

May 1965

THE SOCIAL RESPONSIBILITY OF SCIENCE IN THE AGE OF COEXISTENCE

Editorial Note:

Under the rubric "The Social Responsibility of Science in the Age of Coexistence" the next issue will contain two articles concerned with contemporary science-oriented doctrines that call for the postponement of coexistence.

An article written by a Soviet economist will consider the relevant aspects of the foreign policy objectives formulated by W. W. Rostow on the basis of his neo-Schumpeterian interpretation of the socio-political stages of economic growth. ^{Another} ~~The other~~ article will consider the doctrine of limited conventional and nuclear warfare under the threat of a full nuclear escalation that has been formulated by Herman Kahn, a leading American specialist on nuclear warfare.

It is hoped that this will serve to initiate a wider discussion.

THE INFLUENCE OF SCIENTISTS ON POLITICAL DECISIONS IN THE AGE OF COEXISTENCE
AND THE INTERNATIONAL SCIENTIFIC COMMUNITY

By Paul Medow

The threat of a nuclear war is only one manifestation of far deeper problems that stem in part from the very availability of the fruits of science and technology within institutional structures that have not yet been adjusted to their actual implications for the life of man. Under these circumstances, whatever may be the personal aspirations and motivations of individual scientists, their scientific contributions may turn out to be highly destructive from a wider social point of view.

At the same time the scope of the influence of science on social change has been rapidly increasing. In the new epoch created by continuous scientific revolutions it has extended far beyond the formulation of social and political philosophies that derive their inspiration from the methods of science. The intensive and systematic application of science to military, economic, and medical technology is continuously altering the human environment in unexpected ways and subjecting social structures and human norms to disequilibrating pressures. The social sciences tend increasingly to accept the influence of positivism which derives from the natural sciences and from ^{the} ~~the~~ purely technical approach to the solution of problems. In recent years however, scientists have also begun to influence social change and international relations directly, by formulating supposedly scientific criteria for political and military decision-making and by designing comprehensive systems for gathering and analysing the relevant information. At the present time this development is particularly pronounced

in the United States.

This has resulted in part from the inherent association of such fundamental technological developments as atomic bombs, guided missiles, and large-scale electronic computers with the political sphere, and partly from the privileged position of scientists engaged in military research. The need for a scientific analysis of industrial economies in the age of world-wide industrialization, and the growing interest in various forms of central planning has been another source of this influence. Still another stems from the recent development of new mathematical techniques that have endowed electronic computers with an unanticipated range of practical applications.

While this ^{development} is lending a new importance to the general problem that C. P. Snow has described in terms of the growing barriers to communication between scientists and the representatives of the humanities, a particular urgency attaches to the manner in which such scientists have tended to replace both diplomats and military professionals in formulating the foreign ~~policy~~^{ies} of individual nations. For it has resulted, in the United States, in an official acceptance of new doctrines that call for the postponement of coexistence.*

The first of these, which has been formulated by W. W. Rostow, maintains that the eventual socio-political consequences of industrialization will be a universal abandonment of socialist ideologies and an uniform appearance of industrial societies of the American type. It is on these grounds that the need to maintain active military pressures on the Soviet Union is then defended, and that a need is also inferred for pursuing a policy of political and military interventionism in these new nations of Asia, Africa, and Latin

* cf. W. W. Kaufmann, The McNamara Strategy, New York, Harper and Row, 1964; and A. Hertzog, The War-Peace Establishment, New York, Harper and Row,

America in which Communist governments may come to power with the methods of guerilla warfare.

The second doctrine, which has been formulated by Herman Kahn, denies that wars have been made obsolete by the threat of nuclear devastation. It maintains, instead, that the United States must learn to accept the risk of nuclear destruction in order to reap the exceptional advantages that are provided by the possibility of resolving to the threat of nuclear warfare as an instrument of national policy. More specifically, it emphasizes that once a nation accepts the risk of nuclear suicide a basis is created for the rational utilization of both conventional warfare and limited nuclear warfare in a manner that makes it possible to alter the existing balance of political and military power in the world.

This second doctrine is particularly dangerous because its implementation must tend to cause other countries to adopt the very same principles as a means of defense. Its further dissemination, however, has also been made possible by the successful utilization in the United States of a comprehensive computer-aided military planning system that is able to achieve an effective subordination of the military services of several nations to the functional requirements of a common nuclear strategy.

Aside from the stimulus that such doctrines provide to the existing threat of a nuclear war, the resulting postponement of coexistence continues to make it difficult for scientists to ^{examine} ~~analyze~~ freely the more general limitations and dangers that attach to ~~the~~ ^{an} unconsidered utilization of science. At the present time, accordingly, an independent appraisal of these and similar studies that are influencing the policies of individual nations with regard to coexistence appears to be the most important task confronting the social responsibility of science.

This requires, above all, that the limitations of the purely technical approach to the use of military power in international relations be clarified. It also requires that independent studies be undertaken to establish whether scientists advising political decision-makers are in fact providing the full information concerning available alternatives that science can provide, or whether they are also consciously or unconsciously influencing the direction of political decisions by not mentioning certain available alternatives, by misrepresenting the capabilities of science in some field, or by introducing exogenous axioms that limit the scope of their analysis.

In spite of the continuing influence of a positivistic philosophy that worships science as an end in itself, a fundamentally different view of science also continues to be widely held, ^{It} ~~which~~ stems not from the modern institutes of technology but from the "academic" tradition of Western civilization that has inspired its humanistic centers of learning for more than two thousand years. In it science and logic continue to ^{be seen} appear as the means that can liberate man's thinking from superstition and permit him to alter his social as well as his natural environment in ways that would create the conditions that are natural for his own existence. It is to this source, presumably that one must look for the constructive applications of science that coexistence requires.

New international institutional forms appear to be needed to give expression to this role of the international scientific community and to coordinate the necessary research.

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~~AND~~ ~~- MAKING -~~
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By Paul Medow

Beult ←

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From
(for E. F.)

10 January 1965

MEMORANDUM
THE SOURCES IN 19th CENTURY RUSSIAN LITERATURE OF
THE CONTINUING DEBATE ON ALIENATION IN THE USSR

1. The Russian debate on alienation began in the works of Turgenev (Fathers and Sons) and centered originally on ways of overcoming the "nihilism" that came to Westernized intellectuals together with the purely scientific way of looking at everything. Subsequently while one group of writers, poets, literary critics, and philosophers moved increasingly in the direction of existential philosophy and intuitivism (Dostoevski, Tolstoi, V. Sploviev, A. Blok, N. Berdyaev, N. Losski) and displayed very far-reaching achievements along this line, another group emphasized the unity of inner aspirations with politically-oriented social practice as the prerequisite for a non-utopian approach to the overcoming of alienation. There was much interest, in the second group, in the communes suggested by Owen and Fourier, (and later Tolstoi) until Lenin's extension of Marxism brought an emphasis on proletarian revolutionary armies, and alliance with the peasantry, international strategy, and industrialism (the latter partly as a means for freeing the peasantry from an orientation on tradition). In spite of their very great differences in emphasis, however, these two streams never separated completely, in the sense that neither relinquished its primary concern with the overcoming of alienation or "nihilism". (The title of one of Lenin's early works, "What is to be Done" is also the title of the earliest political novel concerned with the overcoming of nihilism - by Chernyshevski).

2. At the present time, the editors of "The Literary Gazette" (which reaches over a million serious readers) as well as those of many other literary journals are continuing this debate with reference to the new social context that has emerged as a result of industrial development, urbanization, the social pressures of the present as well as of the recent past, and the influence of fashionable but superficial concepts of the modern way of life that originate in Western Europe and the United States. The particular point of view from which the traditional problem is now examined is that of making possible the "education" (the Russian word is "formation") of the future non-alienated "communist man". Partly under the influence of insufficiently noted passages of the recently adopted new program of the Communist Party the future period to which this vision applies is associated, in an important measure, with modernized and culture-oriented rural communities rather than with the urban industrial complexes that prevail today. This permits a scope for discussion that lends itself to much freedom and in which much emphasis is placed on the deeper humanistic ideals as well as on the ideals of personal solidarity. It is natural, therefore, that in this field perhaps even more than in others, those Soviet intellectuals who are aware of the existence of some of the important contributions to philosophy and sociology made outside the Soviet Union in the past fifty years (including those made by some of the Russian emigres) now tend increasingly to encourage their discussion.

