

NOTES ON WEEK XXII WITH
K. POLANYI, APRIL 27 - MAY 4, 1958

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SHAW

P. thinks that the Shaw chapter should lead up to the postulate of the reform of human consciousness. That is what the chapter would be based on. It would be at the end and perhaps this could only be done by a poet who was 100 years old.

The Shavian consciousness is based on the consciousness of the reality of society. One would have to watch out for the Eastern philosophy (The Simpleton of the U.I.).

Shaw wanted us to know that he had taken his wisdom from Marx. Is that so? He wasn't a believer in democracy. Marx believed that the workers were a majority and the question of a minority or particular persons doesn't enter. There was also his implicit belief in the ordained course of social development. For Shaw there was also evolution but it was some development higher than man. Man is not good enough (the Nietzsche idea).

The great difficulty for man is to live up to his character. People don't want to live up to their character and if they did, things would be simple. Man can't live with a false view of his character. For example, in The Devils Disciple, the minister ought to be a soldier, and then he would be a good man. In Candida, the trouble with clergymen is that he doesn't know what kind of a person he is and the weak poet isn't a weak poet at all.

The key to the Saint is that he is an utter realist and takes things as they are e.g. Androcles. This is the question of character and how character is related to society.

Shaw's anti-democracy may be a step towards the reality of society

He dropped democracy because the reality of society doesn't seem to respond to democracy. I could have this idea under political organization but human society is more than political organization.

There was also the family and marriage. He was happily married and thought highly of marriage. *Candida*, *You Never Can Tell*, and *Getting Married* are arguments for marriage.

Captain Brassbound's Conversion is against a romantic interpretation of one's life. It is like the *Devil's Disciple* and *Arms and the Man*.

Lady Cicely is a Saint and a realist. She is selfless and can see society as it is. She is capable of action far beyond the capability of average people; also *Joan* and *Androcles*.

Shaw's understanding of society is nearest a Thomist position. He is a realist (*universalia* and *realis*). If for example, you are unconventional and allow things to happen in an unconventional way, God's creation will assert itself. There is no reason to fear human society will go to pieces. It just doesn't go to pieces.

This thought is foreign to the naturalistic (i.e. Darwinist, Malthusian) concept of society and the conventional spiritualistic one - unless you conventionalize society it will go to pieces. The naturalist said it would go to pieces anyway. Shaw is an optimist in regard to God's intention being realized.

He thinks it is absurd to disregard the reality of society e.g. *Roebuck Ramsden* and the Bulgarian war hero (*A and M*, or *Vivian*

in Mrs. W.'s Profession or the patient in T.T.T.B.G. or the author's position in Village Wooing, one of his loveliest plays).

With this goes a kind of anthropology in the theological sense, that every human being exists on three levels: the physical, the psychological and the spiritual. This is 'anthropology' as the theologians know it. He doesn't think that anyone is higher than the other. This is beautifully shown in his Androcles and the Lion. There is also the Giant who can't get himself martyred and despised all the Gladiators.

He regards man's character, the genuine character, as reality. There is no use imagining you are better or worse than that. You must relate yourself to how you are. (This is the main point in T.T.T.B.G.) This is almost a comedy of that one thought. This is also the greatness of Candida (who she is and what kind of person she is and what she means to others).

P. doesn't take to the political things as well e.g. On the Rocks The Applecart (how the great statesman is a great realist).

Napoleon is a fake but he lives up to the legend, and is utterly realistic. He is the only person who doesn't believe in the Napoleon legend but acts up to it and this provides the laughs.

In Caesar and Cleopatra, the greatness is the absence of selfishness and vanity and illusion and a complete acceptance of reality. Then you can be courageous and do anything but it only works if you have these qualities, God's creation being based on realities.

In Major Barbara a radical socialist would say that under capitalism only the capitalist is right. To imagine that any other values and ideals can be possible is a delusion. Undershaft is right and to imagine that he is wrong is a paradox and revolting. In a capitalist society it is the capitalist who is the leading figure, honest, right and has integrity and only he. The amazing thesis is upheld that he is the only decent, honest, reliable, human man and this is because it is a capitalist society. This has never been put that way. Ideals which are in contradiction with those bases are unreal, ineffectual and make out of people, liars, cowards etc. Christianity is ineffectual in such a society.

The play shows what P. said with immense power and that is why it is such a beautiful play. Unbelievable daring is needed. This girl who is a hero sides with her father because of her integrity. It is her integrity that makes her do so.

The thesis that poverty is a basic crime is the conclusion of this absurd postulate that in a capitalist society capitalism is good and if you are poor you are wrong. It is a very great way of putting the reality of society. In that society, what we think are the false values are the basic and leading ones.

The reality of society asserts itself against all participants, realist or not, e.g. Getting Married. Whatever otherwise one might expect of marriage its monistic claim asserts itself even if one has other ideas. No one in the play is actually a realist and there is a comic figure Soames. The Bishop is a free thinker and a liberal

and Soames keeps the law for him. He says the silliest things because he keeps the prayer book.

In Village Wooing the working girl doesn't relinquish her inferior status. In Man and Superman, Straker is a Trade Unionist and won't be called by his last name because the other is a gentleman. He insists on being a Trade Unionist and won't be honoured by this gentleman (he would lose his position if he lost his status). We include all this under realism and include the inference that the reality of society limits human wants and wishes.

Often the realist turns out to be unrealistic e.g. to be cynical alone turns out to be unrealistic. There are many such cases in Shaw.

One would say that his comic figures may be idealist or comic because they ignore the reality of society, while the Saint does not.

The reality of society always includes elementary facts of existence, e.g. Androclos assures the emperor that he shouldn't run because then ^{the} lion would be afraid and eat him up. Lions can't help eating up people who run away - one of the elements of existence.

No one else made this his subject. He gets it through the Marxist approach and expands it through a Thomistic approach. St. Thomas' analysis of society is based on this kind of acceptance. The relativism of good and evil is not accepted. It is used only to show that there are absolutes: e.g. integrity - man's relation to his own character and to his position in society. For example there is the feminist mother in You Never Can Tell who imagines she is above social conventions. It all turns out not to be so, she is only

above some relative values which are not valid, but she is not above absolute values i.e. the relation of integrity to one's own position.

Shaw constructs the situation in which someone not true to his character, cannot fail to be found out.

Concerning the Marxist and Thomist influence, the Marxist position implies the reality of society against the self-delusions, wishes etc. but Shaw transcends the fear and delusion of the conventionalist about human society under the elementary realities underlying basic human institutions e.g. marriage. Marx would never have done that. He would have said that it depends on what island you are in, what period, what colour etc. as an explanation of the marriage institution. Shaw would have said that these superficial elements are valid but they are not basic. The Thomist would agree that class status etc. are valid but natural law and divine law (will) are inherent in human society. Such elements may be present in Hegel but Marx has accepted the Hegelian dialectic. There is not much in Marx which would stand in an undialectic way.

Captain Brassbound is mistaken that this or that position would relieve him from the honour of requirements etc. They don't. The so-called unconventionality of Ramsden falls under conventionality. P. always thought that Shaw had rediscovered Thomism. The Apple Cart for instance, makes no difference whether the man is king or not or whether he is supposed to be an ass or not. Monarchy will assert itself (he can threaten to stand as candidate in the elections). Thomism is basic to an understanding of Shaw although there may be

some plays which do not contain this element and are exceptions, e.g. Napoleon, which is on character.

P.'s interpretation of Major Barbara is absolutely sure and it is the basic meaning of the whole play which makes it a non-paradox and gives the truth and meaning of it.

Ilona: the play is on power.

In a capitalist society the capitalist virtues are the true virtues. Because this is a capitalist society poverty will create inconsistency, bad character etc. What makes it a capitalist society is power. The capitalists give employment, remove poverty, etc. Nowhere is the reality of society brought out in stronger terms, recognized and driven home. To the reality of society belongs its structure where it is concretely meant and concretely shown. It means service - the functional concept of power, a service to society, doing the essential which society needs.

Undershaft is the only upright person in that play and that's why Barbara gives in. Undershaft in his position can be frank and open because it is a position of power. He provides employment and a steadfast life without lies and hypocrisy. That is what a ruling class means and that is why he is a leader of society.

The total idea is expressed in Marxist terms, that in a capitalist society only the capitalist ideologies have validity. Therefore to idealize poverty is ridiculous, a crime or despicable. (Imagine the society where everybody wants to be poor). Undershaft is also shown to be courageous and he takes the risks (dynamite etc.)

and therefore in such a society he is the hero. Major Barbara is basic to Shaw.

Shaw has a book on Ibsen where he didn't write the opposite of what he thinks. It is breathtaking what he says about the plays and how he exhausts their possibilities. E.g. in "Ghosts" he exhausted the content of the play. That gives a model of how to describe what a play contains. It shows Shaw's mind working in the positive and not in a paradoxical way. I should read Shaw's comments on the one where the son becomes paralytic because of the sins of the father. P. is amazed at the amount of content which Shaw says happens in the play. Ibsen's conversations change the situation continually and show it from all sides.

