

Conn U

Columbia University  
in the City of New York

NEW YORK 27, N. Y.  
UNIVERSITY SEMINARS

2 May 1961

Dear Karl:

I am very glad to have the news of you and very glad indeed to learn that Dshomey is soon to appear. It will be a wonderful, material supplement to Trade and Markets and the position we have taken under your tutelage. I have been writing fanmail to Dalton, and to him and his friend, first for the AA article of Dalton's, which was very lucid indeed, and then next for their current review of Walter Rostow's book, which is again very well taken. I have hoped to see some writing from Harry Pearson's pen, but have seen none. They tell me he's been swept into being a Dean at Bennington. I see Joe Dorfman on the street or at exams from time to time. I hope that Harry won't be pulled out of the completion of his doctorate; if he goes on he may not need it, but still, it is insurance in our profession one cannot afford not to carry.

Did Raymond Firth, who said he was going to, ever do a review of T & M? I'd dearly love to hear what he'd say.

Peter Vayda is here, working quite well, but not fully within the message, as he is more enamoured of proving overall economic advantage and thus evolutionary justification for potlatching than working out as an economic distributive system in formal or structural terms. Tom Hazard, however, whom we once supported, is interested, has returned to writing, may yet come through with something to support the estimate of promise in him I once made.

etc.

As for me, I have not fared well, scholastically taken, in my return to  
duration vile. I have got the summer off and can there do the writing I projected  
from California for my year of return here at Columbia, but the return to teaching  
and a very heavy load of students, theses, etc. have kept me (or my own falling  
powers) from putting pen to paper. Still I gave a course "Comparative Institutions",  
reviving the Malinowskian theme, which showed me that there was still much to  
do that I could do myself in economic systems and that as soon as I get my next  
writing out of the way (the models of ~~xxxxxxx~~ social organization, a prelude to  
those of economics), I will be ready for them. I also have a good student, an  
English girl, Mrs. Theobald, whose husband is ~~xxxxxxx~~ an economist trained  
in Cambridge, and can thus provide full dialogue with professionals in your field,  
at work on the Russell Island money and its economic and social systems. If she  
keeps on we may have a full dress, fully grounded analysis of a nonmarket, "primitive"  
reciprocal system. If I never can do it myself, a possibility I've not abandoned,  
then maybe she can do it. Or a next one. If meanwhile Dahomey is out, what a  
guide it will give these youngsters!

Well, good luck, and let me know how things go, I am still and always  
very much interested, very eager to hear, and wish I could take an even more  
direct part than I once managed in our much-regretted ~~xxxxxx~~ project of Jadis.

Aff.

Connie.



Kingswood  
Jardans  
Buchs

May 2 1961

My dearest Mona,

I am so glad that the <sup>New</sup> Hungarian  
Quarterly will publish one poem & perhaps more. It  
is good to hear too that another Canadian publisher is  
interested in The Plough and The Pen - I do so want to see  
this published.

I should like to hear more, too, about your  
research on Austrian Social-Democracy - That would be  
useful to the under-developed countries - who have so  
little knowledge of their period or region. Even my  
students who are very under-developed can not find  
anything adequate to read about it - nothing to  
explain to them the enormous importance which  
ideas their Dad. DO. I beg you, let the world have  
something to remember, which only you can write; and  
something to inspire. That is a great need.

As to 'Co-existence', I still think that an  
independent journal is an ambitious project;  
& that the title is misleading. It seems to imply

a constant conscious effort to get on together in a situation of permanent Division. After all, we are co-existing now; people want something more hopeful.

As to my participation, my heart (gilt) tells things of long esoteric discussions about the under-developed in relation to revisionism. 'What Problems & How' are in fact posing themselves & getting solved, somehow, so far as my observation goes. I am so much involved in practical assessment & occasional advice in small ways that I feel it would be presumptuous for me to intervene. The role of defending the small neutral is not for any individual to perform - the days for that have passed: that is for U.N.

For your immense integrity & undying hope, & for Karl's soaring insight I have the greatest respect & admiration. Schlesinger's honesty & dedication also commands my respect - It is just for this reason that I find your insistence a little embarrassing - & also poor Owen's loyal efforts. I am sure there is nothing I can do, & it would be insincere to promise to assist when I feel that it would be much wiser to put out your ideas in an existing publication. But do please understand that my admiration for you both is not affected because I think this project is impractical.

Much love

Ken

Dween

Inverloch, Kilmun by Dunoon, Argyll, 3.V.61

Dear Kati and Ilona,

I am slightly late in answering your letter but I wished still a little to wait whether something comes up from Thomas Hodgkin - on the other hand, we are leaving early next Monday for a short holiday in the South of England (shall be back on May 19th) - so this to avoid your being disturbed by any lateness in my replying to a new letter of yours. I got on the 'phone only Th.H.'s wife, and arranged with her that, on our way back, when passing near Oxford we shall 'phone, to arrange for a short chat - hope this works. I don't think that the Cambridge African paper should in any way reduce interest in that aspect of the project - we spent in Milan about a third of our discussion time in clarifying, on the queries of all the participants, how the subject matter of Soviet Studies and Co-Existence would be delimited, and found an answer satisfying everyone which, *aut vis aut vis*, can be applied to every regional paper kept within the general spirit of our enterprise (which is much more than a journal). I can clarify this to Th.H. within five minutes of talk, provided his general interest is unrestricted.

F. has now accepted for publication both my book on the History of the CPSU and my Memoirs, and the contracts are being concluded - he promised later reply on the journal project, which may be genuinely due to his fully busy with his 'faddy Chatteris' case (this is surely what V. had in mind when he wrote you that F. will be inaccessible before the summer). But, of course, if he or someone else has hesitations about Co-Existence, satisfaction of my interests as an author is a nice way to bring that trip to a friendly conclusion (useful, of course, also for an eventual resumption of the journal project, without engaging himself in an enterprise the difficulties of which, in particular if the Co-Existence title is overemphasized, are bound to appear to many people enormous - now you see, how hopeless Myrdal would have been in a situation bound to arise, and to be repeated more than once - I also do not quarrel with Doreen's silence, though it would have been nicer frankly to reply to my long letter; Socialism does exist for her in the Titoist form - and she knows very well that this is not my choice).

I doubt whether Anis would succeed in getting McGibbon & Kee as publishers - in fact, they had both the books which F. now has accepted - true, primarily for Italian edition, but with other edd. following - and though it is just possible that they took exception with my English (which leaves, of course, F. cold) it is more likely that they share in that very sober appreciation of the English market which I nearly share with Carr. A publisher with great international ambitions may be carried over the likely English losses by prospects of prestige and other more promising sidelines - if one speaks only in terms of the British intelligentsia, it is still a poor proposition. In your letter to Th.H., you gave my interpretation of the British situation a slightly cosy taint - this would not be the worst since such a description may hold true if not today than if a year from now - same in Canada, about which you surely know more

F. and my book



File

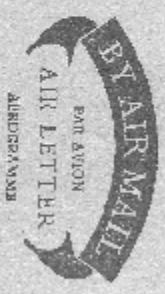
33, however, maintains itself by a strong American market (as a purely British journal, it would be hopeless) - and I doubt very much whether the US climate during the next year is moving in the desired direction. Hence the Engl. ed., though obviously the basic one, is likely to carry a deficit - in no case should false expectations in this respect be raised in any prospective publisher, since losing one's publisher after one year is much worse than delaying the start by a year or two (this is the point which Del. G. made to me, in defence of T.). Well, we must see - and use the interval for clarification of our concepts so that we can immediately, when the opportunity arises, and even meanwhile use the concept for other work (which I do and, I hope, Th.H. will do, too).

kindest regards from house to house

*RM*

P.D. Garara is, I suppose, a duck - since dogs do not swim so quickly!

Text fold here



DR. FELIX GUY M.D. 100 E. TOWNE TOLLAND ST.

R.M.S. R.5

Philadelphia (Ont.)

Canada

Seal fold here

Sender's name and address: Josephine L. Inverness  
111, Main St. Danouan, Argyll

AN AIR LETTER SHOULD NOT CONTAIN ANY ENCLASURE, IF IT DOES IT WILL BE SURCHARGED OR SENT BY ORDINARY MAIL.



München, 1901. május 9.

Ádventi lión,

mely szomorúsággal olvastam leveledet. Szomorúsággal, mert szinte lehetetlennek látszik a problémát megoldani, azt ugyanis, hogy a Te értelmezésed szerint függetlenek legyünk és ugyanakkor az Új Látóhatár is megmaradjon a mai terjedelemben és anyagi megalapozottságával. Abban igazad van, hogy neves és nagyigényű feladat áll előttünk, független és csak népként érdekeit szem előtt tartó politikát folytatni. Ezt azonban csak akkor tudnók megtenni, ha az Új Látóhatár valóban elvágja magát mindazoktól a kötelezettségektől és kötelezettségektől, amelyeket kifogásolsz és szemünkre hánysz. Tudom, bizonyos időkben és esetekben nem elég hallgatni, mert a hallgatás is választás és véték. Nekünk azonban csak az a választásunk, hogy megmaradjon-e az Új Látóhatár vagy pedig kivívjuk az Altalad óhajtott /és nekünk<sup>is</sup> annyira édes/ függetlenséget. Az utóbbit azonban csak az előbbi kárára tehetnők, amithogy hiába is hirdetnénk a legmagasztosabb eszméket, ha nem volna orgánus, amelyben kinyomathathatnánk azokat. Valóban megalkudtunk, hiba volna tagadni, de meg kellett mennünk, hogy egyáltalán legyen Új Látóhatár. Hisz sem képzeli lehetek, hogy ez a megalkuvó folyóirat is mennyi támasznak van kivéve és milyen művészantatványokat kell végeznie, hogy egyáltalán megjelenhessék. Te és Károly azt mondtátok nekem egyszer, hogy ha irányt változtatunk, lesznek, akik mellénk állnak és támogatnak. Ezt én elhiszem, de amikor a bizonyosság és az eshetőség között kell választani, az ember inkább az előbbi mellett köt ki. Ezt tettük mi is. Lehet, hogy helytelenül, de biztos lelkiismerettel. Végtelenül sajnáljuk, hogy nem értitek meg nehéz helyzetünket és azt az igyekezetünket, hogy a mai Új Látóhatárt legalább megtarthassuk, mert mostani helyzetünkben ez a legnagyobb függetlenség, amelyet elérhetünk. Barátainkra szükségünk van, ha leg akarunk jelenni, ha ki akarjuk fizetni hónapról-hónapra növekvő költségeinket, ha megélhetést akarunk biztosítani legalább annak, aki elvégzi a rendszeres adminisztratív és egyéb teendőket. Ha megalkuszunk, ezért tesszük és mert egyéni és együttes állapotunkban nem látunk más utat. Nagyon fáj, hogy irásodat visszavontad. Nagy vesztesége folyóiratunknak, hiszen éppen mellett lett volna támasz, hogy mégsem süllyedtünk oly mélyre, mint ahogy gondoltad. Kár, kár, kár... nagyon sajnálom, hogy így

Paul B

NORTHWESTERN UNIVERSITY  
EVANSTON, ILLINOIS

DEPARTMENT OF ANTHROPOLOGY

9 May 1961

Dr. Karl Polanyi  
R.R. #3  
Pickering, Ontario  
Canada

Dear Karl:

I have just had the pleasure of a lunch with Joan Robinson. I want to thank you for putting her on to getting in touch with me. I would certainly have attempted to get in touch with her, but since we were both working on it, it came off quite easily. She is a really most delightful sort of person, and the magnificent sense of hyperbole and timing combined with her very real insights into the difficulties and faults of American economics, made her a delight to listen to. She needled the local economists no end, but they didn't really resent it.

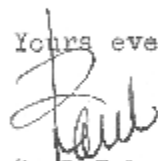
George and I have rewritten the introduction to our Markets in Africa book for possible publication in the Economic Journal. I don't know if he has sent you a copy or not, but I am having ditto masters cut here and as soon as I get copies I'll send you a couple. If you have the time and inclination, we would very much like your comments on the new version of it as we think it has some refinements on our former position which are of some importance.

I am also in the process of writing the three chapters on Economics for my textbook in Anthropology. I would like to send these to you, also for comment when a decent version rolls out of the typewriter.

Mrs. Robinson tells me that your last bout with the doctors came out very strongly in your favor. Needless to say, I am delighted. When you come to New York again, do let me know because I might be able to get there.

I ran on to another friend of yours - Nathan Keyfitz - at a meeting of the Social Science Research Council a month or six weeks ago. He seems a very nice man indeed, but I didn't really have an opportunity to get very well acquainted with him.

Yours ever,



Paul Bohannan

PB/lb

1

RUTGERS • THE STATE UNIVERSITY

COLLEGE OF ARTS AND SCIENCES

NEW BRUNSWICK, NEW JERSEY

10 May 1961

Dear Professor Polanyi,

This is just a note to ask you to write some kind of recommendation for me, if you feel so inclined, for my dossier at the Columbia Placement Office. I am enclosing the form. I would have preferred to wait until I had published something, but this still seems like a year away. In the meantime I would like to be in a position to ask to teach graduate courses both at Rutgers and in City College ( where I am already teaching one).

I will write again soon.

Sincerely,

Paul M.



Maróti

11. május 61.

Kedves Professzor úr,

közelebbről levelet, amit meg a körülmöl való előzetesen  
után látni lehet. Nagyon jól az a figyelmese endellátott bejegyzés  
írás. Jelenleg az újra dolgozások állapotban vagyok / kel két hónap  
nyári utáni) és mint mondani, minden bejegyzés után, én is életreforma  
programokat megírok, nagyon fogok a jövőben nyugodtatban, ingotomna-  
biólógián, talán elavult élményei pillanatnyilag a legújabb oktatásnak  
jelenleg vagyok.

Levegőt és munkát én meg örömmel csatlakozok meg és talán  
tudnám is gondolatok cseréje, a baráti egy véna málan jóval fiatalabb  
és rendelkezés a generációk közötti megismerésnek.

Összességében optimizálás egyik jelle, hogy elég erős társadalmi érzék, hogy  
előre lépés - feladat, vagy egyéb publikáció a közéleti körökben. Sajnos  
hiányzik az elméleti tartalom és az érdekes megközelítés, (adott körülmények, vala-  
mely érdekes, tudás, hogy a társadalmi és a gazdasági és közéleti  
körökben, a költés és az igazság közéleti.) vagy az endellátott körülmény  
határozó tényező.

A megadott általánosítások (prelektori kötetek mellett) minőségirányítási  
de rendszer a gondolatok és az adhatóság körében (és meg nem lehet  
csak az általánosítás és az nem megfelelő megközelítés), rendszer a legújabb,  
hogy ezt a címet valóban is leírni.

Nagy segítség lehetne, ha tudnánk gondolatok cseréje közvetlen  
lehetőség lenne feltétel, arról, hogy haltsa újra program  
írás levegőt, vagy valamely revezető közvetlen való bejegyzés

Levegőt levegőt mindenképpen előre és levegőt levegőt  
levegőt levegőt levegőt levegőt levegőt levegőt levegőt levegőt  
levegőt levegőt levegőt levegőt levegőt levegőt levegőt levegőt

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biólógián, talán elavult élményei pillanatnyilag a legújabb oktatásnak  
jelenleg vagyok.

Very far <sup>stone</sup> study group (James)  
on the hybrid of ec (plans)  
socialist &

diverse interest  
e.g. pricing allocation  
Polish literature  
Indians etc.

Autumn; prepare the ground

Prof Waldron

(Dated Timberlake work)  
(Muir)



Dear Karl:

Thursday, 11 May  
1967

I am now back in England and working at India House to put the final touches & updating to my miss for Yale Press on land tenure. Will then go to work on notes & figures from the mining survey I made with 2 geogs at Chandigarh and send to them for their part & revision; & in between do a pile of book reviews.

At any rate I see myself quite busy until the end of July & even thereafter, but plan to return to the states about the 1<sup>st</sup> of August, and of course am hoping that we can have a get-together in NYC during August. I find I miss you & Harry very much when I am away & you people are one of the few things that makes me want to return.

India I like, but I seem to be accident prone in my associations. Whereas last time I didn't care for the "boss" in any way, shape, or

form, the Chinn this time was a most-pleasant person, but as an economist and a dog head he was an aberration. I also felt he needed help -- see his family psychiatrist -- and I spent entirely too much time listening to what can only be called drivel. The mining survey suffered in consequence, and is not up to what I had hoped for, but I

think we did get enough to present a reasonably interesting preface to a case study. Anyway, I hope we did. To my great regret the possibilities of his formal work at S. are much diminished.

The family enjoyed the visit. They are now returning by PBO to Europe & I meet them next week in Paris -- and Jonathan was having such a good time at the end that he did not want to leave. Well, & not (a) the frustrations of the job, and (b) the fact that Chandigarh is a cruel service town like any other one would, even I would have been sorry to leave myself.

There is no doubt in my mind that India is a good deal better off than she was five years ago, whatever the statistics you wish I distrust, say, Shogo have a much wider variety of better made Indian goods, more workpeople are wearing better shoes, wages are up and locally one can find pockets of labor shortage, surprising as it is. The gulf is that many of the middle classes are becoming cynical in an extreme and foolish way. My fear is now that India will fall in its development program but that Indians will become convinced it has failed, contrary to evidence. But even so, I am still a strong supporter.

My best to Miss J  
 home  
 Walter



Dr. Karl Polanyi

RR # 3

Pickering

Ontario

Canada

Second Fold Here

Sender's name and address: W.C. Meale of R. Lange

4 Charon St Pauls Rd

Dorking, Surrey, England

AN AIR LETTER SHOULD NOT CONTAIN ANY ENCLOSURE; IF IT DOES IT WILL BE SURCHARGED OR SENT BY ORDINARY MAIL.

1000-400-0001



14.  
May 27, 1961

Dear George:

pp. 5 to 7 lack precision and may induce fateful confusion. I do not dare to suggest definite formulations, rather a more circumspect (even though longer) phrasing seems advisable.

The heart of the difficulty is that no definition of the economy is given. Instead orthodox analytical terms (factor ingredients, input and output, "produced outputs (?), produced services (?), "the forms (?) which specific inputs and outputs must take"--each of these terms is either vague or incorrect or both and seems to be aimed at concepts, which imply a frame of reference foreign to the ideas presented). Moreover, these terms seem general enough to comprise any industrial economy employing pricing, costing and surplus concepts, while later on market institutions are solely mentioned as a requirement. This introduces a vagueness of meaning into the whole argument, indeed, into the theme of the essay.

I like the contrasting of 'economic' to non-economic spheres, the latter involving rights and obligations. But the handling of these is seriously inadequate. They are in effect equated as the positive and negative sides of one and the same situation. When they are handled as the rationale of exchange in two of the patterns of integration.

The anthropologist, I believe, would have to insist that the central administration (or redistributive) pattern does not imply mutual obligations, but is an operational characteristic of the "to the center and out of it again" movement. Only exceptionally (in some 'feudal' situations) is there correspondence of rights and duties. To deliver to the chief is instituted with the Trobrianders along fictional reciprocity lines, while the chief's obligations are not "reciprocal" at all. Even the sister's support obligation ~~xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx~~ does not appear as reciprocating "exchange". The introduction of "market-exchange" or "transactional exchange" notions destroys the usefulness of the operational pattern concept. It belongs to the "economy as instituted process" and to the appropriational movements of which it consists.

The worst of it is that no "transactional" exchange occurs between mutually obligated persons in the "redistributive" cases. While the exchange pattern must be "economy-wide"--a very useful term--in order to 'integrate', 'redistributive' and 'reciprocative' appropriation need not be economy-wide but may also apply to sections (levels ~~xx~~ and branches) only.

Another weakness is this: to restrict 'economic' to non-socially motivated' appropriations seems to offer a definition of 'economic' which would limit its meaning to 'exchange-acts'--which is certainly not possible in this paper. Some other definition of 'economic' must be suggested, I believe.

However, I agree to the intent of the passage which is to distinguish market transactions sharply from socially embedded act.

KP

**BARD COLLEGE**  
**ANNANDALE-ON-HUDSON**  
**NEW YORK**

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KP



ed "Anthropology + economic  
development"

May 14, 1961

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May 17, 1961

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KD

R.R. 3, Pickering, Ont.  
(Canada)

~~Dear Sir,~~  
~~also~~  
~~the political aspect your~~  
~~strong critical attitude to~~ 15th May, 1961  
~~King's Speech~~

If there is also your personal  
you have made 'inner' and 'outer' products  
and 'the' 'inner' part of the

Darling Dorcas - it is so good you write  
I understand it all much better now  
and was very much touched by your  
friendship and concern. Always all, our  
should you true to type.