3. Since genuine literature is ultimately concerned with the way in which man experiences his successes and failures in meeting his existential problems (including the problem of his relation to future history and evolution) within the historical circumstances that are specific for his nation and his own generation, the writer who is loyal to his capacity to experience truth may be expected to remain the best measure of the extent to which particular ways of life and particular social arrangements, as well as accidental circumstances, will fail in meeting completely the requirements that stem from the inner norms of life. Accordingly, so long as the ultimate objectives of a society will continue to lie in this direction this may be expected to continue to endow the representatives of literature with an exceptional measure of political influence.

Paul Medow

new for
26 Jan 1965
(for R.P.)

Fromm

Memorandum, 26 Jan, 1965

Note on the Debate on Alienation in Socialist Industrial Societies in the Hungarian Journal Valóság (Truth), 1964.

1. Articles on alienation published in Valóság in 1964 include:

- (?) in No. 9: An article about Erich Fromm
in No. 10: A. Schaff: "The Individual and its creatures"
in No. 11: George Lukacs: "Division of Labor and Alienation in Marxist Philosophy and in Contemporary Western Philosophy".

Attila Agh: "Our present and our Future: a Contribution to the Discussion on Alienation"

Bela Buda: Book Review of E. Fromm, Ed. Psychoanalysis and the New Buddism, 1963 Eötvös Verlag, Munich

In No. 12: Joseph Lick: "Private Property, Division of Labor, and Alienation"

László Balazs "Alienation and the Psychological Expression of Individuals".

2. According to M. S. one of the arguments defended by those who affirm the continued existence of alienation in a socialist society (Agh, Balazs) is the following: since commodity production continues to exist, commodity fetishism also continues to exist in the Marxian sense, and hence alienation. But since commodity production is now directed by the State, it is with regard to the State that alienation manifests itself.

3. A "conservative" view presented by Gyula Váron, who denies that alienation may also derive from elements inherent in a socialist society, centers on the two following points:

1) it is not logical to cite "young Marx" rather than "old Marx", since Marx's ideas were presumably more fully developed in his later works.

2) alienation exists in a socialist society only because of subjective factors: lags in ideology and incapacity to view consciously one's own actual relation to society.

4. There has also been a discussion of "realistic utopias".

①

30 PICAS
8 AS-TEL.



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□□

International scientific debate of theoretical and practical problems of centrally planned economies with Western and Eastern contributions.

□□

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□□

- ALEC NOVE: The Changing Role of Soviet Prices
- J.G. ZIELINSKI: Centralization and Decentralization -
in Decision-making
- ROBERT HORVATH: Development and Present Status of Input-
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ITEMS FROM VOL. IV, No. 1, 1964:] *Latte s/ect*

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- A.A. KONUS: Dynamic Intersector Balances in Perspective
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9-11-64
1/2 page ad in exchange for
Co-existence ad which will
appear in our Nov. 1964 issue
Oll.

May 5,
~~April 28~~, 1965

REVISED DRAFT

- *
1. The P. P. shall publish as from January 1, 1966, the periodical CO-EXISTENCE half-yearly, the two issues of a total length not exceeding 150,000 words per annum, being published at the beginning of January and of July each year.
 2. The full control of the contents of the journal will be in the hands of the Editorial Board. The care for publicity and distribution to subscribers and others will be in the hands of the publisher. Copies will be supplied to members of the Editorial Board and the Management Committee.
 3. The Editorial Board undertakes to supply articles which are of high quality and original (with the obvious exception of documents reprinted); copy will be supplied two calendar months before publication date in a state ready for publication. Authors will be given 7 days for correction of proofs (between arrival of the proofs and their return).
 4. Most articles will be in English: for those in French a summary in English will be added.
 5. During the first year a number of addresses to which publicity copies should be sent (apart from those which the publisher deems fit) will be supplied by the Management Committee. Contributors will get one free copy of the issue in which their contribution appears and 20 free offprints. For additional offprints if required, the publisher will take an appropriate fee.
 6. The Copyright in the Journal will rest in the Editorial Board. Permission to reprint individual articles will be granted by the Management Committee in consultation with the author of the article, provided that ~~the author~~ acknowledgement to the Journal and its publisher will be added.
 7. The publisher will pay to the Management Committee for each issue the sum of £100 for editorial expenses, including such fees for style correction as will be required in the editorial process.
 8. In the event of difficulties or disagreements arising from the publication, a committee of four members of the Editorial Board, namely, A. Schaff, ~~and~~ K. Muir, J. Robinson, and J. Tinbergen, will be consulted.

Suggested Membership of Management Committee:

I. Polanyi, Chairman; H. Campbell, K. McRobbie, K. Muir, A. Schaff, A. Rotstein.

Editorial Committee:

A. Schaff, Chairman; K. Muir, J. Robinson, J. Tinbergen, R. Schlesinger (Editor), K. Levitt & P. Medow (Assistant Editors).

- 1) Be responsible for the day-to-day editorial policy of the Journal.
- 2) Meet at least once a year, Management Committee to be responsible to arrange this.

Terms of Reference of Management Committee
of CO-EXISTENCE Editorial Board

- 1) Secure and hold the copyright on articles.
- 2) Receive and expend funds.
- 3) Decide the fees to be paid for editorial services.
- 4) Prepare a budget and secure contributions for annual meetings of the Editorial Committee.
- 5) Manage trust funds deposited with it.
- 6) Carry out such other duties as are agreed upon with the Editorial Board.

Above suggested by:

* Pergamon Press -
Oxford - London - New York

I. POLANYI
H. CAMPBELL

Galley-Corrections for 'C' No.2 (as available on 5.X. after post)
Turgeon, Galley one 5th para, 2nd line United States, after unclear. Check at
6th para, first line ends long-run, 8th para (1st line the, next para principle
Galley 2, in 2nd para co-existing (with hyphen) and be consistent
throughout with this. 4 lines later experience; 3rd para 4th line develop
6th para 1st line advocating; 5 lines later capitalist-orientated
Bohannan; Galley 3, para 6; 2nd line other; Galley 4, 9th para: Hausa
Galley 5; 1st para Hibernica; 6th para 9th line 'by'; 10th para, 1st line account
Cébelisse (with 2 a!) Galley 7, footnote in 2nd para is 1), 6th para
5th line product; Galley 9, 2nd para lead to, after confused; check ms!
similarly for the-perhaps big-gap before Table VI; Galley 10 in text
exports, as he has imports. The end is on top of Galley 11, footnotes lack-
ing. Check well with himself-this a case where 'small' incorrectnesses
may destroy our reputation, the more since he needs those offprints (paid
for his Institute). ~~Even you or H.C. has my letter on these 4 lines etc. at end~~
Landheer; Galley 11 last lines 2nd para religious, 9th para upper
Galley 12, 5th para natural, Galley 13, 14th para expansion, Galley 14 typ
typographical gap at end of last but one para-there are many of these!
József (on Galley 14a) Bog ar. Galley 15, 4th para, marketing, 7th and 8th
para, developing, and selling; 3rd line from below: invariably
Galley 16 a gap at end, 8th para starts Trade. Galley 18 (end) no institution
Engelborgh-Bertels. This is the really difficult case, and in view
of the otherwise sensible performance of the printers (for first galley)
we must simply reconsider whether we did not overtake ourselves by
promising contributions in French. My own-school and reading-French (my
articles published in France are all translated) really does not allow
me to contribute more than two additional pair of eyes, so, please,
Blons, associate yourself with someone in Toronto who has reliable French
and take him or her with you to the printing shop, for precise revision!
Galley 19, 1st para, apparu; 2nd para: can a 'question' expliquer?
4th para, 4th line, presumably apres avait? 6th para, destructeurs or
destructives? 9th para: passage, 10th para par l'U.R.S.S., after 'qui'
a word is lacking.
11th para, 1st line theoreticiens, 4 lines later 1961
12th para, 3rd line l'etape, 4th line communes
13th para: toujours; 14th para presumably actuelle, but perhaps as error.
Galley 20, 2nd para 1st line beaucoup, 3rd para 5th line muddle,
4th para, revisionistes one n, 5th para, make no God of Mao!
6th para degage and deja. Next para: what do the dots mean? 4th para from
below phénomène, next para resources, last but one frontiers-but
before there is a great muddle, in line 5, presumably one 'o' and one 'o'
Galley 21, 1st para deux, 2nd para 1st line frontiers me semble, in 5th
and 6th paras typographical gaps at end of lines; 5th para from below
1st line traditionnelle, 4th from below last but one lequel, last para
5th line from below presumably visé de.
Galley 22 2nd para make full stop after industrielle, skip in 3rd para
Viet Nam. End of 2nd para presumably dove-tent être-but not clear to me.
5th para: st tout prix and, in last but one line, differend, 8th para deux
12th para La Chine, 15th para 1st line populations, 16th para nombreuse,
17th para ainsi, last para au contraire (all in first lines of paras).
Galley 22 before enumeration typographical mess, in para after it implique
in last para caractériser, same muddle in 2nd para on Galley 24, in 3rd
one energies, and in last one a footnote is numbered 6, while it should
be a (non-existent) 7-note 6 does not refer to it. But you may leave it
out-interested specialists will find the document. At the end E.-B's
short English summary has been omitted, which is wrong since this was
a condition for our accepting articles in French (she did it very brisk-
ly, but satisfied the principle).