In the Shaw chapter I should follow those thoughts which are essential to the reality of society because the problem of freedom comes up as a matter of integrity. He shows that a man's basic character is a reality that he must relate himself to and to disregard it leads to failure and emptiness. He relates fate to the way we relate ourselves to our character. That is what we are. T.T.T.B.G. is an outstanding example of that. Shaw thinks that it is only the poet and saint who can do this entirely because he is selfless. There is Marchbanks and Joan and Androcles. It is the relation of the person to his own character which shapes his fate.

That is the problem of freedom, what kind of choices we have in view of our character and our position in society. Freedom consists in accepting our position in regard to society and character, but then we must live up to it and that's a different matter.

(Re: passage with pinnacles etc.): You build so high it catches the light of the rising sun and so there is no question of realism of accepting things as final.

On the principle of growth the poet is the only creator, because only in imagination does man grow. He thought imagination was the creative organ in man and therefore the poet was the leading creator. He accepted Bergson's "evolution creatrice" - creation has not been concluded but is everlasting and continuous. That is why determinism is excluded. In a conversation like ours there is this creative element. Shaw thought that procreation is of the same nature as imagination.

In a peculiar way he also thought that Superman is needed - a person who accepts his character and position in society and from that point of vantage is a reformer. Man should live up to his character and have no delusion as to where his strength lies.

Comparing K.P.'s idea of Shaw's three planes with Edmund Wilson's (cf. his Eight Essays) K.P.'s refer to the art not the argument. One of the Thomistic elements which is shown in the T.T.T.B.G. is that the obsession with the denial of something is no less a belief than its affirmation. People only imagine they don't believe.

The things we look for should be related to the reality of society in a simple fashion and also relate to character. This is taken as "reality" for the individual. There is an analogy between the reality of society and the reality of character - a person's character and his relation to it, whether he accepts it or not.

T.T.T.B.G. that the elements of reality are immutable is a Thomistic approach. Let the Devil have fair play etc. is basic to Shaw. He doesn't believe that institutions are based on conventions.

In no artist is there such a deep conviction of the nature of things. He shows the superficiality of conventions but this is based on a conviction of the basic reality.

According to Marx the economic is the reality of society. In Major Barbara if we give the paradox the whole appears revolting. c.f. Marx "the ideas of the ruling class are the ruling ideas".

My first draft on Shaw is mostly on character. We need a test in Shaw of what we have in the Marx chapter. It is the corrected Marx which would have the reality of society as an answer to the problem of freedom. We would have something we really mean at the end of Marx, which is to be tested in Shaw. Without a second chapter it is not easy to show that Shaw is a result of the reform of human consciousness.

It would be a good point to say what exactly is "Shavian". That might contain an element of what we are after. We need a paradigm of a passage on Shavian humour. For example, all that Caesar does and says is obvious. The vanities are concentrated on not dealing with realities. This is because it might make us appear too simple or not what we pretended to be. Therefore the humour consists of contrasting the real element with the sham complexities of sham doings.

It is also the reality of one's true character and gifts. Since he is a dramatist he deals with character and this is not detached.

One's relation to society and to character is what one is. Apart from this P. doesn't know if there are real things. There are also institutions like marriage and monarchy and what is called love and authority. This is not some abstract society, and these institutions are the representations of the reality. The institutions might be marriage, authority, parenthood, childhood, one's social status, (like the Reverend in Candida or Roebuck). It may be contrasted with other social status e.g. Straker.

If we examine the Marxian criticism of ideologies which are the rationalizations of selfishness, Shaw had both selfishness and unselfishness and all other human passions. He had an obsession with religious ideas, e.g. in T.T.T.B.G. the father wants the son to be an atheist and wants to disinherit him when he becomes a minister.

The cases of character should be separate from the definite structure of the reality of society as related to basic institutions. For example, marriage and authority are not relations to his character, but he may be mixing these. It makes it amusing through shunting from illusions about himself and about his situation, e.g., the General in T.T.T.B.G. and his illusions about being a water-colour artist. In the Apple Cart the pretense is that the monarchy is an abuse and the King ought to be ashamed. But he is mistaken and the King is prepared to give as many civic liberties as he wants. This is the reality of institutions that he plays up - man cannot exist without these things

i.e. some status and authority.

In marriage it is the sacrament alone that counts, the powers given to them by marriage which they can't invest in one another. In the sacrament idea he is thoroughly Thomistic. The point about being married is that you are married even if you don't like to be. It is not a relationship that lasts only as long as you wish it. Otherwise it would do nothing for you. The meaning of the sacrament is the recognition of the condition that adds to it. That human force alone can't add. The mind phenomena are not psychological phenomena, e.g. the multiplication table doesn't depend upon my remembering it. We underrate the mind phenomena. They may think that they withdraw the things which under religion are conferred by the sacrament e.g. baptism and the confirmation which you can't create yourself.

Shaw uses this kind of criticism of the person who doesn't understand e.g. because he's confused. It is his way of dealing with religion and he would say that all religions are pretty much the same. Life consists of being born, growing up, being responsible for children, living alone, dying and religions can't deal with anything else.

One must decide whether to include character in human faith or as something extraneous. Shaw deals not only with the reality of society but with the reality of the person, (character) which he accepts. In that case it is only important to see in what form it appears. There may be sacramental authority, marriage, engagement etc. The basic institutions consist of institutions similar to

marriage. There is also dedication to one's career, the question of where you get your income. Both income and its source are part of your status.

There is Shaw's peculiar way of taking man on three levels and moving from one to the other without any warning and doing this with any kind of person. This is the source of his poetic power and it makes the characters so real. Anybody could have a toothache or be a Saint or get nervous or bored to death (psychological). These are the three states: toothache, bored and the third is spiritual and mental, a person being a failure or having lost his integrity. These are in three worlds where there is no similarity at all but Shaw doesn't recognize that e.g. *You Never Can Tell*. This is part of the poetic vision. For example, Shakespeare or Moliere make people real in a different way. In Moliere for instance, people are made comic by their "fables" e.g. the miser, the hypochondriac or *Tartuffe* or the hypocrite. Shaw however, makes his characters all-round in this peculiar way. No one is a hero for more than three minutes and then he has a toothache or he goes to the barber.

Myself: Shaw's continuous precision on character, and with speech always exactly to the point, seems almost inhuman and this in itself is almost an unreal description of character.

If anyone says three or four words in a play that are not to the point then suddenly you can't stand the play anymore. You generally cannot stand one line which is irrelevant.

Edmund Wilson's appreciation of Shaw as an artist is superlative. He compares the Applecart and the Merchant of Venice (Wilson cavils on socialism). Shaw was arguing in a witty way as an anti-democrat and was absolutely consistent on these points (which Wilson doesn't understand). Wilson doesn't understand Marx' economics and the labour theory of value - the real meaning of it, and this is very rare for Wilson. (P. thinks I should imitate Edmund Wilson - to know all about it and then to make one or two points).

P.'s theory about the three levels is his own and it comes up on the question of what makes Shaw's people so real - the shifting up and down on man's substance.

I might bring in the revelation of death into the chapter. Shaw has only two revelations and doesn't put it as eternal death but it is like Christianity. Mind is shaped by these revelations but it is the structural and not the content. It hardly The mind functions differently. Shaw is not interested in death. It hardly occurs in his plays and is not relevant although there is the Doctor's Dilemma, Devil's Disciple and in Joan it is outstanding. She does prefer physical and psychological to spiritual death. Then she is canonized.

The formulations in the Great Transformation are nearest and very much applied to Shaw. We accept eternal death and build our lives upon it and we accept eternal death and build our freedom on it and accepting the reality of society as Shaw has it on character. Then we lose the freedom that was illusionary while the residual freedom we gain is real. Nothing is nearer Shaw's result.

We gain freedom if we accept character and position in society. We may call it freedom or happiness or salvation and this is nearest to what Shaw argues incessantly and he really has nothing else to say. We should accept as real and final what in human institutions is underlying it and the same is true in regard to character. Otherwise one has an unreality and vapidness of life.

The humour lies in showing that almost all conventions are unnecessary and fictitious.

The Saint is selfless. To be selfish is illusionary because the self for himself doesn't mean a thing since life is living for others.

Major Barbara is a devastating criticism of any criticism of capitalism. Short of abolishing it it is futile moral superiority. You then haven't understood that under capitalism only the capitalist is right and everyone else is wrong. This is actually a definition of any system, that anything not belonging is wrong. Therefore Major Barbara is not an idealist but an illusionist.

Nobody has ever put together in the way I have in my draft what Shaw said on character and with the reality of society one gets a new picture of Shaw. One gets a positive impression which is never associated with Shaw.

The outlook on character and morality is positive - it is another Horatio Alger but better written and broader in scope.

In T.T.T.B.G. the elder is an atheist, the sergeant a theologian, Sweetie is a whore, a selfless sensualist, Aubrey

is a preacher and the point is to act up to it. There is the pretended personality and beyond it is the valid character ideal based on idealized elements, not operational ones. (check this quotation from one of K.P.'s cards copied).