Objectively, ~~speaking~~ your absence will  
reveal itself only felt, quite apart from  
~~the importance of~~ ~~There are, naturally, degrees~~  
~~in mechanism and non-mechanism - deep~~  
~~down, in one's true self, ~~the~~ ~~your~~ ~~are~~~~  
~~an more solid than (any one) I ~~truly~~ ~~seem~~ ~~to~~~~  
simple and political ~~and~~ this argued  
for participation, not withdrawal, ~~where~~ ~~the~~  
~~independence is the aim. So, ~~as~~ ~~before~~ ~~was~~~~  
~~for~~ I beg you to forgive me for ~~not~~  
~~at~~ ~~least~~ ~~to~~ ~~reach~~ my personal  
insistence, for the enhancement of  
~~may~~ ~~have~~ ~~been~~ ~~concerned~~. ~~(~~ ~~then~~ ~~must~~ ~~have~~ ~~come~~ ~~)~~ you.

As to the project itself, we ~~point~~ agree  
that it is an ambitious plan, and ~~it~~ very  
~~very~~ far from <sup>being</sup> assured of success.

~~Indeed, if Griffiths' data are not an  
adequate basis for alternative views not  
possibility, you say it is impracticable.~~

There is no reason, I think, to press it.

We do not accept that it is ~~impracticable~~

~~for intrinsic reasons for ~~that~~~~  
~~- i.e. unacceptability~~

~~if we have it, we'd give it up.~~

~~Recently~~ Some days ago I drove to

Ottawa to discuss the whole matter  
with my ~~friend~~ <sup>the Clerk</sup> friend, who is 'Change' d'Arques  
there. ~~He~~ On that level it got

~~the warmest possible reception~~ the

idea got the warmest reception,

and very <sup>able</sup> thorough consideration.

While such it may ~~soon~~ lead to

the participation of the whole

bulk of our crowd, so we are

and give the venture the funds;

~~we hoped for it~~ at the outset.

(for which we hoped)



Keirstead

Institute of Social and Economic  
Studies  
The University College of the  
West Indies  
Mona, Kingston.

15, May, 1961.

Dear Colleague,

M. G. Smith, a colleague here, has just given me your paper on Anthropology and Economic Theory from the review, Cultural Anthropology (copy I have is photostated and undated.) My dearest friend and former colleague of McGill days has just been here as my guest and has just left, Ben Higgins. I wish I could bring you two together. He, of course, knows your work and I suppose you know some of his. Your minds move alike. He gave a lecture here which in many ways, not all, was very close to your article. Maybe we can get Ben to Toronto sometime and you can meet. I am sure you would find him both stimulating and congenial.

The world of scholarship is a remarkably small one. Today, just in the compass of 24 hours, I have seen off my dear friend Higgins, who talked about you, came back to our I.S.E.R., met Smith, he gave me the photostat of your article, which I have read with interest, admiration, and admittedly some criticism; I am now writing you, and in an hour's time I leave for the airport to meet your daughter Kari, who is coming down to help me wind up this study of freight rates and transport policy. At one time I should have regarded this as a quite extraordinary concatenation of events. But no longer. I have become arrogant, vain, what you will: at least sufficiently aware of the academic world to know that people like you, Higgins, (and now Kari) and myself "run across each other" in the most improbable circumstances.

I think -- and this is worth little-- and my colleague M. G. Smith thinks --and he's a tough critic-- that your A. and E. T. article is one of the best things you've done. Not like the Transformation book, admittedly, but a very important article. .... I'm sorry, I meant to write on, but I've just looked at my watch. I've got to grab a sandwich and get off to the airport to meet Kari. I am so glad and grateful she is coming. There are some ticklish points to work out, and I value her statistical competence, but even more, her general economic judgment more than I can say. Also she is with Joe's approval and Peter's (my wife's) staying here. It will be wonderful to have her company. Until Ben came. Louise (our Jamaican housekeeper) and I did not know what to do with ourselves after Mrs. Keirstead left. Ben's visit was wonderful. Kari's will be even more so. I must go and meet the girl. I've just time. My best to you. I must and Mrs. Polanyi,

Burton Keirstead

J.P.F.O.

Jan arrived safely - quite tired. She has had sandwiches and tea and has now gone to bed. It is a great pleasure to have her here.

Yours,  
B. H.

RUTGERS • THE STATE UNIVERSITY

COLLEGE OF ARTS AND SCIENCES

NEW BRUNSWICK, NEW JERSEY

13. V / 61

Dear Professor Polanyi,

It is about time that I send you a copy of your outline of an article on 'Propaganda'. I sense that it contains, among other things, the elements of a correct approach to the problem of literary criticism, in which the historical context of artistic work generally may be related to the emotional elements that are involved.

After ten days or so of rest and a brief digression into mathematical problems I am back in the world of politics and of "The Great Transformation in 1960 and Coexistence". I have read over all my notes and scattered pages of first drafts, and this has made the subject alive in my mind, once again. And I have begun reading The Great Transformation once again, this time from the point of view of another reader. This week is the last ~~at~~ one at Rutgers, except ~~for~~ for examinations.

I have also been thinking of the journal. It is becoming clear to me now that it is in such a journal and not in a variety of scientific journals that I would like to publish a good many of the articles that I have in mind, including one on Kerr etc that I half-wrote last week.

Best regards to Mrs Polanyi, and to Abe.

Sincerely,

*I will send you the money shortly. There has been a delay at Columbia.*  
Paul M.



University of Chicago Press

THE UNIVERSITY OF CHICAGO PRESS

5750 ELLIS AVENUE - CHICAGO 37 - ILLINOIS



May 16, 1961

Mr. *K*arl Polanyi  
Dept. of Economics  
Columbia University  
New York 27, N. Y.

Dear Mr. Polanyi:

I was most interested in your brief report in the American Philosophical Society Yearbook (1960) on the cooperative study you undertook to do on the early development of trade, money ~~in~~ <sup>and</sup> market institutions.

There is in a broad (and we hope useful) sequence of our volumes in archaeology, early man, and ancient history, room for just such a volume as might emerge from your present studies.

Is it premature to ask if the study continues and if it looks toward any written summary which might conceivably offer an attractive volume, large or small? While it might pose as many problems as it solves, it would at least organize what is known and venture some reasonable assumptions about a much-neglected area.

With best wishes.

Sincerely yours,

*Carroll Bowen*

Carroll G. Bowen  
Assistant Director

h



17th May, 1961

Dear Rudolf,

This will find you back in the Holy Loch, and possibly cross with yours (if you did see Th. H. on your trip south). We did find your letter of 3rd May very sober and sensible in all regards. We're delighted that F. is bringing out your two books. (Thanks, for having us sent Science and Society with your very excellent article!)

There was some recent correspondence with Doreen: she wrote in friendship and sincerity, to say it isn't her cup of tea. Anyhow, that's what it amounted to.

While we wait we can not do better than to strengthen the existing basis and to go on patiently building it up. It should make a real difference how much of it there is, even in case of a No from Milan. So I made a move to tackle the Poland end. We do not know whether at the time Joan saw M.K. about it or not, but if my initiative works out well, it will broaden out the prospects for all ~~many~~ direct contacts.

You may remember that I wrote in earlier times that I am on friendly terms with the Polish Chargé d'Affaires in Ottawa. Some years ago I made a donation to Poland of an inherited family treasure (drawings, now in a Polish museum). The young fellow in Ottawa (a graduate of L.S.E.) who handled the matter is Mr. Mieczyslaw Sieradzki. We soon found that we had friends in common, and the good relations and occasional visits were kept up over the years. Some time ago I wrote to M.S. saying that I would like to visit him and talk something over. His answer got lost in the Canadian mail, eventually got back to the Embassy and reached me with many weeks' delay. Thereupon we arranged that I shall come down to see him at once.

So I drove to Ottawa a few days ago, for a lunch engagement, which spread out into a three hours' talk. I told him about the idea of the journal, the personnel, the publishing side, and asked him for his own personal opinion on the chances of Polish participation. The reception was extremely ~~friendly~~ friendly. His points were, that he, personally, would welcome it very much and would be much surprised if it did not find the same reception in Poland; that the most important person is without a doubt Oscar Lange, who also would be the right man to point out the best people in U.S.A. whom we should approach; that the journal would have interest for the Poles mainly if it ~~was also read in North America~~ was also read in North America (that was the point he stressed most definitely); that the most brilliant crowd of Poles is the editorial board of "Polish Perspectives", an English and French language monthly (which is excellent, but they ~~have~~ so far failed to get it into circulation) - incidentally, this board includes all our desirables: Kalecki, Lange, Schaff, Slonimski, Infeld, and about another dozen brilliant Poles -; that it would help if Maurice Dobb were among our contributors (I said I believe there would be no difficulty at all about that); that as an immediate step he would advise that a letter should be written by us to someone we know - that's Infeld, who is also a friend of M.S.'s - which letter should be only a preliminary, further details can

follow later, and that this letter should go officially through the Embassy. This is a time-consuming process, but it is thought to be the right way. We are writing to Infeld to-day.

Clearly, this should be later followed up by letters or conversations which you and/or Joan might conduct. We understand that Joan is continuing her grand tour for yet some time. (Delighted rumblings come occasionally from where she picked out someone of Karl's young scholars).

This is all for to-day. I sent a line about the Poland initiative to Valiani, as it might be good that they should know of it in Milan. Hope Mita and you had a lovely holiday drive. Did you meet Hodgkin?

Best regards,

P. S. Sieradzki is the man who succeeded in years and years of effort to re-claim the Polish National treasure from the Quebec fascists. He is now going back to Warsaw, and from there to some other diplomatic assignment. But he made it clear that I can find him wherever he will be sent, and he made sure that in Ottawa his successor will be fully informed of this matter, and continuity kept up.

One more sidelight: S. drew my attention to the fact that the Pol. Perspectives crowd had very close contacts with the French intellectuals and they may, eventually, help us in that field.



Man 117

May 17, '61

Dear George

I have read "Anthropology and Ec. Bvt" over and over again. It has definite merits over the earlier papers, and I liked it very much at first. But the weakness which went along with the undeniable improvements began to loom larger. For one I do not think that an economic journal of standing would accept it. (1) In its present form it lacks precision (2) its semantics are unacceptable (3) where the real mieri~~d~~ should come in namely, the substantive (new) terminology, it is basically confused. Follow the use of the term "exchange" through and you will see what I mean.

I found it not possible to suggest corrections that would stand up. I am very conscious of the weaknesses of some of the formulations I have been using myself in my various drafts of my theorems, but it does not follow that I could produce the correct formulations on the spur of the moment.

I therefore did this: (1) I restricted myself to the first half (18pp) of the paper, (2) Suggested corrections profusely and courageously irrespective of nonsistency and even logic; (3) but that doesn't mean that my suggestions don't make any sense, because they cannot stand in the final test. I simply regarded them as indications that something's wrong. (4) My advice is to put a lot of work into it so as to produce the real thing. As it is it is merely "an essay" on the theme, not a systematic discussion of the subject. (5) The second half (pp. 19-36) should be published separately. It is of great interest on its own--a new chapter in economic anthropology volume (?) deserves further elaboration and should not be wasted as a non-fitting second half to an essay on another subject (which does not incidentally, gain by this sequel).

Your "Production in Africa" stands out as the most closely knit, lucid and theoretically purposeful paper of the lot? It think it deserves being published in a good journal.

I am very sorry to have let you down this time, but not for lack of trying to do my best. Do come in June--indeed, any weekend except 3rd-4th of June. Give me please, your impressions of this comment. I'll do my best to improve on it. As ever,

Karl.

NEW YORK  
UNIVERSITY OF COLUMBIA  
BYRD COLLEGE

Mar 17, '61

Dear Prof:

I have read "Allen & Co. Dpt" over and over again. It has definite merits over the earlier papers, and I liked it very much at first. But the weaknesses which went along with the undeniable improvements began to loom larger. For one I do not think that an economic journal of standing would accept it. (1) In its present form it lacks precision (2) its semantics are unacceptable (3) where the real merit should come in names, the substantive (new) terminology, it is basically confused. Follow the use of the term "exchange" through and you will see, what I mean.

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Give me, please, your improvements of this comment. I'll do my best to improve on it. As ever Karl.



(Paul Bohannon)

May 18, 1961

Dear Paul -

George's 'Production in Africa' and the joint 'Anthropology and economic development' have~~x~~ now gone with my comments to G. D proposed 'to try to have pp. 1-18 with some improvements published in an economic journal; and to separate off pp. 19-36 for separate publication.

The first half contains, I agree, a number of improvements over previous formulations of our common theme~~s~~, these improvements should not be sacrificed. However, they have not yet been unified with the frame of reference, the substantive terminology and the fundamental postulates of the theorem. See the different uses of the term 'exchange' and its ubiquitous reference to 'transactional' phraseology. Now, 'transactional' - a joker of economic sociology - is really 'exchange' with a juridical spice. The two together represent a reversion to Mises' catallactics. Our common hero, Steiner, tried to save its sound use through his discovery of disengagement (it plays the role accorded to Grace in Calvinism's catallactics of original sin.) Yet it doesn't disengage the twentieth century from the eighteenth~~and~~ <sup>in</sup> still leaves economic anthropology chained to the wheel of Ixion of transactionalism or exchange acts, the Procrustean merry-go-round~~s~~ of Adam Smith's 'barter, truck and exchange'. Incidentally, the Smelser-Parsonian Grosse Krumme, that American Peer Gynt called "Economy and Society", got bogged down in a nightmare of transactional 'interchanges' between spheres constructed of 'aspects'. The secret of how the actual spheres get instituted lies (I still believe) in Steiner's 'disengagement'. Only, he himself missed resolving this prize problem of sociology by his eighteenth century entanglement with exchange, thereby narrowing down his concept of disengagement. Our elite circulation, ranking of



moneys, moralizing of exchange — the Tiv's ~~Mimbahua~~ Nibelungenhort &—  
i.e., all that which went into your "multicentricity" concept' evaded  
Steiner's magic reel of 'transactions'. Distribution is not a form of  
exchange, nor was reciprocity the origin of Mauss's 'l'échange'. Strike  
these remnants of analytic economics from G.'s paper and its concepts  
emerge ready to crystallize. In their present bastard form they must  
fall an easy prey to the analyst's harpoon. They must strike him as an  
attempt at an alibi that has misfired. Instead of a convincing picture  
of a new vision (as your presentations evoke) it all leaves the theorist  
suspended between two worlds which are neither fused nor separated.

May 17, 1968

1. Max Paul -

George's 'Production in Africa' and the joint 'Anthropology and Economic Development' have now gone with comments to G. I proposed to say to have pp. 1-18 with some improvements published in an economic journal, and to separate pp. 19-36 off for separate publication. I agree

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2  
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K





THE  
UNIVERSITY  
OF  
MICHIGAN  
PRESS

ANN ARBOR

May 18, 1961

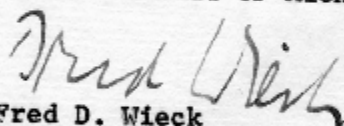
Prof. Karl Polanyi  
R. R. 3  
Pickering, Ontario  
Canada

Dear Professor Polanyi:

If you do not get the copy of the ECONOMIC ATLAS OF THE  
SOVIET UNION by June 1, would you please let me know?

Sincerely yours,

THE UNIVERSITY OF MICHIGAN PRESS

  
Fred D. Wieck  
Director

FDW:emk

R.R.3, Pickering, Ontario,  
Canada

18th May, 1961

Dear Professor Infeld,

Perhaps you remember us still from the old Toronto days: Karl and Ilona Polanyi. We are now retired and live in the same little house where Helen once visited.

Retirement does not mean inactivity, we find. On the contrary. After a ten years' stay in North America, during which Karl was connected with Columbia University and deeply involved in historical and institutional research in economics, we visited England and the Continent twice, in '59 and in '60. We saw old and trusted friends in England, Italy, Austria and, of course, in Hungary.

The general intellectual atmosphere in West Europe was appalling. It reflected the penetration of cold war influences on all levels, openly at work to undermine and paralyse the will to live embodied in the idea of co-existence. A one-sided discussion is being carried on and a flood of pseudo-argumentative writings put out attempting to confuse the minds. The progressive literature and the new thought that the changing world produces fail to organize against the reactionary tide. We found no organ in the non-socialist countries to equip them for the requirements of the ideological and scientific struggle. There is a need to recognize the problems evoked by co-existence, and to search for their adequate solution. In this, socialist and not yet socialist countries should join forces.

In England we talked about these matters with our close friend Professor Joan Robinson in Cambridge, and Rudolf Schlesinger, the Editor of "Soviet Studies" in Glasgow; in Italy, with the historian



Leo Valiani, in Milano. With their active interest and participation the plan shaped up of a periodical "Co-existence - Studies in the economic, institutional and intellectual problems of a Changing World." These conversations took place at the end of December. last. Since then explorations in many directions followed.

We are now writing to you at the suggestion of Mr. Mieczyslaw Sieradzki, the Polish Chargé d'Affaires in Ottawa, whom one of us (Ilona) visited a few days ago, and who also kindly offered to have this letter forwarded through Polish channels. We are familiar with the monthly "Polish Perspectives" and would like to ask you, as a Member of its Editorial Board, whether you and your colleagues would assist with the benefit of your advice. We need not say that the plans are still very much in a formative stage, and that we are, of course, most ready to give you all the information, if we may.

With kindest regards to yourself and your family,

Yours sincerely,

Karl Polanyi

Ilona Polanyi née Duczynska

20 May, 1961

Dear Karl,

I told you that I would write what is in my mind and in my heart; but especially the latter I find difficult if not impossible to express. So perhaps the bare facts first. I have accepted the appointment (soon to be announced) as Dean of the College, effective July 1. My formal conditions of acceptance were that I should be able to continue to teach and to be given free time each week for scholarship and writing. Specifically, I will teach one course of my choice each year (plus sometimes a one term introductory course) ~~and~~ but I will not be burdened with student counselees as they are called here, and I will have two days of a six day week free entirely for my work. I honestly believe that ~~xx~~ this arrangement will make it just as possible, if not more possible, for me to continue my work. There was no real pressure put on me to accept the appointment, but I had twice before refused to consider myself as Dean. This time, in addition to the President and the Trustees, a majority of the faculty asked me to consider the appointment. I did, and finally accepted, making clear that if, after a trial period, I found myself losing ground as a teacher-scholar I would resign, and return to teaching with no prejudice. All accepted. There is, I think I should add, a very clear indication from more than one source, that this might very well be a step to the Presidency here, but I have made it absolutely clear that I do not see myself in that role here or elsewhere.

Your general reservations about my entering this kind of role apart, I often think that you more than anyone I know will see the humor in my entering an administrative role after my superlative performance with the Project. Yet the strange thing is that with an admitted ambivalence I have always been attracted to the kind of direct confrontation of men and ideas in meetings, argument, decision-making, the nuances of feeling and meaning that I can never put into writing but which I can experience in the endless talking, disputing, deciding -- the politics of a free community. And, oddly, some of my best achievements, I believe, and my most rewarding experiences ~~xxxx~~ have come from this kind of activity. This, I guess, comes closer to saying what is in my heart too. I have not really been able to stand my life for some time. There are many reasons for this, but one certainly is that the attempt to express what is in my mind and heart exclusively through the medium of the printed page drives me again and again to a ~~kind of desperation~~ <sup>kind of desperation</sup> bordering on despair. It has more than once occurred to me that if it were only possible to vary somewhat the kinds of activities and responsibilities which I have to confront, it might help my general state of mind.



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Dear Karl,

I told you that I would write what is in my mind and in my heart; but especially the latter I find difficult if not impossible to express. So perhaps the bare facts first. I have accepted the appointment (soon to be announced) as Dean of the College, effective July 1. My formal conditions of acceptance were that I should be able to continue to teach and to be given free time each week for scholarship and writing. Specifically, I will teach one course of my choice each year (plus sometimes a one term introductory course) ~~and~~ but I will not be burdened with student counselees as they are called here, and I will have two days of a six day week free entirely for my work. I honestly believe that ~~kk~~ this arrangement will make it just as possible, if not more possible, for me to continue my work. There was no real pressure put on me to accept the appointment, but I had twice before refused to consider myself as Dean. This time, in addition to the President and the Trustees, a majority of the faculty asked me to consider the appointment. I did, and finally accepted, making clear that if, after a trial period, I found myself losing ground as a teacher-scholar I would resign, and return to teaching with no prejudice. All accepted. There is, I think I should add, a very clear indication from more than one source, that this might very well be a step to the Presidency here, but I have made it absolutely clear that I do not see myself in that role here or elsewhere.

