorre le 16 mai 1952

Cher Monsieur,

J'apprends par mon collègue du
Dahomey que vous avez pris intérêt à la notice concernant
les poids d'or Ashanti-Baoulé, publiée il y a quelques
années. Je ne vois évidemment pas le moindre inconvénient
à ce que vous utilisiez cette note comme bon vous
semblera et à ce que vous la traduisiez si vous jugez
qu'il peut y avoir à cela le moindre intérêt.

La question des influences orientales sur le monde
noir d'Afrique occidentale m'intéresse vivement et,
si vous publiez quelque étude à ce sujet, je vous saurais
gré d'avoir l'amabilité de me le faire savoir.

Je vous prie, cher Monsieur, de vouloir bien
agréer l'expression de mes meilleurs sentiments.

Truon

THE UNIVERSITY OF TEXAS

DEPARTMENT OF ECONOMICS

AUSTIN 12

Sunday, May 18, 1952

Polanyi
Professor Karl Polanyi
Department of Economics
Fayerweather Hall
Columbia University
New York 27, N.Y.

Dear Professor Polanyi:

Please excuse the delay in answering your recent letter. As you know so much better than I, the last two weeks of a semester can play hob with one's regular correspondence.

I have passed along your best wishes to Dr. Ayres. Knowing your interest in all types of institutional theory, I shall try to pass on what I consider to be the salient features of his approach. This is not very easy to do, since Dr. Ayres is not as specific in his interpretation as Veblen was. This leaves a large area of doubt and uncertainty. However, this is my interpretation for what it is worth:

1. Like Veblen, Dr. Ayres draws a conceptual dichotomy between "institutionalism" and "technology." This distinction corresponds to the former's instinct of workmanship and instinct of emulation. Dr. Ayres, however, eschews the outmoded instinct theory of Veblen. He feels such classifications are important in pointing up the fact that under capitalism there is a "class" that turns out products serviceable to the community and a "class" which lives on the efforts of that class. While there is some question as to whether Veblen seriously attempted to apply this construct to all previous stages in human history, Dr. Ayres firmly believes that this distinction holds good for all previous societies.

2. By ignoring Veblen's instinct theory, Dr. Ayres gets away, in part, from the embarrassment which follows ^{from} such a crude concept of psychology. For if technology is a cumulative factor and if all those in contact with the machine process become habituated to matter-of-fact habits, then obviously with time the area of irrationality becomes steadily circumscribed. The inevitable result must be a technological society which has no place for irrational institutions. Result: "exploitation" disappears. Though Veblen shied away from the obvious conclusions of his theory, Dr. Ayres, strangely enough, firmly believes that with the spread of technology all other institutions will slowly "wither away" and disappear. This appears to me to be partly due to a) the element of idealism in Dr. Ayres' make-up, a sort of wish-fulfillment and b) a necessary consequence of making

technology the touchstone of value for his entire system. I have pointed out to Dr. Ayres in the course of conversation that modern psychology is strongly committed to the large degree of irrationality in man's make-up, but without much success. Thus, it seems to me, that Dr. Ayres has not really succeeded in freeing himself of the "instinct" theory of Veblen. Of course, the implications here are obvious and drastic. If human nature is, in part, irrational and if institutions supposedly represent this irrational side of man, then one can never have a society without institutions. I have also pointed to the historical record in this matter.

3. Dr. Ayres does not make use of Veblen's short-run theory of business cycles. Of course, the latter's theory of over-inflated security valuation as the basic cause of business fluctuations has always appeared to me very superficial and I believe Dr. Ayres feels the same way. He has substituted for it a modern theory of underconsumptionism, pointing out that due to the property relations existing in capitalist society, there is a wide maldistribution of income which leads to capitalist crises. Beyond this, he does not go. Obviously, the structure of both his and Veblen's theory is such that even the Keynesian analysis can be fitted into it as an ad hoc addition.

4. One of the basic weaknesses of the theory appears to me to be the insistence upon making an a priori judgment that technology is the touchstone of all value. Obviously, given this initial assumption, all other institutions must be "bad" and "evil."

5. Dr. Ayres is very careful to skirt the problem of technological determinism. He does admit that other cultural elements can and, at times, do influence the technological base but always returns to ~~the~~ starting position that the effects of technology are the most important determinant in shaping the face of any society. His "permissive" and "inhibitory" institutions illustrate this point and, incidentally, seem to negate the principle of technological determinism. If technology can easily penetrate certain societies, then the latter have permissive institutions. If not, then the institutions are inhibitory. Obviously, this is arguing in a circle. What causes certain institutional structures to be at one time "permissive" and at another "inhibitory?"