Personality is fate. There is the internalization of values versus roles. What they are is internalized but roles are given by chance and convention and mistaken ideas about themselves. Therefore we have internalized values versus roles. (From K.P.'s card): Behind the pretenses of fashionable convention lie the enduring values. These are misphrased abstractions. If they would be correctly phrased and not abstracted we would see they are concrete. e.g. the Prime Minister in On The Rocks is underneath an English Prime Minister. His great qualities are not the ones which the P.M. is supposed to have. They are quite different qualities.

Shaw has a double protection against being called idealist. The pedestrian qualities (the sterling qualities of outstanding people) are never given in this form in art and literature in abstractions. We never recognize a great man as he is shown to be but he is covered up with conventional lies. But when you see through them it is only cheap literature and it doesn't make you trustful of these qualities. The real qualities are pedestrian e.g. like high art which operates with a simple means. Misplaced abstractions are platitudes and we get these in e.g. the Saint. Shaw describes his people concretely and so you instantly recognize it for what it is.

Aubrey is a desert preacher and preaches when nobody is present and this is the right description of a preacher. In the desert he

goes on talking until the sand itself runs away (they all run away). This proves he is a preacher. There is also the English lady with a fashionable convention of loving her daughter which consists of increasing her diet. Underneath are the values which we don't trust and we don't recognize those who describe them who have no resemblance to actual facts. They are abstractions in the sense that these abstractions are bad. They are bad in the sense that the noble gesture is bad.

Everywhere Shaw shows that there are two different matters, the conventional pretenses and life goes on in terms of these, but it hinges on underlying permanent values of human existence which we don't trust. Our poets, artists, etc. don't penetrate them.

Shaw is doubly covered and that is why it is not a simple satire of conventional morality. It is at the same time a positive argument for the establishment of the permanent elements of the creation. It is easy to show that under these cheap pretenses we get away from duties and real life but it is a bigger thing to show what is real life and what are our duties.

Most of Shaw's plays are character plays except Major Barbara and Joan. The play Getting Married goes deeper showing that the parent-children relationship is the real thing. Parents are parents.

Joan is on history, that is, on society which is historical and a Christian commonwealth. It is the birth of a nation and how it is impossible to evade the tragedy.

P. doesn't know if the problem of the Saint comes up at all, but it is primarily the problem of character. Every person has a function but if society cannot continue at all you need a saint with a new function which didn't exist.

I may have to do what I tried namely to have an introduction landing on the secret of all this. What was it he knew and never said?

We might say that Shaw never had much to say on Freedom and technology.

What makes him so funny, dramatic and serious? The invisible reality determines fate which is character and the reality of society.

I would have to work out the paradox that he is our author even though he seems superficial, but it may be nearer the truth that he was the greatest thinker of the century. P. thinks so.

After I raised the question of his being such a successful buffoon, the secret was that he was the greatest thinker of his age. He went along the Thomas Aquinas line. Do not treat this in the cheapest way. It might be easier to introduce the reality of society and the reality of character.

G.B.S. is on the same level with the existentialists at least.

The difficulty in having the concept of the reality of society here is that it takes one out of the technological range.

Myself: The historical plays are pre-industrial revolution, e.g. Caesar and Joan.

Even Major Barbara which is capitalist keeps off technology largely. Therefore in a way, it is not so clear how the subject fits in.

If one thinks of existentialism it is striking how much it is a counter-position. Existentialism doesn't bring in the technological character of civilization and their point is that existence is unliveable. For Shaw every one of their characters would be comic.

Myself: Perhaps we needn't have contemporary material to illustrate a contemporary problem e.g., Camus' Sisyphus.

For us it is a "hic Rhodus, hic salta" (jump now - the man who jumped over Colossus).

If not even Shaw and the existentialists present a case of a life problem where on earth will we find one?

Concerning P.'s comments on the cover of Major Barbara, he tried to sum up the introduction on what we mean by maladjusted, namely that he is perfectly adjusted to the world which doesn't exist. Graciously maladjusted refers to evil e.g. lying.

Concerning Shaw's comment in the play Major Barbara on being forced to punish, P. always said the test of freedom was not being compelled to compel.

You only get the full meaning of Major Barbara if you read it and think about it and read it again, but it runs on two or three arguments: integrity, social realism, consistency even when this has

nothing to do with integrity (i.e. consistent in conventionality) and the itch for the absolute (a relative value). e.g. Lady Britomart has an upper class attitude which means in a way that she would get away with anything.

With Shaw we will deal with existentialism. He is the man to put existentialism in its place.

Myself: He put the answer 50 years before the question.

Myself: I think that the one general formula for Shaw is moral change in a framework of realism and maturity.

There was also character and fate. Shaw said that we do know human personality, life and fate. The science of society doesn't exist but deeper insights are possible. Owen didn't have these and came out empty on account of his rationalism. With Shaw there was the irrationalism which he took for real i.e. among the facts. Shaw took irrationality - the stunted, the emotional, the artistic, the spontaneous i.e. not the utilitarian.

You don't need the utilitarian scale - just any scale and act rationally on other values. It is however a question of living up to these values e.g., Joan, the water colour painter in T.T.T.B.G. And Meek. Or the passionate desire to be a waiter in Y.M.C. Tell.

Meek has the same modesty and humility as Joan. She is religious and apart from her so is Androcles. Meek is a genius and the waiter is a genius in his profession. All have this maturity through realism and for this we need real modesty and real humility and the rest of us just stumble over our weakness.

If a person is a socialist and a hard-bitten realist he would come to the Shavian appreciation of personality. There should be hard short sentences.

My question on the introduction to Major Barbara p. XII on Money.

Shaw's idea on the importance of money P. accepts. It is as important as speech or writing for our civilization. But the idea of poverty being the greatest of sins is only true on a functional definition of sin, (harm, damage, nuisance to society). That is not the same as sin. Without this kind of money life doesn't exist. All situations are separate. You can't distribute power, glory which go with money and you can't distribute them without money while you can with money.

P. once understood the poverty thing but he has forgotten. To be sick or ill is useless in a society where no poor man is supposed to exist. It is not a sin but highly negative, evil or sinful but that is not the same thing. It is a functional definition which is a play on words. Poor means you don't take part in this society at all.

PAUL MEDOW

Paul has used Schumpeter's second chapter of his theory of economic development and applied it to two neo-mercantilist countries, Japan and Russia.

In this second chapter, Schumpeter explains his basic theory of development. It is a broad theory of innovations and he applies it to a market system with institutions known to capitalism.

Paul applies the theory to non-market economies, namely Japan and Russia. There the development was quicker than in the market economies. He shows that it could be done in a non-market economy but this is only the beginning. He shows a different ethic is involved. He uses Fromm's work as a bridge to this non-egotistic ethic. His interest is mainly afro-asian development which should be a non-market one.

In ethics he wants to use Fromm and P.'s position on the market and in economics he wants to establish Schumpeter.

P. is convinced that he underrated Schumpeter. Medow also convinced A.F. Burns of his importance. A.F. Burns in the Rockefeller report uses Schumpeterian economics which is an economics of growth from beginning to end. A.F. Burns however, is on market lines with this new kind of theory. Schumpeter took up the Marxist idea that capitalism was a historical fact and therefore a development and this development explains its working. Marx did this on the exploitation theory but S. did it on growth theory. A.F. Burns passed on to the

S. basis from an earlier one.

Schumpeter was passionately involved in the market and the entrepreneur. He says that development is through re-organization and this is done via institutions which change and become different ones. S. doesn't regard as development, population growth and a greater availability of means. Development is a jump and is a real change.

P. doesn't swallow this hook, line and sinker, for this approach leaves you with insoluble problems for earlier economic history. This is the great weakness of this theory, otherwise it is quite a good theory. Schumpeter's starting point is that a perfectly competitive market system doesn't produce profit and interest. Marx said that exploitation explains it and that while S. drops that, he raises big difficulties for the pre-capitalist economic historian.

Paul sees socialism as a moral issue and the Asiatic peoples don't accept the idea of our amorality. The Great Transformation formulates socialism as a question of humanism.

It was Adam Smith who followed up the idea of private vices leading to public good. It comes from Mandeville, the bees, who takes it from Hobbes with his wolves. Private vices work out as public good and the wolves, bees etc. are the bourgeois capitalist.

The East doesn't accept this. Paul links his thought for economic growth with the G.T. and with Fromm. P. didn't see this before and didn't see its realistic importance.

The above idea seems to offer a false notion of freedom. This however, is a delusion and amoral because it makes us accept egotism as altruism by this trick of pretending that it is amoral.

P. thinks this is a very good contribution of Paul's to the basic discussion. Paul sees the strength of the position in that it takes an extreme moral position. P. is very much influenced by Paul and if one takes the whole world development P. sees for the first time that Schumpeter was a substantial thinker.

What Schumpeter took from Marx was that capitalism is a historical development. You can't explain it as a static system for there is no profit, no interest and no trade cycle in such a system. It is actually a system of spontaneous bursts of improvement which explain profit, interest and the trade cycle. But this in turn takes capitalism to its death and this is a Marx idea. Marx however based it on exploitation while Schumpeter bases it on innovation. The both say that it begins, rises, and ceases and Schumpeter says that socialism is coming.