Riga Galley 25, 4th para, in last but one line 'to' unnecessary. In next para, again under (3), typographical gaps at end. Four paras later: is 'eclipse' what he means?; end of same para 'grey'.

Galley 26, 1st para: noble, in 4th para probably a hyphen omitted, Christian, four lines later instead of the s a color; next para: is here, and after dialogue. Last sentence of that para is a duplication of what a reader has been said in last sentence of galley 26.

Galley 27 4th para: Hohmann. In last but one para, 4th line open bracket before 'or' (by the way, our friend is here slightly derogatory, to save the continuity with encyclopaedia which condemned Liberalism not just for its interest in private enterprise but also for what it shared with 'liberalism' as presently understood in USA) but this is 'his matter'..

Galley 28, 2nd para starts: Communism owes, ..., 21 lines later Cobden; end of that para order of lines mislaid; last but one para grave.

There is no signature at end - I would suggest we insert the necessary, where he teaches (see that the forms of heading and signature are homogeneous throughout the issue!)

44

un-

Notation

University of Toronto

DEPARTMENT OF POLITICAL ECONOMY
100 ST. GEORGE STREET
TORONTO 5

Nov. 12/64

Hana,

If T.P. carries this off it will
become a brilliant contribution to
Coexistence

Servus
abej

4 Mar 65

Dear Kari:

Letter from RS telling me to write you some last minute matters.

1) Re signature —

Walter C. Neale
The University of Texas &
Planning Research & Action
Institute, Lucknow

2) Re author's characteristics —

Associate Professor of the
University of Texas, author of Econ-
omic Change in Rural India: Land Tenure
& Reform in Uttar Pradesh 1800-1955
(New Haven - Yale - 62); and India: The
Search for Unity, Democracy, & Progress
(D Van Nostrand, Princeton, 65 Searchlight
series #24; presently Fulbright-Hays Re-
search Fellow at Planning Research &
Action Institute, Lucknow, UP, India.
Have had 3 yrs field experience in India.
OK? choose as you wish.

Changes in the text:

p. 12, lines 3-4: to read "... by force, which
will, virtually by definition, require the
sacrifice of democracy in a country
composed largely of ~~the~~ farmers.
The Inducement..."

Give my love to your mother.

Yrs

Walter

BY AIR MAIL

हवाई पत्र

AEROGRAMME

NO ENCLOSURES
ALLOWED



Professor Kari Levitt

Dept of Economics

McGill Univ.

Montreal

Canada

CORR - 68

Third fold here

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W C Neale

Annexe to CK Lodge

New Hyderabad

Lucknow, U.P., India

NOTES ON WEEKEND XIX WITH
K. POLANYI, DEC. 21, 1957

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FREEDOM AND TECHNOLOGY

The peculiar thing about Fromm is he never got beyond The Great Transformation. (These were strongly Marxist ideas).

He is definitely pre-sputnik and what we are saying is post-sputnik. We must make it clear that this is not the reorganization of society we are talking about.

What is freedom? It is the fear of eternal death. Others say that it is the hope of eternal life and people differ on what that means but they don't differ on what eternal death means. Whether they say integrity or conscience it is the same thing. This fear and its corresponding hope is what freedom is. This has a fear and hope, and is meaningless if it is not a condition that we are in.

P. makes the test point that we are not safe in compelling others without limit. We know in a sense that we just don't have it. This fact disintegrates any conceivable value system under which we could live.

The reason is the entrance of the machine to the tissue of society which causes more and more horrible interventions into human life.

The fact that our existence is precarious doesn't lie with the condition that the world will explode but in the series of dangers at disconnected points, and of an unexpected character. These have been turning up ever since society has become industrial.

With the freedoms, although we want them we don't have them. How does this come about? There is a disintegration of our value system and some values become absolutes which is a negation of the reality of society.

The moral values of every day life have less and less connection with basic values. The answer is the lack of recognition of reality.

What happens to freedom we don't know, and we just cannot cease living up to the moral requirements everyone knows are true, i.e., truth, justice and love being valid precepts. They cannot be deduced from logic or science.

This answers the perplexities much more. It is not a blue-print but it gives direction in which to move.

The discovery of society takes us out of the superficial dangers of the market economy (superficial meaning immediate). Society is covered up by the apparent freedom of the market world, but it's supersession reveals a Rousseau paradox which is not solved. How is it possible in a technological society that society survives as well as also the individual's inner life. We still don't know.

Putting it in simpler terms we can use "society", "inner-freedom" and also "power", "fear" and the relationship of power to freedoms. We might find more of a connection here: fear generates potential power and we realize that this is a danger to freedom. This is only realized on the freedoms level but not on the freedom level.

An important part is played by the disintegration of the value system. The idolatry of absolutes is quite out of proportion. The value system of everyday life would be of a higher order and we don't have the higher standards which we could because the ultimate values are absolutized. This is a denial of the reality of society.

Efficiency and scientific knowledge are not a safe thing to hold on to in the end. We don't go beyond that - why should we? This is now widespread.

P. thinks that the truth is what we are saying - that in a technological civilization our inner freedom is invalid, is vain. This is something terrible, and unless one makes it quite convincing that this is so, it won't be taken seriously. For some people this will be realized only if it is put in an extreme form, not through an attempt at being plausible.

People think that they are not in a position not to compel others to an extreme. Life and the conditions of life are not of ourselves, but always of others. All the fear and hope condition is at an end. It is no use fearing and hoping because it doesn't depend on us. This is the one thing which is never said at all because it was unreal. But it was unreal until it became real.

For Russia it became real. They had suspected superlative crimes might be necessary under the five year plans. They feared it was but hoped it wasn't.

The whole question of the loss of freedom hinges on "compelled to compel". However, this is only an illustration. Just like Jesus used the illustration that the one with no sins should throw the first stone.

He who says I would refuse to compel others - he has disproved us. Fear is not fear for ourselves but fear for others. We would regard this compulsion as the ultimate evil, because it is the ultimate denial of freedom. What we mean by freedom is man's hope that he won't lose eternal life. That is why everyone agrees that you can't speak of freedom when you haven't got this possibility.

P. is not bound or excited by this illustration. He uses it most often, but others may be possible.

There are here 6 or 8 concepts and 2 or 3 may be new. One is the way freedom is discussed. Second is the freedom, power, fear triangle. Third is the industrial character of the civilization which makes the whole civilization precarious and not only because of the possibility of immediate destruction. But there are bothers all the time that are unexpected, and continuous troubles are constantly arising ever since the machine entered the tissue of society.

Then this fear, power, freedom context means the irrational rise of power which threatens freedom in this way. The threat to freedoms is connected with the elimination of freedom.

At this point there is some lack of definiteness. What is it? P. tends to say that by the non-recognition of a strain it disrupts our value system. Absolutizing some postulates is at the same time taking away their reality thus devaluing those of everyday life and preventing a rise of our general moral standards so that ideals means Sunday behaviour instead of a system of values which is understandable. We have the polarity of the material and ideal. Man doesn't live in such a dirremption at all.

