

Moscow  
Hotel Metropole  
5 Sept 1961

Dear Professor and Mrs Polanyi,

The letter <sup>that</sup> I received from you today served to remind me that there is another world - a very different one - as well. I hope that you will recover rapidly from the operation. In exactly ten days now, I will be back in New York, and you will then hear from me by telephone.

Last week I gave three lectures to Academician Nemchinov's group - about twelve young economists. The second one was on Schumpeter, and the last - on your work. I said absolutely everything about it that I think is important, and ended by saying that it pointed to calculations of tables of the social costs of production vis a vis ~~set~~ given sets of rights. The effect I believe was very favourable. (The inference to Aristotle helped very much) To-morrow I will lecture at the university for an hour and a half. I plan to devote half an hour to Rostow, Kerr, and Galbraith, and 45 min. to your work - within a single framework - that of non-market economics. To-morrow, too, I expect to discuss with Professor Vishnu of the Institute of World Economics the scope of the ~~and~~ research in the non-market aspects of the new nations.

Whatever other consequences the hip may eventually have, your name will have begun its movement eastward after its movement westward since 1919. But as a result of the lecture I have also perceived some important new connections in the general model, that point directly to the study of societies, in all their flesh and blood.

Also I now know how to approach the tables of social costs: ~~by~~ from outside the economy, by setting up norms in terms of three variables  $\begin{Bmatrix} y \\ u \\ v \end{Bmatrix}$  for each (given) right.

$y$  expresses its material requirement

$u$  - its requirement for free time

$v$  - " " for direct aspects of nature

Given the state of technology,  $y$  requires specific ~~usually~~ inputs of labor and land ( $x_1$  and  $x_2$ ), which ~~usually~~ conflict with the social aspects of labor and land ( $u, v$ ). Any excessive production of  $y$ , therefore, by reducing  $u$  and  $v$ , <sup>below a function level</sup> destroys the ~~base~~ of the ~~right~~, ~~by~~ right. This is, I believe, the essence of a <sup>socially</sup> disembedded economy.

In order to compare various types of disembedded economies, we must compare the <sup>types of</sup> social norms that are imposed on economic decision-making\*, as well as the extent to which they overrule purely functional norms. In pre-industrial economies <sup>the actual</sup> ~~the actual~~ <sup>(("tradition"))</sup> norms were <sup>unconscious</sup> mixtures of functional and ethical components. The existence of a science of economics now makes possible the conscious separate application of purely functional norms on the one hand, and of ~~ethical~~ socio-ethical ones on the other.

Best regards to Abe.

Sincerely,  
Paul M.

~~\* I insist on that term. It~~ \* This term refers to objective rather than necessarily conscious decisions concerning the ends to which means must be adjusted.

Wed. 6 Sept 1961  
Hotel Metropole  
Moscow

Dear Professor and Mrs Polanyi,

I have just returned from the lecture at the University, which once again went well, although the twenty or so questions that followed revealed <sup>some</sup> misunderstanding stemming from preconceived notions. There were about thirty persons present, including at least five or six professors. The rest were graduate students, or "aspirants", but rather more mature, as far as I could judge, than their counterparts at Columbia. Someone next to me took down the lecture in shorthand. Almost all the questions were asked by 3-4 professors, one of whom appeared considerably interested and another thoroughly irritated. But during the lecture itself, which lasted one hour, the attention of the audience, it seemed to me, was intense. Part of this must be attributed to human curiosity, because Professor Tsigobu failed to mention that I am of Russian origin, and I supposed that many speculations were silently made ~~for~~ concerning the reasons why my Russian is fluent. (I am happy to note that it ~~is~~ really is fluent, more so than I expected).

I covered the following points:

- 1) The influence on <sup>the level of</sup> American economic science of political refugees from Europe
- 2) The shift, since 1950, from market equilibrium to and Keynes to <sup>(non-market)</sup> problems of economic growth and institutional aspects of industrialization.

level of academic matters, at least, has been done. Inna is a Rostov, visiting cousin. The reality of these lectures is quite different from what I imagined but the feeling of realism in this field that I have now gained is already operating as a strong stimulus in determining the course of my future work. I am looking forward very much to seeing you soon, and to resuming our work on a most intense basis.

- 3a) Schumpeter's model of development
- 3) The neo-Schumpeterians' "entrepreneurial" approach. The ~~po~~ to institutions
- 4) your approach
- 5) a comparison of Kerr's concept of industrialism with your concept of the economy as instituted process
- 6) The possibility of reembedding industrial economies by imposing social norms (through linear programming) on economic decision making.

All the questions concerned clarifications of your conceptual framework and especially of ~~your~~ ~~concerning~~ your view that there ~~is~~ a market economy appeared suddenly and not as a result of a prolonged expansion of exchange relations, until they encompassed the whole economy; and also why you don't call a market system capitalism. Generally, I think that most persons were puzzled and stimulated. Also they clearly learned, I suppose, that there is an economic science in the US beyond Keynes, which reflects aspects of Marx's economics in many ways. There was considerable argument, however, concerning my assertion that interest in ~~the~~ business cycles has diminished considerably among economists, and has been replaced by ~~an~~ a wide interest in growth.

