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COMMENTS ON "ROBERT OWEN", DRAFT #2

This is an important basis and beginning. All the facts are here without which one can't move at all. We have to add some sentences but this is not a question of reconstruction and rewriting. They have their definite place in such a text and there is room for them.

The great tragic perspectives of a person to whom it was meted out that he would run the gamut of the following century through a simple consistency in a simple endeavor is not clearly put. So his greatness comes out more as a personal greatness than it should. But that doesn't matter, it's all here.

It is an interesting account for someone who doesn't know much about Owen.

In the sentence where we discuss "a replica of the whole of society" in the Village of Union, it is only later that he had to accept a realistic understanding of the structure of society. He had to discover what class means; there was not a single industrialist to second his notion! However, he continued to reject the class struggle and the machine would pay for it.

There is too much eulogy of his person and too much harmony. What interests us is the inner contradictions of life which must be realistically met. But these are easily added.

Why did 'America' fail? Because the capitalistic discipline of firing didn't exist.

-- On this level there are perhaps a dozen things, but now that I have written it it should be raised on a different level - through clarity of purpose in writing it. It is not possible to produce good writing by making things doctrinaire. That's no good. But I have not made out a case that this life story is an illustration of how this visionary did meet face to face the reality of society in its limitations and bitterly so! He didn't want to know a thing about class nor the necessity of running the Unions with the help of the rich whom he thought unnecessary. We must make up our mind about the meaning of the chapter. Good writing and interesting detail don't make up for the meaning. We should decide which of the things in the brown "Notes" does fit in and go in. The main directives are not included explicitly but since they were implicitly there, they don't present a problem. One needs these clear powerful sentences that ring like a bell and the rest is a reverberation of it. This is no difficulty but it means we have to have the depth of the understanding and express it. This is an entirely different piece of writing from the first draft.

Owen tried to discover that there was an economic system and then he had to formulate the system in the second Lanark. This interests the reader and shows that he couldn't get around the reality of the situation. No village was ever established except one vague attempt.

My question: Why was there no class structure in the first outline of the Village of Union?

He made the plan part of the administrative Poor Law and he missed the point that there would be no human community. He thought he would mobilize the community without communion.

In America the community was voluntary, but dissension would break up all except a perfect community. But the point is why did he take in into the Report to the Country of Lanark all the essentials of a capitalist community which he wanted to abolish? That we can explain only if his being made to discover society was an over-all idea.

P. thinks that the writing is entirely adequate and there is no intimation of superfluity. But it is clear that something is missing and this is purposefulness. Preceding this chapter the Introduction would supply it on Owen (myself: and perhaps in the conclusion).

I haven't said a word about freedom in the draft which will have to come. He started the expression "freedom to starve", and talked about "vociferators of freedom".

This book is supposed to be about freedom. The way this book is written, freedom is a desideratum, the absence of which is a criticism of society. Owen himself didn't think he needs freedom at all, That is a fact. Under freedom he didn't take in primarily civic liberties, but freedom of the individual, that he has the freedom to starve. Owen introduced this term.

Owen himself had to introduce the discipline of hunger in

the Village of Union- the indentured debtor of a worker who can't leave. We must go into this. We must limit the points that we make.

Froebel deals with the kindergarten. Pestalozzi does not. Owen is pre-Froebel and this is very important.

Malthus is a speculative theorem, without a basis in fact. On this question Owen is also speculative. Owen means the capacity to grow food but it doesn't mean the food is available. There is no proof at all in Malthus that the food increases only in arithmetic proportions. If the wheat multiplies 80-fold, which is possible, then why does he assume its only two-fold. Why did Malthus assume that plants only double in a generation and human beings develop much more? e.g., look at the weeds.

Owen told the Prime Minister that he didn't want to tell him too quickly. (It is when he first met the Prime Minister). All we have to say goes beyond the conventional and conditional. What is really lacking is the specificity of the tragedy that would link it with the book.

A weakness of mine is that I more easily express the general. Here it is not the question that it is not specific from the point of view of facts but from the point of view of meaning. We have all that we need on Owen's person and general career. What we do not have is a clear indication of the specific reference of his concrete fate to our theme.

The younger Pitt (1795) was very Smithian and wanted to reform the Poor Law. He was the Prime Minister of the French wars.

We must be careful about the Builders Guild which was a tremendous movement but failed forever in England. However it continued in France. All the small contractors said that they could supply the labour and material and make a contract to obtain the capital on a piece-meal basis.

We should say more about his idea of the old world and new world existing side-by-side. Also, we must find the right place for socialism. We can only do this if there is an overall idea. It doesn't matter if the chapter becomes longer.

This draft definitely assumes that something went before it and there is a place in the book for an Introduction.

For us the chapter begins with the discovery of the significance and portent of the machine. The idea which we didn't follow up is that at the hand of this insight and vision, and with sympathy for the children and the unemployed, he followed the line of action which made him discover society. This pushed him on to it and broke his nose. If we have this idea we needn't have a second one and that is why we had all the things he discovered. That is also why we have the sequence of the scenes. The idea that he had to accept the reality of society only lies in the tragedy of the contradictions, but the discovery of society - that is his story.

We must have a beginning. Somewhere I must say what story it is that the reader is to expect now. We showed that this is complicated by his fear of revolution, his obsession of gradualism and his utter dedication unto death. This comes out and needn't be repeated. All we need is that one point and you can't have more than one basic thought and this is given by one basic personality. We won't build up a theory of Owen's life.

We might call it "Robert Owen Discovers Society", but P. said this of Aristotle.

If the idea we want comes through strong and clear than very little else is needed. In the Draft the idea comes after page 1 but page 2 is underdeveloped. After the first paragraph we should leave out a thing or two which spoils it. It should all be rewritten. Page 3 should begin as it is. The sentence on machine and society might be at the beginning. The other two paragraphs might have to go.

Almost the whole of the structure is omitted. There is scenery, events and material, but on the other hand it hardly says anything - it isn't meant to convey anything. One should have as much to say as one had here to recount.