This takes us to the market economy but it isn't what it hinges on, otherwise Russia would appear to be safe from the common danger, but it isn't.

And now comes the answer part - the acceptance of the reality of society and seeking the reform of consciousness by seeking maturity through unremitting insistence on human values (partly formulated by Fromm, what he considers human values). P. accepts Fromm's values and finds peculiar that he never took seriously the Christian situation or the essence of a personal religion - the fear of eternal death.

Buddhism has this similar fear of reincarnation. In Jewry it is expressed only in your share in the destruction of the race through breaking God's covenant. It is not a personal factor. But in all other religions it is you who count.

Fromm didn't get this point. He forgets something which didn't become apparent in the Old Testament and Jesus made this

point: it is not the crowd who is going to stone her. That's all right, but what about you? What are you going to do? Give your coat to the poor? There is probably the same thing in the Dead Sea Scrolls, and Christianity made vast propaganda with theology and paid no heed to the teaching of Christ. Everyone knows in his heart of hearts that these things make for life.

Fromm doesn't see that this is the way mankind is hit. He might say you follow the externalities of life, not the internal things.

Fromm has a deep analysis but leaves part of the question unanswered - the technological civilization is not touched upon. Fromm explains what is meant by alienation.

Fromm doesn't speak of freedom but means something what we usually call freedom. (It is very vague but our meaning has much more than what's usually attached to it).

Power is needed to organize and its existence doesn't permit the individual to make his life the center of his inner existence.

This widespread concern can only be seemingly rejected in a joking fashion. This is our common world, not with Christian communities only. Not at all. By their nature the Russians are alive to this. It is usually called the dignity of man. They mean that man isn't supposed to be a liar and hypocrite. It doesn't mean to choose between Eatons and Simpsons or the C.P.R. and C.M.R. when we talk of a choice.

With Hegel there is the coming up of economic life but there is no intimation of technology.

With Smith it has a pseudo presence. While he discovered the market he didn't discover the machine. But no one ever noticed the market was a significant transformer of society.

So the machine remained undiscovered, but it was Owen who discovered it and he was all about the machine. That was 1816 and by then Hegel had done more than one half of his life's work and was terrifically impressed by capitalism.

P. doesn't know if he found the machine in Hegel. Hegel didn't miss much. Also Marx to 1844 is the same story.

P. thinks he should follow close to our thesis and keep closely to the machine (technology) and the reality of society. It seems to come up in these early times as "necessity" and later it comes up as "determinism", not the denial of free will but that the course of history is laid down and that limits man's absolute ideals.

Already in Comte there is not history, but the structure of society under the laws. Therefore sociology was the highest science and the most advanced way in which the limitation of human freedom was formulated.

This is the result of thinking about these matters and P. thinks we make our thesis as narrow as possible - the assertions are specific and definite. The other thing is that P. has been

reading so much and is conscious how the subject comes in from all sides, but one doesn't allow that to make one's own position diffuse.

We follow the story of freedom where freedom is seen to exist (German idealism) and technology - which begins with Owen.

Unless you have the Rousseau paradox, you can't relate freedom to something. This can be in the introduction and freedom can be traced to Rousseau, and Kant took this from Rousseau. Technology is Owen. Under the reality of society, one takes necessity as a counter to freedom.

Hegel discovered it because the French Revolution failed and he believed in it. Therefore he thought it was necessity that made it fail and made Napoleon follow on Robespierre.

Marx never relinquished necessity but placed it in the material aspect of society.

It needs a lot of time to see the terms which are most integrative. The point is what to relate freedom to. The R. paradox permits you to deal both with the individual and society primarily from the point of view of freedom. The reform of consciousness emerged.

P. has a lecture which he gave on the emergence of reform of consciousness in 1927 or '29. P. gave this lecture to a small group including Kolnyai, Ernst Karl Winter, and Otto Bauer. Winter wanted to build up an anti-Fascist group in Vienna. P. was interested only in his own ideas.

The essential thing in the reform of consciousness was the acceptance of the reality of society.

P. said that one must think as the right wing and act as the left wing do. Winter said the opposite. (He was a Catholic).

The lecture was called "Reformiertes Bewusstsein". It maintained that first there was conscious religious consciousness and second to take upon oneself the burden of society with unalterable alternatives. Thirdly, the reform of consciousness was not absolute but it is a reform of consciousness which receives in itself the need for compromise as resignation, and turns without any qualification to the reaching of these ideals: "in fascism there is a false resignation - social reality is set as impossible to solve it. Out of this national socialism finds no way out but to attack the basic religious position".

This is the full circle in which left thought moves: the left is bound to the absolute (unconditional) and being in the false consciousness of fighting against religion and morality. P. is the only one to give the left position true rigor of the unqualified. The left necessarily must formulate a position in an absolute way and take up the position outside of society and claim validity through...

P. got the idea of ineluctable alternatives from Ulysses which he read in 1922 in the 'Westbarstrasse'.

This lecture was an advance and gave a more definite subject

but we didn't have definite criteria. What are the points we are linking up here to the extent to which we have the reality of society? It was vague bringing in too many different things.

We are here distinguishing three problems, one set by the Rousseau paradox, one set by the market economy and one set by the technological civilization.

The first probably comes into being by something like the birth of modern man e.g., Rousseau's Confessions and the Contrat Social. The paradox is put by his statement "Man is born free and is everywhere in chains." He has here a postulate of freedom which is the same as individualism and has never been resolved. This therefore we accept in a way as basic and yet there is something which is distinct.

This is the discovery of society which doesn't happen in Rousseau and is the essence of a socialist outlook. It is critical of capitalism because capitalism covers up society and looks like a realm of freedom. It covers up what underlies it and on the whole socialism consists of the realization of the discovery of society as we call it.

This is enormously strongly expressed in Owen. Society determines the individual's outlook and precipitates this question and catalyzes it. There is no concern with freedom and Owen is the originator of the ideological criticism of freedom. Marx may have taken it from here.

What P. should now follow up is the analysis of society in connection with intimations of its reality. That's called necessity.

If one goes on from Owen to Hegel or Marx one cannot assume a very great interest in the subject. There is a prejudice against Hegel that it is some empty metaphysics. And for Marx that it is just some materialism which has been disproved.

It is not possible to go on as if it was one of the uncontentious subjects. So P. does not yet see the obvious way.

P. wants to avoid being too specific. More hinges on the introduction and the human story of the machine.

Merton agrees that it begins to be quite a concern what surprises mechanisms hold in store.

Fromm works out as a socialist line and he calls it humanistic (?) socialism. Altogether socialism begins to be more important than it was. There is not the slightest interest in socialism in the world.

If one puts the matter with brutal simplicity one can get a great deal of clarity.

This is a peculiar thing, living in two or three worlds and not realizing that they are not separate e.g., the Christian interpretation of freedom and Marx on history is not unrelated. Communism is a Christian heresy. These are not values which are distinct and different. Freedom is to follow in the trail of

history. Engels said that if we follow history we are free.

We don't even know whether history itself knows what it will be. There are determinate stretches, elements and patterns but these don't exhaust history. It is full of surprises and we don't know what history will be. According to Marx if I know what the first flight of stairs is then I know what the second will be like.

From our experience of the revelation of the underlying forces no one would suspect the two greatest events of our age. Who know that Germany was Hitler? The two greatest events of our age were Fascism and Bolshevism. Two things took place which were utterly unexpected.

Fascism is the rejection of freedom and Bolshevism is another form of the rejection of freedom. The whole of the 19th century thought there was too much freedom.

If history is the realm of freedom it is not because it is the realm of necessity but because it isn't. Hegel and Marx thought it was necessity.

Also if culture is the realm of freedom it is not because it conforms to necessities of existence but because it doesn't, although it has their imprint.

Of course we have sports because they are needed in an industrial civilization, but the form they take is indeterminate. It is the playfulness which is the essential thing about culture, and there is something similar to culture in history. It is like

creativity - art and play and the free patterning in culture. Just watch the flight of the birds and try to explain it by maximizing or minimizing anything.

It is as if you knew that something was a series of forces exploding and you try to describe it as the shortest distance between two points. If you didn't know what happened (that there are forces exploding) you try to make out that its a minimum procedure, but it isn't.

In Christianity there is a dogma that God can't do the impossible (that is the inconceivable or self-contradictory) but the possible he can do.