6. Dr. Ayres' theory, like Veblen's, appears to me to be an outgrowth of the humanistic influence which shaped the thought not only of liberals but of the classical socialists as well. Internal developments in any society, as they revolve around the economic base or the technological structure, shape society. Wars and external influences are important only as they reflect the basic maladjustments of the system. To this may be added the evolutionary influence of Darwin upon both Veblen and Dr. Ayres. A conjuncture of forces (anthropological field theory) is not too seriously entertained.

7. I am not quite as certain as you are that although your theory and Dr. Ayres' are quite different, the consequences of both lead in the same direction. As Dr. Ayres has expressed himself, the consequences appear mild and tame when compared to the elaborate edifice built up. Thus, in the policy field, his conclusions may lead to no more than what is being done already, namely, the heavy

use of fiscal policy to redistribute real income in favor of the lower-income groups. This, of course, is probably due to the hostile environment in which Dr. Ayres finds himself. After all, Texas is not New York. Of course, such a theory can go much further if its architect wishes for it to do so. Thus, there is little doubt in my mind but that Dr. Ayres favors planning and an end to some of the chaos which exists under our system. In fact, his "disciples" feel that he has stopped far short of what the theory can do. Their opinions should not bear too much weight, however, since they know very little about economics but need a new faith to sustain them for the loss of values which has become commonplace in our society.

Needless to add, I have just jotted down my casual impressions of the theory. This, in no way, detracts from Dr. Ayres or the marvelous job which he is doing here. For some 20 odd years he has been holding down the fort in the midst of an atmosphere hardly conducive to his theory. He has trained and influenced thousands of students who will remain forever in his debt for introducing them to institutional analysis. In fact, many of them are now on the faculties of many of the educational institutions in this area and continue to teach and influence others along the same line. This is in marked contrast to other men who began as institutionalists and ended up as exponents of "price" theory. The admirable and unbending nature of Dr. Ayres himself has served to keep the theory "pure" and unadulterated with all that means in terms of social values. This, to me, appears to be the major contribution of Dr. Ayres.

Hoping to have the pleasure of hearing from you in the very near future, I am

Sincerely,

Murray

Murray E. Polakoff

P.S. I would indeed appreciate any new ideas or articles you have worked out these past two years.

Inverloch, Kilmun, Argyll, June 21st, 1952

Dear Ilona,

~~Thixxixxix~~ Midsummernight is not just the right time for the appearance of ghosts-we are sufficiently to the North (just like Moscow, but in free country without dust) to have nearly white nights-if it is good weather, which just now not the case, but winter and spring were most beautiful; but if the hour is not ghostly and we not the worst writers, then, in any case, we share with ghosts the habit of disappearing occasionally-in this case, in a fortnight to Austria (therefore this letter does not go by airmail, as in any case we shall not be back before late August) and then through the South of the continent. Vienna will be visited, but hardly for memories' sake-it is quite a dead town to me and the few people whom we know we know actually (even if I happened to meet them earlier) from the ~~Londax~~ emigration to Britain. As we are just speaking of ghosts-Frieda Lubinger was the woman doctor of the old (pre-~~kaxak~~ 1914) Social Democracy, to be found in connection with the Adlers (the great ones), Trotsky and the Café Central etc etc. Leonie Pilewska is of my generation-was an architect, youth movement, moved shortly after me to Berlin. Frieda is connected with ~~Max~~ Zuerich, Leonie with Moscow too (but not with my circles, and much later than you were there). So the relevant layer would be 30 years ago. Plenty of ghosts-from Zimmerwald-made their appearance at the occasion, one-a Dutchman who came just from Moscow-even in person.

Your letter is slightly depressed. Well, one has to move in time-and to move backwards (50, or even 70 years) may occasionally be for people of our generation easier than ~~10xax~~ 20 years forwards (to move in one's mind ten years forward-is the professional activity by which one is socially useful; not necessarily the most fruitful private one). I-Mila-have also problems in gardening, mit so vielen Umwegen, while in my country great things are being done: I accept the ~~psituation~~ situation, and the benefit of being able to see things from a distance, and try to be useful in my ways: am at present preparing a book on industrial relations in ~~East~~ the German Democratic Republic (collection of materials with introduction and conclusions, slightly more than in Rudolph's Family volume-he is now producing quite a series of such things qua Department). As to my-Mila's-garden, enumeration of 250 species would be difficult; it got quite nice, by now, but must still grow. Now the letter comes to Rudolph back.