Schumpeter however was an admirer of the entrepreneur and the capitalist system. This therefore allows Paul to use the second chapter of the theory of capitalist development on the subject of how innovations explain the capitalist development. Paul shows how other institutions explain the rapid development of Japan and Russia which is based on innovations.

One can broaden Schumpeter's concept of markets. P. said that the whole structural part of society becomes a market e.g. risk-bearing and freight etc.

Paul shows how the same happens without a market by directing investment and that is why Japan and Russia had a more rapid rate of growth than America. He also shows that a different moral world goes with it. Thus he shows a different institutional level and a different moral level and broadens S. who is bound to capitalism.

Owen was prophetic in this whole business. Unless there is a different morality which eschews profit, you can't build the social sector. He started by using profit in the Village of Union but then it would go and this was the only really important thing we had discovered. P. said that it assumes profits. A new valnational existence is brought in. He doesn't want a changed society.

Paul stresses in the G.T. the moral change from the profit to the human motive. The other thing that Paul is stressing as the world is just now is that two things are important: firstly Schumpeterian economics and secondly that this is a moral change away from the profit motive of the market system. Paul however is rightly pointing out who is going to do this, the Asian peoples and this is a point where they sharply differ from the West: profit egotism and evil motives of producing the goods. He points to who does this and this simplifies things greatly.

Paul said that one of the Russian journals of the academy was discussing the price system. There was a discussion by Novy, Wiles and Schlesinger. The Russian academy had a full scale article on the price system being restored and used neo-classical economics. It is nothing but the theory of imputation. There is no labor theory of value etc. and this was going on these last two years.

Paul is far advanced in his thinking and in spite of having a number of false notions, there is a unity of thought which is much greater than P. thought. He has a tremendous capacity for learning.

His strength is that he missed Marxism and is therefore anti-Marxist and therefore missed a great deal which is no help to have.

His position toward the Russians is ambivalent and amounts to a double lack of objectivity.

He is a very effective person because he is strongly oriented to definite solutions. He is an extremely likeable fellow. He is an emigre and so he can decide what he is to be - and so he is a Russian. His children speak Russian. He spent 3 to 4 evenings with K.P. and is a tremendously original fellow.

FREEDOM AND TECHNOLOGY

One is thrown back on the reality of society. Both the freedom question and the technological question involve the question of what is society.

The reality of it runs over the recognition that we cannot contract out.

P. would not stress any more the precariousness of the technological civilization because actual factors do not argue for precariousness or the subconscious acceptance of it. There is an amazing amount of forgetfulness on the precariousness of the world e.g. the H-Bomb.

Jaspers gives support to the idea of our civilization being technological but doesn't link this to freedom.

Our argument runs over the incoherence of our value system in which the absolutes enter and tear a hole in the sack and are a denial of the reality of society. We might well have a chapter underlining what the technological character of society means. Owen's idea is not the reality of society but this is a new feature of our civilization. The reality of society transcends industrial civilization. Society always had some reality, but the degree is new. It gives to the reality of society a dominant topical interest of importance.

P. would like to use the Jaspers but the curious thing is it hardly comes near our subject. It is all abstract and vague. On the social history of the machine, he thinks that technology is

mankind's second breath and will last for another six thousand years. P. believes this.

It would have to be written that the technological civilization cannot go on as it is forever and we need a society which can stop technological progress and science. A market system cannot do this and is utterly hopeless. (One must be careful not to cut across the next fifty to one hundred years and go on to two hundred and fifty years. We should keep our feet on the ground).

The question is where these thoughts take you. Even today, such ideas as Kennan's take you to setting limits to the technological civilization, e.g. the idea that it's okay for the Russians to proceed on this line but we had enough.

The idea of the West saying something to the rest of the world and how to industrialize would make some sense for 1958. Owen never got beyond 1838. We cannot carry our ideas too far in any one direction because then we would not be able to have the total argument of the book which would be weighty.

One would certainly hope that the Asiatic world would build better than we and advance by one step.

P. sees that the G.T. is one of the few books of an enlightened character for nationalism.

We regard socialism as a matter of humanism. This is theological, but Owen expresses it with tremendous force although he is a rational atheist. Also Marx takes the same position and so does Hippolyte.

Humanism however, is much broader than socialism and might even be conservative.

P. would like, in the Marx chapter which he is writing, to make clear the world importance of the present situation: freedom and the reality of society and the relationship to technological civilization.

This incidentally clarifies the Owen, Hegel, Marx and Shaw positions as having a relevance to freedom in a technological civilization, while the connection of these great thinkers is presented in a simple form.

That G.B.S. was a socialist is fortunate, but it was primarily justice he was after, and a genuine full life. He thinks you might have it more easily in a different type of society. P. doesn't know. It is a good idea to have a great poet artist and writer to show what one is talking about.

With Marx, history evolution and science is the essence of everything. The timetable of everything is the history of the future. Marx imagines that the only thing he knows something about is the next step in social development parallel to the French Revolution. In Shaw no one can do anything about it. Man can only be born.

Owen keeps to the machine and postulates a different society, morally and ethically. But he postulates tremendous dangers. He was prophetic on the issue of the transition and example.

At this point Marx comes in and we relate him to the reality of society not to loose breadth.

In what sense does Marx partly elaborate and partly contradict Owen? He included Owen in his Hegelianism which is how he got to history. We would end by proving in the early Marx that he was attempting a reality of society and this leaves the question over for Shaw etc. Between Owen and Marx (who added Owen to Hegel) we have an argument.

We do nothing but exploit our Owen and fix Marx in relation to it assuming that he added Owen to Hegel. We must find a place for the important things we want to say.

Owen's strong side is technology rather than freedom so we take up technology. In the Marx chapter we would take up the idea that it is not realized how much the 19th century owes to Owen. He was prophetic when he said the machine might cause serious trouble.

But it is less clear how much Marx owed to the other side. Owen had serious ideas on the nature of the transformation and the reality of society hinges on this and it is no contradiction to say that Owen was vague on freedom.

In Marx freedom is strong. German idealistic philosophy was about nothing else and he used Hegel.

This permits us to take up the social history of the machine on the one hand and freedom on the other.

Owen did have valuable ideas on the social transformation, namely the transition and the change in the value system.

Moving to Marx there is the human content and he linked it

to Hegel. In Marx the transformation of society is really based on a religion of humanism and society becomes human in the distinctive sense of the word - in the way the humanness of man could be defined. This is the essence of the early Marx. Freedom is so ingrained in Marx and all the German philosophers that philosophy in fact means freedom. But the meaning is so vague that unless you remind people of this they won't know what Marx is talking about.

Engels' idea of necessity is from several angles a quibble.

Marx never realized that the working class might be a minority and Lenin also thought there would be an overwhelming majority for the revolution. Otherwise there would be no revolutionary situation.

Marx put everything on history and gave the ass a kick to the furthest horizon.

Has freedom been safely transmitted by him in turning over to history? This is vague. This allows us to show what the early Marx does mean.

The Borkenau book on Marx (in German) only goes back to the theses of Feuerbach but they block this problem.

We might start from Owen and his prophecy on the machine that he had more to say on socialism and the working class movement than most people realize.

The problem of socialism is high on the topical list and the capacity of North America (U.S. and the C.C.F.) not to have anything to say about it was perhaps the greatest weakness of the American scene.

Owen proposed socialism without tears. He raises two questions: technology and the moral question. It shows what big gestures we need to leave out the economics.

We start with the technological civilization which is something concrete and how near it is to industrialization, the economy, morality and motivation.

P. can't give any reason why he hits on technology. As far as technology is concerned, some comet may have passed by, perhaps nearer to England than to the other countries and inflamed the mind of a few huskies. Some ask where did things go wrong? Was it the renaissance? The reformation? It never occurred to anyone to improve production. Actually what a mess of troubles came out of it. The machines had to be smashed - 1810-12 Nottingham etc.

Owen said "society" and that is a moral change and the machine forces it.

To Hegel Marx added British socialism and the working class movement. (Owen means something in England. Here nothing means anything).

We drew a portrait of Owen because what he had to say would never come out. Owen leads up to a very sharply pointed moral question of how far we can go.

We are safe as long as the problem of socialism is broadly and quietly treated. If we narrowly took up the reality of society it would be academic and extremely boring. Life comes through as a

Essence of
The Early Mary

history of the last hundred and fifty years. For example, if it had nothing to do with Marx one wouldn't know what it has to do with.

P. brings Lenin in. He saved the position and brought in these Eastern peoples. But the Eastern peoples brought themselves in e.g., Sun Yet Sen was a social democrat 50 years ago. He became a socialist in 1912 in London.

Owen wasn't interested in freedom but Marx was. Shaw wasn't interested in either technology nor freedom. Yet if you give the history of the 19th century you better give them. If we argue that the whole problem of human society begins with the industrial revolution we need something to fall back upon.