Your general reservations about my entering this kind of role apart, I often think that you more than anyone I know will see the humor in my entering an administrative role after my superlative performance with the Project. Yet the strange thing is that with an admitted ambivalence I have always been attracted to the kind of direct confrontation of men and ideas in meetings, argument, decision-making, the nuances of feeling and meaning that I can never put into writing but which I can experience in the endless talking, disputing, deciding -- the politics of a free community. And, oddly, some of my best achievements, I believe, and my most rewarding experiences ~~come~~ have come from this kind of activity. This, I guess, comes closer to saying what is in my heart too. I have not really been able to stand my life for some time. There are many reasons for this, but one certainly is that the attempt to express what is in my mind and heart exclusively through the medium of the printed page drives me again and again to a kind of desperation bordering on despair. It has more than once occurred to me that if it were only possible to vary somewhat the kinds of activities and responsibilities which I have to confront, it might help my general state of mind.



The alternative is to leave Bennington, and my loyalties to the work and ideas of TR. & M are stronger by far than my loyalties to Bennington so that I am ready to do that if the opportunity arises. But here I know this depends on my producing something that makes someone willing to take the risk, and the more I recognize this, the slower comes my writing, and the more dogged ~~my~~ my pride so that I cannot produce a dissertation just to get a job.

There is much more but I don't know it all nor how to put it down. One thing is an ever increasing feeling of alienation from the values of a growing section of academia. But enough of this. I am making no irrevocable decisions.

A letter from Paul tells me something of GD's newest Africa paper, and it does sound as if there may be an idea in it. I very much hope so, for in the long run it would surely be damaging to him as well as to us for him to go on paraphrasing.

I am enclosing a nice letter I received from my small Challenge piece. I have had no time since classes began to finish the re-writing of this into a chapter of the book, but it is very nearly ready and, of course, I'll send it as soon as I have a copy. Actually the book, in conception, now begins to shape up very well, and quite a bit of it is written and outlined. I should add that in the form I now see it, it is not a dissertation; but I believe it might be a useful comment on the current dilemmas of political economy. ~~I am~~ I am soon finishing an outline of the whole thing and will be eager to see, better to hear your reaction. If you plan to be in N.Y., please let me know. If we can't meet there, we have a new car now, and might make the drive to Toronto sometime in early summer.

I must close now to get this off to you; its already Monday. I was deeply touched by Connie's words, and you know that you are never out of my thoughts.

My love to all.

May 21/61

11 Tranby ave, apt 4  
Toronto

Dear George,

Returning from a holiday in Montreal, I was talked at length by Karl about your & Paul's paper "Anthropology & Economic Development".

The upshot is that Karl would like to have another look at it, & asks whether you might transfer his marginal corrections to another copy and return the copy he sent you.

The number of things coming out from under your typewriter is impressive. I liked the Kostas piece a lot, but have reservations on the indigenous economic organization of the British

dominions. I happen to  
be doing some work on the  
Canadian fur trade and  
it seems to point the other  
way. (non-market organization)

Of course the transition to  
a market economy is a  
historical fact in Canada &  
probably occurred prior to Rostow's  
'take off' date.

How's preparation for Liberia?  
Best current advice is by  
Peter Sellers - recent record includes  
a skit on the British civil  
servant in Africa which is superb.

Regards,  
abe



Inverloch, Kilmun by Dunoon, 23.V.61

Dear Karl and Ilona,

your Polish news are good, indeed—please follow them up with as much ~~speed~~ speed as possible so as to have something for me to tell F. (from whom I have heard no more than his signature under the two contracts)—hope (see below) that I, too shall find something encouraging to tell him. The only flaw in the Polish business is the potential overweight of the literary people (more amongst those who perform the actual editorial job than amongst the other Board members, who ~~include~~ include, indeed, all our desirables: this ~~is~~ impression is strengthened by the fact that M.K. told Joan that he was sure we would find Polish contributors, but was himself not particularly eager). But from F.'s standpoint, who has precisely the same bias, this is no flaw whatever—and what we need is to get him to move.

*Eberly*  
It was nice with the Hodgkins, and there was complete agreement—unhappily also on the point where I would have liked to get corrected, namely the impossibility of finding a publishing basis other than F. Could you very tentatively (for the world is round, and F. will learn about everything discussed) ask Muir what he thinks about these problems, and, if he has anything positive to say, to get in touch with me? The only new result of my talk with T.H. was his insistence that the African etc. people would not like to contribute to a journal in which one or two of them, and one Easterner, were added to a Western body—he suggested five or six from each of the three 'camps'. No difficulty in the West and, if he helps us properly, in the underdeveloped countries—as to the East, the condition could be fulfilled formally if we get four or five Poles, and Valiani has already two Yugoslavs. But would this help, or not rather introduce again some 'Revisionist' flavour? T.H. thought of course, of having amongst the Easterners Russians proper—but whom? Here we come to the issue of Orthodoxy which, as both of us realise, dominates the very type of person whom we meet on international Conferences. Yet he wishes a Soviet specialist in his field—surely an excellent idea—and there is just a chance to get him and others, at the following occasion:

Before Dorothy Hodgkin met us, she was at Oslo, and suggested to a Judge Barnavie, who is organising a European Conference for June 9th-11th that I was a desirable participant; she wrote me also, to the Dartmoor address given to her (already before we met) that I should approach B. (told me also the Oslo people pay fares, which I did not fail to mention to B.). I immediately wrote to him (from the Moor) and she thinks that the contents of my letter were just what those people required. Well, let us see what reaction will come. But if there is a positive one, I would meet there Gunnar Myrdal and Ilya Ehrenburg (and Poles, of course, too): I.E. ~~is~~ Tomas Hodg. thinks, might form an excellent bridge to the Russians he desires. I am not so sure about this—he is bound to be cooperative but is in a peculiar position: but this would not matter for the basic issue of getting the journal going—one great Russian name would make a group of Poles and Yugoslavs appear very different. And, I hope, I.E. is not one of the kind of person of whose resignation in case of ~~one~~ disapproved article one must be afraid (I have, of course, this fear towards the Left as well as towards the

Right—rather more to the left since F. would not stop us if, say, Gunnar Myrdal after a short honeymoon would have resigned (unless, of course, he would have been one of the Trustees—against which I objected from the very start) while I strongly doubt his firmness if Russians would resign under orders. But everything would look very different after an Oslo success—well, at first we must have it: and even my invitation, or failure to be invited, would be an important symptom (Dorothy H. believed that she did the Oslo ~~vass~~ ~~an~~ greater favour than me by suggesting me—we were only shortly together, and I have no idea whether the two Hs are sufficiently experienced in the mechanics of those things to get a realistic appreciation).

Well, we had a fine drive—with full spring in the South, and, in the result, a double spring as it is just arriving here.

Best wishes from both of us

First fold here



Dr. Karl and Mrs. Ilona Polanyi,

R.R. 5.

Pickering (Ont.)

Canada

Second fold here

Schlesinger, Inverloch,

Kilmun by Dunoon, Argyll, Scotland

Sender's name and address:

AN AIR LETTER SHOULD NOT CONTAIN ANY ENCLOSURE; IF IT DOES IT WILL BE SURCHARGED OR SENT BY ORDINARY MAIL.



To open cut here



Paul Meadow

RUTGERS · THE STATE UNIVERSITY

COLLEGE OF ARTS AND SCIENCES

NEW BRUNSWICK, NEW JERSEY

23 May 1961

Dear Professor Polanyi,

I went to Brooklyn College yesterday and had lunch - a very long lunch - with Kapp. He is truly an interesting person, very independent in his thought processes and very close to our ~~views~~ views on most things. He appears to have read <sup>parts of</sup> Trade and the Market closely. We discussed, in particular, the <sup>difference</sup> ~~distinction~~ between your distinction ~~and~~ between the substantive and the formal meaning of economic and Max Weber's distinction between formal and substantive rationality.

As for the graduate program, it has apparently been postponed until after 1963 through the efforts of Long Island University. ~~Even then~~ ~~Kapp has~~ ~~in mind~~, I gather, ~~the~~ ~~merely~~ the contents of a course or two: institutional economics (Kapp prefers the term non-market economics for the relevant cases) would be <sup>simply</sup> ~~one~~ of the fields in which Ph D's might specialize. He agrees that AF Burns and Columbia might be interested in the kind of specialized program that we worked out for Rutgers, and also mentioned Prof. Gruschy, at the University of Maryland (near Washington) <sup>in that connection</sup>. In Europe he felt that Prof. Egner at Göttingen and E. Salin at Basel (Kykkos) might be interested ~~x~~ and ~~xxxx~~ <sup>should</sup> certainly be consulted. It seemed to him, however, that a first step might be to found a journal, or to take one over. We then both speculated that if foundation support might be obtained for such a journal, then it would be easier to convince a university to provide a home for a corresponding specialized program. ~~xxxx~~ As in the case of the Journal of Entrepreneurial History at Harvard.

Kapp appears to have wide contacts and a respected standing in the profession. I gathered that he <sup>is</sup> ~~was~~ on good terms with Galbraith. I think that many economists would attach significance to his support of your position, should the occasion arise.

Quite by accident I was able to give him some information that appeared to interest him very much. Just the day before I had finished reading parts of C. J. Hitch's book on The Economics of Defense in the Nuclear Age, in which he demonstrates that the methods and principles of the formal model may be applied to a wide range of ~~xxxxxxx~~ military and procurement decisions of a non-price character, particularly with the aid of linear



among other things,  
programming. This makes it quite clear that economics has almost nothing  
to do with the economy. But it also shows ~~that~~ how one goes about ~~applying~~<sup>applying</sup>  
it to sectors in which no prices in the market sense exist - by constructing  
relevant ~~index~~ composite indices/expressing all kinds of exogenous valuations  
or mixtures of valuations. It then appears that the concept of opportunity  
costs, when expressed in real terms rather than in money terms, provides  
a wider basis for decision making than do ~~prices~~<sup>market prices</sup> alone. In fact, Kapp  
agreed, the facts of the case, in such ~~decisions~~<sup>non-price</sup>, almost predetermine  
the decision itself. But particular interest attaches to the application  
of constraints to relations among means and ends in a system under  
analysis. The linear equations expressing technological relations re-  
present one type of constraint. The ~~total~~<sup>total</sup> budget available for ~~all~~ military  
purposes ~~might~~<sup>are</sup> ~~would~~ be another. But additional ~~mathematical~~ equations  
may be added that represent policy-derived constraints. One might add  
an equation stipulating that only two atom bombs and no more can be  
dropped on selected cities. In an exactly similar manner, however, one  
can formulate <sup>a decision to avoid or set limit</sup> social costs in industry as a constraint on permissible  
decision making with regard to the use of means. Such constraints would  
be decided upon by examining the opportunity costs - in real terms, and  
that data <sup>itself also</sup> would, in the general case, ~~itself~~ predetermine the decision.

Kapp is flying to India via Moscow, where he will stay for a week.  
I gave him the address of Prof. Tsagolov.

This is examination week at Rutgers. I am looking forward to the  
beginning of the recess.

Best regards to Mrs Polanyi,

Franz's latest book, Marx's Concept of Man, (paperback, Ungar),  
is selling very rapidly in the university stores. One half of it consists  
of translations of the early Marx.

Sincerely,

Paul M.

BARD COLLEGE

ANNANDALE-ON-HUDSON

NEW YORK

May 24, 1961

Dear Professor Polanyi:

I can't thank you sufficiently for your rigorous critique of ANTHROPOLOGY AND ECONOMIC DEVELOPMENT. I have made literally dozens of changes and I have no doubt Paul will want to make even further changes in the light of all that you say. I am sending on to him the draft that you marked up and your accompanying letters about the paper (as well as a copy of this letter). Much has become clear as a result of your comments. I will send you a much-revised draft in a week or two.

I should like to comment on some of the points you raised. First, your point that we really have two papers, not one, and each should be published separately. This is deliberate on our part. The point of the paper is to show economists how analytical knowledge of primitive economy can be of use to THEM in developmental and growth problems THEY are interested in. To do so required analysis of the major characteristics of primitive economy from your point of view, (the first half of the paper); then, to apply the analysis to problems and processes of institutional transformation, as we did in the second half. It seems to me that the second half of the paper would not make sense to economists without the analysis of primitive economy contained in the first half. (I try to make the same point very briefly--for anthropologists--in the last paragraph of AA paper).

The semantic problem is knotty, and I have sweated over it profusely. "Exchange," "Transactions," "Principles," do have the catalactic smell to them, but it is hellish finding substitutes which would be meaningful to economists. I have changed some of these words on the draft. Where I have left them unchanged I have taken pains to describe precisely what WE mean by them.

We--you, Paul, and I, together--must talk out the point of difference which leads you to prefer "patterns of integration," and "patterns of appropriation," to the term Paul and I used both in the introduction to the markets book and in the present paper: "transactional principles." The main conclusion of our markets introduction, is that market exchange in indigenous African economy is peripheral (and that peripheral market prices are not integrative). Markets in Africa are NOT patterns of integration. The only expression equivalent to peripheral markets that I could find in your work, was "market elements," which didn't seem sufficiently clear-cut for our purposes.

On the mutuality between those who pay and those who receive from the center, in redistribution: it is true that the operational procedure--that which one may observe by watching--consists of goods moving to the center and then out of the center for earmarked uses. But the question of WHY they move thus, and WHY those who pay to the center approve of their so paying (a point which is ascertainable, see Herskovits' ECONOMIC ANTHROPOLOGY, pp. 483-484, quoted in footnote 4 of my surplus paper), can only be answered is by reference to the services performed by the center of which the rank and file approve. Indeed, exploitation exists when the mutuality ceases, when the rulers lose the social approval of the payers to the center, by failing to perform their functions, as indicated when



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the rulers (center) have to resort to force to collect tribute. I became impressed with this point in reading Shapera on the Bantu, which I quoted and used extensively in the PRODUCTION IN AFRICA.

Thank you for your remarks about my PRODUCTION IN AFRICA. I sent it to ECONOMIC DEVELOPMENT AND CULTURAL CHANGE in March. They acknowledged receiving it, but I have not yet heard from them about acceptance or rejection for publication.

I leave for Liberia on June 27. I am almost sure I can visit you during June. Paul may not be able to during June because of his busy calendar of commitments. If we cannot visit you together during June, I will try to come anyway.

I am taking my dissertation with me to Liberia. One of the first orders of business when I return is to turn it into a book, completely rewritten and, I hope, vastly improved because of the work I have done since it was written. I have re-read it recently and there isn't a page in it that I want to leave unchanged in either form or content.

Best regards -  
George

BARD COLLEGE  
ANNANDALE-ON-HUDSON  
NEW YORK

May 25, 1961

Dear KP:

I just received a letter from Abe saying that you told him about ANTHROPOLOGY AND ECONOMIC DEVELOPMENT, and that you would like another look at the draft you made comments on.

I copied all the insertions, deletions, and comments on to another copy, and enclose the draft you read originally.

I expect to receive several mimeographed copies of a somewhat revised draft, from Paul, within the next week. When I do, I will copy on to one of them the revisions I made in response to your criticisms and suggestions, and send it on to you.

When I receive the mimeos from Paul, I'll return one copy (further revised) to him along with the changes you suggested. Paul will probably want to make additional changes in the light of what you say.

Also enclosed, is a copy of the letters you sent commenting on the draft.

Best regards -  
George

I look forward  
to seeing you  
one weekend in June -

May 25, 1961

Dear Abe:

Thanks for your letter of May 21. I am sending back to Karl the draft he read and typed copies of the letters he enclosed with it explaining the source of his criticisms.

On the indigenous economic organization of the dominions, what the U.S., Canada, Australia, and New Zealand had in common was huge land masses sparsely populated with primitive groups, who, of course, were non-market organized. But they were so few (compared with Africa), and there was so much empty land, that the British-born colonists IN THEIR OWN ECONOMY, started with market organization. Not so, say, for Ghana or India.

Regards  
George



May 26, 1961

Dear Ted:

Excuse pencil - I am writing  
in bed and do not want to post-  
pone further answering your good  
letter of April 20, 1961. My un-  
certain health may serve as an  
excuse - a wretched one - for  
neglecting our affairs.

(1) Walter C. Neale is back  
in ~~Europe~~ I have written to his  
English address c/o R. Large,  
"Chart" St. Paul's Rd,  
Dorking, Surrey, England  
Prof. Neale expects to spend the summer  
in England, and be back in N.Y. (June-July)  
by August 1.

(2) Harry W. Pearson, among  
the younger range of pure theorists,  
the man of greatest promise is  
still at Bennington College Vt  
where he is in high standing, but

would definitely follow any avenue which takes him back into theoretical work and high level teaching. He is a man of standards quite exceptional in the U.S. I am putting this down for the record. His articles (chapters) in "TR + MKT" speak for themselves.

(3) Paul Medow is an other outstandingly creative theoretical mind. Prof. Medow is now at Rutgers, <sup>where he was</sup> ~~where he was~~ ~~responsible~~ ~~for~~ ~~the~~ ~~project~~ ~~which~~ ~~still~~ ~~hangs~~ ~~fire~~. He is <sup>Ph.D. course</sup> ~~Ph.D. course~~ ~~which~~ ~~still~~ ~~hangs~~ ~~fire~~.

(4) Murray Polakoff, <sup>of</sup> ~~of~~ ~~U. of~~ ~~Texas~~ is another of my former students. He attended Parsons' at Harvard, and has produced very useful papers <sup>and</sup> ~~and~~ ~~is~~ ~~an~~ ~~able~~ ~~and~~ ~~strong~~ ~~man~~, of mature theoretical convictions.

(5) The next two come from University of Texas.

As Prof.

3

Warren E. Adams and  
Billy Wilkins, a graduate  
student of very good standing,  
their curricula are enclosed.

An exceptionally gifted, entirely  
devoted and ~~an~~ organizing  
talent of rare calibre is  
Paul Medow.

Excuse these loosely linked  
notes, but I feel that urgency  
is indicated.

Your total approach esp.  
in the theory-emp. range seems  
to me full of promise.

From all my heart I  
wish you work success. No  
general economics can be  
worth anything that does not  
comprise empirical research  
results. As ever Karl



May 28, '61

(1) The objection to "Principle" is much stronger; it is one of general scientific method. To assert the relevance or real validity of a 'principle' to behavior, facts must be shown. In modern physics we don't accept the principle of gravitation as an explanation, unless we mean the effects of the established phenomenon. Of course if a principle of legislation or code of morals etc. is meant, the term 'principle' has an empirical content, and is correct. But it shouldn't be employed as a ~~ka~~ joker i.e. a substitute for you yourself do not know what.

(2) Transactions should not be used outside of the sociological treatment proper. E.g. in a theory of multicentric economics 'transactions' might be a clear concept similarly to 'conveyances' and 'conversion'.

(3) The substantive def. of the economy is a process definition. That is where its strength lies i.e. it characterizes it as a movement (Not an inventory) and maybe permits to identify its elements (the items it consists of) as changes of typos (?); this again, perhaps, permits a generalisation of movement both in the thing (T) and the person (P) function, getting T-T, P-P and T-P=P-T articulations. From here (I've never done this) a strict analysis of the concepts of 'economic' phenomena in their relation to empirical facts. Your use of transactional introduces exchange from the P-P sphere into all spheres of the process, and gives a sociology of the economy (good or bad). The test of goodness is that the economy should still be identifiable (not as an aspect or function but as part of process that is instituted). I was horrified at your confident inclusion of utilitarian phantasies into the concept of redistributive patterns. German 19th cty theory of taxation (Sax) produced the idea (which is still current in welfare state theory). (Note: I do not defend the terms, but anthropologists should, since it is in genuine primitive society--hunters (?) type--that it is most frequent.) (=Aristotle meant simply distrib. not re-distributive justice/just.. namoethike).

Your defense of redistribution as a sort of exchange is not only catalactic, but the Benthamite variant of it: utilitarian. Such an undisciplined use of terms would demolish the advances of most of modern anthropology. Middle 19th century fantasies of atomistic individualism as the foundation of political science would be restored with a vengeance.

(4) History of the 'patterns of patterns of integration'. They originate in the Mengerian neoclassical distinction of Tausch o. Market o. Vert. Wirtschaft vs. Verwaltungswirtschaft in which I was brought up. "Prices originate either in transactions or they are statuated by decree." The later Parsons generalized the question to How is the economy instituted? It was Harry P. who pointed out that the "patterns" refer to the appropriated movement. This is an insight, because it allows the subsumption of technologically indicated locational movements and of 'catalactically' (actual exchange) indicated .... under the appropriational elements of the process, irrespective both of 'geometrical' patterning and of atomistic interpretation of "motives" (while not excluding the 'moralizing' (?) of the situations--Paul's point on conversion etc). The 'institutional' origin of the situation protects it from 'utilitarian' etc. disintegration).