We should take up the question of the discovery of society and the reality of society. The discovery of society happens to the extent that the market veil is withdrawn. The reality of society is recognized to the extent that necessity (i.e., as opposed to freedom) enters our consciousness.

Hegel wanted strongly to take up the question of necessity. The French Revolution failed and why? Napoleon was an instrument of necessity. Otherwise everything would have got lost. His conservatism reversed everything. By necessity, Hegel meant the reality of society. He was the first to see that there was a society - economic activities which were integrated and he took this from the British.

Marx made a double movement. He moved to reality and discovered.

in machines the compelling element in the economy which are an ultimate mover in real society and cause change and development. P. follows Landshut, and wonders whether to take Marx and Hegel together. He thinks he will, otherwise he would have to explain Hegel. He can explain him as a sociologist, social psychologist, politician and historian but would not like to explain him as a Hegelian.

It is much easier to deal with the question as the young Hegel and the young Marx (usually called early). Perhaps he will call it Hegel and Marx, and using "young" for both might imply that we are dealing with infants otherwise known as 'Hegel and Marx in the Nursery'.

But in what tone should it be done? It should be as pedestrian as anything. It should not be discussed on the highest level but on the lowest. It gives people a chance to follow. That means to discuss it in terms of the day, but occasionally there will be outbursts of sophistication to give a birds-eye view. But the argument should run pivotally on elementary matters.

We won't have the Utopians - Fourier and Saint Simon, but Owen fits very well.

Engels wrote his "Condition of the Working Class..." in 1844 and when Marx wrote his E.P.M. he didn't know it. There was terrible misery in England and Chartism begins in 1828 - 38.

P. would forget about his studies on Hegel and Marx etc. and outline our story, otherwise it would be a different book and destroy the book.

Marcuse is very well usable for our outline of Hegel but he didn't know the young Hegel.

MARX

One might take a simple view that Marx only saw the positive sides of technological progress and that that alone would continue in socialism.

Marx was fascinated by the machine industry and production. The very idea of production was new and everything was thought of as production. Evolution and the emancipation of man came somewhat later. Feuerbach had emancipation, not individually but collectively. This idea of production also applied to man. This was Owen's insistence on the practical man, the product of circumstance, and in Fourier man was a product of collective enterprise.

Adams says that by political economy Marx meant being an economist. This is not so and the economy Feuerbach thought of was an exteriorization of human values.

Marx thought that political economy was a sphere of social existence which could be compared to law, religion, social morality. It had to be analyzed philosophically. Business life was a sub-system of society. It consisted both of people acting and the thoughts they were acting on, the idea. There was a convolute of behaviour and principles, like the profit principle in competition and the origin of production. Marx thought the two are inseparable and without the principles of political economy you couldn't have a market economy. This is one of the most important ideas of Marx.

At that time Marx thought Feuerbach had created man's image

and Marx thought that man created money and it was an objectification of the economic sphere.

Marcuse summing up idealism said the German idealists thought that all qualities of mind exist for freedom - to produce this and this alone. Freedom terminates in the self-assurance of complete appropriation if the mind possesses and knows the world as its property. Otherwise man is not free. The true content of history is the realization of the self-consciousness of freedom. (This is all pure metaphysics and freedom is entirely a meta-structure).

If Engels said the German working class is the heir to German classical philosophy he meant it was about freedom. Now this concept of freedom is a pure metaphysical construct and therefore consciousness of freedom is a construction.

But this is not really Christian freedom, the care for your salvation or fear of eternal death. Otherwise the modern reader wouldn't understand.

Ultimately, Mary the virgin, is the new Eve - she bears the son of God. Man is conscious and by an act of will raises himself to a higher level of freedom. In Jesus Christ the Saviour this is obscure. But there is some idea of this in Hegel and Marx: consciousness is freedom and the higher consciousness is higher freedom. It has nothing to do with political freedom.

Wetter says that Eve stepped on the head of the serpent and

and killed it (brute nature). Man is self-consciousness and Eve does away with the serpent and a new Eve by an act of fiat bears the son of God, and this is the highest state of freedom which is conceivable.

It is the Hegelian theory that nature is freedom alienated. Therefore in history man becomes conscious of himself, and history ends when man becomes free of all necessity acting out consciously because he knows etc.

This is what Engels says socialism is, the jump from necessity to freedom and he consciously makes his history.

One must know a great deal to put all this aside and P. doesn't advise me to know it.

Mannheim is greatly troubled in the same way as Rousseau: mankind will only be free if they all want the same thing as society wants and that is possible only if you educate them that way. Hegel says that wisdom and virtue consist of living according to the customs of your people. Margaret Meade says the same - make people wish that they are supposed to want. It is the Rousseau idea again. All these problems revolve around the same terms.

What then happens with freedom? Society is real and a man should comply. Then one can't insist on freedom, otherwise life is not liveable.

Lenin said exactly the same thing as the early Hegel (see quotation in Hegel section). If the *volonte de tous* cannot transcend

the *volonte generale* but can bring the *volonte generale* at its best. P.'s idea of limits is the Hegelian idea. It is also like Owens "childish unavailing complaints will cease".

I begin to see there is not much point in evading a point - but if I don't there may be some point to that.

P. doesn't know what the condition of freedom is but he calls it maturity and this gives a content to maturity.

P. will go into some simple formulation like Marcuse. Marcuse is clear and sound and somehow interested in the kind of things that we are working on.

P. sees much more the tremendous power and grandeur of Hegel and why he was such an overpowering figure.

Wetter is not a Catholic on the basis of Catholic philosophy but Catholic belief. His question is, is dialectical materialism incompatible with Catholic philosophy? His answer is no. But he finds the fourth of the tenets of dialectical materialism unacceptable - the denial of the need for God. He thinks that D.M. is a poor philosophy, but he accepts all of Marx. The Marxian is the nearest to Catholic philosophy and is purely authoritarian (whether the authorities say so or not).

But what Marxism did was to project the absolute into history. Insofar as you serve history you are free.

Isaiah Berlin is a good book. He really knows things well.

Wetter's book is on dialectal materialism and he knows things well. The Communists swear by him. The Communists say this is the best book on the subject and he says that this is no high praise because no book has ever been written on the subject.

One must know exactly where the young Marx section is supposed to land you.

The utopian element in Marxism was the role assigned to the working class and secondly the role assigned to science and thirdly the utopian role assigned to history. These were the three illusions but for the rest there was a deep insight.

The illusions were that the working class could do the job of history, that history was pre-determined and one could bank on it and thirdly that all this was scientific.

Lenin showed that history was not so, that you had to make it happen. The working class was a deeply conservative class and you couldn't trust it. Lenin showed that you couldn't trust it and you had to lead it.

This was a movement based on science and was a misunderstanding of what science could do.

It was correct that capitalism was a passing phase and technology could be reorganized with different social organizations and they rightly saw this and that it had something to do with industrialism and the whole planet.

But there was no clear idea on freedom and technology and

they missed the point and didn't see that technology would increase the reality of society to the point of endangering freedom.

Now we have the basic criticism of Marxism and recognition of its truth and insights.

Myself: What about Marxist economics?

It was all nonsense. Marx was a journalist and Capital was a pamphlet, but it ended up as a complete failure.

Myself: It strikes me that the central feature of Marx' economics, the surplus, is enjoying a wide renewal of interest today.

The peculiarity of the thing was that he linked capitalism and progress. Progress was linked with a private person's motive of making progress and a surplus came up on progress as a surplus product and as a motive it came up as profit.

Of course it was a progressive system and increased production per capita. It was operationally impossible to produce at a loss permanently. The idea of it being progressive was vague, but not meaningless.

P. believes as does Keynes that it rests on habits and customs. Marx believed in Say's Law and Keynes disproved it. P. isn't even interested in good economics, much less bad economics.

In Marx the illusions come in through history. The working class would have to shoulder the mission and he had never thought

of the working class until Engels discovered it, - parallel to the bourgeoisie. But the working class didn't shoulder it and socialism came where there was no working class at all.

Lenin saw this and didn't trust the working class or history, but he did trust the Asiatic revolution and that did come. It came 40 years later and Asia is in revolution. It is the continuation of the Conference of Baku (the conference of colonial peoples).