The specific metaphysical problem of freedom and technology is a philosophical thesis and it is not easy to argue beyond the intuitive truth it asserts. It is not easy to show its doctrinal development. It would be a book of philosophical argument but the difficulty is not only a convincing exposition of this thought of freedom.

The reality of society has different meanings and the meaning relevant to Christian freedom is not necessarily the one people feel most strongly about. But it is difficult to link up with this.

The problem has no high degree of relevance to the situations recognized as highly problematical. It may turn out that Shaw and Marx are much more topical than we thought. If one writes a philosophical-religious treatise this material is not easy to fit in and it is not clear how much it has to do with the subject.

But other aspects come up which make their appearance. The purely ethical definition of the market theorem as developed in the Great Transformation may be much more topical than we thought. It didn't seem topical.

Insofar as we can develop the subject, alienation and reification can be presented in a far simpler form - socialist humanism.

But the broad implication is independent of detail - it is the humanistic approach to the whole question of economy and society. But at the same time it appears this may be the angle^{at} which the whole thing may come up between East and West. It is worth considering whether this isn't crucial for Shaw's understanding of character and fate. We move away from technology as the main subject and move to the place of the economy in society. The East is not dealing with technology in society but with it's introduction into society.

If we would here find a really relevant simplification of the problem it should be considered. The utterly fatal moral complication in the West occurs because in a thoroughly industrialized system, the market system is being maintained. The two together are doubtful. We could deal with industrial society alone or market society alone but the two together are too much.

The East moves toward industrialization without the profit system whereas we might rid ourselves of the profit motive and integrate society.

How do we deal with the economy where the economy is not dominant yet it shapes character, life and fate too narrowly?

It does mean that if we started from the malaise in Western civilization and formulated it as the question of freedom we find that the technological civilization raises philosophical and religious questions of a grave kind. Here the thought enters that we cannot deal with our economic system and might be able to deal with it in a more integrated society. Eastern societies do think that their national life should decide the problem but we feel completely helpless in this regard.

Otherwise P. says that it's only possible to write the two subjects together: one is restricted to a philosophical-religious thesis and the other would hinge on the political East-West issues on which we don't have much to say. But if we take the planetary problem and the question of how far they are moving to a restricted industrialization we can see how far this raises the question of East and West. While they want industrialization they are suspicious of our culture and civilization. The way our economy is placed in society makes the question of industrializing an intolerable risk. Their attitude is to industrialize without the profit motive.

We offer them the kind of freedoms which are more possible and to get rid of the rotten antiquated social institutions. It is not clear how they would get rid of them if freedom has no meaning and purpose at all.

P. fears that we would get such a grand solution that everything is solved and history might end.

This would be much more a report on the condition of man today and would not center on the one thing we know. The reality of society

would be a permanent element in the picture but what is surprising is that it would be an exposition of the meaning of socialism under new angles.

The moral argument for socialism was discredited first by the capitalists and also the socialists. This differs in completely cutting loose from both. Not that one can be dogmatic but there are inferences of enormous practical importance.

The difference between the Russian-American contention which is just now centering on the material race may be utterly different with China. She may never enter this race and take a different line.

If this is carried on in the way of an investigation it's different from the way an insight is given which has intuitive recognition - a revelation which isn't an empirical fact.

P. says don't get rid of the machine - check and control it, but get rid of the commercial method - that takes you to hell.

If you take that point of view you can ask what to do with the Marxism? Here freedom enters - the moral meaning which is the necessity of following history and its commands.

In Shaw you get the realistic picture of life and that depends on a picture of life in society where the profit motive has disappeared. (This is what we say about him - he never argues this). He does say that Marx opened his understanding of the world but that doesn't amount to much.

The Asian revolution is in P.'s view the most important thing

in this matter. He got this from Paul and he got this conclusion independently. Paul came to the conclusion that it is Schumpeter who is very sympathetic, had a conceptual system which transcends the market and seems a better economic theory than the other and better applicable to Eastern empires.

The important thing is that one can write the book because it is highly topical. The East shouldn't only take technology but there should be the secularization of old religion. This gets away from the tradition-oriented society i.e. religion. This must go with the destruction of their ghastly social system e.g. The Indian caste system. The last thing that we should do is to idealize it. Also the utterly dogmatic ruling idea of our culture is doomed and it is a kind of matter of the past.

The facts of the case are really very simple and F. didn't see them. What have we to say on the position of mankind as a whole? How do we have a bridge to make the East better to live with and the West the rest of the world can better stand? Of course a reform of consciousness is involved and we resign ourselves to the reality of society and drop the profit motive and have the institutions which do not incapacitate us for life in an industrial society.

My question: On what grounds do we drop the profit motive?

With Owen it was humanism but it was short of the economism of Marx. Marx was not at all safe against the economic interpretation of industry. There is no warning in Marx against the materialistic. In Shaw there is warning and no doubt the economist would never accept this.

The East lived for centuries with their great families through usury and great class exploitation ~~through usury~~ and a feudal system. Therefore we should have no nonsense about the East representing equality and justice. But the institutions should be based on cooperation and duty and not on personal profit. We had to have the latter so we had it, and now we say good-bye.

My question: Would P. revise his stand in favor of a mixed economy?

No, the dangers of a 100% planned economy include the disregard of individual spheres of freedom. In this regard it would be reversing the Bolshevik trend. A totally planned society is utterly rejected. The Russians have tried this.

In a mixed economy, if we need a number of people with a profit motive we shouldn't idealize them. It's just one of the things we would have to put up with and there should be a niche so that they are permitted to collect their millions.

The Introduction must be different and comprise the whole argument. It should be possible to start with Owen and go on to Marx and Shaw.

My question: Will we include the Rousseau problem?

It is very peculiar that here the economy is missing and it is not missing in Owen, Marx and Shaw. Rousseau might open up the fourth part where we go on to the reform of consciousness and part of the Rousseau problem and the reform of consciousness would be something

the West and East try to accept. The West would drop the profit motive and the East accept the democratic and individualistic implication of the Rousseau problem.

To put freedom as a Christian problem is very dangerous. The point is that the West suffers so much from loss of freedoms because it is freedom-oriented.

P. doesn't mind leading up to open questions as long as they are well grounded and as long as the formulation of the questions implies an achievement. P. doesn't need the key to world history in his hand. P. sees the problem of socialism simplified and takes it back to Owen and Marx, but leaves out the Russians who are a world in between because the thing doesn't polarize that way.

The present preface is a cold war preface on Russia and America. That is a mistake. They can either have a war or not and that is all.

But more can be said about the relation of the Asian revolution to Western civilization. The starting point is the industrial revolution. The Asian revolution is the awakening of pre-industrial revolution forces. Their activation is the Asian revolution. They are out for industrialization and therefore the fact that the industrial revolution did spread to Asia is a superficial element in the Asian revolution. It doesn't mean the industrial revolution spread (like a disease spreads) and this explains why it is there. The one thing that didn't spread to Asia is the Asian revolution. It was borne there. Some imagine that the Asians want to be like us. This is a misunderstanding. They only want the weapons we possess to beat us over the head.

Our subject, if you relate it to the world scene transcends Russia and the U.S. but it has a great deal to do with East and West. It is not Russia that is behind this, but in order to understand what is going on we have to get her out of the way. From this angle it is good to have a broad philosophical problem which no one links with the question of the U.S.-U.S.S.R.

Socialism is brought in on the ground floor. The definition would be that implied in Owen and would be a new definition of enormous importance. It is technology and an ethical organization.

It is not so much humanism. There is a theological problem. If you start at man you are soon at God (man writ large) if you start at God you soon are at Man. Therefore P. is not sure that humanism is the best and surest term. It is used by everyone from the counter-revolution to the party reformers. The bourgeoisie said they were socialist in the ethical sense. That is exactly what they were not. The acceptance of the reality of society and its organization has to be ethical. This is exactly what the bourgeoisie don't accept.

When P. wrote the Commentary article, he knew he was going far beyond and in taking up the technological civilization he transcended the problem of capitalism. Unless we do we cannot discuss the West and East. P. doesn't have in the reality of society section in the article that technology clinches it. P. hadn't decided for it at that time.

The market system was the only means by which machines could be used. This fatefully distorted the picture of man although we believed

it was a picture of market society. The Great Transformation theorem is repeated here in a more topical way. The necessity is related to technology which he accepts.

P. has the feeling that it can easily be understood that a technological civilization is tough and restrictive. But to say freedom as Christian metaphysical freedom, is more difficult to understand and accept because not everybody need agree. This is a shifting away from the original thesis. This shifting has been going on for a long time. The thing is not to be excessively dogmatic but to leave room for the preparation of fact.

The strongest argument is the Commentary Article: the market terms forced us to think in a distorted picture of man. This moral question has more meat than Owen. He puts it down to Christianity and the market (both).

The moral problem is raised by the market perspective of man. We mean by the moral question to change to a different view of man.

My question: Do we give substantive content to the new view?

That is where Owen, Marx and Shaw come in. What we need is an anchor for the technology element. But we can introduce it when we decide that technology made it more relevant. It was the market mechanism that produced this picture of man.