Neither is the idea expressed that he was pushed onto these experiences. Nor what later did evolve: in what sense one can say that the basic ideas of the social democratic world originated with Owen.

Really two things are missing:

- 1) Why Robert Owen? That is the proposition which carries the whole.
- 2) That must be born out by the problems in the content which comes up.

There must be a transition which banks on socialist efficiency for peaceful penetration of the whole of society. The two societies are capable of existing side by side. He made tremendous concessions from his utopia in order to proceed to any practical thing. These two things come up under the heading of being pushed on.

Then there is the question of the future - all those thoughts which later came up. He was definitely prophetic. We should give two or three cases e.g. the factory is most apparent now.

To get me in the mood of proper optimism for this, P. is prepared to work more at this than till now. He quite realizes it is not so simple. To the extent to which I can come here and work he will devote himself to this. It is difficult for me, on my own, to give the kind of intensity and devotedness which was needed. It may be difficult for P. to pull his weight. P.'s other work is first, but this is second. P. finds no difficulty in taking the thing on by a whole step and thinks he could do something of the kind alone.

My taking on long steps of research and writing would slow the things down.

It is a basic conception which wants to be brought out and no number of chapters and quantity of material would make up for clarity of thought. The structuring of the material as the vehicle of an idea is all-important.

Now it is not a question that we have only the Owen, period. The question is what will we have under Owen? For example, when Edmund Wilson had finished the chapter on Michelet he had the whole book, and by then he had said what the book contains. We must do it and it would speak for itself once the thoughts are expressed.

In the draft, remove the reference to the Archbishop of Canterbury (it was the Prime Minister). Also the reference to the population of New Lanark as criminals etc. is too absolute. They did have 500 children but one couldn't count on the adults and after a while Owen had to take care to keep them. Only the children were the labour force and the others were transient. There was no recruiting from Ireland and P. doesn't think there were enclosures. Put the children first, they were not the minor feature. Owen kept the children of ten years and up which showed that he couldn't avoid it. Little children were the given thing and they had to crawl around. We know the concrete position from Dale and Owen didn't think that Dale did as much as Cole seems to think.

I have the definite task of editing and structuring and transforming a straight-forward account into an argument. An argument is always interesting if there is an argument. A description is

nice to read - but what I have is really too heavy and full of thought to be called a description.

We have left out that which should be carrying the Owen chapter. He was the formulator of almost everything that came up under the social question in the century. This was not because he was an excellent observer, but because he was in his practical endeavors pushed from one thing to another, even to the prophecies of what a socialist society would look like. He himself only very reluctantly was able to look at such a thing. Unless we dramatize the socialism there is no connection between Owen and our subject.

X This must be written while one shapes the argument and then it would matter if the argument becomes conspicuous. If the whole thing were to become implicit only, it would take a lot more work. It is a bit hidden by the faculty of good writing.

X The Report to the Country of New Lanark was entirely different from the original plan that society should drop gain and the profit motive and take the opposite attitude. It would take a very long time. He still didn't look to political means, and it is as if he had all the time surmised that he would have to change his time-table completely and it would not happen in thirty months but thirty years in order to absorb society completely. That didn't change his plan but there would be no violence and no strife and although he himself seemed infinitely impatient, he seemed infinitely patient at the same time. He must appear as a crank and crazy unless you take into account that he was entirely ready to wait a very long

time by making these concessions. He had a very unusual temperament and was prepared to sacrifice his own life and yet was patient and ready for compromise.

In the Factory Law he didn't give in and refused to identify himself with the 1819 law - that was the only case.

But he may not have been half as crazy in expecting such changes. We have a case of an idealist capable of envisioning such compromises in the stretches of time required.

My question: How do we handle the time element in Robert Owen?

In his radical plans he speaks of everything done in no time. His later plans don't contain the precipitating element - there is no quick success prophecy at all. Concessions occur and if he didn't make concessions he would have a counter-revolution and wealthy people would have wiped them all out. He accepted the two societies permanently side by side.

This was precisely the program of Erfurt and in the course of time the socialist sect would attract the non-socialist one and collectivization would not precede by violence. The Bolsheviks used this, only Stalin reversed it. cf. his speech 'dizzy with success'. The party was moving at a rate of collectivization which was utterly unreal and they had to decollectivize enormous areas again.

X We must be ready to be both surprising and original
✓ and say the things that nobody had seen because it was too obvious.
We are too smooth and go out of our way to travel on the high road
and the short-cut would be much simpler. Good writing consists
of, in a way, being plausible but unless one is paradoxical it is
not worth being plausible.

If you consider the logic it is different from what
it appears on the surface. He was at least as ready to compromise
in his patience, as was his refusal to compromise. He refused to
compromise with the Christian religion which was peculiar. Atheism
wasn't rampant in these circles. These were millionaires. He
wanted a purely ethical religion. The French "moral laique"
derived from him, also numerous ethical movements.

Owen refused to drop the machine and saw no inherent
limitation in it.

Myself: He saw that it would bring a regime of abundance.

Abundance would follow the super-productivity. It was
a question of distribution and he said so. He called it "artificial"
and one can only call it that if one calls the market artificial,
i.e., the law of supply and demand is only a market law.

What we need now is not a text but what Owen's life
shows in regard to machine and society. The discovery of society
by Robert Owen takes in all those problems and phenomena which we
listed. He proceeded from the conditions of the factory to unemploy-

ment, to the Village of Union, and the adaptation of the Village of Union plan and the discovery of capitalism and its laws (unemployment). The discovery of socialism and the transition which is peaceful and gradual, is yet a matter of an ultimate transition to something else. This is what we call the discovery of society.

The other idea is that his compromises, and his putting up with long periods of time in spite of his impatience and passionate dedication we can regard as his acceptance of the reality of society. (This is not the ultimate form of this thought).

We have in the Owen chapter, a very strong beginning for a book that is called "Freedom and Technology" and is set in a technological civilization. That needs definite proof. It is partly too obvious and partly quite improbably. Such a recent beginning (two hundred years) is rarely given to a basic problem of human existence. That is why there is something inherently improbable in the position and that is why this is a good beginning with a man who is crazy about the machine and society and to a point is the originator of the socialist hope.