I am at present working on a book on the Origins of Soviet Political Institutions-apart from that on Central European Democracy, which I now have simply to guide through the channels of style-reviser, printer etc., to be followed by one on Social Institutions (it is actually one, but the publisher does not like to bring books in diverse volumes out, so diverse connected titles have to be found). Apart from this, I am directing the diverse efforts mentioned in Mila's paragraph; the journal makes comparably little trouble as it has fairly found its way (Jack appears to be in permanent personal crises and difficulties-~~walkx~~ caused by that unhappy personal decision of his about which we need not exchange opinions: it reflects on

his work and attitude to it. He would now have all the necessary conditions to establish some reputation as a writer-and, because of his name being on the journal, he got, indeed, quite a good technical start-but he simply does not find the time, or internal peace, to make use of it. And I cannot help as the basis of the evil is clearly outside my sphere of influence, and even mentioning it would make things worse.

I showed him your critique of my critique (of course not the PD), he-like me-found it quite useful. There is some simplification in your statement-which, of course, contains a basic truth, and I am very conscious that we are producing an American even more than a British journal-certainly according to circulation, possibly also as regarding its influence, certainly again as regards the point where the arguments must be brought to bear. But, first, the gown is not only a necessary condition of our conditions of publication but also an essential element in the weight of the arguments brought forward: there are plenty of publications which make your argument of kulaks (which we cannot make without entering arguments on the respective merits of the two social systems and becoming political)-unhappily they are not read with such attention, as S.S. Some arguments are brought forward in less pronounced form-as you would like to see, but it is much better if they are got made by me but by other people, possibly far to the right: you will find some arguments which you would like to have got from me in the coming issue from the pen of a young (by the way Canadian) agricultural economist. Finally, you ~~xxxx~~ have sufficient training to be able to read in times such as these: I did answer the 'Former USSR'. Did you not notice the remark that a war would test the internal coherence of every one of the participating social systems? A journal such as ours is written either for people to whom some arguments which you like to get from my pen-and get in my books-are irrelevant, as the present issue is not the merits but the peaceful co-existence of the two systems, or people who should be able to read and to draw conclusions. How do you think things could go on if 'truth is put just as brazenly as are the lies' and the ~~xxxx~~ supporters of the lies happen to control all the channels of publication (it does not matter whether, for some time, sectarian publications are allowed to dissent-these cannot be influential where it is necessary to prevent the catastrophe. By 'sectarian' I mean, in this connection, not some content but even journals which are excellent but, in the given framework, simply unable to influence more than some small sector. I have the greatest respect for Sweezy's Monthly Review (I hope you read it) and, I think, the day will come when it will be very useful: I (apart from my private literary activities) have to do something else, no less useful.

I am not so dogmatic as you about 'new New Dealers' (by the way, this is Sweezy's formula)-provided, they do it properly. Of course it can be best done by people who have a minimum of delusions about it-and I doubt whether Karl comes quite up to that standard. But the most important in these days, is, indeed, to feel oneself useful. What will the two of you do after his retirement-apart from being grandparents (congratulations!).

Joan is coming in a week up for our annual Highland trip-up to now I was informed about her experiences also only by correspondence. Now the paper is finished-best love to both of you from *Paul and Maria*

Tuesday P.M.
22 July 52

Dear Karl.

Thanks so much for your handsome legible card of the 13th, which just caught up with me today. I'd written to Pickering that I did get the Langer and am profoundly grateful, especially as it languished in the Cobleskill P.O. about a week, (being addressed to "Charles Gold"), until one of the men had the wit to ask John's mother if it were hers, and she had the sense to claim it for me, and keep it till we came through on our way west. We made a really quick trip, driving 3 days and 2 nights with one overnight stop in Illinois, as we were all suddenly anxious to get back to this climate and exhilarating countryside (even more 'bracing' than Lake Champlain) and John got a call from his office; but he was chagrined to find they wanted him for another department besides personnel, which is his chief interest; so he's changed jobs and starts Monday in the Colorado State Employment Office, where the personnel work involves everyone from beet-sugar pickers to uranium miners - it should be an interesting job. This weekend we plan a 4-day camping trip down to South West Colo, in the San Juan mountains. Our tenants are still in the Aurora house, so we're temporarily renting a Friend's cabin in Manitou Springs just west of Colo. Spgs., a refreshing novelty as we're perched halfway up a precipitous hill, with our doorstep overlooking the neighbor's roof. I'm gradually adjusting to the Cliff-dwellers outlook, but the kids have taken to the pitch like squirrels, and it's been interesting to watch them assimilate a wholly new group of playmates, dogs and cats. There's a lovely view of the hills across the valley, and a shining panorama of lights at night, so we're both enjoying this and looking forward to being home in a few weeks. (John will get a room in Denver and come here weekends, until we can get back in the house.)