When P. wrote the C. article 12 years ago he said that we are faced with the technological civilization and it seemed then very daring. Today starting from a dogmatically circumscribed interpretation

makes it easier than the metaphysical which is 'a prendre or a laisser' and is not easy to see if one moves to the wide world.

P. would include the socialist position by saying that the market economy was the first phase and now it is not just a phase but we are faced with a technological civilization itself. The C. article is much more prophetic in retrospect than appeared at the time. This leads P. to a somewhat different phrasing for freedom. The C. article was somewhat evasive. It says freedom was part of a bigger problem as if freedom didn't arise in socialism which it did.

What P. doesn't like is the material and ideal motives which seem not relevant.

The fact that we are going to hell indicates that science is part of a larger problem of which the market was the first phase. The second phase should now be taken up and there is now an East and a West. If the market system has made man confused about himself that is an excellent way of raising the problem of moral change. The picture of man introduced by the market economy may be a tremendous hindrance.

On freedom and technology there is not enough to say except something intuitive. You can say something about technology and say something about socialism which comes up as a change in the market system. This means Owen, Marx, Shaw and the East.

There are no specific economic motives. Moore quoted this and P. thinks that the Parsons is also saying this.

The chronology of the problem is that the industrial revolution is the beginning of the complaints about society. The moral change is breaking away from the profit motive. This change does raise the question of whether this is compatible with human society. This question implies the acceptance of the reality of society.

P. doesn't think that we should identify moral change with the reform of consciousness which we identify with the reality of society. The problem of resignation should not be raised until the fourth part of the book, the total confrontation of man and his position.

The introduction would start from technology but would instantly proceed to the idea that adjustment to this involves reshaping human consciousness. The moral part is introduced by our criticism of the market.

The freedom problem must be dealt with as only one aspect of the general problem of a technological civilization. It should be added that it will be seen that freedom was never absent among the problems of society ever since the machine entered. With Marx, freedom came up as a fundamental moral problem. For Marx it was serving history as salvation, for others it might be civic liberties. For K.P. the condition of man is the consciousness of the infinite value of his own soul.

Freedom is a symbol of something being thoroughly wrong. In the fourth part it will be clear that this has to do with a total balance and while we have to endure the technological civilization we cannot endure it in the market form.

The institution of the economy moralizes it (carries values into it). One can't use this term just as one can't use ethicizing it.

In our introduction we must have a clear idea of what we mean by ethical motive. This is more honour status and prestige than anything else. It is not being selfless. There is no use being selfless if that makes you a fool (i.e. a useless person). We might introduce "leiturgies" - self-assumed honorific duties. They are not necessarily self-assumed. Societies may introduce them whether the rich like it or not.

MARX

In Marx we stop at his idea of the humane society which is, '45 or '44. The limitation which society sets up disappears and he moved to history - we must serve history. The reality of society disappeared into the reality of historical development.

It is even more difficult to ascertain what history demands than what society might require. History might demand that we seemingly fly in the face of the requirements of society. There is here a much greater radicalism than Owen. History would justify disregarding the laws of society. It is the far limit of history which stops us. This proves to be only a limit for the anti-socialist. That is why the Marxist becomes inhuman. Serving history is not serving society. It is a master one removed. For example, we might say that we don't need civic liberties, since serving history is itself freedom. This is a quibble.

The early Marx underlies the Great Transformation altogether, since the charge against the market economy is the dehumanization of humanity. This is broadly developed in the Poor Law chapter and the charge is made against Speenhamland and the Poor Law of 1834.

Marx introduced the idea of history with the aim of creating a human society with everything serving the personal and human community. He thought that this was the condition of what socialism would be like.

The purpose of such a chapter is to show that Bolshevism, when it falls back on humanism would have to incorporate the ideas of the

The early Marx
underlies the Gr. Trans.
esp. Poor Law system &
Chase against Speenhamland

Early Marx. These should be corrected but the Bolsheviks find an improved Marx and we don't lose a century twice over. We have lost it once.

The freedom comes up in the way the German idealist philosophers formulate freedom, and Marx saw man making his own history and jumping into the realm of freedom. This would have to be human. Marx uses society in a very specific sense of the term, man being a different animal from others. Thus we get the specific meaning of the term human - the idea for example of "man alone" in Julian Huxley's book. This could take the subject to the brink of the atomic world where we are now. (The social history of the machine).

P. thinks that it should lead up to the postulate of the reform of human consciousness and that is what the Shaw chapter would be based on.

The reality of society in Marx comes from Hegel: that there are laws governing the whole thing, as well as the idea of history. One could show how Marx, without cutting loose from Owen, developed and transformed this position. He transformed it by taking history as that which is real in society.

Marx added Owen to Hegel. Marx was not an Owenite but a Hegelian. He introduced history, but both the machine and the human motivation come in through Owen.

Two things greatly simplify our propositions and make it much easier to write the Marx. Both refer to the relationship of Owen to Marx. Marx added Owen to Hegel, but because Hegel cut history short

Marx added the future. It was however Owen's perspective: partly the machine and partly moral change.

Owen was prophetic on the machine, but on moral change he saw that there would have to be a complete moral change and this would be the transition from the present to the future.

Owen thought that the force to achieve this is example and this would take the world to socialism. Marx added to Hegel the vehicle of this transition, that the working class would do this. But by this Marx really accepted particularly the part that Owen has stressed, moral change. That was one part of socialism although there were others.

Elements in the early Marx come from Hegelian origins. The analysis in the early Marx distinguishes between reification (objectification) and alienation. Lukacs says that Hegel mixed up the two. Every objectification is an alienation. Hippolyte who follows Lukacs a great deal says that Marx wasn't right either.

All this however seems not necessary to understand Owen who said that a complete moral change is needed. Owen didn't understand the market system nor any economics old or new but Hegel did fifty years earlier.

The insight of the moral change is what Owen contributed and Marx accepted and he added the vehicle of the working class. Owen however had gone to the Archbishop of Canterbury and the capitalists. The second point on the philosophical side is that Paul says that the important thing is the change to ethics from egotism and crime. Paul

sums up the G.T. position which is in the tradition of Owen and offers a vehicle which is the Afro-Asian revolution.

Marx never considered denying freedom to the individual. Today's Russian problem had not come up. Therefore what we would have to reconstruct is what his position would be in the face of things as they have developed.

The main question is that there is nothing on the social history of the machine and the question of what kind of moral change. Owen ends up with the peculiar moral paradox that you can't know the limits of the reality of society which is an awesome thought. But Marx never thought of this and this is beside the point. He carried on Owen, namely technology, machine society and moral change.

In Owen the thought that the reality of society may limit all this is only introduced at the very end. He ends up with a peculiar moral challenge of an extreme paradox.

Owen was right on technology and on transition. Marx never knew anything about socialism but this - and enforcement through example.

Marx was annoyed at Hegel and when he added Owen he also added something new - the working class, as a vehicle.

The moral change on which P. will land, Owen postulated and Marx accepted. P.'s main point is what kind of change and what kind of humanism, instead of the market economy?

Bringing in Afro-Asia is a strict parallel to the Marx construction and P. saw how deep his conception of the matter is.

Moral man achieves freedom through the service of history. Neither Hegel nor Owen had a religious conception (the rationalistic is not a religious conception). Marx' humanism is linked with Feuerbach.

We have not much to say on alienation and objectification because Owen got it right - moral change is needed, and therefore we don't need this complex sociology.

Marx didn't solve the problem because he was optimistic on the machine and the technology. He didn't have the conviction on a non-materialistic approach being possible. Then he had this blind confidence in the working class and science. (He didn't suspect science of being crazy). He also thought one could bank on history.

These are pretty big chunks of weakness and there was an enormous amount of optimism:

- 1) that the majority would be for the salvational line
- 2) that materialism would turn into its opposite
- 3) that science could be trusted

It didn't occur to him that this would be a planetary transformation. Owen said that this was international and any one country cannot stay behind. When Marx said Proletarians of the World Unite, he meant Germany, France and Britain.

P. dropped out of the Hungarian student movement in 1908 because the movement lapsed. Marxism became less attractive to intellectuals

Mary's humanism as
linked with Puritanism

because it was out of touch with the latest scientific knowledge. Secondly Marxism adhered to orthodox economics and the new economics was wiping out the Ricardian foundations. Thirdly the Social Democratic movement was becoming trade unionist and losing its inspirational character. All this was between 1905 and 1910. Marx treated the genus man while Hegel had the "universal man".

Hegel knew Adam Smith which had been translated in 1796. Hegel and Marx were out of phase.

Lukacs is the leading Marxian living thinker. "Der Junge Hegel" will be compulsory reading for German philosophy in 20 to 30 years from now.

P. read Rosencrantz at 18. He was the first editor of Hegel. There was no Hegel edition for 100 years and then there was the Lasson edition. (And Hoffmeister). P. found Rameau's Nephew. He collected many Hegel editions in ~~at~~ New York.