And then it is a good method of showing that someone's fate telescoped the fate of the century under the simple heading of the discovery of society. This may be roughly there in the present draft.

There is a seventy years criticism of society and the same technological civilization pushes us into a dead end.

The great difficulty with this kind of philosophy is to be relevant, otherwise it becomes too general. But keeping to the machine keeps us relevant.

At the beginning there should be a definition of this figure and we need his figure and fate and its prophetic character for the development of socialist thought. There was hardly anything of a technological civilization, capitalism, or socialism which he had not met.

Where do we leave the Owen story, and where does it leave us? It leads us to the conclusion that he was really right in seeing that the machine would play us tricks no end and more and more. Secondly, in the course of this, the need to adjust our lives and reorganize society and the need for the knowledge of society would be greater and greater. He thought that it is the knowledge of society that shapes our mind and thoughts.

He then said that we have to eliminate gain and commercialism and base the economy on opposite principles. He thought that it is a sociological insight to make others happy. He was pushed on by a vision (you might say "heart" or "compassion") which he never relinquished.

The societies turned socialist through the superiority of their producing methods. Adam Smith didn't notice machines.

The division of labour didn't involve machinery.

He did make a certain number of steps (i.e., progress - 'cum grano salis') but from our angle he delved deeper and deeper. His proposals became more and more moderate, but for us this is no contradiction.

His labour notes and labour exchanges meant articles for barter. Marx was enormously impressed with this scheme but it wouldn't be difficult to show that it was impractical.

Contrast the first Village of Union with the second scheme. Who would have financed the first Village of Union if there were no capitalists. The capitalists would be attracted to the new Village of Union by cheap labour partly because the man already has land, and partly because he is supported from the poor rates and the people are not allowed to leave but they are indentured to the group. It thus became a business proposition. Each of the groups had their own council. This retreat and concretization is that of a social engineer. (cf., p. 228 - 232). In the first village the unemployed are keeping the paupers. They would sell things to the other communities. (This was not the market, there was a depression). This was an impractical proposition because the paupers who got maintenance would take it instead of working and committing themselves for a number of years so that they could get a sum of money at the end. They would thus lose their rights to the dole. The first plan is a subsistence place and it was intended for the parish poor only (p. 156 etc.) The second Village

of Union was an indentured labourer's village. The second plan formulated six months later and was a completely different plan. In the gradual transition the people are still weighed down with a remnant of capitalist morality and you can't go on to socialism before this is let down.

He showed bad judgement in coming to the County Council and saying 'drop the plow'. However it is the idea of intensive agriculture and the English climate lends itself to this because it is so damp.

Under the Demchinsky system of growing wheat intensively, it bears 100-fold through using the spade and has a number of stalks on it.

"FREEDOM AND TECHNOLOGY" - General Comments

When Emmet Mulvaney read something that we had written he was much taken with it, because these are the basic moral problems and they are not discussed. He thought of it as the basic moral problems of our times such as ethics, not as a topical analysis. He thought these were the general subjects of ethics being brought up. P. thought that this was very encouraging. That the questions of right and wrong and of values are put seems to Emmet to circumscribe the subject. For us freedom stands out, but for him freedom didn't stand out. P. was struck by this and it is encouraging because it is broader and more permanent than any single subject could be. Underlying that was Emmet's readiness to take freedom for granted as a subject.

The strongest point which stands up in conversation is our inability to withstand compulsion, - to compel others is the criterion of our helplessness in an emergency. Every other point is more complicated or removed and this has much more relevance as well to a Christian position.

Why is freedom a prime problem of religion? Why is it relevant to the world religions? We hear it said that freedom is the prime postulate of Christianity. He who doesn't believe in God can't accept the postulate of freedom and he who does must. It is one of the great fashions of our time and it is often added that individualism is rooted in this. Or they might possibly call it the dignity of the individual e.g., Kantian philosophy - *autonomie der personlichkeit*. Man is free because he is only compelled by laws set up by himself. Kant took this from Rousseau. The American senators might not know that they are brought up on German philosophy.

7 The chances of doing the book on the level we thought last time are slim. But it will in any case be delayed. It may just take much more time.

Therefore we should arrange to make sure not to get into something impossible or to make sure that what one does is sufficiently good to be worthwhile. P. hasn't changed his mind about the importance of the matter and the little he did, is mostly what he would do. Time is not the first consideration and the first consideration is what happens in that time.

It hinges on how interesting this is. The broad thesis is that the machine in our type of civilization has some kind of correlation - that this has something to do with the surprising and increasingly peculiar impact of the machine. There is first of all the discovery of society, then the criticism of society and thirdly the criticism of existence which comes with Nietzsche and Freud when the criticism of society ceases and moves on to existence.

Even the socialists don't accept the reality of society. They only discovered its existence but don't accept it as a limiting answer.

This is a satisfactory formulation because it leaves very important questions open - what kind of freedom is it which remains? What kind of limitations does society set? Why are we not allowed to resign ourselves to the reality of society and to the loss of freedoms? (It is the free institutions which are meant here). These remain the open questions and this is a simpler way of looking at the problem than one which doubts the validity and value of existence.

The other way leaves the ethical system of man in chaos while the recognition of the reality of society permits the reduction of absolutes and the extension of relatives. This is the kind of result of this

ratiocination. The emphasis thus, is not on the revelation but on the content of it.

P. is eager to have the main thing said and to formulate my next step. It is important and P. likes the idea and up to now we couldn't do much else than what we did. If anything untoward happens we should advance the matter so that we can proceed in any case. The whole thing must have a dynamic which is more important than reporting or surveying.

It is a wonderful thought of Jesus - don't judge. If you can do it that's fine. He certainly didn't keep to it himself.

The absolute postulate of justice, freedom and morality can only lead to the utter rejection of society and all its institutions.

In "The Fall", that is what the person represents, but such idealist effervescence cannot be distinguished from all the stinks of hell. Such postulates are an implicit denial of the reality of society because of their absolute character.