I have suddenly become aware that ~~with~~ aside from one more matter, all that I expected to do during this trip I at the



4/5/61

THE  
UNIVERSITY  
OF  
MICHIGAN  
PRESS

Office of the Director

ANN ARBOR

*Books  
Reviews*

September 6, 1960

Mr. Karl P. Polanyi  
423 West 120th Street  
New York 27, New York

Dear Mr. Polanyi:

It is a pleasure to present to you here a complimentary advance copy of the ECONOMIC ATLAS OF THE SOVIET UNION by Professor George Kish of this faculty, which we shall publish on October 14. We take great pride in this publication. The information brought together in this atlas, gathered during the recent and short-lived thaw, will finally bring us up to date on the results of one of the great economic upheavals of our age.

We hope you will find the book useful.

Sincerely yours,

THE UNIVERSITY OF MICHIGAN PRESS

*Fred D. Wieck*  
Fred D. Wieck  
Director

FDW:jst  
cc #8709

PS - Saw Karl's name in the McGill catalogue at the library -  
Hope all went well with their move, and a good 10 Sept 61  
winter ahead -

Dear

Dearest Karl and Ilona,

Enclosed are some snapshots of our place;  
I've waited to get a few colored prints so you  
wouldn't get too bleak an impression of our  
"mud-castle" from the black-and-white ones. Adobe

is actually a wonderful warm buff color, and we've  
grown fond of the native style of house these last  
four years; but to unaccustomed eyes it can look  
pretty crude, especially on the outside.

It was such a profound joy and satisfaction  
to see your house this summer, and now be able  
to visualise precisely your working and living, so  
the miles melt away. And the shortness of the hours  
didn't really matter - simply the being there at all  
was a completion outside of time.

The rest of the trip went well, with a wonderfully  
gay visit at my brother's house in Wisconsin, and safe  
arrival home to find that our tenants had taken

excellent care of everything, including the all-important horses. All told, our summer was a gift of astonishing good fortune and pleasure.

Since then we've been busy with all the jobs of gardening and remodelling that accumulated, and with getting ready for school, which is off to a good start. Now this weekend John left for the Test site in Nevada, to stay till Thanksgiving, as they'll be doubly busy with <sup>power</sup> reactor testing as well as underground weapons work. I suppose the tunnels are better than atmospheric pollution, especially in the short run; but who can guess the long term results? I'm selfishly glad we haven't set our hearth on the restless coast of California!

I got the Degler history you mentioned, and especially noted the middle section on the Civil War and Reconstruction - also read Robert Heilbroner's "The Future As History", very stimulating. I'll have a fortunate wealth of reading time this fall, but sadly lack an Organising Principle to channel the monkey curiosity - but I trust my persistent luck in life will provide one sometime -

Now I must close - Thanks, with all my heart, for your letters, your thoughts, your selves - Ever - Char

Sunt. 10 Sept. 1961 Hotel des Familles

8064 Genève.

Le Bureau International du Travail  
et le Palais des Nations Unies

Dear Professor & Mrs. Polanyi,

We have just arrived from Vienna. No word from Kari yet. To-morrow and Tuesday we will be at the conference and Wedn. afternoon and Thursday all day - in London. I will write Prof. Schlesinger suggesting that he fly down because no other arrangement is possible. I have discussed the journal informally at the Academy of Sciences and elsewhere. The general attitude is quite favorable, but cautious. The decision-maker is Academician Topolichov, who is now at Pugwash. You should see him, perhaps write him. He will be there through most of September. I may see Acad. Kamenkina again to-morrow, at the conference.  
Best to Alex