I finished the Langer last week, (notwithstanding premisses, hooks and rods) a most rewarding effort, as the section on symbolic logic was slow going, but I began to grasp it. (Also to appreciate finally what the Woodger was driving at -

The Republicans proved you a good prophet - I hope November clinches it -
Best to all your family - My love to you - Char

better ten years late than never) also I need more background in the Gestalt psychology (this whole approach ^(Langer) has fascinating possibilities for teaching) and am sorely tempted to pursue the Greeks, and Fromm's book on dreams, besides the list you gave me. I finally got to the Colo. Spgs. Library today, and got Hume's "Inquiry", and the only Whitehead they had, the 1926 "Religion in the Making". (I'm sure Denver will be better) I was glad to get Hume because he's discussed at length in F.S.C. Northrop's "Meeting of East & West" with which I'm now doing battle. (It was the only thing interesting in the cabin, after S.L.) Do you know it? It's a challenging muddle, with good ideas impaled on his own special framework, as White did in "Science of Culture", though Northrop's addition is dichotomies, really an A&K-full: theoretic-aesthetic; male:logos-female:eros; modern Protestant-medieval Catholic; analytical West-intuitive East etc etc etc (He's also smitten with Georgia O'Keefe and chides non-abstract artists in general for being obtuse.) I think ~~of~~ really his point - the world does need new understandings and philosophies, but I can't see that the most useful approach is to divide everything into two contrasting categories and then say they should be reconciled. It's as though Langer labelled all symbolisms either discursive or presentational and then cast about for ways to combine them, with emphasis on the division; instead of her fruitful concentration on the symbols themselves. However it's surely presumptuous of me to criticize Prof. Northrop, especially as I've only come through "The Rich Culture of Mexico", "The Free Culture of the U.S." and "Unique Elements in British Democracy" and still have Germany and Russia to go, before he moves Eastward - and he does cover a wide range of material, which is useful for me.

It's pushing midnight so I must quit - please excuse this pencil - John has taken the family pen to Denver and I didn't want to wait till he comes back tomorrow night. I hope the heat isn't a nuisance to your work. By the way, our friend is no longer at Macmillan but now has his own outfit, and he remembers you from when Reinhart did "The Great Transformation" - he is James VanToor, 119 West 57th St NYC; if it is any use to you, I know he'd be honored. I'd be glad to hear any news of Joanie, whenever some comes

THE JOURNAL OF ECONOMIC HISTORY

Published by New York University Press

UNIVERSITY OF PENNSYLVANIA

3440 WALNUT ST.

PHILADELPHIA 4, PENNSYLVANIA

Shepard B. Clough, Advisory Editor
Columbia University

Herman E. Krooss, Business Manager
New York University

THOMAS C. COCHRAN, Editor
University of Pennsylvania

Miriam Hussey, Associate Editor
University of Pennsylvania

Daniel Thorner, Associate Editor
University of Pennsylvania

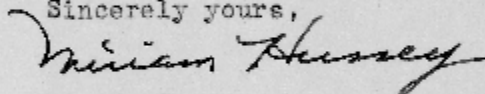
November 10, 1952

Mr. Karl Polanyi
Department of Economics
Columbia University
New York 27, N. Y.

Dear Mr. Polanyi:

In preparing the reviews for publication in the next issue of the JOURNAL OF ECONOMIC HISTORY, we have raised a question about the inclusion of a section of your review of Studies in Land and Credit in Ancient Athens by M. I. Finley. May we delete it without upsetting your argument?

Sincerely yours,



Miriam Hussey
Associate Editor

MH:ew
encl.