He was right that capitalism was a transitional phase to something else and it was only the same technology that would produce a different society. This was a development of mankind's range.

But he missed the connection between freedom and technology and the machine raised problems that cannot be razed in any human society. There were limits and the Bolsheviki chose between freedom and technology.

In 1844 he was outdoing Feuerbach in humanism and the Communist manifesto was outdoing the ideologies in idealism.

One can be pretty short and not go into details but the difficulty is one has to lay down the law because so much nonsense has been talked about these things.

Marx was enormously fascinated by the division of labour which he observed in the English economy. He thought it was the essence of the human economy and he defined it as exchange (a corollary of the division of labour) but Thurnwald showed it wasn't true. Trade is earlier than the division of labour among individuals. Marx had nothing on these matters.

HEGEL

Marx didn't know that the early Hegel was so radical. This was so by the time Hegel wrote the Philosophy of Law. He took it from Ferguson and Adam Smith not Ricardo. Ferguson is a precursor of Smith. Hegel saw capitalism coming and he thought it was crazy and was doomed right away, and only the authoritarian State could hold society together. P. had this thought in The Great Transformation (the English edition) that the Liberals brought Fascism in by insisting on laissez-faire.

The Liberal economy makes the omnipresent state imperative. This became apparent in the 1920's but Hegel deduced this in 1810. By the time he got to Jena he developed this.

Marx turned Hegel around in two ways - the subject-predicate (to real society) and from conservative to radical. But Hegel had been more radical than Marx with the idea that such a society was doomed.

P. has read a good deal of Hegel and hunted for the various Hegel editions with some success and continued reading in New York. (He also read the mystery stories of Graham Greene). P. read the Phenomenologie, The Encyclopedia of Sciences, the Philosophy of Law, the Philosophy of History, the Philosophy of the State (which is part of the Philosophy of Law). P. read recently the documents of Larrson and Hofmeister.

The trouble with Hegel is that in the early years he wrote under a different name.

Hegel had the term "zittlichkeit" often translated as morality but it's really logic.

P. read the proofs of the existence of God and also various other fragments. Hegel is marvelous in originality and giftedness.

P. also read half of the Lukacs and one third of the Wetter.

The first half of Marcuse's book is the clearest presentation of Hegel. But he doesn't understand Marx' economics - the things any child would understand, he doesn't. His presentation of Hegel however, is excellent.

We know the alienation theory is all Hegelian.

Diderot invented a nephew of Rameau and he wrote a dialogue (similar to La Chute) with a nephew who is cynical and corrupt but gifted. He is the prototype of La Chute. Hegel regarded that as the key to the French Revolution. If such a person could exist.....

Hegel wrote his material for a pre-revolutionary country. Dostoevski also wrote as an author who didn't know that revolution was imminent and therefore is a parallel to Diderot.

In 1805 (before Jena) Hegel wrote: (approximate translation) "confidently and courageously the son of the Gods may throw himself into the struggle for perfection. Break peace with yourself, break with the work of the world, endeavor and try more than the thing of the present and yesterdays. In doing so, nothing that is better than your own time will you achieve, but that at its very best".

This is a summary of our relationship to the reality of society - to Man's endeavor, to his boundless attempt to go beyond the possible and fulfill the possible at its best.

This was Hegel before he started to Jena. He just started to become a political journalist and failed.

P. had this difficulty on where to bring in the Rousseau, and Hegel was also troubled where to bring it in. Marcuse has the Hegel-Rousseau book.

ROUSSEAU

P. has a certain difficulty with Rousseau. There is a book about Hegel and Rousseau and P. must read it because without the Rousseauian dilemma we won't get far.

It is the Rousseau dilemma which needs an answer. He wasn't concerned with technology but the polis - the opposite of the modern state. Also Hegel wanted to restore these virtues which were naive and this was the naivete of the French Revolution.

P. is not sure where to bring in the Rousseau dilemma.

The trouble with Rousseau is that he comes so early - before the Industrial Revolution.

When he says that man is born free this is ridiculous. He has an organic chain to his mother's belly. When he says he is "in chains" it means only the actual institutions of mankind - the conventions, traditions and other institutions. He is looking to non-instituted society and both parts of the sentence are absurdities. But it was a beginning to an important book.

It was however, formulated as a revolt against institutions. But these make up human society. Therefore he is saying that man is born in nature but finds himself in society.

If we are talking about freedom and the relationship of man to society we must have Rousseau. Rousseau's paradox should come early.

ROBERT OWEN

We should not go into Owen right now because the question comes up of what to take up from Owen as we are going into Marx. This is a serious question and we might put into Owen this or that sentence and it would have to be adjusted to the continuation in the next chapter. Another reason not to finish it off is on account of the needs of the Hegel and Marx. We should make it as simple as the Owen. We should have no higher dialectics. We are not convinced that these profundities are necessary.

We should certainly have an introductory chapter and this gives the picture of the world that we need for Owen. It comes before, and we would have a preface and an introductory chapter and this would already give a rehearsal of the whole book. We would give the whole problem but not the answer so the reader would be introduced to the problem right away. For the answer we would have nothing except suggestive phrases.

(One of Graham Green's mystery stories has a preface by the publisher who doesn't trust the average reader to pick-up the story and really gives away the whole of the back-ground of the story. He just tells the reader instead of letting him pick up the back-ground gradually).

We will give away the problem in the first chapter, but not the answer, so the reader understands what he gets here. One should take the reader into his confidence. (The detective story idea was a mistake in The Great Transformation - a real mistake).

The way Owen ends should be made clear although it is an excellent ending on the right lines.

It is peculiar that there is no concern about freedom in Owen at all. He thought that justice was the important thing.

P. has looked through the Margaret Cole book and saw that she missed all the important points. She is convinced that the Village of Union contains nothing new and that the second plan is a repetition of the old one. She completely missed the theoretical importance of the plan and made the enormous mistake to think it was a changeover to socialism.

The point is that Owen wasn't a utopian at all and was not a socialist. She also missed the idea of the transition and this idea influenced German social democracy decisively.

Therefore, while she is very clever, cute and sharp she missed everything and thought he was demented (i.e. this letter in the Times). She has no theoretical orderliness.

P. thinks he read the Dolleans book a long time ago and the Leeds Report referred to in it may have been in the appendix to Podmore.

Margaret Cole knows the whole literature and is the Queen of the Fabians, and what she writes on The Village of Union is proof positive that it never occurred to anyone to look into The Village of Union. She thought the second was just an elaboration of the first.

The points we make have never been made at all. There is however a limit to this thing. The world is not so much interested in Robert Owen or even socialism.

She has a long list of things that in which Owen first, e.g., education etc. but she must have left out another 20. Where she falls down is his penetration of the forms of industrial life under a market system.

The fact was that later on the government and important people like Ricardo said that 100,000 pounds should be invested at 5% to employ the unemployed profitable which was part of The Village of Union presentation and it stands out as a mystery. How could people invest money in something which was otherwise meaningless.

Margaret Cole said that Owen had almost the whole of socialism. Ours is the opposite view that he didn't aim at a socialist society. But his postulates would lead to socialism but for his fanatic gradualism not to take anything from the rich or endanger law and order and consequently he built on the example of the Unions, but taking into account people going back and forth to the old society.

Margaret Cole agrees he was one of the best men who ever lived except she thinks he was absurd.

See the Margaret Cole book p. 22, 135, 136 (the 30,000 to 40,000 copies through the mail) p. 125 (he was demented) p. 135 complete socialism. She was mistaken.

Margaret Cole thought that in the second Village, he was

restating his plan meticulously and overlooked that this was a completely different matter. She said this was taking it to be a general social system without being a poor law and she didn't understand what it meant. It was all nonsense.

Since she was a thorough person it proves that this has never been looked into.

Owen had thought it through. You couldn't abolish the market system and you needed the profits to pay the capital to the workers who had been indentured. With no basic wage and only subsistence, the safeguard against depression was by long term (10 years) security of your job and securing consumption in the home market. One can get this in the public meetings of 1817 and the reports to the County of Lanark and not the rest.

Margaret Cole is really on the same line as we are that he had really anticipated everything.

Get the reference to the Leed's Report from Dolleans.