There is a well-considered thought on what is wrong with the present: the effect of the machine on the texture of society is unexpected and different and sudden. It is reflected in the criticism that the machine did change society. A hundred years from Speenhamland and unemployment was noticeable (that was during the war). In the fifty years from Owen starting his activities we have the social criticism of society (and the place of the economy). Then there is a kind of being fed up with it and it begins with Nietzsche and Freud and that is thirty years 1880 to 1910. Then the social criticism stops and there is this increasing gap between the ideal postulates

and possibility. That is the same as saying that it is the condition of man, and is life possible? This criticism of society leads up to Ibsen and in eastern Europe to Tolstoy.

For the deduction on the inevitability of being compelled, it does assume the fear, power and technology triangle. With technology goes the metaphysical fear of annihilation - fear of the unknown. It assumes that power is not limited to government but public opinion. That is the first premise. This means that we have therefore (1) public opinion resulting in governmental power and (2) the power is but a reflection of fear and involves us in the creation of power and (3) this means that we cannot remove the threat of our being involved in the compulsion to compel which is precarious existence.

The first step is the identification of governmental power with public opinion from this angle of being compelling. The second is the involvement in the creation of power through fear, and the third is that in a technological civilization existence is precarious.

If you go the other way, starting from life being precarious, then what cannot be eliminated is boundless power and the things that are involved in it. Here we have things for the reality of society which destroy our basic freedom. We mean that freedom which is postulated in our existence - in the fear and hope of eternal life. (We might mean the integrity of the human soul - "eternal" in the sense of being independent of time, not everlasting).

Then there is the residual freedom or native freedom problem. This originates through the insight. First there is the insoluble paradox of the *volonte' generale* and the *volonte' de tous* but this has an empirical

resolution although we don't know exactly how. Is it an emergency which is the answer? The individual acts as a member of the group and functions that way. But there is a counter-emergency and he acts in utter freedom when his salvation and integrity are in question. In this regard society ceases.

This is the only way to put clearly the ineffable horror or the communist madness of the trials. This was the sacrificing of basic integrity and everyone feels the ineffable horror that one can't even put into words. There is a point where man's integrity requires that he use his freedom as an individual and he rejects society's claim.

This was what the Communists got themselves into. They introduced a metaphysic of history and since the party embodies history the party member sacrifices the very values for which he dies. He can still do that in the name of the party he serves. This was at the bottom of the trial confessions.

The other position is the anarchist one - that society has no claim because he is outside of it. That is the anarchist's self-contradiction.

The empirical resolution is not like Rousseau who gives all kinds of conceptual tricks. He doesn't say it's an emergency. P. gives two emergencies at both ends. For P. it is a matter of degree. Certain strategic points of moral organization of society are protected in definite regards. As soon as they are in danger of disintegration society enforces itself through opinion. The mechanism isn't clear. (We needn't have this in the book but need to have thought about it).

There are parts which need more clarification e.g. what do we mean that the value system is incoherent? We operate with absolutes and lose the relatives. The absolutes imply that these relatives are valueless and not true.

The secret of this lies in the paradox of society and the individual.

There is a conceivable emergency but apart from that polarity there would be no cohesive system. It is either absolutes of an emergency kind or absolutes of individual freedom. Neither is absolute but relative to an emergency or a strategic point. This is not a different point. You have the threat, but otherwise there are points in the social system which are strategic. These are protected. The nearest we come to it is that there are two points where the paradox is resolved:

1. In an emergency, either to society or to the individual's inner life as a whole.
2. Organizationally distinct strategic points. These might be in both personality and social organization which are protected e.g., personal self-respect etc. (In society sex and hunger etc. cannot be permitted to be thrown out of functioning).

This formulation goes a whole step beyond the previous one.

My question: P. spoke of society existing on several axes.

On every axis it includes one value or other, It is a manifold system, but limited. Man has a limited number of physical senses and this is exactly the same with society. Society has also limited phenomena. It is not too abstract a term e.g. some degree of stability is needed. If it was too unstable or too rigid it couldn't exist.

How is the society safeguarded against the mistakes of public opinion? Who will watch out whether the unanimous view of all isn't obsolete? (c.f., P.'s W.E.A. pamphlet). There must be an appropriate machinery of watching and

throwing out. The best answer lies in free institutions. These conclusions can also be drawn from some principles of sociology (cf., the above pamphlet).

We should not resign ourselves to the reality of society because we don't know the limits and in trying to do our best are the limits discovered. It is the everlasting paradox of action that needs faith. What does reality mean if it doesn't mean limits? This is the open problem of the book. cf., "The Great Transformation", the last paragraph: "it gives us all the certainty that we need".

The certainty is based, not on an analogy with death and eternal life. This is a faith position.

Why do we not resign ourselves altogether? It is based on the argument that planning and power are inherently enemies to the institutionalized freedoms and yet extend our institutionalized freedoms. We do not accept power or planning if they work for justice alone. They may abolish freedom. (We take equality and justice to mean the same thing). This is the fundamental problem of political science.

How is it possible that a society of individuals organized on two different principles is able to maintain itself? The individual maintains himself and at the same time society doesn't need the survival of the individual, it may continue with other individuals. At the same time the individual doesn't need society - he may join another society. And yet this is not what happens.

In "The Great Transformation" P. said that "the problem of freedom arises on two levels". P. is not satisfied with this formulation. We can clearly recognize that socialism is not necessarily an answer to the moral

problem of freedom. We are now clearer about what we mean by the reality of society and its limiting character. P. wasn't clear at the time and was perhaps in a way arguing against this being a valid dilemma. He is not now arguing that he is developing the position of "The Great Transformation".

There is a striking parallel with the certainty of death - it isn't sure how and when a person is going to die. Likewise, his integrity cannot ever definitely be safeguarded and may fail at the very last. The same is true of the reality of society and we don't know what kind of ideal postulates cannot be fulfilled. Only when we try does it become apparent.