423 West 120th Street
New York, N. Y.
November 22, 1952

Mr. Richard Herpers
Secretary of the University
Columbia University

Dear Mr. Herpers:

The following supplies are needed for use on the Project:

6 reams white paper 13 lb. 8 1/2 X 11
300 paper clips, No. 1
2 dozen black lead pencils No. 2
2 black typewriter ribbons
(Royal Portable)
2 reams pink paper (No. 22 1/2 B)
2 reams green paper (No. 23B)

Will you kindly have them delivered to Apartment 76,
423 West 120th Street.

Sincerely yours,

Karl Polanyi

423 West 120 Street
New York 27, N. Y.
December 3, 1952

Mr. Richard Harpers
Secretary of the University
Columbia University

Dear Mr. Harpers:

I am now able to report the balance of the expenditures which I incurred on behalf of the University Research Project 190 during my stay in Canada this summer. They are as follows:

Railway Express charges for carrying books and files from New York to Canada, August 8, 1952	\$ 10.48
Delivery to House	2.00
Delivery to Pickering Station	2.00
N. Y. Tel. 10th Aug. - 31st Aug.	6.00
N. Y. Tel. 31st Aug. - 23rd Sept.	6.75
Railway Express charges of books and files from Canada to New York.	<u>10.00</u>
TOTAL	\$ 37.23

Apart from these expenses, I engaged for the Project the services of Mrs. Hona Polanyi, R. R. 3, Pickering, Ontario, Canada, for full time research assistance and typing over a period of six weeks in regard to which I enclose her voucher and my certification involving a sum of \$225.00. Mrs. Polanyi is a permanent resident of Canada.

Will you kindly have the check in the amount of \$37.23 sent to me at 423 West 120 Street, New York 27, N. Y?

Very sincerely yours,

EF:mr

Karl Polanyi

December 8, 1952

Professor Leo Oppenheim
1122 East 54th Place
Chicago 37, Ill.

Dear Professor Oppenheim:

I still owe you thanks for an exceptionally informative letter. Its stimulating effect was lasting and I feel I should acknowledge the full measure of my indebtedness to the GAD.

After another year and a half of sustained effort on the lines of which I have struck out, I hope you will permit me to put my problem in a somewhat broader way.

Only the Assyriologist is entitled to pass judgment on how much justification there is for the use of the term 'market' when referring to the early Babylonian economy not excluding, in this case, the Sumerian as well as the Early and Middle Assyrian periods. The fact that recognized authorities such as B. Meissner and E. Oug (to mention only these two) have used the term in this context need not of itself be decisive.

However, they (and others) have also more than

once employed the term in translating cuneiform texts. True, only exceptionally did they wish to imply either the presence of a market place or that of supply-demand-price mechanism of a competitive character. Nevertheless, the impression was left with the reader that in the minds of these scholars there was no doubt but that Babylonia's business life was centered on markets. A number of terms have been given in glossaries as 'market' e.g. by J. Lewy (NWAG v.36) and Eckhard Unger (in the 'topographical vocabulary' of his 'Babylon'). J. Lewy referred to the word 'mahiran', Unger to 'robotu'. E. Mack's recent translation of the H.G. (1950) refers to the ideogram ki-lam as 'market value'. Unger occasionally translated Ungnad's reference to 'kar' as 'market' while Gag repeatedly referred to the root 'pahum' as indicative of a 'market price'.

In point of fact, these references seem to amount to no more than an illustrative or exemplificative use of the term 'market'. In some cases the place where trade was carried on such as river ports (kuru), or city districts (robotu) were so designated. In other cases, exchange or barter or even the fluctuating rates of exchange were referred to as 'market' rates or as 'market values'. In no case need there have been a definite intention of establishing the existence of markets proper through the associative use of that term.

Though, admittedly, ~~their~~ existence may have been simply taken for granted.

I should feel deeply indebted to the CAD if it found it possible to offer assistance in these linguistically uninstructed efforts to clarify /a somewhat/~~its~~ highly significant aspect of uni- form economies.