The Luddites were right. They slowed down progress while everybody else speeded it up. The Marxists and Socialists said that because something wouldn't last in the long run it shouldn't be used in the short run. Everyone was imbued with progress when P. was young.

For Marx, freedom was man's nature. He pressed forward to eliminate the shackles of private property. The law of technology, not only its origin but also its future development is inherent in society. For Marx the law of society was with technological advance. Also Landshut said that the advance of the machine was the dialectic of social progress.

Leninism might be brought in. It was so complementary to Marx.

Marxism as out of touch
with latest scientific
development & intellectual
move away - early 20th C.
+ adherence to orthodoxy
+ ↑ trade nationalist behaviour

The history of the reality of society may be combined with a downright criticism of Marxism which may include delusions in regard to history, the working class and science. All three were delusions.

P. read the Hippolyte, the Marcuse and Lukacs and he has the feeling that ours is a very much simpler position than going into the historiography of these thinkers.

ROBERT OWEN

One cannot overlook the Gotha program affair. M.P. has an article in Encounter and it is on the Gotha program - the distinction of communism and socialism and the transition. The whole is Owenite and is of the greatest interest.

The discovery was overlooked that it was his thoughts that determined the ideology and program of the social democratic world and passed into communism and made a realistic idea. That was the transition. There is the thought first of the transition to socialism for society as a whole and secondly that the success would hinge on that part which was socialized. That hinges on the Villages of Union. Nobody thought of this meaning of it and this must be said.

We attach a very great importance to this idea. It is one of the ideas that was most fruitful in the history of socialism. It completely contradicts the discussion of Owen as a Utopian.

Owen said that the machine would have to be carefully watched - how much machine and what kind of machine. Perhaps we could start with the sentence on being favourable toward the machine and at the same time not letting it get out of hand.

On the freedom question one cannot come up with Owen. He thought that Christianity was individualizing man. But today we see that we have to individualize man up to a point. We can't follow Owen there. Owen was disgusted. The church said that the poor were responsible for their own situation. He knew what unemployment was. They hadn't the faintest idea what it was and he said that it was absurd

to put it on the poor themselves. His sense of justice revolted.

Owen will set the essentiality of direction for the next 100 years. I would see this if I were at home in the history of the socialist movement. It is the transition which has never ceased to dog the movement e.g. Lenin and the Erfurt program. This hinges on the Owen and cannot be treated in an elliptic and aphoristic way.

P. has definite assumptions on where the Owen leaves us. This is an awe-inspiring test - that the only way to test the reality of society is to carry it to its limits. It is an idea of extraordinary daring.

Paul says that socialism is a moral issue and the Asiatic people don't accept the idea of our amorality. The Great Transformation formulates socialism as a question of humanism.

It was Adam Smith who followed up the idea of private vices being public goods. He got this from Mandeville, the story of the bees, who took it from Hobbes with the idea of the wolves. Private vices then work out to be public good and the wolves and bees represent the bourgeois capitalist. The East doesn't accept this. (Above idea included in Paul Medow).

Harriet Martineau said that Owen can't explain his position, he hasn't the gift. But she understood he wasn't saying what he really meant which P. sees.

If one says that Owen was a friend of both the machine and humanism it is the starting point of Marx. He favoured the machine and a human society.

Then how will we come to the social history of the machine and technology? Perhaps P. will start where Owen leaves us. He said that great evils would come of the machine. P. would start from this thing in Owen and add that he saw in socialism the answer and these two together were extremely prophetic but P. would go on on the machine.

The second chapter might well be how decisive Owen was as a prophet. Owen stood both for the machine and a human society.

Owen thought that there were two novelties - not only the machine but the market. Capitalism came with the machine. There is the difficulty. Owen said you have the machine and the infernal system. The machine should be stopped and the system stopped. Owen could not have protested about both unless they came together, the machine and capitalism. Owen dealt with the uncontrolled development of the machine and its commercial use which had started in business life. Commercial organization would have to change in its moral foundations.

The second plan was never understood or analyzed. It is true when he said there would be no change of system involved (no basic change needed) it made him appear as either a fool or liar but he was neither one nor the other. His proposals were in the frame of what we call capitalism. They have the signs of hard thinking not smooth phrasing. The effect of the latter is slickness and it is passed over. There is no wisdom without tears.

It is quite certain that Marx took it from here when he was

caught out on the Gotha program and didn't know how to deal with it and said there must be a transition. (Towards Communism). In doing that he showed a great understanding of Owen. He is out and out rationalistic on the point of view of the individual.

Everybody was sure about his income, whether it pays or doesn't pay and all this comes out of profits.

I can complete the Owen in ^{an} afternoon or evening.

INTERDISCIPLINARY PROJECT

P. has received a long letter from Sweet at Chicago. He has read 7,200 documents and indicates that no case has been found where profit has been made on price differentials.

P.'s English student here has given 4 days to Lineal D, the Cretan writing resolved by Ventris and brought up a series of immensely important matters that we can solve with ease. P. will suggest that she give a report to the project in New York at the end of May. They say that there is no sign of money here, but they don't find it because these are money uses. (It is like going into the Federal Reserve Board and saying that they still haven't found money). They have sophisticated money uses here. Mrs. Winch sees that this operational approach is an effective one. (She is really bright with lots of daring ideas which occur to her and much imagination).

Sweet in his letter shows that silver, with rare exceptions was used as a standard. This was similar to the Old Testament where it was taken as value. In Babylonia there are very big problems which remain unsolved. They will solve these completely in the course of time.

It seems that Lineal A. is quite different. The thought is to prove that there were common routes to the Akkadian and the Cretan. They would publish a list of statutory equivalencies. There were also rations for the slave girls. We know this method of economy from Sumeria. It is not a tribal society of Greece, Rome, Israel. The rations came from Babylonia.

P. surmises that the "rations" for the slaves in Mycenae were derived from Crete who got it from Babylonia.

In Sumeria the citizens have land plots and we have long lists of rations. But these are for the temple servants. Slaves existed but they were few and they were in the temple. The temple was governing the non-temple population but they had land of their own. (Temple of B. Lagash is the second Sumerian).

Silver is used and actually it says "weighed out and handed over". We thought that a standard employs prices. But then how could they use it as a standard? This never occurred to anyone except K.P., with the exception of Thurnwald. It may be the source for prices. The standard precedes exchange. It will take some time before this penetrates.

The silver is hoarded not by private persons but by the palace and the temple and these were the only people who could have silver. Small silver however, was used to pay taxes. But for foreign trade you need silver and this was a governmental function. Gold was sacred. It doesn't mean that there was no silver but it was not used by the privates. It served as a standard. We have a number of documents similar to a testament or will and there is no silver but when there is talk of silver it is only for adding up. You can't total up otherwise. There was a relationship of barley, sesame, oil, wine, wool, and cloth and there were all under equivalencies. It was paid for with what a person had. This was also among the Greeks. There were various treaties on what the other could give, but in principle he had only a right to the correct sum. They needn't have silver and didn't accept it.

They couldn't eat it. The idea that silver should be handled, owned or possessed didn't arise.

X In Dahomey the same role is play by cowrie while in Ashanti it is the gold dust. The gold occurs very rarely and if they did find some nuggets they gave it to the King. The women stood in the water and panned gold in the river Volta or they may have dug a deep hole (perhaps two yards deep) and there the water congregated. If strangers came by they ducked and didn't want to give away even where these mud holes were. Some thought that these were ghosts, but they weren't. It was the women who ducked.

My question: Were there equivalencies in gold?

These were not published and changed especially between gold and silver. Many documents say that it is to be paid in the town's equivalence. There was no equivalent in effect of gold and silver and copper and it was frequently changing. Sweet says that between 1721 and 1693 there were some ten to fifteen gold-silver prices. We don't know how it changes but there is a definite reference at the gate to the equivalence of metals. We haven't the gates documents but we have references. Metals are different from wine, wood, oil, barley. P. thinks it must have fluctuated in other parts. Not gold and silver but copper, tin and lead, at the gate. This was in the Rabi Mahirum which was the chief of the publications.

P. thinks that with the kind of work Sweet is doing one becomes a University Professor. There are few people who can rival this kind of knowledge. He spent two years on the Akkadian dictionary of which Oppenheim is director. Sweet is his pupil.

The Babylonian was a happy and prosperous world while the Assyrian was very cruel.

Mrs. Winch has read the Michel, the Hasebroek, the Iliad and the Odyssey and went through all the money matter. For anthropology she was doing the Tiv.

P. may ask Bennet of Princeton to the meeting. There may be a reference to rations in early Greece.

The point of rations is that it indicates it is a redistributive economy. In a market economy you can't have rations e.g., a self-supporting peasant community with markets to link them has no rations.

Pharaohnic Egypt had leiturgies at all levels. Paul says that instead of the profit motive one would have obligations. We could use this word instead of "contractual" which means in English negotiated. Paul meant a shouldered obligation and to live up to it. P. would say it is an assumed obligation and the rest is rule of law.