Steiner's 'disengagement' should be reversed for producing the 'economic' d...lers (?) of market-exchange. In brief the generalization of St's dis. should include not only the transition to the ritual-sacral but also the emergence from the ritual-sacral into the market. This is in analogy (?) of my assertion that not set price but fluctuating prices is the developmental problem. St. answered the question of how does redemption from the 1 (?) tribe (?) wheel of transactions happen. But here s the other question How does man in rel. to things get rid of the adhesive of social rights and duties.

Nevertheless, I do not regard the discussion as at a rest. Because my attempt at integrating logically those patterns into the process of instituting is not yet satisfactorily resolved. Paul's main results seem to me to lie in this direction.

Best

Karl Polanyi

copy: Paul B.

P.S.

I believe that the study of the economy, including its shifting place in society should retain its identify. The study of society is a different study; for sociology the economy is only one of many subsystems, in effect their relationships as well as their place in the whole are interests of the same rank. Anthropology is different again, and not as easy to grasp.

You are in danger or losing the economy together with your economics, without however adding to (economic) sociology.

D.G.--please, could you let me have 2-3 copies of this letter, if you prepare to have any made for your own use. Thanks, KP



May 28, '61

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(3) The substantive def. of the economy is a process definition. That is where its strength lies i.e. it characterizes it as a movement (Not an inventory) and maybe permits to identify its elements (the items it consists of) as changes of typos (?); this again, perhaps, permits a generalisation of movement both in the thing (T) and the person (P) function, getting T-T, P-P and T-P=P-T articulations. From here (I've never done this) a strict analysis of the concepts of 'economic' phenomena in their relation to empirical facts. Your use of transactional introduces exchange from the P-P sphere into all spheres of the process, and gives a sociology of the economy (good or bad). The test of goodness is that the economy should still be identifiable (not as an aspect or function but as part of process that is instituted). I was horrified at your confident inclusion of utilitarian phantasies into the concept of redistributive patterns. German 19th cty theory of taxation (Sax) produced the idea (which is still current in welfare state theory). (Note: I do not defend the terms, but anthropologists should, since it is in genuine primitive society--hunters (?) type--that it is most frequent.) (=Aristotle meant simply distrib. not re-distributive justice/just.. namoethike).

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(4) History of the 'patterns of patterns of integration'. They originate in the Mengerian neoclassical distinction of Tausch o. Market o. Vert..hiswirtschaft vs. Verwalt.swirtschaft in which I was brought up. "Prices originate either in transactions or they are statuated by decree." The later Parsons generalized the question to How is the economy instituted? It was Harry P. who pointed out that the "patterns" refer to the appropriated movement. This is an insight, because it allows the subsumption of technologically indicated locational movements and of 'catalactically' (actual exchange) indicated .... under the appropriational elements of the process, irrespective both of 'geometrical' patterning and of atomistic interpretation of "motives" (while not excluding the 'moralizing' (?) of the situations--Paul's point on conversion etc). The 'institutional' origin of the situation protects it from 'utilitarian' etc. (disintegration).



1961

# Money

Books Program

P.I. Medow

- A. For a New West
- B. The institutional basis of social responsibility in industrial societies
- C. The normative analysis of macroeconomic processes
- D. The multi-sectoral form of Schumpeter's model of economic development
- E. The mathematics of social costs
- F. Multi-sectoral welfare models of the economic process

Eronandi = "Imaginary money - here is my  
 Imaginary money (1933) means - it's not money at all.  
 It is a mere instrument or  
 technical device used to  
 perform some monetary  
 functions"

In p 237  
 Lane +  
 Riemersma;

1933  
 "Enterprise + Social  
 change" Riel. D. IRW in C. Inc.

1/ JJ May 28 '61

(1) The objection to "Principle" is much stronger; it is one of general scientific method. To assert the relevance or real validity of a 'principle' to behavior, facts must be shown. In modern physics we don't accept the principle of gravitation as an explanation, unless we mean the effects of the established phenomenon.

Of course if a principle of legislation, or code of morals etc is meant, the term 'principle' has an empirical content, and is correct. But it shouldn't be employed as a joke i.e. a substitute for you yourself do not know what.

(2) Transactions should not

2/ Be used outside of <sup>the</sup> historical  
transcendental treatment proper.  
E.g. in a theory of  
multi-centre economics  
'transactions' might be a  
clear concept similar  
to 'exchange' and  
'conversion'.

(3) The substantive def.  
of the economy is a process  
definition. That is where  
its strength lies i.e. it  
characterizes it as movement  
(Not an inventory) and  
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its elements (the items it  
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and T-P = P-T articulations.  
From here (I've never done  
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2/ the concepts of 'economic' phenomena in their relation to empirical facts. Your use of transactional introduces exchange <sup>from</sup> the P-P sphere into all spheres of the process, and gives a sociality of the economy (good or bad). The test of goodness is that the economy ~~must~~ should still be identifiable (not as an aspect, function but as part of process that is instituted). I was horrified at your confident inclusion of utilitarian phantasies into the concept of redistributive patterns. German 19th c. theory of taxation (Sax) produced the idea (which is still current in welfare state theory). (Note: I do not dislike the term, but anthropologists showed, since it is in genuine primitive society - hunters type - that it is most frequent.) [Distributive meant simply distrib. not re-distributive justice. Justice (in morale):]

\* Your defense of redistribution as a sort of exchange is NOT only catallactic, but the Benthamite variant of it: utilitarian. Such an undisciplined use of term would demolish the advances of most of modern anthropology. Middle of the century fantasies of atomistic individualism as the foundation of political science would be restored with a vengeance.

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the appropriational elements  
of the process, ~~being~~ irrespective  
both of 'geometrical' patterning  
and of atomistic interpretation  
of "motives" (while not  
excluding the 'moralizing' of  
the situations - Paul's point  
on conversion etc). be institutional  
origin of the situation protects  
it from 'utilitarian' etc  
disintegration)

Steiner's 'disengagement'  
should be reversed for  
producing the 'economic' dealers  
of market-exchange. In brief  
the generalization of St's dis.  
should include not only the  
transition to the ritual-sacral  
but also the emergence from the  
ritual-sacral into the market.



6 This is in analogy of my  
anxiety that not set price  
but fluctuating price is the  
problem. developmental

It answered the question of  
how does redemption from the  
1-time wheel of transactions  
happen. But here's the other  
question How does man incl.  
to things get rid of the  
adhesive of some obligation  
rights and duties.

Nevertheless, I do not re-  
gard the discussion as at a rest.  
Because my attempt at  
integrating logically those  
patterns into the process of  
unshaking is not yet satisfactorily  
resolved. Paul's main results  
seem to lie in this direction.

me to

Best

copy: Paul B.

W. E. B. Dubois

P.S.

I believe that the study of the economy, including its shifting place in society should retain its identity. The study of society is a different study; for sociology the economy is only one of many sub-systems, in effect their relationships as well as their place in the whole are interests of the same rank. Anthropology is different again, and not as easy to grasp.

You are in danger of losing the economy together with your economists, without however adding to (economic) foreology.

(P.T.O.)

S.G. - please, could  
you let me have

2-3 copies of this  
letter, if you  
prepare to have  
any made for  
you and use  
thanks

leo



George D

BARD COLLEGE  
ANNANDALE-ON-HUDSON  
NEW YORK

June 2, 1961

Dear KP:

I must confess that your letter of May 28 (three typed copies of which I enclose) makes me feel like a heretic in receipt of a Papal Bull belling him why he's been excommunicated from the communion of the True Church. I do not mind being hit over the head with the cross I bear; nor do I mind the march to Calvary, except that I'm not sure the trip is really necessary. I don't mean to deny or pass over the force and cogency of your exposition. Undoubtedly I suffer from the economist's habit of being casual about terms, AS LONG X AS HE MAKES CLEAR WHAT HE MEANS BY THEM. It is the cataclysmic consequences of my errors that I find difficult to follow.

Of course I will scrutinize the ANTHROPOLOGY AND ECONOMIC DEVELOPMENT draft--and, I trust, Paul will too--in the light of what you say. You may regard this as a crucial fault, but frankly I don't feel all that attached to any set of terms to continue using them if you see fateful consequences, although I'll be damned if I can see that it makes all that difference. That you think so, is enough for me, and I'll do my best to change them.

May I point out--at the risk of seeming presumptuous--that my translation, so to speak, of your ideas in the Feb. AA piece, seemed well received. I don't mean to imply that my terms are better than yours, but only that there are some difficulties of expression in your work which, perhaps, make it not unforgivable to seek simpler formulation. I tried to point out a number of such difficulties in that eight page single-spaced memorandum I wrote you in Jan. or Feb. 1960, when we were contemplating a re-write of T&M, for English publication.

I understand all that you say; what I do not understand is your chain of reasoning which concludes that dire consequences follow from my use of terms. That my "...undisciplined use of terms would demolish the advances of most of modern anthropology. Middle 19th century fantasies of atomistic individualism as the foundation of political science would be restored with a vengeance." Enough said. I will change them.

I'm sorry to have horrified you by ~~my~~ injecting my utilitarian fantasies into redistribution. But if redistribution is to be put into a comparative context, and talked about at a pattern (not a principle) for the Trobriands, for present-day United States (where it is peripheral), and for present-day USSR, something has to be said about the uses to which the centrally disposed goods are put. I'll be double-damned ~~why~~ ~~if~~ if I can understand why my pointing out that they are used for community services (defense, feasts), emergency subsistence (ever-normal granary), and to reward specific individuals, ~~is~~, on my part, utilitarian fantasy. Saying that the goods move to center and out again is true, but it seems to me, insufficient.

where it  
is -  
document

Copy to Paul

Best regards, George



*Beacon Press, 25 Beacon Street, Boston 8, Massachusetts*  
*CApitol 7-3660*

June 2, 1961

Mr. Karl Polanyi  
R. R. #3  
Pickering, Ontario  
Canada

Dear Mr. Polanyi:

Our royalty accounting periods run from May 1 to October 31, and November 1 to April 30. Statements and payments are made (3) three months after the accounting period or August 31 and February 28.

Sales for the period May 1 through October 31, 1960 were 1572 with a royalty of \$170.96. The previous six months sales and royalties were 1817 copies sold and \$197.63 royalty earned. I hope this information has answered your question. If not please advise.

Sincerely,

*Marjorie Knight*  
Marjorie Knight  
Accounting Assistant

MK/pa





Beacon Press, 25 Beacon Street, Boston 8, Massachusetts  
Capital 7-3660

June 5, 1961

Mr. Karl Tolson  
R. N. W.  
Flushing, Ontario  
Canada

Dear Mr. Tolson:

Our copy accounting period has run from May 1 to  
October 31, 1960. The previous period was from  
payments are due (see the accompanying  
period or August 31 and 1959.

Sales for the period May 1 through October 31, 1960  
were \$10.00. The previous six months  
sales and royalties were \$17.03. The previous  
period has answered your question.

Sincerely,

Margaret Knight  
Accounting Assistant

WKT



University of Toronto

DEPARTMENT OF POLITICAL ECONOMY  
273 BLOOR STREET WEST  
TORONTO, CANADA

June 2, 1961

Dear Karl,

It was most pleasant to talk to you this afternoon. As soon as I got home I tried to make a synthesis of what you had been saying, but it seems to me that I diluted your fine thought with some staid ideas of my own. Anyhow here it is, and I will look forward to your purifying it when I see you after the trip to Montreal.

With all good wishes, and again many thanks for the inspiration that we never fail to get when we visit you.

Cordially,

Natha

K. Koffi

## DISEMBODDING THE ECONOMY

People who are 'uncivilized', whether their culture is rich or poor, do not typically separate their lives into work, religion, play, education and the other segments that we recognize. Everything they do is part of their living, and nothing has the clear-cut purpose that is given to activities in an industrial society, where work is sharply differentiated from play, and both from religion. That there may be no doubt about which is <sup>in our world</sup> which they are ordinarily carried out in different places, at different regular times of the week, in different clothes, and the modern citizen does each with a group of ~~like-minded~~ companions & with whom he associates only for the purpose. ~~Like-minded~~ A high degree of sensitivity to the proprieties of time and place develops to maintain this separation, <sup>of the different activities</sup> and to discuss religion in the office is almost as bad form as to try to close a business deal in church.

The people who have not separated their lives into these various compartments, who include a large part of the non-western, non-urban, non-industrial component of mankind, have multiple reasons for everything that they do. If they are cropping the corn they both secure food and fulfill sacred obligations. <sup>When</sup> ~~if~~ they get married they are aware ~~that~~ the act has sacred, financial, and family implications. Because of the multiple reasons for doing anything, because in other words <sup>of</sup> ~~that~~ the variety of other activities to which it is tied, they are very sure that what they are doing is right. If they have any doubt they can point to the variety of other activities of themselves and their associates to which this act is tied. And not only does this make the act ~~essential~~ indispensable, but it prevents <sup>the actor</sup> ~~it~~ from varying the form in which it is carried out. Any suggestion for change appears to be based on ignorance of the multiplicity of implications; a modification that may seem to serve one 'purpose' better will surely ~~be~~ worse for others.

But in every society there are some few or many activities which do not have this multiple character. The most prominent of these is selling and buying, particularly when the transactions are with strangers. Exchange of this kind, partly because the transactors are so often strangers, is particularly likely to have sloughed off the association with piety, the solidarity of the family, or the political structure of the tribe, and to be reduced to the more or less purely economic.

Once institutions which have this single purpose have come into existence, then the individuals participating can apply rationality in their behavior in relation to the institutions. If it is known that there is a difference in price ~~between~~ two markets, then the individual can weigh in his mind the trouble of taking his coconuts to the further one against the ~~benefit~~ higher price that he will receive. This is a primitive kind of rationality of course, but it can lead to more elaborate kinds

of calculation in actual numbers, obtainable when prices have been set on the various components, including the time of the person, and including by extension into cost accounting, ~~of~~ <sup>on</sup> these intermediate products that do not pass immediately through the market.

The institutions of the market are of course essential to the process of getting things out of their setting ~~xxx~~ in the life of the community. For typically the sort of economic institution that constitutes development has a restricted purpose, and it somehow imposes on the people who are engaged ~~x~~ with it ~~that~~ an even narrower purpose--his own occupation within the shoe factory for instance. The taking of a role and renouncing all other interests for the time being is for the person analogous to the simple dedication to the making of shoes on the part of the shoe factory. It is not easy to say how such institutions are created, or how they spread from one branch of economic life to another in a given society; it is customarily thought that the search for money profits and for better wages is the cause; in fact such a search is the result of the existence of the institution. Once the individuals have become accustomed to cooperate in the peculiar and one-sided organization in which goods are produced in the West they have a certain kind of culture which consists in suitably dividing themselves up, and they can then readily create new institutions: if the shoe factory burns down~~xxx~~ another will be put up, or the operatives will readily accustom themselves to work in a tire factory that is seeking help. Even if virtually all the physical plant of a country is wiped out, as happened in Germany during World War II, industry will readily start up again once the factory is there. But in Ceylon, on the other hand, factories in perfectly good condition simply came to a stop once outside pressure was removed.

For the countries of Asia it is worth talking about the size of the modern sector. It is the ~~xxx~~ people willing to work and save, with ~~xxx~~ modern habits of separating out the economic part of their lives, and therefore producing goods efficiently. We take it that they have the motivation to rise in the world, and ~~xxxx~~ the means they have chosen is this separation of which we are speaking. They are disembedded, or more precisely the economic activities in which they engaged are disembedded from the total interaction of the society. Having the simple aim of increasing their income or their capital, the means-ends schema is readily applied to their decisions. They have surmounted the confusion that strikes one who starts to think about ~~maximizing~~ ~~xxxx~~ maximizing any kind of return when each of his actions is so complicated as are those of the primitive. They have lost the much better reason for doing things ~~that~~ ~~xxx~~ for which we rightly admire the primitive; at least in a part of their lives the family, religion, etc. ~~xxxx~~ ~~xxxx~~ have so weak a hold that they ~~we~~ are willing to do things for money. There is a weakening of the ~~k~~ joy of



life in this process; people will only consent to work for money when they ~~are~~ have nothing better to work for. Now one ought to suppose that the task of persuading people to abandon in some degree the things they like doing for their own sakes, and getting them to do ~~x~~ things for money is easy. Certainly no amount of formal schooling accomplishes it; it comes about only through the enticement of the mystique of a new and prestigious organization, with an imposing structure. The wage earner is drawn to this as much as he is drawn by the salary and the urban way of life that he can buy with this salary.

If there is an element of deception in the way in which people are gotten loose from their rural community and ~~made~~ persuaded to work in factories, which I believe exists in all cases except where the person is driven off the land by the worst famine, there is also a gain. The specialization of activities means their more thorough execution. It brings people into more intimate contact with some aspects of the physical world, by both encouraging analysis and providing the framework of rational thought. For Weber this separation of ends, and the perception of the means which are relevant to their attainment, constitutes the spread of rationality in every sphere; the economic is only the application in the sphere of production, just as ~~x~~ science is the application in the sphere of pure knowledge. And in the moral sphere too there is a gain, for the institutions of the market and ~~elsewhere~~ other specialized purpose now present choices to the individuals who participate in them. Moral dilemmas arise in the contests among the several spheres ~~xxx~~ within ~~them~~ mind of the individual. Economics has been on thoroughly sound ground in stressing to such an extent the nature of choice, the need for making choices as conscious as possible, for illuminating them through the collection of statistical and every other kind of data.

By a peculiar circular process the separation of people from their living, which exists at the beginning of the process of development as perhaps the main problem, a problem which as I have said is to be attacked not by demolishing existing institutions as 'barriers' to development, but more positively by the construction of <sup>specialized</sup> institutions within which men can learn the new kind of specialized cooperation, becomes all too successful before the process of development is far advanced. For separating people from all the complex and vital ~~and~~ social process of a primitive group is irreversible. It ~~cannot~~ is not difficult, but simply impossible to get people who have been working for money in a specific and separated part of their week, to go back to a production system in which they fail to distinguish

He is sharp, sceptical  
of any non-marketing  
approach to the James  
of trade in Babylonia,  
such as were as underlay  
Chapter II "Kistler's  
Trading in H. B.

Oppenheim III: Birds eye  
view of Mesopot.  
cc.



one end from another, and hence to separate means from ends. With some exceptions ~~for~~ (such as those people for whom Weber said 'The churches are open') the lost innocence is irretrievable. People are unhappy unless they have work. Hence the problem of the unemployed is not met, as Galbraith said, simply by increasing their ~~work~~. I met a man in the Argentine who was living on his income; his occupation is simply that of rich person. ~~To~~ <sup>to</sup> my Canadian outlook he was an extraordinary curiosity, the first of his kind I have ever met. I know many Canadians with private incomes; all of them are working. The economic type of rationality, instilled through institutions not only in the economic but in all spheres, seems of such value ~~that~~ that a person who goes out of his house to walk for pleasure still takes short-cuts ~~and~~, economizes travel.

For of course the economic, which started out by institutions which rationalize the flow of goods and services, now spreads into all other spheres. The disembedded economy acts back on the rest of the society, on institutions which at first seem to have little ~~to~~ to do with production. People weigh ~~in~~ and make choices on how many ~~children~~ children to have; on where they will live; on what language they will speak; on who their ~~foreign~~ friends will be.

And this applies as much to planned as to free economies; in fact the distinction between these two does not appear to be fundamental. Both operate ~~through~~ organizations which are bureaucratic; they involve people working in definite slots, ~~with~~ according to impersonal rules, and <sup>a rational awareness in ~~the~~</sup> ~~the~~ making of decisions both at the highest level, where they concern the product that the institution as a whole will turn out, and at the level of implementation ~~where~~ <sup>where</sup> the foreman <sup>is</sup> directing his men on the job. The elements of the accounting seem to be given by the market in the one case; in the other they are apparently arbitrary. But the Soviet decision maker who has calculated with 'wrong' prices will find his mistake when the goods do not move, and in practice there is no question that he will quickly make the necessary adjustment. The process in both goes to the point where one can weigh the economic against other elements. One could build a factory in the countryside, perhaps more easily in a socialist system than in a capitalist one, but in both cases one would want to know the cost of the attainment of ~~the~~ the non-economic ideal of the open air.



R. R. 3, Pickering, Ont.  
Canada

June 6, 1961

Carroll C. Bowen  
Assistant Director  
The University of Chicago Press  
Chicago 37, Ill.

Dear Mr. Bowen:

Thank you for your letter of May 16th. I am nearing seventy-five, and my health is not of the best. Hence I should hardly find myself in a position to respond in my own person to the implied suggestion. Nevertheless, your inquiry could not fail, under the circumstances, to be most gratifying to an ageing scholar, and should encourage him to participate, if only indirectly, in a venture he cannot but warmly welcome. Indeed, your letter already made me think in more concrete terms of the problems of presentation and of publication set by some of the more recent results of research into the early development of trade, money and market institutions. Your idea of bringing out within the next few years a survey of the present knowledge on this subject and of the justifiable views held in the field is indeed fortunate.