It is the same as the situation in reference to death and eternal life. If the threats were definite we couldn't live. If we knew exactly when and how we were going to die, or whether salvation was secure or not, we couldn't live - we wouldn't be us. Thus, everyone will believe us, that we cannot know the limits.

There is a practical argument in the W.E.A. pamphlet with reference to political propaganda which follows the same lines - what is the last ounce of courage that will take us over the hump?

The ethic of inner life and selflessness are not suspended but insufficient. There is this paradox - that the freedom we possess we never lose, and the freedom we gain is real.

If we give in detail the position of man and what it's like - the validity of the answer lies in the recognition of our situation. We know as much about it as anybody and there are no experts.

My question: Is there some ontogenetic parallel between this philosophical approach and the development of the individual e.g., the influence of the realization of death on the child, the search for ideals during youth, and maturity and the adaptation to society which occurs in adult life?

The realism of the technological civilization excludes all this kind of inherent, immanent, innate, smooth analogies. It is impossible that something in the nature of a technological fact should enter at the age of 20, 40, or 60. It has nothing to do with the process of life. This is an extraneous event. It is the technological civilization we are talking about which makes the society have this peculiar character. All one can say is that man changes and in that regard is adjusted. But when he gets old, he may get maladjusted.

There always was a society and it always was limiting but perhaps it was only normally limiting. But it wasn't so precarious in the sense of our going to hell by mechanical conveyances. If someone maintains that the reality of society was always there and that it is only a matter of degree, then P. doesn't mind.

P. says it is physically precarious. Life was always precarious but the conditions of social existence did not make it more so. It is a new kind of precariousness. The socialists always said that it is technology that leads to bigger and bigger units. Owen said so and was trying to counteract it. His Village of Union was much more than a return to the land. The disreption between town and countryside is removed. Unless the unemployed go back to the land we are in for it. There are no markets.

My point: The socialist took up the dirremption between town and country on different grounds, urbanization and factory life.

That society may be unjust, may be argued by religious people. But they never argued that there may be the unemployed who starve. Only the unemployed are unnecessary in society, not the person who starves. The person who starves is not superfluous. The mass unemployment in England in the 1920's and 30's implied that all these individuals were superfluous. That was the great complaint. There were 2½ million permanently unemployed. Keynes showed they were and this was a great discovery.

A compulsive element of a new kind enters. Even if you take, for example, the need for irrigation which existed previously, there is still something new. The machine is not based on your being reasonable, and unless you run along with it it won't work at all. It is not the same as the discovery of the hydraulic principle or irrigation which always assumes for it's operation that you are reasonable e.g., that you cooperate with others for drainage etc. But serving the machine and running through it's paces - it is a different kind of "must".

Even since the machine compelled the worker who served it to run through these motions, the worker had to keep running through these paces. This is mechanical compulsion and mechanical threat. There are alternative kinds of compulsion which might be organic, psychological or social.

The purpose of the Owen chapter is to rehearse our whole thesis. Our thesis is that in a technological civilization such as ours, the problem of freedom necessarily arises.

In the introduction, there must be laid down the problem of freedom

on several levels. Is it the loss of freedom or the growing conformity which seems to be a matter of degree? This is a problem that arises in a technological civilization and to some extent it is due to the aegis of the machine and the use of machines in society. This is point one of the thesis which says that the topicality of the loss of freedom is linked with the technological character of our civilization.

We needn't go further and say that the way out is a recognition of the reality of society because there is some basic incoherence in the world of values which prevents us from maintaining and extending our freedoms. Absolutes are a denial of the reality of society.

All this is independent of the Robert Owen chapter. He comes in at the beginning and not at the later stages. Here we just show that he was the first one to say that with the entrance of the machine the problem of society would be raised in a new way. This would be dramatized in his figured fate. The other things, such as the two emergencies etc. basically appear as an insoluble paradox. But we don't accept it as insoluble.

Insofar, as man has entered new and new forms enormous dangers arise. These are expressed as a criticism of society which later becomes a pessimistic criticism of human existence itself. This is the loss of freedom and the impossibility of achieving human ideals which is life.

We need the chapter on Owen only to show that the figure and fate of this man represents for the first time and in a final way the problem of society. It enters in an utterly new way.

The insistence on absolutes involves an incoherence of our moral system. Then it is not a system anymore. The absolute values which imply a refusal to

✓ accept the reality of society undermine the element of commitment in the moral world. You can't be committed since it isn't related to the reality of society and you get accustomed to empty talk. The incoherence of the value system implies a rejection of the reality of society and that's why we can't have concrete freedoms. It would involve a tolerance which we don't possess, because it is implied that tolerance waters down the seriousness of a commitment. The essential thing is that P. holds on to the thought that we can't relate values in a coherent way.

To speak of reality is a normative term, namely, you should know reality and accept it. The plane on which reality exists differs (is higher) from mere actuality. Reality has a meaningful, significant, valuation dignity in philosophy and metaphysics. That something is real, doesn't mean it's merely actual or even only factual. Actual events are events, factual data are not events, just facts.

(cf., Weekend XIII p. 24 - delusions, at the bottom). It is not values and norms but wishful thinking in regard to human possibilities in social terms. It means one is not prepared to pay the cost of equality in terms of freedom or the price of other things in terms of freedom and equality.

The socialist does not accept the need of guarding against criminality. (This is not a weakness of every socialist).

Myself: How do we account for the enormous increase in idealistic thinking at the beginning of the 19th century?

Note that Owen was prepared to pay the price and that is why the September 17th plan is so important. This is a new craze which is definitely

accompanied by a recession of freedoms which are sacrificed, especially to the absolutes of freedom. For example, in America, a foreign policy is the absolute to which civic liberties have been sacrificed. In Russia it is the reality of society in the name of the cooperation of values.

There is an entirely unnecessary lowering of standards in regards to universal values like justice and freedom. There is almost a rejection of the need for individual freedom. We need more clarity than we have now.

The basis for concrete freedoms was laid in the 17th century and these were the religious freedoms with minorities safeguarded.