With best regards sincerely yours,

Inverloch, Kilmartin, Argyll, Dec. 10, 1952

Dear Ilona,

in nomine...apage...etc etc-you will know yourself what to say in the presence of ghosts; suppose this letter arrives just at the proper time for such appearances, during the 'holy twelve nights! Producing the journal, we are not quite as ghostly as you are-though, occasionally, something flares up such as some Mrs. Grant recently asking me for some information and mentioning the two of you (now, besides, is Karl's 'endspurt' going?). My Central European Democracy is now in print, The Origin of Soviet Institutions just in the last stage of being written-you see, we have a conveyor belt. The Dept. is starting a series of translation vols. on the ~~topic~~ of my Family vol.-myself (i.e. Gottlieb under my supervision) catering for nationalities and-law, Jack aiming at (one must use such careful terminology) The Human Element in Industry-but Mila is supplying him with a section on East Germany and her material is rich enough to publish a vol. on these things alone (on her private account, of course) independently of the speed with which the 'aims' will materialise-there is some competition in his mind as he is doing, also privately (i.e. the fact as Molly's translator) a collection of philosophical documents-Russian and Chinese. Hope that when this is finished he will return to issues concerning his own field-but what is this? But I am glad that I now got the journal and the Dept. indeed through all the birth-prangs-it works quite peacefully, has a well-established status. Now we must carefully expand-the first step are a few postgraduate test-we have, and, of course, the vols. I am not sure whether you are right in your criticism of your handling the Jasny affair-one must consider general relations of strength, too. In my books I try (of course, not quite successfully) to be as good a master of 'shots' as is Carr-but qua Dept? Sometimes I wonder always, how much is possible. But as regards saying more of the obvious, you are right-and, I hope, the journal is now improving in this field.

As to ~~the~~ Karl's book-are the American New Dealers still in existence? I doubt-I hope, you read Sweezy's Monthly review, which is the best produced on ~~the~~ your side of the Atlantic (I recently ~~wrote~~ wrote them something on Malthusianism, so as to hint at essentials in a form which does no one harm) but you have seen the confusion about fundamentals in that same issue on their elections. It will be a long process, and MaoMau is, at present, a greater asset of progress than the whole American left-wing, but why not? Things do not come quite as so as we expected them to come many years ago, but they are coming-and you don't need another 70 years at all. Hope you follow closely the Russian things, if only through BS-but also the last Stalin article. As to Frieda Lubinger-from whom I did not hear since and, in her age, there is, of course, quite a natural expectation of death-she belongs to Vienna, pre-war (1) -Viktor Adler, Trotsky, Café Central etc.-really ghosts, but she is reasonable enough not to hate because of the fate of many of her friends, and I found at her a very nice Dutch ghost (from Zimmerwald) who had just returned from a Russian visit. The older one gets, the more one is inclined to say: 'in nomine'-and not 'apage!'. There is still much in common in the world of ghosts and, as an historian, I must say that rarely a living generation could, in their old

F No more
amuse them!
Fand y. Mass
Part of democracy

days, see so much realised of the dreams of their youth than ours. You are dissatisfied? Please, think what a person of your age, born in 1500 and actively involved in Protestantism, would ~~xxxxxxx~~ have said in the corresponding year, and what a foreign sympathiser of the French revolution, born in 1775. Still dissatisfied? When one gets old, one cultivates gardens, of course-if one is so reserved as Mila is, and therefore so little disillusioned, while ~~still~~ writing books. Ghosts who write books and have the feeling of full social usefulness, like me, are rare in any case-it depends very much on the individual circumstances of one's life, and one's capacity to make the best of apparently catastrophic events.

Not much to say about us. We were in summer in Austria-Vienna is an awful place, and the whole country a hostile force-but the hills still nice; and after in Northern Scotland, with a car and tent, which was wonderful. But Mila's Rheuma got worse, and now she is under regular treatment, which only slowly yields results. The garden is fine-happily now well under way, so that the fargoing elimination of her left arm, and a general tendency to avoid outdoor work in autumn, does no harm. Joan was recently ill, but did well recover. Now the ribbon is breaking down, and I wish to post this letter today-so the very best wishes, for the start and the end of the twelve holy nights, to all of you (including the grand-child-congratulations!)

from

Ruby and Mila

423 West 120th Street
New York, N. Y.
December 12, 1952

Mr. Richard Herpers
Secretary of the University
Columbia University
New York, N. Y.