Of my former students some have developed into scholars in their own right. They have been intimately associated with me well over a decade during which the concepts matured and the data accrued which embody the bulk of the common effort. In this a conceptual discipline was required which, to be effective, needed some degree of training in empirical research. As your project envisages, trade, money and market institutions should be studied on the level of primitive society and of antiquity, including parts of pre-history. Alongside of the empirical realms of anthropology, history and sociology, a distinct theoretical interest both in the economic and the sociological fields would also appear indicated. I need not say that I am most ready to comment on the gifts and qualifications of some of my young friends, should this be deemed useful. However, in the meantime, I refrain from mentioning the matter to them, since this course surely serves best all interests, objective and personal.

Sincerely yours,

Karl Polanyi

Columbia University, retired.

THE UNIVERSITY OF CHICAGO PRESS  
5750 ELLIS AVENUE · CHICAGO 37 · ILLINOIS

June 9, 1961

Professor Karl Polanyi  
R. R. 3  
Pickering, Ontario  
Canada

Dear Professor Polanyi:

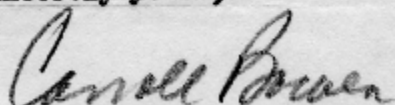
Thank you for your kind letter of June 6.

You mention some of your former students who have worked in research with you on the early development of trade, money, and market institutions.

I should be very much obliged to you if you would give me a list of their names--those whose work and range of interest would best qualify them to undertake the synthesis we seek.

With all good wishes for your continuing good health.

Sincerely yours,

  
Carroll G. Bowen  
Assistant Director

h



Wien, am 13.6.1961

answered July 2.

1961

Dr. E/A/d

Herrn

Dr. Karl Polanyi  
R.R. 3, Pickering  
Ontario - Canada.

Lieber Karl !

Liebe Ilona !

Heute erhielt ich endlich den Bescheid der Pensionsversicherung und ich kann Euch die angenehme Nachricht geben, daß die laufende Pension nun S 2.201.-- beträgt.

Eine Nachzahlung für die Vergangenheit erfolgt in folgender Weise.

1.8.1954 - 31.12.1955	monatlich	S 1.261.90
1.I.1956 - 31.12.1956	" "	S 1.142.40
1.I.1957 - 31.12.1957	" "	S 1.611.70
1.I.1958 - 31.12.1959	" "	S 1.770.60
1.I.1960 - auf weiteres	" "	S 2.201.--

Die laufende Rente ist höher als ich ursprünglich angenommen hatte und das hängt mit der seit 1.I.1961 neu geltenden Neuregelung der Renten zusammen. Hingegen hatte ich mit einer Nachzahlung ab November 1951 ( 65. Lebensjahr ) gerechnet, wogegen die Anstalt auf dem Standpunkt steht, daß jene Einrechnungsvorschriften auf Grund deren Karl's Anwartschaft entstand, erst durch eine Gesetzesänderung im Jahre 1954 eingeführt wurden, so daß die Rente erst seit diesem Zeitpunkt gebührt. Ich werde diese Frage noch studieren und wenn Aussicht auf Erfolg besteht die entsprechenden Schritte unternehmen.

Die Pensionsanstalt wird die Nachzahlung und die laufenden Renten auf das Konto Nr. 767.791 bei der Österr. Länderbank A.G. Wien 1., Am Hof 2, Kontoinhaber Dr. Karl Polanyi und Frau Helene ( Ilona ) Polanyi einzahlen. Sobald das Geld auf diesem Konto liegt, ist es frei transferierbar.

Ich freue mich sehr, daß unser Mokka in Marikas Zimmer zu gutem Erfolg geführt hat und hoffe, daß wir Euch bald wieder in Wien sehen.

Mit besten Grüßen

Hugo



FLUGPOST  
AIR MAIL  
PAR AVION



Herrn Dr. Karl POLANYI  
R.R. 3, Pichering,  
ONTARIO - Canada

AEROGRAMM  
AIR LETTER  
AÉROGRAMME

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Dr. KURT KUNODI  
Dr. HUGO EBNER  
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Leopoldsdorfer 51  
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A DIVISION OF THE CROWELL-COLLIER PUBLISHING CO.

June 14, 1961

Dean Harry W. Pearson  
Bennington College  
Bennington, Vermont

Dear Dean Pearson:

First of all, congratulations on your new appointment. As you can see from the letter head, I too have moved from CHALLENGE and am now associated with The Free Press as editor. I understand from Jerry Kaplan that we have had extremely pleasant dealings with you in the past and I myself was very much impressed with the article you did for CHALLENGE on the shift to services. It was an extremely thoughtful article, which, by the way, got us some rather nice publicity.

Unless I am very much mistaken, Bob Lukachman mentioned that you were writing a Socio-economic study of the allocation problem. To what extent, for example, does the shift in the labor force towards service occupations present a genuine market adjustment which will remedy some of the service deficiencies that Galbraith and others belabor. Does the shift towards services, in fact, represent a shift towards those specific services which we most need? Can these services be met within a market context? If not, can they be met by governments in democratic societies as long as the values of taxpayers do not encourage such expenditures either within the market or by their representatives in Congress of the executive branch? I know these are subjects about which you have thought deeply and I suggest that you be planning a book along these lines. I certainly would like to hear from you and perhaps we could offer you an attractive contract.

You have no doubt heard that The Free Press has been acquired by Crowell-Collier, which has also acquired Macmillan. As a result, The Free Press is undergoing a very rapid expansion period. Not only are we going into new areas and areas in which we have, up to now published only a few titles, but we are also moving into the textbook field. An integrated sales force of about fifty college travelers will provide us with an extremely effective distribution service. So if you or one of your colleagues is planning to write a textbook, I hope you will keep us in mind.

Right now, however, I'm particularly interested in the book which you are doing. I hope to hear from you soon.

Cordially,

Martin Kessler, Editor



Inverloch, Kilmun by Dunoon, Argyll, 15.VI.61

Dear ~~Uzad~~ and Ilona,

nothing has come out with Oslo. With great delay (so late that even this 'reaction' might have been due to Dorothy H.'s intervention) I got a note telling me that they liked the subjects on which I intended to speak (including the journal) but did not yet know whether they could pay my expenses (Dorothy had said they could, and I had regarded this-as, in February, in the case of F., as a test upon whether they were serious about-in any case, I had myself not the means); I enquired by wire, with paid reply but did not get anyone. All kinds of explanations possible: that their Conference was so poorly organised that it broke down during the preparation stage (I got no circular etc. whatever except one which Dorothy gave me), that they were not much interested in my coming (still, they could have wired back 'sorry') or that some people behind are not interested in the matter-the last two would be serious, the first a mere additional warning not to ~~xxxxxx~~ put too much trust into organisational capacities in that sphere. Surely I would not make such a trip into the blue air-to a place where I have nothing else to do.

Well, there we are-still in the air unless F. comes forward. I had to write him in publishing matters and used the opportunity to tell him ~~that~~ of the contacts you are establishing with the Perspectives Polonais group-simply to show him that we are continuing our searches. If you should get a positive result, you will of course let me know immediately but, I am afraid, neither on your nor on my end anything will come out before the autumn-perhaps even later, if the cause of delays from that corner is where I suspect it to be. Since neither Thom. H. nor I knows any practical alternative to F., we cannot do anything except let things slowly grow-at least the relevant ideas and discussions about them. Did you see in the last issue of Soviet Studies Tinbergen's article? I got my reactions on it from West Germany, and try to organise a group discussion on the problem-if we get a lot of such things, the demand for a place where they can be published will also grow. Yet, of course, while there is near complete agreement amongst serious people about the problems needing discussion, the publishing facilities depend on up and downs of political barometers-which is something different.

Perhaps I am unduly pessimistic-yet even if I am, and a positive letter of F.'s arrives in a few weeks time, or Th. H., or Muir etc. etc. have found something, I think it is correct to pursue the long-term attitude in order that those things which can be done even under this perspective are not drawn in waiting for what may be a kind of deus ex machina.

Kindest regards from house to house!

P.S. Was wisst Ihr ueber Venturi's background (ich kam nicht dazu ihn zu treffen, habe jetzt sein ausgezeichnetes Buch gelesen und moechte es besprechen. Hat er inneritalienische populistische Backgroundelemente,

For from you folks,



**BY AIR MAIL**  
PAR AVION  
AIR LETTER  
AEROCRAMME



Dr. Karl and Mrs. Ilona Polanyi

R.R.3

Pickering (Ont.)

Canada

First fold here

Second fold here

Sender's name and address: **Schlesinger, Inveroch,**

**Kilman by Daloon, Argyll**

AN AIR LETTER SHOULD NOT CONTAIN ANY  
ENCLOSURE; IF IT DOES IT WILL BE SURCHARGED  
OR SENT BY ORDINARY MAIL.

1961, jun. 16

Kedves Évim,

Nagyon kérlek, próbálj ráemlékezni, miféle irások voltak a Mauzi szekretérjének a felső jobb fiókjában? Klári írta nekem, hogy ő oda tett minden kőszapapírost, írást. Tény ugyanis, hogy két fotostat lapot kivéve hiányoznak Mauzi magyarországi feljegyzései. A két fotostat sorszáma (Mauzi saját írásában) II (arabs II) és XII (római tizenkettő). Az 1-10 sorszámú jegyzetlapok hiányoznak. Persze ezek is elő fogják kerülni az idők folyamán. Leginkább más irásokba keveredhettek bele az események zavarában, esetleg a könyvek közé.

Mauzi helyesen úgy ítélte, hogy nem használja fel a diktátumában az összes anyagát, amelyről szóban beszámolt mert nem eléggé releváns. Így pl. nem használta fel egészében a fent említett II és XII-es lapokat. Ebből származott az a meztélvesztő kép, hogy a diktátum nem teljes. Szerencsére ez nem így van - Mauzi maga hagyta el a fel nem használt lapokat. De viszont bizonyos hogy a 12 lap megvolt még akkor (December 13.-án) vasárnap) amikor diktált. Sajnos az eredeti feljegyzésekre szükség van, bár az azonnali sürgős munkát nem tartja fel a hiányuk.

Mindezeket már megírtam Miklósnak, aki különben is teljesen tisztában van az ügyállással. A még nálam lévő okiratokat tegnap megküldtük neki.

Ilonával együtt a meglévő magyarországi anyagot teljességében kollacionáltuk, rendszeres margójegyzetekkel elláttuk, és tegnap Brad címére elküldtük.

Amint ha Clank felőle, értesítlek. Ő úgy látszik igen sürgősnek tartja kezeli mindezt.

Együttal Pichlert is értesítettem nagyjából a Batthiány levéltári leletről, életjelt kérve tőle.

A szekretériratokról kérlek írjál hamar.

Ölel K.



RUTGERS · THE STATE UNIVERSITY

COLLEGE OF ARTS AND SCIENCES

NEW BRUNSWICK, NEW JERSEY

17 June, 1961

Dear Professor Polanyi,

I am sending you a copy of my letter to Procm. In a sense it marks the beginning of my work on The Great Transformation in 1960, within which the importance of means-ends relationships as the basis of power in society is emphasized. It also gave me great satisfaction, for these are the things that are close to my heart.

I have also been looking at mathematical material in the past weeks, especially from Russia, and I have been discussing them with a graduate student at Columbia - a Ukrainian, Mr Znayenko, <sup>W.C. 088</sup> ~~his~~ knowledge is very sound. I believe, in fact, that I have finally established ~~xxxx~~ the narrow field within which I will do my formal work in economics in the next few years. This is the study of the mathematics of various types of social costs - ~~xx~~ from urban congestion to family disintegration. This can be done, now, with the new methods, in which opportunity costs are expressed in non-market price terms. The essence of the method is extremely simple, although the details may not be. It centers on assuming that various inputs into the 'production' process (which may also be military destruction) are substitutes for each other, subject to the principle of diminishing returns. ~~xxxx~~ Through an inverted logic it is then assumed that there are constraints on these relations of substitutability, and in the first place the constraints imposed by technological requirements, which may indicate the proportions of some inputs to others in rigid ways. (Actually ~~xxxx~~ both substitutability and the principle of diminishing returns follow from technological complementarity). ~~xxxx~~ Another kind of constraint (all are expressed in the form of linear mathematical equations) is assumed to be the budget. But one can add any number of such constraints before finding the mathematical solution that should be embodied in the decisions making. And the ones that interest me are the ~~xx~~ social policy-derived constraints, ~~xxxx~~ (equations) which would express levels of social destruction that are regarded as acceptable in the name of efficiency. In this connection I am re-reading your early article on social costs vs natural costs, this time with a German dictionary.

I said that this is the ~~xxxx~~ type of formal problem that I will probably develop over a number of years, <sup>but</sup> I ~~will~~ will continue to work on the incorporation of technological change into growth models, ~~xxx~~ That will have second priority. As for the kind of book that I am writing now, I do not regard this as economics, ~~xxx~~ <sup>also</sup> I will certainly continue, since my mind turns to these matters every morning after reading the newspaper.

Best regards to Mrs Polanyi and to Abe.

Sincerely,

Paul M.



Harris

June 18, 1961

Dear Dr. Polanyi,

I want to thank you for taking the time to read my article so carefully. I did want to say that I agree with you that the use of the term "bank" for the Old Babylonian temple is indeed misleading, for it has many implications which are not at all true for the temple. Nevertheless, it is applicable to a degree. This problem of using modern terms for ancient institutions and practices is a great one and one that I am aware of.

You are also correct in stating that we are still in the dark about the rationale of loans and though some questions are answered many remain. It seems to me that all one can do in this field is to scratch the surface.

Thank you again for writing to me.

Sincerely,

(Mrs) Rivka Harris

4834 N. Kimball  
Chicago 25, Illinois

June 18, 1961

Dear George:

Excuse me for delay in answering your good humored letter. I always wondered how fortunate we are in carrying on a super intimate form of critical correspondence without snowballing into inordinate lengths of clarifications. For brevity's sake I did (with many apologies) use the short cut of falling into my own jargon (which I suppose the source of the unpopularity of the Holy See, though surely originally invented as a device of economizing words). Please disregard this unless revision (which this time only led to confusion).

Your last paragraph (very well put, I think) does raise a point of method of great theoretical importance. But as I said, I am not convinced that my formulations are satisfactory. Still I feel that you unconsciously relapsed into an

atomistic concept of society, 2.  
and actually based by an  
utilitarian value system. However  
admittedly, even if this be so,  
it does not answer ~~the~~ my  
difficulty.

Do please show or To Paul with my apology (in haste)

I feel on even weaker  
ground in bull bawling (like  
a Bull in a Soudanite China  
shop) the ~~trans~~ transactional  
jokers for the sake of  
procedural terms (for my  
'movements' clearly derive  
from the process definition of  
the economy. (Stelner's Catastrophes  
got round this trap!)

Can you come down here  
some time in June? The  
University of Liverpool Press  
has suggested <sup>I write</sup> a book on  
the lines of the "Ann. Phil. Soc."  
Yearbook 1960 papers. They  
now seem ready to agree with  
me that we should look  
to the next generation for that.

Anyhow, all this should be  
gratifying for us. (Clever  
writing on strictly fashionable  
lists of thought makes no Durkheim:  
- at W.W.R.) Do send me the cont. version  
please. (promised)

An. Phil. Soc.



✓ Second letter.

Dear George:

I should not be surprised that you did not quite know what to make of my confusing way of scribbling on your ms. I was very hazy on attempting to respond to our mutual corresponding contact of many years' standing and not to add to an adverse health pressure which has ended in fits. Nevertheless I will try to explain how such an error of judgment can occur. I simply tried partly to simplify discussion on terminology by using my own familiar terms and thus making to such, who know them well, my remarks on terminology possible irrespective of the

2. obvious inconsistencies introduced by myself. I had  
often encountered  
this inconsistency, and  
every time I would hear  
on my correspondence  
humour and help  
to get my <sup>intent</sup> ~~alone~~ on the  
points which ~~was~~ <sup>was</sup> ~~to~~ <sup>to</sup> be.

This time I failed dismally.  
My hand was forced  
by physical incapacity  
and instead of giving  
up a task that was beyond  
me, I decided to ex-  
periment with the basically  
unsound device of putting  
my own terms into your  
paper, and alongside of  
that trying to be helpful  
irrespective of grammar  
and clarity. But what  
could I do? I felt. There  
was some urgency in the  
situation, and I hated  
I gathered

3. to face the blank of my  
patent incapacity. Nothing  
could be more obvious,  
than the failure of what  
I intended to do. In vain,  
I am afraid, do I try  
to express how the lifelong  
attitude of helpfulness  
can trap itself into what  
must seem a ridiculous  
attempt to hold on to  
favorite terms in a  
situation where only relative  
solutions can be found,  
through patient time-  
consuming talks nurtured  
by mutual confidence and  
tested goodwill. Certainly  
not in a letter of unex-  
plained violence of <sup>presentation</sup> ~~method~~,  
leaving it to one's counterpart  
to guess the physical distress  
which is the true cause of  
so inadequate a performance.



4. But let time pass George  
and you will forget the  
painful features of your  
incident, which was  
an ironical embroidery  
on a very long intellectual  
contact which stood out  
of the strains of a  
slowly evolving collective  
achievement but even  
of my recognition that I  
leave this work on <sup>the</sup> theory  
at a phase still short of  
completion, although perhaps  
already in sight of it.

It is only too under-  
standable that you mis-  
took my 'corrections' for  
signs of a misplaced effort  
to at instance on personal  
preferences where creative  
solutions ~~was~~ were required.  
I feared to leave this

5. episode to the mischance  
of devil's devices of tripping  
acts of friendship. All too  
long we got away with  
our unconventional methods  
in intellectual tele-communication  
that are no more constrained  
to the saving graces of  
personal meetings, of  
face to face contacts

I was particularly abashed  
to discover that I <sup>left</sup> ~~overlooked~~  
a letter of yours where you had seriously  
elucidated ~~my~~ <sup>some</sup> ~~my~~ <sup>quarried</sup>  
points, which ~~were~~ <sup>you</sup> framed  
in helpful way, and ob-  
viously, desisted when they  
were unanswered. This was  
particularly sad. Also I  
remember not having had  
the strength to mention the  
points of your last paper  
where I felt program had

6. been made in your journal  
page with Paul (while  
saying those points should  
be returned, even if others  
were, in my view, mistaken.)

It is still only seven am.  
Bad nights are the oppor-  
tunity of dawn. Maybe  
that my wish not to leave  
you with a distorting im-  
pression will not be unwelcome.  
An old teacher ought to  
teach, not unteach. Work  
done must, should and  
will be continued. Nothing  
came <sup>last</sup> out of myself, but  
grew on a flowering bush  
of true friendships.

Jo, As ever  
RP



June 18, 1961

Dear George:

Forgive me for delay in answering your good humorous letter. I always wondered how fortunate we are in carrying on a super intimate form of critical correspondence without snowballing into inordinate lengths of clarifications. For brevity's sake I did (with many apologies) use the short cut of falling into my own jargon (which is, I suppose the source of the unpopularity of the Holy See, though surely originally invented as a device of economizing words). I have disregarded this ..... of which this time only led to confusion).

Your last paragraph (very well put I think) does raise a point of method of great theoretical importance. But as I said, I am not convinced that my formulations are satisfactory. Still I feel that you unconsciously relapsed into an atomistic concept of society, backed by a utilitarian value system. However, admittedly, even if this be so, it does not answer my difficulty.

I feel on even weaker ground in both ..... (like a Bull in a semantic china shop) the ..... joker for the sake of processual terms (for my 'movements' clearly derive from the process definition of the economy (Steiner's catallactics got round this trap!)

Can you come down here sometime in June? The University of Chicago Press has suggested I write a book on the lines of the American Philosophy Society Yearbook 1960 paper. They now seem ready to agree with me that we should look to the next generation for that. Anyhow, all this should be gratifying for us. (Clever writing on strictly fashionable lines of thought makes no Durkheim--and W.W.R.) Do send me the con. revisions ~~xx~~ promised, please. Do please pass on to Paul with my apologies. In haste, K.