There must be something to compel the reader and that's all summed up in one or two words. It has something to do with a technological civilization and the reality of society's conditions. Free institutions are related to the reluctance to accept the reality of society and this is the deadly weakness of our outlook. The question is whether we can prove it. But we can try to prove it and that's interesting, even if we don't prove it. If we did we might lose the form of the vivid experience.

"TRADE AND MARKET"

The book is now being examined and no chapter is regarded as bad. There is much praise for the Berber and Aztec chapters and the sociologists would be grateful for Terry's article on the sociology of the substantive economy. There is no information that one or another of the chapters falls down.

My question: Doesn't it seem that the basic question to which P.'s work is carried is a question of capital accumulation and its relation to the various institutional frameworks?

The foundation has been laid by the distinction between surplus and surpluses. It is denied that the economy has necessarily a surplus, but surpluses result from instituting the economy so^y that a surplus makes its appearance (cf. Harry's article). The question of how surpluses accumulate under a market system is not our job. In non-market economies the answer is taxation and booty etc.

In a market there is no answer because there is no satisfactory theory of profit. Schumpeter said there can't be profit - it's a dynamic. P. doesn't think that he's right. A simpler theory is possible which is the reward of entrepreneurial performances. And therefore there is no need for a profit theory.

But can interest be explained? There Schumpeter is right and interest cannot be explained from a static point of view. Here interest will disappear except for the use of land and entrepreneurial services. P. is hesitant - he never really made up his mind whether interest is consistent with the assumption of the perfect market. For a while he was sympathetic to Schumpeter, that it was only dynamics.

P.: What is my theory of interest?

Myself: Interest is the reward for the productivity of capital.

P.: If the productivity of capital is subject to the competitive process wouldn't interest disappear? The marginal productivity would tend to become zero. Does the answer lie in the scarcity of capital?

Myself: I think so.

Would that be why wages are above the subsistence level? They would rise above this level in competition but would they fall below it? No, because no one could afford to work below the subsistence level and in the long run wages would have to rise to the subsistence level, irrespective of trade unions etc. Orthodox classical theory was that wages would fall to the subsistence level, but there is no reason for that if you don't accept the Malthusian postulates. Wages would rise above the subsistence level and in fact they actually do.

My answer on the rewards to the factors of production is an explanation of the revenue and therefore Schumpeter is not right with his explanation of the dynamic theory of interest. (P. is not sure of this).

P. has one difficulty. So great is the importance of subsistence farming in history that he should have maintained the householding category. It seemed pedantic and he gave it up because it was similar to redistribution. But it is needed for an enormous part of history and P. is of two minds whether he should or shouldn't keep it. In principle it can't be distinguished from a faraonic (?) system comprising the whole.

P. doesn't want the patterns to classify an economy. They can go together.

In "The Great Transformation" P. includes autarchy and self-sufficiency. Although this might be redistribution, there is some degree of inconsistency and P. should take it up because there is an enormously wide-spread role of the peasant holdings which is very important. The Marxists say that these are always market-oriented. This is not true. They are mostly self-sufficient. (That is in Ancient Babylonia and Egypt, not to-day).

This would certainly need a foot note, something as follows:

Among the redistributive economies there should be special mention of the peasant household.

P. thinks that the distinction between trade and market will remain forever.

We ought to have a broad paper on money. The '49 paper is completely absorbed in chapter 13.

We will talk about appropriational movements - how broad these are. They occur in every chapter and the relations of persons to goods is involved here. (That is, the change in appropriational movements). For example, if time passes then clothes become rags - that is a change in appropriational situation, the time passing.

THE MARKET

Walter Neale's article on the market is a very useful article but it is on the whole not adequate theoretically. One would have thought, that in order to contrast the market as theory uses it, and as an institution as found historically, one would have to sharply contrast the two. In Neale's article this is not put in the simplest terms especially with reference to a system of price-making markets. He explains the functioning of a market of the modern type with

- 1) money as purchasing power
- 2) a supply
- 3) maximizing profit.

Actually P.'s view is that it might have been done more massively and simply as between the market mechanism of theory and the markets in history. Yet it seems that readers are grateful for the article and both the anthropologists and the historians see the two pictures which are so different.

Discussion on my lectures in economic history (Sir George) : the theory part is highly sophisticated and precise and doesn't start from the supply-demand-price mechanism. The important thing is the experience with the readings.

My point: I mentioned in my lectures that certain contemporary institutions are not organized on the market e.g. churches, schools, art museums.

The churches are competitive in the market sense - they attract the churchgoers by offering a warm church, first class music, first class

preachers, and nice comfortable surroundings. On the whole while

religion is not traditionally organized on a market basis, we

X approximate art and education in this way - although not^{holy}.

One can contrast it with the pure market organization, but also with

the societies where these functions are of an entirely redistrib-

X utive character. Of course the paradigm of the market economy in an
extreme case, is that everything is supplied by the market. We have
reversed everything.

My question: The difficulty in explaining the market to
students was that there are different kinds of markets and different
market elements. What are the essential identifying elements of the
market?

A market exists where there is a supply crowd and a demand
crowd. On the other hand, a market-type institution exists where
either one or the other is present (e.g. an auction). Both are called
market institutions i.e. markets proper, and market-type institutions.
The specific elements of the supply crowd and the demand crowd. P.
distinguishes price-making markets from non-price-making markets.
Price-making markets are the novelty and the other are not. Various
equivalences come into it. This is all in chapter 13 of "Trade and
Market" although rather compressed. (cf. page 267, first paragraph
X ("Market Institutions not coterminus"). Neale didn't use this form-
ulation and his presentation is not simple. There are too many dist-
inctions.

In the port of trade, trade is administered and argued between
two governments. There is no competition, no supply crowd, no demand

crowd. There are three kinds of trade: gift trade, administered trade and market trade and they can be distinguished and justly so. In a set-price market how would the price be set unless it is treaty trade? You needn't call it administered - it might be set-price market. A transitional form may have occurred in the 17th century and in the colonial times. The treaty price may be valid in a market. These cases exist but P. neglects them. There is no competition as in a market. There are administered prices negotiated between officials. There is an exclusion of competition which is the crucial element. It means that there is neither a supply crowd nor a demand crowd. Sutlers for the army are competitive. There is no reason why they shouldn't be. P. didn't go into this but he thought of it and it stands up.