BUSINESS AND ECONOMICS

P. was approached to organize a seminar at the University of Chicago about business.

The idea of business doesn't exist. We need a term which doesn't limit business to the economy, but to practical affairs which have a monetary aspect. This includes accountancy but it might be politics, not economics. For example, if you confiscate goods and auction them, that's business but not economics. Business should be separated from economics. e.g., the activities of the Lord in Church, politics, marrying his daughter, and ransoming his son. He had business but very little was making profit on a price differential.

Weber worked on that. The whole of Babylonia was like this. Therefore business must be redefined.

Oppenheim should give a report on the three phases where we find a high level of activity in Mesopotamia and the rest of the time there is nothing. Also there is a brief period in Greece and Rome with a high level of activity. In Greece this is the period sometime in the fourth and fifth century. In Rome it is the second half of the second century and the first half of the first century.

Rostow had this idea of a take-off period which is a good idea. Business periods generally last five generations.

Pirenne said that capitalism developed in three stages with three different classes. One of P.'s students tried to write about

the role of markets in Roman history and P. tried to make up the periods. It became necessary to introduce the term business. There was no production in hardly anything. P. thinks that business should be redefined.

If all the economic activity consists of bribery, confiscation, tribute, taxes, ransom, where is the economic activity?

Weber had the suspicion that the economic activity of antiquity was political and not economic.

P. thinks that a new concept should be introduced - business as an activity regardless of the sub-system of politics, religion or family in which it is the activity.

Economics refers to either activities in markets or if there are no markets any systematic attempt at production and organization of services e.g., labour services, collecting of goods etc.

The business school at Chicago might like to know out of what elements did modern business converge? - Accounting, agency etc.

Accounting is a separate development eg., in State affairs, and this is closely connected with a development of money. The danger is it might become simply a flutter of things.

It might start from modern business which converged from distinct beginnings. This is the pre-history of the entrepreneurship, and this kind of business was something utterly different from the entrepreneur.

Adam Smith didn't speak of the economy. The English used the term "economic life" in the 19th century.

It is doubtful whether the Romans meant anything by the economy or economic life.

Hegel was astounded when he heard of the economic life of individuals. It was utterly new how the business activities were integrated.

In Dahomey, the King has a terrific amount of business and was at the court all day. For this he had to be in perfect health.

Economic analysis is the theory of market institutions. Economic development is a parallel branch of study to the static economic system and all are a study of the place of economy and society. Economic analysis retains its capacity as an independent discipline for the price system. The question is what place would it take alongside an economic discipline.

The Germans by economics, meant four or five different disciplines. The Germans never completely went over to the Marshallian economics. The historicists and the high method people (Schmoller, Sombart) and the institutionalists had a debate with Menger for 20 years. He lost out and Germany was never won over to the Marshallian school, while we had the neo-classical economics. Jevons and Edgeworth were unknown in Germany. In America there was J.B. Clark who was a Bohm-Bawerkian. Then came the Swedes and Keynes came later.

The Germans had the historical school of Hildebrand, Knies, Schmoller, and carried on the Methodenstreit for 20 years. Menger lost and had not understood his position. He argued as deductive versus empirical and he appeared as a speculative theorist.

Several things were confused in the Methodenstreit, the deductive versus the inductive, history versus theory. No one could say what history had to do with the question. Historians were on the empirical side. Menger said it was theory versus empiry without theory, and he appealed to the natural sciences theory and mathematics. Then he lost because it wasn't the natural sciences, it was logic.

Veblen with his institutionalism also came up. Veblen's secret was that he was a socialist, and the secret of secrets was that he wasn't. He wasn't a Marxist.

Comments on my "Freedom's Quandary", Draft #1

The idea of bringing both books together is here the main thought. The question is how far one can go safely within the commonsense compound.

Dudintsev could have written "The Organization Man" and Whyte "Not By Bread Alone". There would be no shift if the titles were changed.

What strikes one in both is the notion of the collective being worth while.

In question is whether this is the same subject. On the whole one tends to accept this unseen and in P.'s mind it is justified.

How does the question of freedom come up?

Myself: For Whyte it is "individualism", (the threat to the individual), while for Dudintsev it is the threat to "the forces of reason and justice".

This gives way to things which are not so plausible but true. The things we bring hinge on human society once it is affected and infected by the machine. It is far from being an obvious idea. It is entirely new to link the machine with society from the aspect of freedom.

The industrial revolution is the start of problems which have become bigger and bigger since:

- freedom in its moral aspect

- the precarious nature of existence generating fear and power, and thus there is no freedom.

It generates connections one hadn't even thought of. The obvious problems of human life have been resolved but other things are not. Even the problem of alienation in the sense of the market economy has not been resolved.

Some might say that they don't know where you get freedom at all this - that it is not Christian, or it is Protestant etc. etc. But there is no great difficulty in avoiding all that.

One takes the specificity of the problem, fixes one's mind and never deviates. If one deviates, it is only in relationship to it. In any clear-cut argument, you know the how and why and you protect it against counterarguments. Unless you are clear it becomes diffuse and vague, and then either trite or absurd.

Ilona agrees that the piece is logically constructed. The problem of freedom, however, is left unanswered. I should quote from the G.T. that the freedom we lose is imaginary while the freedom we gain is real.

But the loss of freedom is not the end of the story. What happens when we resign ourselves? The reform of consciousness is the act of resignation - although the resignation never happens.

The reform of consciousness is not an answer, only a description of the condition. The answer is two-fold - that the freedom we lose is imaginary and the freedom we gain real (the latter 'freedom' is

used in a different meaning, but what should we call what we are after?)

If resignation doesn't come up, there is no need to answer. It doesn't come up unless it comes up as a resignation of reform. P.'s answer is that we cannot know the limits. In one way or another, in one or another edition, the freedom we lose is illusory and the freedom we gain real. That is a paradox, but the paradox contains the truth.

I should try to be more explicit or avoid freedom altogether. Otherwise there might be an objection to the clarity of the content.

On the question of concrete safeguards there is a contradiction in my draft between freedom being necessary for efficiency and the cost of freedoms that will have to be met. It should be put that even if there is a cost... We do not give up efficiency but give up its dirremptive position. Say that civic liberties are meant here.

It is not permitted to raise these questions without giving answers, although the answers need not go beyond a definite point.

On the loss of freedom, even identified as individualism, Dudintsev and Whyte are meaningless. They stop too soon.

We cannot leave the problem on the institutional solution of freedoms. This cannot be done and thinking along these lines cannot begin unless it is realized there is a meaning of freedom which is absolutized.

P. introduced the term 'reform of consciousness' either in

The G.T. or the Commentary article.

In The G.T. he said that the Fascists accepted entirely the r. of s. Here we say that in the name of the r. of s. the Bolsheviks reject e.g., "the uniqueness of the individual and the oneness of mankind".

The reform of consciousness was given as the answer and in regard to freedom we do not lose what we don't have.

P. is for immediate publication of the article and doesn't think it would be difficult to find a place to publish.

I have to clear up one or two points, such as what freedom means and the apparent contradiction on efficiency. On the whole it is a very useful piece of writing and shows what one can do on one's own personal angle.

It will also help with the Bledsoe people. They are of course reluctant to give me full credit because I'm unknown.

'Commentary' might bring it out and it would not be at all a bad place and why not Partisan Review?

The answer that the freedom we lose is an illusion and the freedom we gain real, should be given.

Ilona: There are too many "mays" in it. I should have it on the side of boldness. Also suggests publishing in The Yale Review and K.P. agrees.

Certain editing is needed: remove adjectives: 'important' impact, 'severely' threatened, 'fundamental' life problem, 'distinctive' mark. Also: 'In Russia' - repetitive (2 lines above), - 'seems to emerge' - use emerge, 'seeks to pivot' - pivots.

'Reminiscent' - is a mission-laden prophetic word and unnecessary. Dichotomy instead of 'dilemma'.

Whyte's term individualism means free enterprise and that is usually the opposite. It is much clearer if we call it freedom. We can call one ultimate (meaning 'abstract') freedom - the term referring to conscience. (A joint stock company is not ultimate freedom).

P. doesn't see where inevitability comes in if it's only an ideology(?)

P. thinks a technological civilization is basically precarious, undermined by fear, overshadowed by power. There is no freedom other than a delusion. (Have powerful sentences, and since one has time, one might try...)

Bring in the question of degree - on the comparison of the U.S. and Russia. Equation is not permissible.