Second letter

Dear George:

I should not be surprised that you did not quite know what to make of my confusing way of scribbling on your ms. I was very keen on not failing to respond to our mutual corresponding contact of many years standing and not to yield to an adverse health pressure which then ended in fiasco. Nevertheless I will try to explain how such an error of judgment can occur. I simply tried ..... to ~~x~~ simplify discussion on terminology by using my own familiar terms and thus making to such, who know them well, my remarks on terminology ..... operative of the obvious ..... introduced by myself. I ~~xxxx~~ had of course, often encountered this inconsistency, and everytime counted heavily on my correspondents humor and ~~xx~~ help to get my intent on the points which alone mattered. This time I failed ~~x~~ dismally. My hand was forced by physical incapacity and instead of giving up a task that was beyond me, I decided to experiment with the basically unsound device of putting my own terms into your paper, and alongside of that trying to be helpful irrespective of grammar and clarity. But what could I do? So I ~~if~~ felt. There was some urgency in the situation I gathered and I hated to face the blank of my patent incapacity. Nothing could be more obvious than the failure of what I intended to do. In vain, I am afraid, do I try to express how the lifelong attitude of helpfulness can trap itself into what must seem ..... attempt to hold on to favority terms in a situation where only relative solutions can be found, through patient time, consuming talks nurtured by mutual confidence and tested goodwill. Certainly not in a letter of unexplained violence of presentation leaving it to one's correspondent to guess the physical distress which is the true cause of so inadequate a performance

But let time pass George and you will forget the painful features of an incident, which was an ironical embroidery on a very long intellectual contact which stood not only the strains of a slowly evolving collective achievement but even of my recognition that I leave this work on the theory at a phase still short of completion, although perhaps already in sight of it.

It is only too understandable that you mistook my 'corrections' for signs of a misplaced effort at insistence on personal preferences where creative solutions were required. I feared to leave this episode to the mischance of devil's devices of tripping acts of friendship. All too long we got away with our ~~xxx~~ unconventional methods intellectual tele-communication that are no more constrained by the saving races of personal meetings, off face to face contacts.

I am particularly ~~h~~ abashed to discover that I overlooked where you had seriously elucidated some .....points, which not framed in helpful way; and obviously desisted when they were unanswered. This was particularly sad. Also I remember not having had the strength to mention the points of your last paper where I felt progress had been made in your joint paper with Paul (while saying those points should be retained even if others were, in my view, mistaken).

It is still only seven a.m. Bad nights are the opportunity of dawn. Maybe that my wish not to leave you with a distorting impression will not be unavailing. An old teacher~~xxx~~ ought to teach, not unteach. Work done must, should and will be continued. Nothing just came out of myself, but grew on a flowering bush of true friendships.

Yrs, as ever, KP



June 24th, '61

Dear Harry:

a sign of life.

My heart is playing  
one trick, but work goes on,  
steadily.

Paul M. is active,  
creative, indomitable  
energy. Some of E. Fromm's  
broadering is, I think,  
part of his work. I am  
glad E. has come out  
with "Marx' concept of  
Man" and have you seen  
the Spect "Is world peace  
still possible?" to be published  
with Doubleday <sup>(hard binding)</sup> and  
with Anchor (paperback) in fall.  
It deserves attention and  
will get it. Drop me a line  
Love Karl



RUTGERS • THE STATE UNIVERSITY

COLLEGE OF ARTS AND SCIENCES

NEW BRUNSWICK, NEW JERSEY

24 VI/61  
Ile Maligne, Que.

Dear Professor Polanyi,

*Gaul  
Meadow*

I have not succeeded in writing anything substantial in the last few days along the lines that I indicated to you in the last letter. But I have not yet made, either, the necessary mental effort. I have been re-reading the last part of The Great Transformation and accumulating various aspects of the process in my mind. I have also begun to write an appendix on Marx, as reinterpreted in the light of the concept of disembeddedness, in which I have incorporated, in the introductory part, the points contained in my recent letter to Fromm. Also I have been reading RGD Allen's appendix on set theory in his Mathematical Economics (1959). And it is this, I suppose, that is most directly responsible for the thought that I wish to communicate to you today. Together with your article on social costing.

I have in mind the need for reintroducing specific-use money in a socialist economy, as I have mentioned to you already a long time ago, but this time with a new perspective. More specifically it has occurred to me that it may be useful to write a critique of Kantorovich's proposal to use imputed marginal costing in the Soviet Union along the following lines:

1. Imputation is needed, but this should be expressed in the use of accounting money rather than of socially-effective money, which should be distinct, and reflect a variety of other, social constraints. The use of imputed prices alone might have a tendency to create a disembedded economy.

2. The concept of qualitative imputation should also be introduced. This refers to the present shortcomings of the market price-system, in which the ~~price~~ intense demand for cigarettes may deprive an enterprise producing medicine from vital resources that may be used in both places. Although technologically that resource may be redirected from the latter use to the first, a social constraint on such feasible reallocations should be imposed. The institutional device for creating such limitations is the use of 'tied' funds, or of specific-purpose money.

3. The range of objects and resources that could be encompassed by a specific -use ~~xxxx~~ money ( or the range of objects that would be excluded) may be established by the same mathematical methods that are now used in military 'economics' and that can also be used to measure the social costs of production and of innovation.

In this way the introduction of equations of social constraint into socially optimal decision-making resting on calculations of the linear ~~programming~~ programming type should include both social constraints on the demand side ~~and social constraints~~ that reduce the permissible substitutability of resources for each other because of the different ~~social~~ social priorities that attach to

the various final products and social constraints on the supply side that ~~reduce~~ eliminate the uses of resources that would disembed them from ~~social institutions~~ the non-economic social institutions to which they are also vital.

I plan to leave for New York on Sunday.

Best regards to Mrs Polanyi,

Sincerely,

Paul M.



R.R.3, Pickering, Ont.  
Canada

June 26, 1961

Carroll C. Bowen  
Assistant Director  
The University of Chicago Press  
Chicago 37, Ill.

Dear Mr. Bowen:

Many thanks for your kind letter of June 9.

M.I. Finley, of Jesus College, Cambridge (England), is already known by his books on classical antiquity.

Paul Bohannon, of Northwestern University, ranks to my mind today highest in the U.S. in the field of anthropology.

Harry W. Pearson, of Bennington College, Vt., may well be judged by his three essays in Trade and Market in the Early Empires, 1937, which are a fair example of his level as a thinker on economic subjects, whether analytical, institutional or historical.

All three are outstanding writers.

Walter C. Neale, late of Yale and the University of Texas, works in comparative economic history. He is best known for his paper on the distribution of the Indian grain heap. - Studies on economic surveying. - Organizing gifts in the intellectual field.

Terence K. Hopkins, of Columbia University, is a brilliant young sociologist whose criticism of Parsonian sociology has attracted some attention. He is now engaged in native African economy studies.

George Dalton, of Bard College, an economist who has published work on African markets as well as on primitive economies in general.

Paul Medow, of Rutgers University, wrote his Doctor's Thesis on Schumpeterian economics in its application to planned economies. He is a young scholar of very great gifts and of high originality of creative thought. I believe he would be capable of producing a systematic survey of the various forms of economies past and present, that would meet all requirements, historical and theoretical.

K.W. Kapp, of Brooklyn College, is a specialist in Indian economics and also leading scholar of the new institutionalism.

Daniel Fusfeld, of the University of Michigan, has made various interesting studies in European economic history.

Anne M. Chapman, of the University of Mexico, has broken new ground in Mesoamerican economic anthropology.



John V. Murra, of Vassar College, has studies in Peruvian economic history to his credit.

Abraham Rotstein, of the University of Toronto, is a student of Canadian economic history and an accomplished writer.

This list of possible contributors is of course of unequal value, particularly as judged by published work. - A comprehensive bibliography is attached.

It is gratifying to keep contact with former students and friends and watch from a distance their advance at the frontiers.

Please feel free to keep in touch in case you should think I might offer any assistance.

With many kind regards,

Sincerely yours,

Karl Polanyi

Leeds

The City College

NEW YORK 31, N. Y.

DEPARTMENT OF SOCIOLOGY AND ANTHROPOLOGY

June 28 1961

Leeds

Dear Professor Pdelany:

I wonder if I might ask you for a reprint of your article "On the Comparative Treatment of Economic Institutions in Antiquity ...." from the City Chronicle. I would greatly appreciate - your work and thought has always been a great stimulus to me as I hope my part-of-the article I recently sent you (in press, Proc Amer Ethnol Soc, 1961) indicates, however unworthy. If there are occasional seminars still, in N.Y. I should be most interested in attending.

Yours sincerely  
Anthony Leeds  
448 Riverside Drive  
NY 27 NY

July 7, 1961

Dear HARRY -

Just so that you hear from me, I am here, and very much at work, with Abe dividing his time between writing his thesis and helping me with the

Dahomey book (which is getting on). The purpose of the book is to present an application of our operational institutional treatment of the economy to a specific period of economic history. Except for the Africans themselves there is nothing

much to draw interest toward Dahomey just now. By God the effort may be worth while and I like doing it. In

all regards it is a new book, not the old one re-written.

Particularly the Part of Trade changed or based on the new <sup>approx</sup> slave trade. Paul American

M. is very active and seems to me to have influenced from towards a broader + more practical approach. Do write soon - love

to international issues



My dear Harry:-  
America is more  
in need of patriots  
and thinkers than  
ever. The Eisenhower  
era has left the  
country with depressed  
standards, both moral  
and intellectual.

The **RAND** Corporation

1700 MAIN ST. • SANTA MONICA • CALIFORNIA

Jul 19

11 July 1961

L-14176

Professor Karl Polanyi  
Department of Economics  
Columbia University  
New York, New York

Dear Karl:

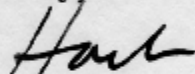
After a few years of complete preoccupation with research work, I am about to add some teaching to it, at the University of California. This gave me the occasion to read "Trade and Markets" which had been lying on my desk for years without my ever giving it more than a cursory glance.

I think that for a symposium, this book is very good. Some parts of it, particularly your fundamental chapter on the Economy as an Instituted Process, and Pearson's piece on Surplus are especially valuable, and the historical-anthropological material is, of course, fascinating. I am planning to give some chapters from the book to my students in international economics, to serve as orientation material.

I would like to re-establish contact with you and find out where you are, and what you are interested in at present. How are you, and how is Ilona? I would be happy to hear from you. As far as we are concerned, things have been going well. Both our boys are in college now, one aiming at bio-chemistry, the other at something in the social sciences.

With warm personal regards.

Sincerely,



Horst Mendershausen

HM/md

New York

RAAD

11 July 1961

I-11176

for

Department of Economics  
Columbia University  
New York, New York

Dear Mr. ...

After a few years of complete preoccupation with research work, I am about to add some teaching to it, at the University of California. This gave me the occasion to read "Trade and Markets" which had been lying on my desk for years without my ever giving it more than a cursory glance.

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With warm personal regards,

Sincerely,

Harry J. ...

HM/ed



DUPLICATE  
COPY

July 12, 1961

Dr. Karl Polanyi  
423 West 120th St.  
New York, N. Y.

Dear Dr. Polanyi:

One of the many dynamic developments made possible by the merger of Holt with Rinehart and Winston is the establishment of our own International Division. This division is specifically charged with developing and expanding the sales of your work overseas, and with negotiating foreign-language rights in your behalf. The division is supervised by Mr. Robert Kelsey, who has had extensive experience in sales of books and rights abroad. Mr. Kelsey, for several years President of Book Exports, Ltd., was previously Sales Manager of The International Division of the McGraw-Hill Book Company. He has just completed a 30,000 mile trip during which he made arrangements for sales representation abroad.

In addition to our new International Division, we have a wholly-owned Canadian subsidiary with offices and warehouse in Toronto; our Canadian company will sell and distribute your work throughout the Dominion of Canada.

As you perhaps know, selling texts abroad is more complicated and costly than selling them at home. Not only must we contend with great distances and costly shipping and advertising-mail rates, but also with excessively high discounts required by distributors to meet the competition of foreign publishers. In order to operate effectively, American publishers with International Divisions make it a standard practice to pay their authors half of the regular royalty on all bona fide orders shipped outside the continental limits of the United States.

We are eager to develop the foreign market for your book more actively than we could when you signed the original contract. We need your cooperation. If you will sign below, indicating your willingness to accept one-half royalty on export sales, and return this letter to me in the enclosed reply envelope, you will enable our International Division to move full steam ahead. I know you'll agree with me that our increased sales effort abroad is to your advantage.

Sincerely,

*Frederic S. Cushing*

Frederic S. Cushing  
Vice-President, Director,  
College Department

This agreement covers the following:

**THE GREAT TRANSFORMATION**

*(K.P.) KP*

Author's Signature

*July 17, 1961*

Date

Copy attached for your records.

# HUNGARIAN ALUMNI ASSOCIATION

Box 651

Rutgers, The State University  
New Brunswick, New Jersey

July 18, 1961

Dear Sir:

The 'Hungarian Week' at Rutgers, the State University of New Jersey is a traditional annual event. This year it coincides with the 5th anniversary of Hungary's Fight for Freedom.

Various organizations are planning to commemorate the Anniversary with an exhibition, a series of lectures and the publication of a book destined for free distribution among institutions of higher learning and cultural centers of the world.

The form of this book is that of an enquete. The questions posed were first formulated by Istvan Bibo, scholar and statesman, who is imprisoned for life by the present Hungarian regime.

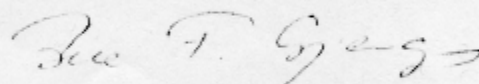
Would you please contribute to this endeavor by choosing one of the following questions as a central theme for a short expression of your views:

- World.
- A. 1. The Hungarian Revolution is a disgrace to the Western World.  
2. ...is a disgrace to the Communist Camp.  
3. ...is a disgrace to the non-committed forces and ideas.
- B. 1. The Hungarian Revolution represents hope for the West.  
2. ...represents hope for World-Communism.  
3. ...represents hope for the 'Third Way.'

The realization, that your words will contribute greatly to the impact of this study, gave us the added encouragement to approach you with our request.

Respectfully yours

for the Hungarian Alumni Association



(Bela F. Gyengo, pres.)



July 14 '61

My dear Carl - How many wishes get  
unfulfilled through a short visit of  
very close friends? Powerful wishes  
that are born only on the spot, and  
are the gift of such a meeting. My  
greatest joy was seeing you so un-  
changed. And then my first true  
meeting with John. Of this I could  
say a lot. After all I knew of him  
— he had seen ~~the~~ something of me  
— even before we met (?), then he changed  
his venue. and then we met  
superficially and of course all time  
went to us, the fount of meeting  
at all. And he turns up, after al-  
most a life time, as a friend —  
what a joy — for a friend of  
yours, what an endless mirroring  
of positive prints of existence. And  
then the shoal of kids, as natural  
grown as a field of ~~of~~ wildflowers.  
Why not let us have shots of your  
home — do you remember the house,  
one with the still kids, silent, relaxed,  
happy. Home and I looked at it  
recently, before the news <sup>had</sup> of your coming  
kicked us, and we loved it.

Some are now Iron- readers ("masters"  
"New man" "Light" "Dark" "Very wonderful"  
but unsatisfying. Do write soon — Love



R.R. 3 Pickering, ONT

Canada

Sept 23, '61

Perm: 423 W 120 St 76 N.Y. 27. N.Y.

Circulation department

Book Library

Columbia University

New York 27, N.Y.

Bill

I beg to be excused for oversight  
in dealing with notices for overdue  
books.

re A Dabzel:

(1)

The history of Dahomey

966.8

D 17

(2)

E. Durylas

R.

Etudes dahomeennes

966.8

Et 22

(3)

H. A. Zoume

v 19

Le pacte de sang

302.06

au Dahomey

P 218

(1937)

v 25

The above works are in my  
possession and I beg to be allowed to use  
them for a time.

Sincerely  
Karl Polanyi



JOYCE MERTZ

July 20, 1961

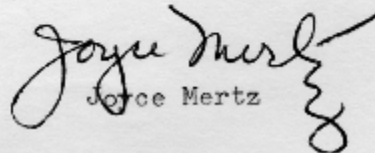
Dear Karl Polanyi,

This is to let you know that we received your contribution and signature for the Supreme Court advertisement and send you warm thanks for your support.

Robert Gilmore is away until the third week in August, so your check cannot be cashed until then. We hope to go to press with the ad in September or early October, and will let you know further developments at that time.

The response so far has been very encouraging, and we have hope that the statement may strike a responsive chord across the country when it is published.

Sincerely,

  
Joyce Mertz

Karl Polanyi  
423 West 120  
New York 27, N. Y.

July 21, 1961

Dear Professor Gidycz:

I have just received your paper on Human freedoms which I have read with great interest. This gives me occasion to thank you for an invitation to join in the Burg Wartenstein symposium which I was to my regret unable to accept for reasons of health.

Your paper gives food for thought in so many directions that, of course, no brief reflections on it can be appropriate or even suitable. Yet I feel impelled to ask a question which is perhaps pertinent though certainly merely periphrastic. But after reading your thorough Directory through the semantic labyrinth, it suggests itself naturally, it may indeed even draw attention to a variety (or shade?) of freedom which comes to consciousness in modern man. Perhaps you will benefit me with your reaction to my mention of it.



2/ Why is freedom moving into the center of our concerns to-day? To the point of it being e. g. a common belief that religion in particular, ity, essentially proclaims freedom. Few assertions are more generally made, and believed. Yet it would be difficult to find any direct scriptural foundation for it.

Now my intent is by no means to deny the truth of that assertion. On the contrary, I believe that it is at the very heart of our present passionate concern with freedom. But that it points to a new variety of freedom which was never before threatened, and around which maybe the existential problems of an industrial civilization revolve.

I stop here, since I am due

2) that you have already identified,  
broadly the kind of metaphysical  
freedom I have in mind.  
Personally, I believe that the  
sort of concern for our salvation  
— integrity of innermost existence  
which it evokes, is a state  
of fear of losing, and hope  
of saving something of infinite  
value, a fear and a hope  
between which we are for ever  
hovering, a condition without  
which we as we are cannot live.

It assumes that there is this  
quality of uncertainty — living in  
fear and hope — about existence.

In a complex technological  
society ~~was constituted that~~  
this freedom is illusory. The  
ultimate precariousness of possible  
existence in ~~such a world~~  
removes the possibility of himself  
the individual secluding himself  
and keeping his 'conscience'  
his own. The residual  
uncertainty of <sup>(one's)</sup> individual  
salvation hinges on the possibility.

4 Last resort - certain of the chance  
of sacrificing life for the sake  
of conscience, in <sup>its</sup> <sup>salvation</sup>,  
this residual expectation of  
~~one's~~ acting rightly in extremes  
has vanished. We cannot any  
more honestly <sup>e.g.</sup> say that we would  
refuse to endow with unlimited  
powers any authority that offered  
to rescue mankind from any  
immediate destruction. Not  
fear for ourselves (we are able to  
ignore it) but for all the others'  
sake we would - this we know -  
~~feel~~ compelled to compel <sup>even</sup> ~~all~~ others,  
irrespective of their consciences, to  
conform to any measures that might  
rescue mankind. In this sense, we  
have lost a freedom to which all of  
us are attached, and the variety  
of what is the root reason for the  
malaise of a technological  
civilization. For we may live  
by the illusion that we have  
still retained freedom.

The way out? How to keep  
living without <sup>that</sup> illusory freedom?  
Is this not part of the freedom issue?  
Excuse this lengthy comment. Sincerely,  
as Karl Polanyi!



Phone Ex 3-8450

July 22, 1961

Dear Dr. Polanyi:

Ex 3-8450

Please excuse my delay in answering your three letters which have been most helpful. I am in the middle of changing jobs, houses, cities, climates, and getting myself cleared with the government for work with the Org. of Amer. States, Pan American Union, Social Division, in which I am to do research on the organization of class and power, especially in Latin American urban centers. In general I am in a sweat and will no doubt remain so for a while longer. Thanks also for the reprints which I have not yet had time to study fully.

Ex 3-8450

What would you think of taking your comments and my responses to them and sending them around as sort of newsletter for discussion to Pearson, Dalton, Bohannon, Sahlins, Vayda, and whomever else you think might be interested - it might lead to getting some of them to look further into the material or to get students of theirs to do so?

Let me first ask some information questions before I take up your criticisms. What would you say was the total distribution, temporally and spatially, of the port-of-trade? Did the emporium, wik, karum, and fairs of which you speak on June 27 (I'll just use the numerical dates to refer to your letters henceforth) constitute antecedents to the p.o.t. or are they alternatives - I was not clear on this from your letter. If the latter, how do we establish that they are truly alternatives - that is, that one could be replaced by the other in unchanged circumstances? One would need to look for different kinds of explanations for each kind of occurrence. Could you direct me to significant literature on each of these institutions?

Did Europe have ports of trade? If so, in all periods up to the development of the market? Were they Frankish and Norse English, later Hanseatic, later mercantilist (e.g. Spain and France of 16th Century) centers ports of trade. What about the Free City of Danzig - did it have p.o.t.-like characteristics even when operating with price-making mechanisms? Where are Chocoma and Chicoma and Loanda (any literature on them)?