INTERDISCIPLINARY PROJECT

At a recent economic history convention, Carter Goodrich said in conversation that the relevance of economic theory depends on markets and economic history studies the extent to which markets are present. Carter Goodrich thus for the first time went over to our position. Previously he would have said that economic theory is the theory of the economies and that our position was untheoretical^e and cannot be maintained.

Sylvia Thrupp is starting a new periodical on comparative studies on societies. Since we are writing a symposium on money she might approach our group to publish it in her journal. With reference to our book "Trade and Market" she said: "this challenge will have to be met".

There are also the Greek and Dahomey survey articles and one of them might go into the symposium. We are doing the surveys in any case and we have three which are done and are doing a fourth on operational devices.

In my brown Notes one feels a kind of assurance with which the stuff is handled which P. doesn't feel in the sociology of economic institutions. We have got it on money but it is not there throughout. There are still too many alternate formulations swimming.

P. thought that the young people should press for a continuation of the project in case certain health considerations come up for him. The surgeon however, says that P. should go ahead with his work and it means that P. will continue the same work and doesn't leave it to the next generation. They are too young to carry enough

weight.

If P. writes the article for Sylvia Thrupp's new journal he won't go out of his way, but will continue on the main line and give that.

SARTRE AND CAMUS

La Nausee (Sartre) seems to be the strongest formulation of his point of revolt. That would mean that his point of rebellion is out and out libertarian. If that is so we are justified.

Terry started telling about La Chute because he reproduced the whole argument of the judge-penitent who is the hero. And P. couldn't quite follow it. Terry is a sociologist and meets with the greatest of ease in the abstract realm of social relationships. He agreed with P. that it was an attack on Sartre, and a logical ~~one~~. The hero claims his rights to revolt on account of his out-and-out criticism of everything that our society possesses in the name of justice and freedom. The claims are made absolute and once you make these claims absolute society stands condemned. There is a chasm between ideals and anything possible and P. thinks that this is the essence of Sartre. In the name of freedom existence is condemned.

"La Chute" is worth reading from our point of view. It is a masterpiece but of what? That is why it is so intriguing.

The basic idea in La Chute is that if we all accept absolutes we are in for a permanent rebellion against our existence where we are hopelessly frustrated and one is in nothing but revolt.

PAUL SCHWEITZER

Schweitzer looks as if he has strong gifts, but it is doubtful. There is much energy and personality, but this isn't a substitute. The first thing is the personality and the directedness of a person's interest. He is limited by a type of vanity that is very limiting and rarely got rid of. Part of his strength lies in his own gifts which he overrates, and that is hidden by a false modesty. It is not a genuine modesty and very easily misleads him. There is something in such a philosophy which limits the development of a deeper personality. It is rounded off too quickly like a child. I would be misled, because the continental finish misleads the Anglo-Saxon but this is premature...

He was thunderstruck that P. took a socialist view of things. He didn't understand that "The Great Transformation" was not simply heterodox, but a philosophy of life was expressed. He didn't see that "Trade and Market" was a direct outcome of P.'s feeling that "The Great Transformation" needs a substantial support. At the same time he very much underrated the actual conscious constructive methodological effort. It is like thinking that the other fellow wrote it in his dream.

He calls this being an extreme individualist - but he has neither the ethical culture of the old individualist or the modern conservative or the non-individualist.

P. thought that I might overrate his qualities, but there is not very much. There is a lack of humility in a sense of a readiness to learn. (Not of gathering information or that kind of thing).

At the same time he is a serious, decent and reliable type of person who perhaps might be able to make a contribution if he got rid of his background,

so to speak. He also perhaps knows quite well what a young professor is, but not what is an old professor.

There are the above points, and I should know them, but on the other hand there is the positive appreciation of this young man in his seriousness and study.

His personality is too strongly built up by a relationship to others. It is a dangerous form to build up personality if it is based on the ability to withdraw from community. You then have a kind of loneliness which you maintain for greatness. But singularity doesn't give you significance and singleness doesn't give you pied de stal. (Or in English pedestal).

And there is another tray: He is provincial in a provincial surrounding. A small town recognizes and adires it's small sons. When he visited the United States, Dickens told about the fact that everyone in a small town pointed to their remarkable man: e.g., "Have you met Major so-and-so or Captain so-and-so. "A remarkable man". It wasn't like that in England where no one was remarkable.

Speaking of people in general, there is usually more chance of a simple person having a strong substance leading to achievement than a sophisticated person who is misled by his own sophistication. If we look out for people to back, we should look out for a simple person and it is amazing to what extent one finds substance including originality in simple rather than sophisticated people. Originality is very rare anyway.

NOTES

THE NEW PHILOSOPHY

In an article in Harper's Magazine of Aug. 1957, Peter Drucker puts together all the holistic and process terms, and argues that this is the end of the Cartesian view of life. 300 years are over. He mainly mentions Smuts (holism) ^eWhithead and Cassirer. Something new comes up which hasn't been formulated. As to which philosophy would actually emerge, it's mainly what P. said above. There are two or three negative indications but the positive things aren't striking.

The matter of philosophy which is that of ethics, epistemology and theory of knowledge is quite different from our field of interest.

Drucker is not on ethics at all. No one minds an epistemology if it is that in keeping with the advances of science. He makes the point however, that all the advances of science are too difficult to understand. This is proof that our philosophy is antiquated because it's adapted to different types of phenomena, which is a very good point. After all, the points made by Galileo and Copernicus we don't find difficult to understand at all. They were people brought up in the Ptolemaic system.

Who is praised highest by Drucker? Boulding with the theory of images (holism). They are a different kind of images, but these images were obviously near the platonic idea which works as an entelechy - an actual development. For example, why does a lily develop as it does? Answer: because it's going to be a lily. P. believes that this is entirely scientific and that final causes have no scientific value. As a matter of fact we haven't those casual factors for any biological process. For example, why do I move my pencil now?