What the threat consists of is in a way left out. I should say this is a matter of ultimate freedom and civic liberties are quite a different matter. There is the identification with world religions and the context that Western civilization is built on freedom. We are not even conscious of how much we hold to it.

We live as if we had fear and are overshadowed by power.

P. thinks that careful writing is the answer. It can avoid being pulled too far by not promising too much. Instead it should be considerably restricted.

The best course might be to attack Dudintsev directly. What kind of freedom does he stand for? He doesn't come up with civic liberties at all, and basic freedom is just not there.

Then say it boils down to the same thing in America.

Then we needn't take the position so narrowly and need not say the technological civilization creates fear and power. I need not be categorical but can give technology as the reason.

Also mention that these are big questions and many things are involved, but one shouldn't be overlooked...

My question: Won't all this have the outward appearance of an anti-freedom line?

There are an enormous amount of anti-freedom thinkers, and there is the usual liberal line of no civic liberties.

But absolutism distorts our value system and is responsible for our not achieving what we really want and could have. The absolutizing is the important point. (H.P. says there is nothing to do but absolutize).

Unless you bring technology in, no one will understand.

The reform of consciousness raises big questions but mankind has done this before. It wouldn't be the first time mankind is faced with a total crisis.

It depends on the care of writing and perfection of formulation which meet the thing, and to what extent one can be positive with things of this scope. One must up to a point be modest and sensible. Perspective, modesty and reservation are needed on account of its brevity.

The term 'reform of consciousness' referring to the freedom question, has been done nowhere else. This would be an introduction and justification for such a book.

NOTES

PAUL MEDOW

Medow disappeared and then he reappeared and wanted to do something on nationalism and the economy. P. dissuaded him, but he went ahead anyway. He has almost finished his Ph.D. and approached it in an economic institutional way but he went further. P. likes his thesis very much. It was well thought out. He has been teaching economic history at Rutgers and P. saw him several times. His special field is Russia and Japan. How did capital accumulation take place in Japan and Russia? In Japan in the past 90 years and in Russia in the past 40. There was no market economy. He has got very far and has a sound method and went at it in a sound way.

At the same time Medow told P. of his philosophical and ethical interests, e.g., Fromm and Marion Levy. P. asked about Marion Levy, and he told him that he was working in anthropology and sociology and using psychology as a starting point to bridge the field.

P. thinks that what Fromm means by psychology is the care of the soul, what was formerly the ministry. Fromm is clear and vital.

Medow was working mainly on the basis of P.'s work and Marion Levy, and his subject was accepted at Columbia by A.R. Burns.

He spoke much to P. and ethics is his main interest apart from economic history. He had read Trade and Market. He said it should be written to come through in a simple way. He talked about Zen

Buddhism and Suzuki who was at Columbia.

P. was much impressed with him. Medow is widely read, broad shouldered, tall with manly features and he lives in New York. He teaches at Rutgers. He was first of all an engineer and then switched to politics and government, and then joined P.'s class. Then he went on to psychology and religion. He is very modest and P. thinks very able.

He will join the project and it will be the first time an economic historian will join the project. He was even in Arensberg's class. P. thinks he is an important acquisition and he told him about his idea.

He spells his name Medow with an "e" so it must have been Medoff or something like that.

POLITICS

Adenauer stopped the whole NATO conference and this makes him the arbiter of Europe. The Russians know that he is building against them and that is a statesmanship of a very high calibre.

In America now, boundless pessimism is the fashion of the day. In Canada there is no reason for that. The tone of the papers here are anti-American all the way.

Kennan meant that Canada is the line.

One feels there ought to be more understanding of the foreign

policy line. I am being misled. If you say right away what your purpose is you can't achieve it. P. doesn't identify a peaceful American policy with a reduction of armaments. Eisenhower made a fool of himself by keeping to the 38 billion dollar budget ceiling. He thought he could achieve it. Both his pacificism and his sound money comes from the Jehovah's Witnesses.

The whole of British policy is explained by preventing America from having talks with Russia, because that is the end of the British.

We wouldn't know of these talks between America and Russia if they did take place. The outcome is a long process. What Stassen had done was to drop all the other countries and MacMillan flew to Bermuda and stopped that.

We are told now that Gromyko said talks with America. Not much would come of U.N. talks. (Note: Recently he announced this as the alternative). In this way they do not turn it down. These are the terms of diplomacy and otherwise there is nothing but wars.

The British forced through the H-Bomb test. The nature of power is to be effective.

The American public is faced either with peace with Russia or to keep the alliances.

AMERICA

After the enormous publicity given to the Vanguard and its failure it is an enormous proof of the strength of America - that

they could stand it. The incident was silly but the point is what it proves.

It is a tradition of America and a very strict one that everything regarding defence expenditures and defence must be published or else classified in a way which everybody approves.

That happened with McCarthur, Truman and the Korean war. This was inconceivable. McCarthur's complaint against Truman was that he was dismissed without good reason. Then he had a hearing in which Marshall and everyone heard about the war plans, strategy questions etc. There were 7 million words of testimony and the end was that McCarthur disappeared for ever from the scene. But to arrange such a kind of inquiry against a President was really unheard of with the newspapers having 50 to 60 columns of hearings published day by day.

This type of public hearing finished McCarthur.

This shows the deep stability of the public - the stability of an ocean and is very impressive.

Sputnik

You whisk a bauble into nothingness and the balance of power in the world changes. With Pharoah he had to build pyramids and then the Red Sea had to be made to run the other way in order to affect the balance of power. With Tamburlaine he had to kill 40 million people.

PEARSON

Myself: What about Pearson's advocacy of free trade in his Nobel Speech?

Pearson was using free trade in a political way. It is not the socialist countries who refuse to trade but the capitalist ones.

If NATO was built into a military alliance it would only be adhoc but if it was economic it would be permanent. He meant America. Saying that the alliance should be built on culture means that under the heading of doing more one does less.

Economic means that the different industries are built. If NATO is something else, it is less military. The references to free trade in Cobden and Bright means that economic relations with China should be taken up on the one hand and the alliance should be less military on the other.

KIERKEGAARD

Kierkegaard is a Christian and tests the position of the relation to Christian faith. But it is not the relationship which is the most topical today. His description of freedom is like P. S. - unless you fear something you can't maintain it. What is the anxiety about? Also K.'s Christian dogmatism can't be maintained today. With Abraham the specific thing doesn't come up but commands do come up and put us in the position of to trust or not to trust.

P.'s interpretation of freedom is existentialist and never was any other since man reached his peculiar state. P. is not opposed to existentialism. He accepts the challenge and tries to answer it. He goes beyond.

PSYCHOLOGY AND IDEOLOGY

P. will have something published soon on sociology and is getting something into shape he did ten years ago. This is on the question of institutional change and how strain causes change. What kind of strains are these and in what sense can one follow this?

Ideology is a picture of motives which is normative and valuational. If the strain is very big it will have consequences.

One of the reasons value systems work or don't work is how they are related to motives.

THE GREAT TRANSFORMATION

With the reprint of The Great Transformation by the Beacon Press there will now be a blow-up. The Economists won't take it lying down, and will brief someone to write an answer. There will be more reviews.

MONEY

This is the peculiarity of measurement, that its relation to other situations has changed because they communicate in terms of this measurement.

GREECE

The weakness of the Hellenistic empires, Rostovtzeff remarked, arise from the fact that the polis couldn't expand and the markets

couldn't expand. (The polis was an organization of people who were living at a distance not larger than being able to walk to a meeting and return in a day each).

There was no Athens as a body and no citizens.

Gerrymandering was carried on on the largest scale so that no big landed estate could dominate the constituency. This was never altered although it was utterly artificial.

The Greeks had genius which is born out by everything we learn about them.

INTERDISCIPLINARY PROJECT

P. was encouraged by the Rockefeller Foundation to apply for another 3 year grant for \$120,000.

OTTO BAUER

When he was in New York P. spoke to Otto Bauer - the founder of the socialist Christian movement.

K.P. PERSONAL

Losing Emmet made a big difference. P. couldn't work but he got into subjects of his interest e.g., the freedom question.

Twenty years ago P. didn't know English economic history and he learned it in three to four years, - 1937 - 40, by teaching it continuously. In that way you really get to know it.