You are asserting that these various places as p.o.t.s died different kinds of deaths, that is, that we could make up a typology of conditions of disappearance of the p.o.t. This would seem to me indubitable but I would doubt whether the various kinds per se will be too much help in explaining the disappearance of the p.o.t. One cannot explain a constant by variables, only by a constant. That is, whatever the variant means by which p.o.t. died, these means all must have produced a constant effect upon some constant set of factors. It was to this set of factors and the effect upon them that my concluding perspective was directed. It is actually presented as a generalized model and as such I used only a minimal amount of evidence to confirm it as I went along. From the cases I know: Aztec-Maya, Whydah, India, Mediterranean, there appear to be no contradictions to the assertions regarding 1) relative ecological homogeneity, 2) ecological discreteness from complementary socio-ecological polities, 3) commodity symbiosis revolving about state-craft within the trading states. One could look at each of these congeries of trading states as ecological super-systems linked by the p.o.t. in which each producing member is also, to a large extent, an ecological and socio-political isolate. In that discussion (Pt IV? - I don't have the paper before me), if I refer to India, it is only as an exemplification of what I mean, not as a single exemplification of the model. In most places it is explicit, and elsewhere implicit, that the propositions are intended to apply to all cases. This is why I would find it important to know about the cases in the paragraph before lest they be genuine p.o.t.s. but do not fit the ecological model. I would like to know more about each of the European cases you mention. Actually my model deduces from 2 or more coordinate and parallel societal units in a kind of commodity symbiosis dependent on parallel internal arrangements but differing content (especially of commodities) linked by the p.o.t. Each unit is partially bounded by a technological-organizational system but

From letter of June 27th:

I should think that it would be very useful to continue descriptive work on this level, particularly from early China right into the 19th Century.

Lo  
However, another line of exploration might also be already accessible, and prove very fruitful, namely (a) theorigns and (b) the decline of the archaic type p.o.t. as of Mongolia, India and China from the XIIIth Century onward (Marco Polo, etc.) The whole of this development - of a vast economic institution - falls inside written history. I strongly suggest that the method of investigation should preferably post~~pone~~ formulating general results to the very ~~end~~ and ~~start~~ start from early origins, i.e., the external meetings either of strangers with natives, or of strangers with one another and follow all the variants and their convergences in different regions and periods; then, follow the disintegration, similarly broadly, whether the market development dissociated the p.o.t., or the political factors sustaining it became "nationalized" and thus absorbed the p. o. t. into the "national" economy, or both. Such a study might throw much light on the general sociology of the birth and death of a widely spread complex institutional system. In primitive society, silent trade (or dumb barter) are the antecedents; in archaic antiquity, the empor-ia of the Mediterranean and the wik of the Norse; in Babylonia (up to a point) the Karum equal a type of riverine ports; much later elaborate fairs of the Champagne, also found in inland West Africa of the XVth Century; all these are cognate to your p.o.t. and show variant lines of development.

And in how many different ways did Goa, Karakorum, Venice, Choconusco and Chigo- lango (??) Loanda or Sidon and Tyre die? And that in several typically distinct ways, covering well over 3 1/2 millenia. Ln

Your concluding perspective is therefore (perhaps) too narrowly conceived. While it may be correct for your region and period, it might be inappropriate for Aztec, Maya, Hanse, Norse, English, N.W. Frankish, or Skandinavian "fairs", - long distance organized traders' meetings. The general formula for the decay of the p. o. t.'s in modern times is the impact of the market organization on the p.o.t. How did "commercial capitalism" destroy it?

...Make this paper a beginning of a comparative study of the port of trade....

P.S. No organ of external trade can be explained from the one-sided approach of the internal economic organization of a society, since the total process of international trade is the medium from which it derives. Most of the ports of t. serve passive trade, i.e. countries which have no active fleet or active merchant class, but are "traded to", e.g. Whydah which didn't possess a ship. Tyre was an active trader, but Sidon may have not been one. The Maya ports (these were many) served exclusively passive trade.

-----  
From letter of July 9th:

...In brief: I enjoyed your paper and was very pleased to learn the detail<sup>s</sup> of the East Indian p.o.t. situation. It leaves no doubt that the Guinea Coast (Whydah - Fida) was a derivation of the Portuguese influence derived from the East Indian model of Goa, etc. This is a new fact which explains a good deal.

I am eager to hear what you thought of my comments on the method of your sociology of economics in situations contained in the last part of your paper. ... It is significant that the mercantile period's interest centered on trade not on "markets". The latter were first discovered by A. Smith. He thereby became the founder of "economics", a <sup>the</sup> catallactic phenomenon. Trade is acquisition from a distance, primarily; exchange is the secondary aspect of it. (Cf Polanyi in Fried, Readings in Anthropology).  
Henry as



From letter of July 14th:

After another look at your p.o.t. paper:

I. Your remarks on the bazaar are open to much doubt, to which the paper's main subject is not. The late bazaars of the middle east are a variant of a very widely spread archaic institution, the chief characteristics of which are: in contrast to the primitive market which distributes food, the bazaar is a much later institution which presupposes the beginnings of a state organization. It distributes artifacts. It consists of skilled strangers (originally prisoners of war or treaty-based visiting strangers). Hence the prices are not equivalencies to which members of tribal communities are subject, but bargained prices and no one-price arrangement is permissible. Further, bazaars are policed areas (never in the bush), mostly covered, closed at night, always guarded. Food is sold only outside of the bazaar, in the surrounding streets, NOT in the bazaar. (Innumerable local or partial exceptions confuse the dilettantic traveler, but are not in place in a scholarly paper).

II. The approach to the socio-economic background of the port o.t. is methodically <sup>dologically</sup> mistaken. It is an institution of foreign trade and should not be primarily deduced from internal development, except that it is related to redistributive, administered economies, i.e. NOT a market development. In modern times (since the end of mercantilism) its central problem is "How do modern international markets such as "ports" develop out of the p.o.t.?"

III. The class background is, in my belief, a fruitful and relevant viewpoint. The elite goods (prestige goods) and the importance of this type of demand is - where it is in evidence - an important part of the sociology of the p.o.t. The international aspect is another aspect, both should be kept in evidence. The participation of the big landowners in the exports in royal (pharaonic, etc.) syndicates (?) of exports is an important (?) feature of upper class income, where it exists. However, silent trade (dumb barter) as a genuinely primitive institution on the tribal level need not possess such privileged syndicate traits. However, in your paper, the methodical fault, <sup>I believe,</sup> is patent, since you start from the universality of the institution, yet end up with a narrowly period- and regional aetiology restricted to your specific case - a clearly inconsistent treatment. ...



reaches beyond its borders by long-range acquisition (this is your phrase) without external control. Evolution of external control leads to the death of the p.o.t. but this could be by the impact of the market, by war, by lend-lease, or presumably by a number of other institutions. It would be interesting to inquire whether these different contacting institutions have different effects, aside from the breaking down of the p.o.t., that is, does the p.o.t. break down in characteristic ways given different kinds of impact? It would also be interesting to discover if there were a developmental pattern to the kinds of impact. Does war as a smasher of p.o.t.s come before markets, generally, and if so what are the conditions?

To reiterate, I would say that the model is intended to be universalistic and inclusive of the variants you suggest, although their particular characteristics might necessitate the modification of the model.

Why or rather what causes you to assert that Whydah was derived from Goa through the agency of the Portuguese? What does this fact explain? *(Too many similar wants to make independent development probable.)*  
What is a good definition of catallactic? I have never fully understood the term.

*"Deriving from exchange."*

Bazaars is the term used in the literature. My impression is that what was referred to as such in the litt. was not so different from what you describe as a bazaar in 14. The literature seems to indicate some sort of competition in pricing, but this might well mean bargaining - one cannot determine this from the literature which I have so far read. Also I was unable to determine who the parties involved were - the bazaars were apparently on the borders of like ecological areas (e.g. Bidur) or neighboring, variant ones; they certainly involved some strangers ("foreign merchants"). Quote 46 suggests congregating from different places and countries - under the control of local king and with the permission of state officials, with guards and security (e.g. at Vijayanagar bazaar) - all which suggests your policing aspect was present. All occur in cities (not in the bush). We know that jewels were sold at the bazaars, silks, horses (= artifact?), and courtesan entertainment, in a special quarter of the bazaar. Locale of food sales (if such they were) is unknown - Nikitin just mentions it. It might well have been in surrounding streets. I think it would be worth following up the bazaar (if such it were) and see how it works in India <sup>Society of the time.</sup> It looks as though it might be a sort of  $\frac{1}{2}$  subsidiary distribution mechanism, interior to the sub-continental ecological area, still between socio-political units in the absence of major riverine systems (e.g. India, Middle East), of goods at least in part derived through the port of trade.

I think that the broad substantive comparative program you outline in 27 would be well worth following up - perhaps we can work at getting students on to it.

Do let me hear from you again; let me know what you think of the newsletter idea.

Best,

*Tony*

Tony Leeds

P.S. Not only would I like to follow up the bazaar but I'd like to look into the Chinese and Indonesian Ports of Trade.

\* If so Mexico byland should have some bazaar-like institution; Japan, Indonesia, Europe(?).

Division of Social Sciences

July 29, 1961

Dearest Karl,

We have been away for three weeks - resting and playing in the sun ~~at~~ on the Cape - and found your good letter on our return. I am so glad to hear that the new Dahmer book is coming and that it ~~he~~ can help. I am anxious to see it.

I have just got hold of the new ~~Fromm~~ (on Marx) but not yet read it. I am deeply interested, and the new interest in the early Marx (which you long ago showed me to be important) and the meaning of the Hegel-Marx concept of alienation is just what we need, for it is essential to our current understanding of the corrosive effects of the market oriented economy. Dan Bell also had a piece, "The Rediscovery of Alienation..." on Marx in the J. of Philos. (Nov., 1959) which I just saw, but have not yet read. I have for over a year had



notes on a Marx lecture I gave here, and some time ago saw that it should form a third chapter or so in the book which ever so slowly gets written. The first ch. would be (is) an extension of the Challenge piece on services, "The Economy, Economics and the Good Life," an exploration of our dilemma — essentially that we do not understand the concrete effect of the market. (This is nearly ready for the typeset and I will soon send you it to you.) ~~The second ch. is the one which examines the development of economics from political economy to economics.~~ The central idea here is that ~~it is because~~ economics and the economy ~~it serves~~ have obliterated the vital distinction between the economics and the political spheres in a free society; that ~~without~~ a new concept of political economy (of the place and function of the economy in a free society) we cannot even see the urgent political problems — the sickness of the polity — in our society. The second ch. examines the development of the concept of the economy in society — from political economy to economics, the rationalist economy. This is the analysis in detail of the idea that with the development of the scarcity-

I  
Outgoing; Oakland Ave

II

at Paul



economizing ~~definition~~ concept and its acceptance the citizen's control of (indeed his will to control) his economy is emasculated and he becomes a slave to the sovereign consumer.

The thesis ~~also~~ will discuss what should, I suppose, be called the socialist alternative. Here would come the Marx, the role of the concept of alienation which I find, after reading the early M., makes the first part of Vol. I of Cap. on the commodity (and especially "Fetishism") so brilliant and relevant to our time. I suspect, with all the new interest in early Marx, there is not much to be said here except that my point would be <sup>that Marx's</sup> ~~was~~ <sup>ultimate solution</sup> ~~was~~ politically naive. Here, in this chapter too, I think I should turn to the Great Transformation and its central concept from which all things flow; i.e., the market envelopment of society. Here I would like to examine critically in terms of my thesis

the fetish character of the commodity value

the concept of the "reality of society" as  
a moral and regenerative force.

The temptation next would be to go back to Aristotle for the root idea of the political economy I seek - I'm not sure. In any case it would be followed by an examination of an alternative to orthodox political economy - economics, in the classical liberalism. The essential idea here is that there was an idea of the polity in a liberal society which got swallowed up in economics. Up to a point Hobbes would be the hero here, and Hume.

Then to the American institutionalists in the context of American Progressivism and to Commons' concept of political economy - which has not been understood, I think.

And finally to a chapter on the concept of political economy and policies based on a empirical understanding of ~~our dilemma~~ economics and the economy in a free society.

I am enclosing a copy of the letter from Martin Keeler which I haven't yet answered, but offers a good channel for publication. What do you think?



BENNINGTON COLLEGE  
BENNINGTON, VERMONT

I owe Paul M. a letter — as usual — but hope to see him soon as I get to N.Y. Walter has finally been heard from here and I know you have heard. He should be in N.Y. very soon and I want to see him. Is there a chance of your coming to N.Y. — he said early in Aug. ? If not, we might both come to Toronto for a day if it fits his time (and the busy schedule of the Dean!).

I haven't heard from Terry since the wedding in April but that is normal. They will both be off to Africa in the fall.

I congratulate the on the Amer. Antler piece, and the Harris rejoinder now offers me a second opportunity to reply which I must do.

As for "Alice" I think I ought to send her off to the J. of Ec Hist to follow the Lampard piece.



NO  
I wonder if you know if the Dalton  
thing on Africa (?) is published or  
soon to be and where. I would  
like to see, and should I suppose  
write him for a copy. I would  
but he might be afraid I'd crib  
it.

I have not seen the effort of  
"Is World Peace still Possible," but  
will get hold of it.

Dear Karl, I miss you  
and hope to see you soon.

All my love to all,

Harry

RUTGERS • THE STATE UNIVERSITY

COLLEGE OF ARTS AND SCIENCES

NEW BRUNSWICK, NEW JERSEY

29 July 1961  
New York

Dear Professor Polanyi,

Among the more important fragments that you might outline or write at this point are:

1. a) re the appearance of a peace interest after Hiroshima
- b) re the history of the cold war
- c) re the future of the cold war in the context of the New West

( Generally I am far more clear on the problem vis à vis the new nations than concerning the cold war)

2. re the triumph of the market economies after the Second World War

*Revision factors, laws, standard of life incorporated*  
I also thought that Russia should be presented as the ideologically more advanced part of the West vis à vis the new nations - and that the need for revisionism should then be discussed in that context.

Please give my regards to all. I hope that you will like the outline of the Moscow lectures.

Sincerely,

Paul M.

Polanyi

DEPARTMENT OF POLITICAL ECONOMY  
273 BLOOR STREET WEST  
TORONTO, CANADA

University of Toronto

Eastwood

July 3/61

Dear Professor Polanyi:

Thanks very much for the offprint. (d.b. 61.304).

Rostein keeps me informed of developments in the area of  
reseand. we are gradually becoming aware of its value, altho

possibilities of resistance remain!

I hope that Toronto's humidity doesn't extend to

Pickering. I find it almost unbearable here -

Best wishes

Tom Eastwood





ART AND ARCHAEOLOGY DIVISION

THE ROYAL ONTARIO MUSEUM

100 Queen's Park, Toronto 5, Canada. Walnut 3 6611 Cables: ROMA-Toronto

Walter?

July 31, 1961

Professor K. Polanyi  
R.R. 3  
Pickering, Ontario

W. F. Walter

Dear Professor Polanyi,

Thank you ever so much for the use of this book. It has proved to be most interesting in light of the archaeological report I am presently writing up.

Last fall I conducted a survey of the Makran Coast of West Pakistan for the University Museum, Philadelphia. We were looking for concrete evidence to support the assumed coastal sea trade connections between the Indus Valley and the West. Two pure Harappan fortified citadels were found near what must have been the ancient coastline. Not only were they probably way-stations for boats traveling to the West but they controlled the entrances to the two major routes between the sea and inland Baluchistan.

Certainly the identification of Tilmun and Meluhha is still much in question. There is no real evidence for the identification of Bahrein as Tilmun. Some good solid excavations along the Makran coast could go a long way toward solving some of these fascinating problems.

Thank you again ,

Sincerely,

George F. Dales  
Assistant Curator  
Near Eastern Department

*Dales*  
*Polanyi*

USOM/L  
c/o American Embassy  
Monrovia, Liberia  
August 2, 1961

My dear KP:

I owe you an apology for my boorish silence. I should have written you earlier to explain that I was prevented from visiting you before I left by last minute family difficulties. TODAY, August 2, I received the two letters you sent to me at Bard postmarked June 18. I am stricken with fear that you might have interpreted my silence--it is six weeks since you wrote the letters--as chagrin on my part. Not at all. You have never written a critique of any of my work from which I did not profit hugely, and you have forced me to improve my writing, for which I am everlastingly grateful.

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The Liberian project is like nothing else I've ever been involved in. Six of us from Northwestern--five economists and one anthropologist--will be spending over a year getting as accurate a factual picture as we can of the economy, as a preliminary to writing a series of recommendations for more rapid development. In a number of ways, Liberia is unique: A Black Aristocracy descended from the American slaves, sharply divided from the indigenous, tribal peoples who have only just begun to enter the market economy. There is no land shortage,



—rather the opposite, too small a population--and no capital shortage, because all the development is proceeding with American and European private capital and management. This tiny country is blessed with rich resources and has great potential. What they lack are trained people. They also suffer from not having been a British colony, so there is no tradition of honesty in government, or, for that matter, competence. The school system is very bad.

At the moment I'm working on problems of land tenure. I expect to spend five or six months almost continuously in the interior, working on problems of markets, labor ~~movements~~ mobility, and those matters concerning contact between the indigenous sector and the market sector. I was hired both as a general economist and as someone with special concern with indigenous economy. The most disheartening thing is that the work goes so painfully slowly; we will get less done than we hoped. There are no previously gathered statistics or any other information to ~~work~~ start from. We have to start from scratch and find out even the most elementary facts for ourselves, which is very time consuming. There is not even a telephone system, so one wastes whole working days simply tracking down people who have information we must have.

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Incidentally, I never saw a copy of the American Phil. Soc. Yearbook paper 1960. Please send me a copy if you have one extra.

*Best regards - George*

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**BY AIR MAIL**

P&R AVION  
AIR LETTER  
AEROGRAMME



*George*  
*Polanyi*  
DR. KARL POLANYI  
R.R. 3

Pickering, Ontario

CANADA

← Second fold here →

Sender's name and address:  
Dr. George Dalton  
USOM/L  
c/o American Embassy  
Monrovia, Liberia  
(West Africa)

AN AIR LETTER SHOULD NOT CONTAIN ANY ENCLOSURES; IF IT DOES IT WILL BE SURCHARGED OR SENT BY ORDINARY MAIL.

THE 'APSLEY' AIR LETTER

Form approved by Postmaster General No.—71995/IX

NEBO 01



USOM/L  
c/o American Embassy  
Monrovia, Liberia  
August 2, 1961

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MOEINHAEERLEBN TONIAEBBLLA

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THE COLLEGE OF LIBERAL ARTS

EVANSTON, ILLINOIS  
NORTHWESTERN UNIVERSITY



THE UNIVERSITY OF TEXAS

DEPARTMENT OF ECONOMICS

AUSTIN 12

August 3, 1961

Dr. Karl Polanyi  
R.R. 3  
Pickering, Ontario,  
Canada

Dear Karl:

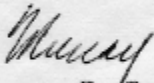
Just a line to let you know that I am leaving the Southwester permanently (I trust) having recently accepted the position of Professor of Banking and Finance at the University of Rochester. The deal is really a fabulous one and I consider myself most fortunate. The school is flowing with money since Rochester is among the top three universities in the country in terms of endowment per student, the student teacher ratio is 6:1 and I shall be heading up the finance department there and helping to institute a Ph.D. program.

I shall begin my official duties in the new post September 1962. In the interim I shall be on leave of absence from Rochester for the academic year 1961-62 having been awarded a Ford Faculty Research grant. The family and I will be living in New York City for the year and it will be there that I shall be doing my research project on certain aspects of the money market.

One of the projects I have in mind at Rochester is a study of the relationship between the growth of financial intermediaries and Canadian economic development.

Our address for the coming year will be 24-16 86th Street, Jackson Heights, N.Y. I do hope you will contact me when you are in the "Big City" so that we can chat about old times and you can fill me in on what you are doing.

Cordially,

  
Murray E. Polakoff,  
Associate Professor

MEP/w



University of Toronto

DEPARTMENT OF POLITICAL ECONOMY  
~~XXXXXXXXXX~~  
275 BLOOR STREET WEST  
TORONTO, CANADA

Bayview, P. E. I.  
4/8/61.

Dear Karl,

I hope I may venture on the familiarity of first names. I want to thank you for your letter and for the offprint of your paper in the Year Book of the American Philosophical Society. I am not sure whether I misunderstood your letter about Coyne, or if you were being ironical. I did not think Canadian political savvy -- permit quebec slang?-- came out of this business with credit. Of course, when I got back to Canada it was pretty much all over, and in Jamaica the press did not cover the debates. Coyne has sent me all his speeches and letters and so forth. His case constitutionally seems sound, but I cannot accept his economic (sic) reasoning.