P. applied this to Syria. The person who trades there for the government doesn't get orders or shift responsibilities. He is free to be a trader or not or expand his business but he must not break the law: to sell for cash, or for prices statuated for commission. The law is he must have either goods or cash or some obligation covered by a pledge. But his income, that's a different matter. He may be paid on the turnover or his status or he may get a village with peasants in it. His income is regulated by law but he needn't accept this position. (see Trade and Market, Riskless Trade). Paul didn't know this paper and here the concepts are developed which he needs.

There is a difference between the transactional and the dispositional e.g. modern manager in a corporation is dispositional - one-sided, not two people. To speak of contractual is two-sided. P. would say obligations freely assumed and performed under the law. Acting under the law he always knows what he has to do.

Lippmann says that there are two basic institutions: private property and the fulfillment of contract. What the state does is uphold private property and fulfillment of contract under the law. This is exciting because it is a minimum state function e.g. you punish anyone who steals your sheep and you make him hand over the sheep when you have paid for them. Thus there are only two cases where the state is an executive under the law - the defence of property and the enforcement of contract. The two words are the content of the rule of law.

This concept of the rule of law was highly developed in antiquity. The individual had two directives which came from the law and not from officials and this was a guarantee of freedom and no one could order him around.

We might have the undertaker (entrepreneur) undertake for the corporation to deliver for it a certain number of shoes in 3 months. He then gets material from the corporation. This is not on the market and therefore this is no risk. In the early Assyrian system there was no risk on prices since there were no change in prices. (The risk was carried by the government). There were no bad debts and no defaults because obligations to be valid must be fully covered and arbitration awards are self-executing.

This is what Paul has in mind when he says that business is under ethical rules. Business is under ethical rules and there is no private property entering nor compulsion to speculate. Therefore these are not contractual obligations but "freely assumed" obligations. Once you assume them however, you are under the law and don't wait for orders or commands. This is a kind of neo-mercantilist system which these countries introduced, e.g. Russia under the Bolsheviks and Japan in the second half of the 19th century. What Paul means by ethical rules are normal rules internalized by the person.

A repartition of a sum is not an equivalency (cf. Ventris). We should be careful not to mix up causation or origin with logic and implications. The question of a standard in the Knossos is that you round figures but the zeros are missing. The point of having a standard is barter and budgeting.

METAPHYSICS OF EVERYDAY LIFE

In the old days it was useful to exclude metaphysical terms of everyday life from physics and chemistry where these terms were not empirical. However today, science has become so complicated that nobody can understand it. There is therefore a case for returning to metaphysics.

When the physicist's terms evanesce by mathematical formulae you can't understand, then the original case against metaphysics is lost. What physics has destroyed is not causality etc. but the metaphysics of everyday life.

The term entelechy: e.g. you go into the garden and the explanation of what things are going to be there; ^{if} and we say that this green stem is a lily. It is an explanation and we accept this all the time. Also there is no explanation of it. It is not causality and science calls it metaphysics. When you explain purpose that is the hypostatization of a theological idea. (We assume that nature has a purpose).

The question is justified as to for example, what makes a flower open at night or what makes a person sleepy. It is not because you need a night's rest. One must accept the principle of teleological explanation on pragmatic grounds if we are to have an explanation at all. To exclude teleological principles from nature is unjustified.

For everyday life - psychology etc. the metaphysical explanation is the obvious one - meaning and purpose. This is an immediate and satisfactory meaning in everything that helps to carry on life. The whole point is that in this view of life it is quite reasonable to look

for the meaning of things. That is not accepted by the positivist's or the behaviourist's logic and that is what P. is directing his criticism against. The essence of religion is the acceptance of things being meaningful.

For pragmatism the proof is that it works. This is the truth but truth is not a clear term in regard to life and what do you mean by "works". It is only if there is an acceptance of inner life as evidence. What does "works" mean in the context of life? It depends upon the ultimate conviction of what life is. It is ultimately a valid inner experience that determines that it works. Inner life is decisive and saying that you come to an ultimate - is what you see or experience of inner light. The pragmatist says it is not a matter of ultimate conviction but just working.

But P. is not interested in this criterion of truth, just in meaningful statements and the meaning of things. Science denies that and it's thoughtless. But in everyday life we use these distinctions e.g. real and semblance, causation and determination etc. We know what they mean but we can't define them. But you can't define red and green either. All this is the theory of knowledge on the fringe of philosophy. The metaphysics of everyday life consists of the terms that we use all the time including the term "meaning" and "life" and the term "everyday" which is unscientific. P.'s opposition against positivism is very old and very well grounded. P. said these things before the uncertainty principle was advanced. It is nonsense that this principle makes an end to causality. The answer is that these are the answers to different interests of man.

Man wants to know what's going to happen in his environment. This is different from man who wants to know about meaningfulness of

his existence. There is nothing common to the two.

P. had this idea that natural science has lost its authority because it has become so complicated that the metaphysics of everyday life are restored. He had this idea 40 years ago.

Comments on my "Not By Organization Alone", - Draft # 4.

The idea is to bring out that this is public opinion. Lopatkin is not able to say what he is striking at. The question is where the conformity is located. It is clear that this kind of conformity is based on opinion. Unless I can show that such an opinion is prevalent in Russia, I really haven't proved anything.

Public opinion exists in Russia, but opinion formation on topical issues is quite different. This also exists and such an opinion-formation is more deep-seated than the first.

I had subordinated elegant and smooth writing to precision on an important matter. But it isn't elegant because I was afraid it would lack precision. P. is even more for precision.

The emphasis does not lie on the point that I am aiming at. Someone might say that one can't speak of the same kind of opinion in both cases. We called it "conformity" because this is the broad term on which the whole matter rests.

I don't need to follow Whyte's argument closely but only my own. I should convince the reader that when Whyte talks about "social ethic" he means conformism. Perhaps I should say that Whyte seems to try to avoid the term conformism because it is fashionable. But he really goes to the roots of it.

When it comes to Dudintsev it is sufficient to show that both works touch on the problem of the inventor. In Russia the problem can be shown only negatively. It is not terror or the police. Has it

nothing to do with the institutions? It has, but the institutions are based on opinion.

Perhaps I can distinguish between values and behaviour. I might bring the values under opinion, and behavior under organization. Whyte describes organization and says it is caused by people believing in the Social Ethic.

Also in Russia they do it through the collective and show that people believe in it and that's the value and opinion.

Conforming is discussed by Whyte under 'organization' and by D. under working in the 'collective'. One says it is caused by opinion, the belief in the social ethic, and D. shows there is a strong body of opinion believing in it. By opinion one means some kind of values that underlie the way people talk etc. I should show that in the Russian book it is not really bureaucracy or administrative methods - then I would have lost my point. In this respect there seems to be as much bureaucracy etc.

People behave similarly for similar reasons. In that case I have taken conformism both as a behavior pattern and as an opinion pattern.

I should have a semblance of scholarliness. Using the terms behavior and motive is simpler than ideology and is a good distinction. The values which are internalized (i.e. motive) correspond to this. This could be called conformism while the behavior is conformity. I could have this distinction of conformity and conformism.

This is conformity for conformity's sake. You conform because you value conforming. I could say this is excessive and identify it with conformity for conformity's sake. That is what makes it excessive.

My question: The objection is always raised in discussions of this kind of topic, of earlier societies which were much more conforming in character e.g., the world of Jane Austen.

These were tradition-bound societies. We are not a tradition-bound society. American society is an individual one, largely organized on the principle of non-conformity.

(From memory:) We can then realize the possibilities of this society and needn't be bound by rigid conformity. It is a different kind of society.

NOTES

"THE CAPITALIST MANIFESTO"

(My comments concerning the Kelso and Adler book and the connection between freedom and the market).

If capitalism delivered the goods then it has a strong case, but if the same thing is achieved by not universalizing the market ethic then the market is not important. Its justification is the increasing productivity. However, the Russian rate of growth is now double the American aside from the fact that it is now receding. (Cf. speech by Allan Dulles recently in the New York Times).

P. is ready to accept a mixed economy to have the benefit of both worlds. That is, capitalism would be retained for the moral aspect - the residue of freedom in it. Capitalism however is in a poor condition if some of it will be retained for the moral aspects. (Its classic strongpoint was its productivity - myself from memory).

ABSOLUTES

My question: How do we account for this period of growing absolutes?

It is a descending trait of the bourgeoisie. It doesn't occur in the ascending phase when there is courage etc.

My Comment: This general growth in absolute demands seems to be related to millennial thinking, e.g. it includes the utopian socialists as well as the bourgeoisie.

ADAM SMITH

There is the line leading from Hobbes to Mandeville to Adam Smith (wolves, bees, private vices).

Adam Smith and his economics started from private evils but in his moral sentiments he didn't. The two books taken together are a philosophy but they are on opposite principles (P. doesn't remember too well). A Catholic who was doing his Ph.D. at Columbia said that Adam Smith chose a market system because it would establish freedom in the modern sense. This is the Mises-Hayek argument and he imputed it to Adam Smith. (P. was present at the defence of this thesis and protested against this line of thought).

Hayes shows what the British got from India through the monopoly of trade.