Because I am writing rather than because of chemical processes, nerve centers etc. We are very far from being able to give causal explanations that are complete.

However, the metaphysics of every day life shouldn't be dropped i.e., giving purposes as explanatory.

If Drucker is anti-cartesian and holistic then P. is for Drucker. P. has been holistic for years.

K.P. PERSONAL

P. translated the first chapter of Chesterton's "Heretics" into Hungarian. Also Mach. Mach and Chesterton were the two most powerful influences, aside from Tolstoy at a certain period of P.'s life.

Mach represents scientific thinking, empirio-criticism, and epistemological monism. In American terms this is instrumentalism.

It is amazing how people are a product of their own times. For example, P.'s approach was born in the "Wissenschaft soziologie" of labour. But this is Marxian. Marx showed how thoughts and concepts developed. Also Hegel's History is a History of concepts. He thought that battles were only the commas and punctuation marks in the sentences in which the spirit wrote its own history.

The pamphlet "The Citizen and Foreign Policy" (W.E.A.) was P.'s other Pigeon. He went on lecturing on the International System (Not on abstract politics.) From 1925 onward he was foreign editor and in the course of that, developed an understanding and even did some theoretical writing on power and power systems.

Not the
property system
but technology
= *

He took up economic history as a teaching job in 1937. He was out to get a teaching job and this was offered so he took it. It was offered in the social sciences comprising primarily economic history. P. continued to teach both economic history and international affairs and he has a number of syllabuses and an outline of a three year course (72 lectures) on international affairs. From 1937 to 1947 he spent three years in America and seven in England but before that from 1934 to 1937 he had been lecturing in international affairs not in economic history. He was foreign editor since 1924-25 and lectured at the Royal Institute of International Affairs and spoke there in 1931 on Austria.

SOCIALISM

The discovery of the reality of society went under the heading of Socialism in the 19th century. It referred to anyone who said don't look at things in the individual view but from the social outlook. There are other things such as the reorganization of the means of production and that this would resolve all complaints caused by the machine. This was a delusion.

It is the machine that enforces the hierarchy and discipline in a factory. Also another point where it was a delusion was that it was not the property system but technology.

Myself: P. once defined socialism as stopping the technological development.

P.: Only socialism could stop the technological craze because the market can't do that.

RELIGION AND CAPITALISM

In Tawney's "Religion and the Rise of Capitalism" a generalization of Weber's thesis?

Weber held that religious morality in economic life, which went with ~~puritanism~~ (he said it was Calvinism) involved an ascetic position with regard to secular existence, and was a powerful psychological element in capitalist development. It led to the accumulation of capital. The ascetic element in Lutheranism was not very different e.g., the religious ethics of "callings". Calvin spoke of the ethics of predestination and grace. This leads to extreme dedication of everyday work involving thrift and self-indulgence.

The thesis is not very true, since when Calvinism first started (1520), no religious ethic of business life existed and capitalism was a much later development. Under puritanism such an ethic did develop, but it is not proved whether economic life induced such an ethic. Weber's explanation of capitalism doesn't start from an economic causation developing a religion causation, but starts from a religious life affecting capitalism in the modern world. But perhaps both phenomena stem from common sources.

Why is Tawney so immensely popular? For ten years this was the book around which sociology was taught. Hardly anything else was taken in economic history. P. read both books and also Robertson (Protestant) who protested against Weber and showed that in the Catholic countries the same thing happened. The ethical casuistry developed to the same purpose, allowing capitalist business ethics to spread.

ECONOMIC MOTIVES

My question: Can we dissociate economic motives from institutional patterns? For example, Tawney and others defined capitalism simply according to the motive of gain. What is the relationship of this motive of gain to the economic institution of the market?

P. is not interested in motives. In the market one might be altruistic and not work for one's own gain. To make the market workable it would be sufficient to represent the supply and demand just to buy as cheaply as possible and to sell as dearly as possible.

My question: Isn't this the same thing as gain?

This is not necessarily the egotistic motive at all. If your orders are to do this then the motive is not gainful but duty e.g., the managerial structure. Gainful motives are not assumed here and yet prices, when such a demand increases, would go up whether the motives were gainful or not (i.e., personally gainful).

RUSSIA

P. thinks that the rehabilitation of Trotsky is the question which is prerequisite to moral sanity and recuperation in Russia.

P. thought that Trotsky openly conspired with the Germans.

They have already rehabilitated Tukhachevsky. Here Stalin was involved and the story is that the Nazi ambassador trapped him and produced false documents against Tukhachevsky which Stalin needed.

Stalin was a person of very shaky morality. The same thing happened previously to Blucher (1939).

IRON CURTAIN LITERATURE

Every one should read recent literature from behind the Iron Curtain because it is so bad. It is an outstanding caricature of efforts which are made in this Stalinist world where writers have revolted and don't write at all and so the regime must write instead. The content is absurd (this is not in Russia but in Hungary where there is a battle on).

"THE TRANSITION FROM FEUDALISM TO CAPITALISM"

The publication (green pamphlet published by Science and Society) is a plain horror. From the angle of what Marxism represents today, it's worth knowing that such attempts towards a contribution to generally-accepted problems may be an utter failure. It is finally and definitely confusing the thing and it stops traffic for a generation.

"PSYCHOLOGY AND IDEOLOGY"

P. worked hard in New York on the sociology paper with Terry. It is a real sociology of ideology and has much relevance to institutional sociology.

AMERICAN INFLUENCE IN BRITAIN

There is an increasing degree of American influence in Britain. This is mostly due to American literature, because American literature is genuine and vital.

"THE NATION"

The Nation was an excellent publication some 30 years ago, but to-day it is a several times over a phony misconstruction under false pretenses.

MISCELLANEOUS

One thing that P. likes about the modern world is the power of artificial light.

Malthus had the pseudo-realities of society.

Note Weekend XIII, page 24, the second paragraph and you will get 3 kinds of points; things which should be corrected, those which need no correction and those which we should correct but it is not possible.