Yesterday I received a copy of the Report Kari and I did for the Federal Government of the West Indies. It is hard to judge one's own work, but this seems to me sound and well-argued. It badly needs more editing. Kari gave it a rough "once over lightly" treatment, and I also edited it with some care, but while ill with pneumonia. The result is an unpolished, rough, piece of work. Nevertheless it is, I believe, sound and solidly argued. I cannot tell you how much I owe to Kari over this. Her work was original painstaking and revealing. But for her, there would be no Report.

/PTO

She has probably told you about the mix-up over signature. I wanted the Report to be jointly signed, as, in my opinion, was appropriate. Kari, however, wrote me a letter which both Dean Huggins and myself understood to be a disclaimer. We consequently removed her name from the title page and I gave as generous recognition as I could in the Preface. Nevertheless it was not what Kari intended. As she wrote to me afterwards, "these matters ought to be agreed in writing." She is quite right, and I feel I have done her an injustice. It was not, need I assure you, intentional, and I hope she will come to forgive me.

I think Kari should have wonderful success at McGill. She will be put on her mettle, and she has what it takes to respond to challenge.

Peter and I are looking forward to seeing you in the autumn. We do not keep a car in Toronto, but Kari tells me you make nothing of the drive in.

Kari will probably give you a copy of our Report. If not, I shall send you one as soon as it is released for general distribution.

Warmest regards and good wishes,

Barton K.



USOM/L  
c/o American Embassy  
Monrovia, Liberia  
August 8, 1961

Dear KP:

I've written to Paul asking him to send you a copy of the final draft of "Anthropology and Economic Development." My letter should reach him before he leaves for the Ivory Coast (a ten day conference at Abidjan) later this month. Even though he'll be next door to Liberia, a very tight schedule may make it impossible for him to visit us here in Monrovia. Happily, he is scheduled to come to Monrovia for several weeks next January.

I am preparing an outline of what I intend to write on the Social Science Research Council application for a research grant. I would be grateful if you could tell me the following:

(1) When I return to the States, may I visit you in Toronto and while there read your unpublished manuscripts? I remember reading one quickly some time ago: "The Livelihood of Man," which you asked me to read in order to mark off the sections used in Trade and Market. I would like to read it again, as well as the Dahomey manuscript and any others you have.

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I might possibly visit Vienna before I return to the States.

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- 1960, "On the Comparative Treatment of Economic Institutions in Antiquity with Illustrations from Athens, Mycenae, and Alalakh," (in City Invincible)

You mentioned in a recent letter an article of yours I did not know about, which appeared in a Philosophical Journal, in, I think, 1960. Would you give me an exact reference to it, please?

*Am. Philosophical Society Annual 1960.*

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In re-writing the dissertation it might be wise to leave out almost all the Robert Owen material, and concentrate on your work and its implications for all those branches of social science concerned with economy. There is a great deal to do.

*I do hope you are taking good care of yourself. Affectionately,  
George.*



USOM/L  
c/o American Embassy  
Monrovia, Liberia  
August 8, 1961

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to do.

Trinity College,  
CAMBRIDGE,  
England.

10 August 1961.

Dear Professor Polanyi,

It was kind of you to send me the report and bibliography, and I am very interested to know of this work. I hope the funds will be sufficient to enable you to carry it further.

With all good wishes,

Yours sincerely,

*W. L. Farr*

*2*

Professor K. Polanyi,  
R.R.3, Pickering, Ont.,  
CANADA.





.....Professor K. Bolanyi.....  
.....R.R.3, Pickering.....  
.....Ontario.....  
.....CANADA.....

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Sender's name and address:.....  
.....E.H. Carr.....  
.....Trinity College.....  
.....Cambridge, ENGLAND.....

AN AIR LETTER SHOULD NOT CONTAIN ANY  
ENCLOSURE; IF IT DOES IT WILL BE SURCHARGED  
OR SENT BY ORDINARY MAIL.

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Hotel Metropole  
Moscow  
22 August 1961



Dear Professor Polanyi,

B.O.A.C.

After a wonderful rest of twelve days in Kiev - a city <sup>land</sup> <sup>filled</sup> <sup>with</sup> <sup>flowers,</sup> <sup>rose</sup> <sup>parks</sup> <sup>and</sup> <sup>flowers,</sup> <sup>than</sup> <sup>anything</sup> <sup>I</sup> <sup>had</sup> <sup>ever</sup> <sup>imagined</sup> ( $22 \text{ m}^2/\text{person}$ ) we finally arrived in Moscow by plane three days ago, on Sunday morning. I saw Prof. Tsagolov yesterday and the pro-rector, for whom I had interpreted two years ago, today. Both received us extremely well, with genuine warmth, and this raised our spirits very much, because while visiting a country without human contacts is already not entirely normal, our few encounters with the bureaucracy made me fear that even in six months, let alone three weeks, we could achieve next to nothing of the many things that I have in mind. So far, for example, we have been unable to change our travel program to visit Inna's relatives. At the university, however, we were asked in what way we could be assisted, and although there might be limitations of all kinds on specific matters because of the general

political situation, it is reassuring to know that at least the element of <sup>personal</sup> good will is there.

Although I spoke to Dr Schlosinger by telephone I was unable to fly to Scotland. Because of the holiday rush there were <sup>no</sup> seats on any of the planes <sup>coming back</sup> that would permit us to make our connection to Paris. I promised to visit him on our way back, however, and unless something particularly important develops at the conference in Geneva, I think that this will be possible.

In the meantime I have begun once again to work on my lectures. In the Lenin Library, in the room reserved for academicians and professors, there both your books, ~~are~~ incidentally, are listed in the catalogue. This was a very pleasant surprise.

Within a few hours after we arrived in Moscow we ran into Leo on the street. He left for Warsaw the next day. During the seven weeks that he spent here, ~~he~~ in Tashkent, Tbilisi, Kiev, Leningrad) he met many economists. In Moscow he visited some relatives.

Prof. Tsagolov visited Dr Varga in order to give him your note, and





**B·O·A·C**

were disappointed, many were just curious.

The second lecture, which was mainly the presentation of Schumpeter's model was received with greater interest. By now also, the group of listeners had become smaller, (about 10 persons) limited more to those intellectually curious.

It was the reaction to the third lecture in particular, that I thought would interest you. This lecture was concerned entirely with the broader aspects of your work. (By now the group had again increased, by persons definitely interested.) The talk began and I, sitting among the audience, could feel the interest mounting. There were some questions asked, but these were mostly requesting explanations, rather than argumentative. As the lecture proceeded,





B.O.A.C

the interest grew. It is difficult for me to describe the climax of the lecture, but when Paul said that he had said all that he had wished to say (concerning tables of social costs) and asked whether there were any questions, - there was a deep silence and everyone sat motionless, as if transfixed. This silence continued for some time with no one stirring. Then someone said, "We simply cannot think of a question, we must think this through for a day - but please don't go away yet." The reaction was very strongly positive. Everyone surrounded Paul afterwards, and although I am sure some had work to do, we remained subsequently for another three hours in a very friendly atmosphere. Just before leaving, Academician Nemchinov unexpectedly arrived, and Paul gave him a copy of "Under the Market".

sincerely, Innes.

R.R. 3, Pickering, Ont.

13th August.

[1961]

Donnie's dear,

What a lovely surprise your letter from B.C. was! We followed you in thoughts along your track. So you ran into Peter Drucker, too. Now we'll be expecting you, and very anxiously look forward to having you here sometime about 20th November. You may be seeing David and Barbara (Ann-Bey), perhaps, if you pass through Regina. They will be <sup>arriving</sup> there sometime in October (90 Poma Corporation of Saskatchewan). David has accepted their offer of becoming General Manager.

Dear Donnie, this is wonderful that the new generation now has started to arrive. We had the sad news about Wendy's great disappointment and I am so happy that she is now feeling well and hopeful again. Our loves to Mother Dick and his young Cousin when he comes. These babies will be quite of our Harry's generation, Tom is an older. But



Harry Charles Lusk (dark eyes, like that like first  
head) is only six months old (though he has the  
 deportment of a one-year-old) and can be  
 long conducted with the younger family.

He is a radiant baby, and Tom very much in  
 an Elder Brother. We had them here a great  
 deal this summer as this place is a refuge  
 in the heart.

My health is not so kindly good now which  
 is hard when there are so many things ready  
 to be done in the garden & house. But I am getting  
 about all the same, more or less. Karel is doing great  
 work, getting 2 books to the Publishers. This is  
 our harvest. When that harvest is done we  
 may perhaps rent a little.

Plans to go to England this Autumn has to be  
 abandoned. This was a very grave blow. We are  
 living it down. The work in hand helps.

Do write again Donnie, let us know of your  
 wanderings, and come!

Lots of love to yourself and all,  
 when you write home.

Work is going well -  
 Thona is helping all  
 the way -

It's a joy to see!  
 You again

I love.

Karl

NORTHWESTERN UNIVERSITY  
EVANSTON, ILLINOIS

THE COLLEGE OF LIBERAL ARTS

August 16, 1961

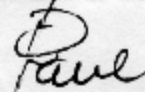
Dr. Karl Polanyi  
R. R. #3  
Pickering, Ontario  
Canada

Dear Karl:

I have just returned from a jaunt in which I spent several weeks teaching Peace Corps volunteers who are going to Nigeria some of the facts of life. I am just off on another jaunt which will include the Ivory Coast. I found your letter of July 5th here when I came back-- it seems amazing that I can have been gone that long, but there it is. I also found several from George in Liberia and he asked me to send a copy of the final version of our article which was sent to the "Economic Journal." I had a copy run off yesterday and put it in the mail, therefore you may have got it before you got this letter. I have spent the summer at what is going to turn out to be a little book called "The Exportable American." I think it's important and I hope somebody else does too. I shall now have to get back to my textbook after this next jaunt and sort of begin again to be a settled citizen. I'm not sure I will like that awfully much.

I'll be seeing you.

Yours ever,



Paul Bohannan

PB:lnb



August 16, 1961

HARRY: Surplus

My dear Harry.

At our last-time "surplus" conversation I spent myself in an ellipsis, with apologies, and left it at that.

Next day my lost thought came back to my memory. Here it is. (I believe it may contain the ~~paradigm~~ paradigm of the use of the concept of institutionalization in regard to problems of the "surplus" character.)

While the dichotomy of technological causes and developmental effects seems valid to me, separating two groups of problems relating to surplus problems, an other unifying approach is given by the institutionalization aspect of both technology and social development. The latter is practically resolved by your "surplus" theorem. The former has hardly been touched upon (either by Marxists or by non-Marxists). It runs like this: What kind of institutional consequences does (a) the appearance of new technological possibilities call forth? (b) What further consequences have the relative surpluses as soon as they appear? (c) How are these surpluses instituted? (At this juncture the "surplus" theorem links up with other economic problems, e.g., accumulation, or capital theorems). Maybe that the differentiation into "political" and "economic" is referable to this stage of the perspective

My point is that an elementary exploration of the institutional pre-conditions of technological change and <sup>or</sup> the appearance of surpluses might open up a fruitful investigation into the mediatory (role of bridging) instituting phenomena in human society; concrete research avenues could then offer <sup>for</sup> economic historians.

Sincerely  
Carl

University of Toronto

DEPARTMENT OF POLITICAL ECONOMY,  
273 BLOOR STREET WEST  
TORONTO, CANADA

Bayview, P. E. I.  
20/8/61.

[20 Aug.]

Dear Karl,

Thank you for your kind note of the 13th. I'll answer your health query first. We've had a miserably cold summer, and I have not honestly made the improvement I had hoped. But I still hope to build up further resistance before winter.

I think I agree on the politics of the Coyne affair, and I gather Mr. D. news feels it would make a poor election issue. On the economic side I cannot say I thought Coyne's policies were wise.

You will be proud to learn that I have now had both a formal letter from the Minister and a covering personal note from his deputy in Port-of-Spain about our Report. The letters are real enthusiastic. We pleased them. Kari will shortly receive similar letters of appreciation, but, since she was employed by the Institute hers must come "through channels", meaning delay. I was seconded direct to the Federal Govt, so

-pte

mine came direct. We worked very hard, and, at the end, under great pressure. Kari was, as you have said, awfully tired, not only from this last most strenuous year, but from the long-drawn-out strain of the last half-dozen. I was aware of this. But I hope now, especially when she has had some rest and has now the rewards of effort to look forward to, the sense of a good job well-done will make up to her for these terrible days of effort "beyond the line of duty" in Kingston. I have written her to this effect. We shall also have our book out next week, which should give her a further "lift." I am sure she has a great career ahead of her, and three publications in the last two years give her a flying start.

Warmest regards to you both from both of us,

*Burton*

Very truly yours,  
[Faint, illegible text]



Inverloch, Kilmun, Argyll, 22.VIII.61

Dear Karl and Ilona,

this time it is me who is late in writing—cause, of course, Medow since I wished more to report to you if he should turn up. Immediately on receipt of your letter I wrote to the given London hotel address but he took another hotel, 'phoned me up, and we were even arranging his coming up on Sunday (he had gone to a different hotel and though, on the 'phone he had told me he would collect that letter, he did not—so it was, in due course, returned to me by the post). On Saturday when, as arranged, he rung me up to give details of arrival, it came out that he could not since ~~his trip was cancelled~~ reservations failed on the culmination of the bank-holiday—and return by night-train (he could not) since his wife had arranged on Monday to go to Paris. So we arranged he should contact me when returning from Russia but the promised letter, in which he should give me his then address, did not arrive—and I have no idea whether a chat after the event, when I give him no preparatory knowledge, is quite as valuable to him as may be for me his report. Well, we shall see whether he comes.

Thanks for Karl's reprint. The concept of money as a means of payment, and 'international' exchange, originating already before the market is not novel—it is supposed in the whole course of the 3rd chapter of Capital I—the possibility of its remaining relevant in these capacities after a withering away of the market, as an economic regulator, is not only realised in present Soviet practice but even envisaged in the new CPSU programme (hope you have read it)—for an infinite period, even under communism. What would interest me is the question whether such truisms (in the communist system of thought their recognition implies a dropping of pre-Marxist ideological ballast, namely the conception of money in itself as an evil, as it surely was bound to appear to the expropriated small craftsman, is Reformation ideologies, etc) require particular statement in the present American ideological setting. The question, of course, is not whether money and international commerce existed before the market—only idiots can deny this—but whether such services as they may render in a post-market economy would suffer by their loss of such characteristics as they have acquired during the market period of human history. But the concept of merely 'notional prices' is, so far I see, nearly generally accepted in bourgeois economies—so the whole problem boils down, not to techniques of payment but to the question whether prices sufficiently realistic to allow for the worker's choice of the produce in which he wishes to receive that part of his reward which is not granted in the form of social services, and international exchanges between supposedly friendly nations, can be established by planning institutions at least as well as by that institution which prospered in the Piraeus or on the Moscow Sukharevka, and is slightly idealised in Wall Street. Why not? (The real problem is not market or non-market but the necessity of growth which implies temporary disequilibria.)

The letter to the Poles will surely serve its purpose, if the climate in those parts is favourable to it. The real difficulty with the whole project—which caused arguments from the very start—rests on the fact

that it makes no sense without strong western progressive and all-sided underdeveloped countries collaboration while a) westerners of the Myrdal, and perhaps even of the Carr type, may tend to regard Co-existence as dependent on a friendly international climate (which is, of course, untrue, since 'cold war' is just one form of competition-but at least for those Americans who might have been active contributors during the Kennedy honeymoon, collaboration in the present atmosphere might mean, indeed, an unbearable personal sacrifice), and b) the new nations of Africa etc. are in a quick process of differentiation, and those mentioned on your lists would, for reasons similar as under (a), no safe contributors by now while their very mention in that Italian forum (though I made my reservations) may already have raised suspicions. But these are mainly opportunist considerations, and time is bound to change the 'opportunities' in the desired sense; after the unavoidable Platzen der Berliner Seifenblase' here in Europe perhaps quicker than most people now imagine. Another question is, of course, the possibility of an American neo-isolationism, based not upon military strength but on its replacement by ideological denunciation of everything 'un-American', including perhaps prevention of a collaboration of American scholars in a journal such as ours, with some reflections in some European countries. On this one must wait and see-if things become favourable, Feltrinelli and the Poles would probably go in about English publishers I am less optimistic. But I always like to be refuted for the better.

Kindest regards from house to house

← First fold here →



↑ To open cut here ↑

Dr. Karl and Mrs. Ilona Polanyi,

R.R. 3

Pickering (Ont.)  
Pickering (Ont.)

Canada

← Second fold here →

Sender's name and address: Schlesinger, Inverloch,

Kilmun by Dunoon, Argyll, Scotland

AN AIR LETTER SHOULD NOT CONTAIN ANY ENCLOSURE; IF IT DOES IT WILL BE RECHARGED OR SENT BY ORDINARY MAIL.





25.8.1961. My dear Karl and Dione,

This is merely to tell you that I exist <sup>at least</sup> ~~not~~ <sup>probably</sup> ~~not~~ <sup>probably</sup> only as a ghost <sup>a faint one</sup> of my unborn self. I returned last night from my six weeks' travel in the Soviet Union & Berlin. I was in Berlin on the famous, infamous 13th August. I left Moscow where I stayed in the University on the day Titov flew. Too early there to see your friend Paul Medow, too late here to see him in London, alas. Yet I thank you for your thoughtfulness. Daphne too was away in very distant parts - in Soviet Armenia & only returned a day or so ago. - I have not been in touch yet with any one. You don't know the most recent news about Meserros and you. He (H.) may have told you that I obtained a post on the staff of the Royal College of Art (Dept. of General Studies) which should fill me with great joy. Instead I am filled with any thing but ~~joy~~. - The weeks away were brimful with experiences but I do not return exhilarated. The Soviet Union is a great country though her

The Nordic Star sends you her great love  
Daphne.





Professors Mrs Karl Polanyi  
R.R. 3

Pickering  
Ontario

Canada

Second fold here

F. Lawson

Sender's name and address:

6, Pembroke Villas  
London, W. 11.

Ch. Britton

AN AIR LETTER SHOULD NOT CONTAIN ANY  
ENCLOSURE; IF IT DOES IT WILL BE SURCHARGED  
OR SENT BY ORDINARY MAIL.

First fold here

best people (those I met) are without great hopes for the future - but the D.D.R. is a firm friend - student Mithausen. Meanwhile in our glorious West the French arranged a slaughterhouse - so I hear. - You my dear friends (accept please) these near-empty lines <sup>merely</sup> as a sign of my remembrance. We were glad to hear that the documents arrived. There was no other way of sending them. So on now I hope particularly if you ask me questions & write again to my undeserving old old friend  
F.L.P.

Aug. 31, 1961

Dear Peter, I am just back from hospital, recovering from a slight operation.

I found your paper enclosed to a letter which caused us both much live, enlivening joy. How good it was to hear your voice, clearer perhaps than ever, speaking to us from it.

For some reason or other I had never read Marshall's "Mechanical Bride." Also, I would have lacked the proper perspective, and might have been blinded (even maybe repelled) by its brilliance. This is only to say that I am now greatly struck by its depth and power. Written more than ten years ago, its exactness of prophecy is ~~amazingly~~ overwhelming. It stands beside Tocqueville and Lord Bryce as the third work ~~on~~ discovering ~~of~~ America, of supreme courage and unerring intuition. (I wonder whether his insistence on the simultaneous, vocal nature of electronics, (which I concede) is of comparable relevance.)

This takes me to your technology paper, which I liked greatly. Robert Owen was the (slightly maniacal) genius who was least misled by the "materiality" of technology. My operational bent makes me welcome your idea to focus on "work". But whether you have hit the most ample expansion or not, you are certainly right in requiring an all-round awareness of human possibilities to gauge the history of technology. How recent are the fateful conjunctions in that history with (a) science (atomic) and (b) economic organization (culmination of world market economy.) The philosopher might make these two ~~conjunctions~~ conjunctions responsible for the sudden ~~paralysis~~ paralysis of human affairs. Technology has touched off (through the science mishap) an utter paralysis of fear (blocking even the ~~disparaging~~ desperate resource of war!) and another no less fatal paralysis through the ironies of a non-dirsigible abundance subject to market laws. Of course, this line of thought may seem perverse unless one is fascinated, as I am, by the helplessness of man in regard to either the science- or the economy-excescence of XXIst century technology. How to stop science? And how to restrain the economy? How to humanize either? In other terms: How to ~~managewhathagain~~ approximate again the "purposeful society" Robert Owen was postulating? Your paper hints at least at the breadth of thought that can open the avenue to such a vision of the history of technology.

Ever,

Karl

present

Indeed,

But



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