Dear Mr. Herpers:

The following supplies are needed for use on the project:

- 36 packages of 3 X 5 index cards with lines
- 2 boxes of "COPI-CRAFT" Carbon Paper 8 $\frac{1}{2}$ X 11
- 1 roll of Scotch Tape
- 1 Scotch Tape Holder
- 1 large box of "Gams" Rubber Bands. These should include various sizes and widths. 500 in a box.
- 1 medium sized box of very thin or narrow bands as per attached sample but it should be in 3 varying lengths as for example, 2 inch length very fine, and 4 inch length. 500 of these bands.
- 1 set of Oxford No. 9-225 Guides Alphabet
- 1 12" ruler that is about 1 inch or 1 $\frac{1}{2}$ " in width
- 1 bottle of muscelage

Will you kindly have these delivered to Apartment 76, 423 West 120th Street.

Sincerely yours,

Karl Polanyi

THE UNIVERSITY OF CHICAGO
CHICAGO 37 • ILLINOIS
COMMITTEE ON SOCIAL THOUGHT

Sunday

Dear Mr Polanyi:

The Rockefeller Fdn grant to Michael covered his travel expenses to this country for the next three years and the cost of a research assistant (As you know when he ~~was~~ withdrew from the grant of the fall time ~~invitation~~, he was in ~~the~~ as a visiting professor & he accepted.) Hence the refusal of the U.S. State Department to grant him a visa thus far has interfered with his coming to America to take up the appointment as Visiting Professor. Hence it is news relevant to the American public.

Now as to whether publicity should be undertaken from this side in this format present, I am uncertain. I doubt whether it would be useful simply to report the fact of the R.F. grant & Michael's inability to use it to come to the US although that is what was granted for. If it were to be part of a continuing series on the working of the McCarran Act, then I would be all in favor of it - unreservedly & wholeheartedly. But can this be generated in the Herald Tribune editors' mind. If so, I will

undertake the...
The Herald Tribune in

undertake to devote a lot of time to obtaining
documentation, details etc. I know of many
cases. So, will you see if this can be done any
So, I shall do all I can to help.

But I do not believe that it would be desirable
simply to throw one stone into the pool and I fear
that the news item of the sort you spoke to me about
should ^{part of the matter by} mount only to that. My own view is that
I should write an article or a long letter to

The Times of London stating the facts of his case.
This will stir up a correspondence which will
drag on for weeks and thus the issue will be
brought before the American public through the
NY Times, Herald Tribune & Time correspondents
in London and it will also put the heat on the
cowardly & negligent American officials in
London & elsewhere. I might also start off the desired
series to which I refer above, in case you are unable to persuade

Prof Victor Weisskopf at M.I.T. is trying to start
something moving on this matter
and I think that it is very desirable that
you should write to him. He is eager to find some
support.

With many thanks, best wishes

Yours very sincerely
Edward Teller

C
O
P
Y

THE UNIVERSITY OF CHICAGO
Committee on Social Thought

52?

Sunday

Dear Mr. Polanyi:

The Rockefeller Fdn grant to Michael covered his travel expenses to this country for the next three years and the cost of a research assistant. (As you know when he withdrew from the acceptance of the full time invitation, he was invited to come as a visiting professor and he accepted.) Hence the refusal of the U.S. State Department to grant him a visa thus far has interfered with his coming to America to take up the appointment as Visiting Professor. Hence it is news relevant to the American public.

Now as to whether publicity shd be undertaken from this side ~~sides~~ in this form at present, I am uncertain. I doubt whether it would be useful simply to report the fact of the R.F. grant and Michael's inability to use it to come to the U.S. although that is what it was granted for. If it were to be part of a continuing series on the working of the McCarran Act, then I would be all in favor of it - unreservedly and wholeheartedly. ~~But can this be~~ But can this be generated in the Herald Tribune Editor's mind? If so, I will undertake to devote a lot of time to obtaining documentation, details, etc. I know of many cases. So, will you see if this can be done and if so, I shall do all I can to help.

But I do not believe that it would be desirable simply to throw one stone into the pool and I fear that the news item of the sort you spoke to me about would amount only to that. My own view is that Michael himself should start off the matter by writing an article or a long letter to The Times of London stating the facts of his case. This will stir up a correspondence which will drag on for weeks and thus the issue will be brought before the American public through the N.Y. Times, Herald Tribune and Time correspondents in London and it will also put the heat on the cowardly and negligent American officials in London and elsewhere. It might also start off the desired series to which I refer above, in case you are unable to persuade the Herald Tribune man to undertake the series now. Prof. Victor Weiskopf at M.I.T. is trying to start something moving on this whole matter and I think that it is very desirable that you should write to him. He is eager to find some support.

With many thanks and best wishes

Yours very sincerely

(signed)

Edward A. Shils