 LIFTPOST  
PAR AVION VIA AEREA

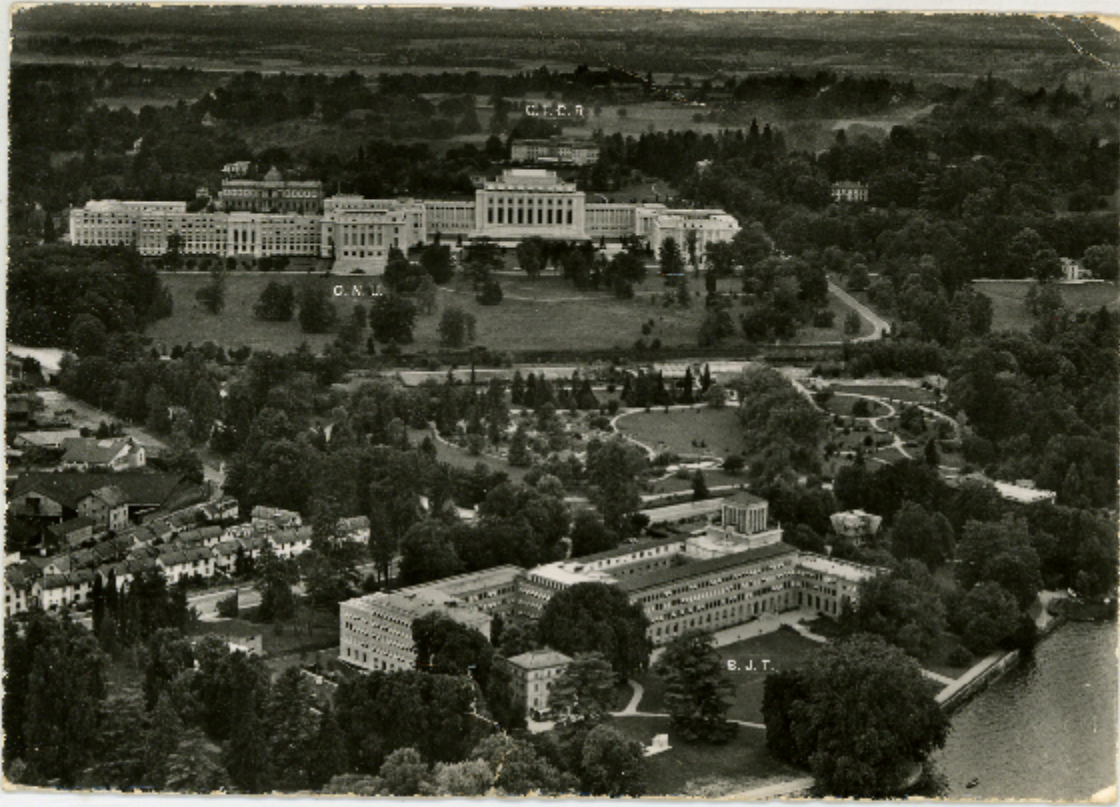


Prof. & Mrs. K. Polanyi  
R R 3  
Pickering, Ont.  
Canada



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# MAGYAROK VILÁGSZÖVETSÉGE

HUNGARIANS' WORLD FEDERATION

FÉDÉRATION MONDIALE DES HONGROIS

P.O.B. 292, BUDAPEST 62.

21447/1961

TELEGR.: HUNGWORLD Budapest, 1961. szeptember 11.  
Boő/Cnő

Kedves Polányi professzor!

Hosszúnak tűnő időt töltvén külföldön, kedves orvosok szelíd karnai között, visszatérve itt találom július 31-i sorait. Örülnék, ha azt hallhatnám, hogy jól vannak és kellemesen, jó kedvben és jó egészségben töltötték a nyarat. És remélem, pihenéssel.

Talán emlékszik még, hogy áprilisban még megtekintelt néhány kritikai megjegyzéssel Pukász dr. Jászai-könyvével kapcsolatban. Nos, úgy vélem, érdekelni fogja egy ugyancsak erről a munkáról most itt megjelent kritika /UJ IRÁS, 1961. 7.szám/. A folyóiratvezető ide mellékelem a kiváncsi vagyok, hogy a kritika pozíciójáról mi a véleménye? Magát a fiatal folyóiratot ismerik? Ha elég érdekesnek találják, kérem engedjék meg, hogy szentül gondoskodjunk küldéséről.

Mégegyszer köszönöm szíves sorait.

Ilona asszonnyal együtt

tisztelettel üdvözlé

Beőthy Ottó

/Beőthy Ottó/  
főtítkér

Professor Karl POLÁNYI  
Rural Road 3.  
RICKBRING, Ont.  
Canada

Prof. Polanyi

~~October 3, 1961~~

14 Sept 1961

London

Dear Dr. Schlesinger:

Altogether we were in Moscow for three weeks. Before that, because there were no rooms during the Biochemists' Congress, we stayed in Kiev for twelve days, and enjoyed fully its landmarks, its sights and its greenery.

It was one full week in Moscow before we became sufficiently acquainted with local etiquette, as it were, to make the contacts at the Academy that were suggested to me. The very first result was an invitation to lecture to a group of about twelve interested young members - economists, mathematicians, and engineers - who work in Academician Nemchinov's Lab. for the Application of Math. Methods in Economics. There are thirty of them now, and there will be more shortly. Their budget already provides for sixty, but they are extremely careful in selecting new members. This is done on the basis of talent and enthusiasm for the field rather than of formal training in mathematical economics. As a result there is now a genuine "collective" or fraternity in the Laboratory, whose members, it seems to me are both unusually open-minded and creative.

The first lecture that I gave consisted essentially of answers to a variety of questions concerning the place of mathematical methods in economics in the U.S. It was preceded by a general historical survey of the place it has occupied which permitted me to introduce the point that in all fields economics is shifting its attention from the study of market processes to broader ones - including technology and a variety of institutions. During the second lecture I presented Schumpeter's schema of economic development - noting that in its initial form this is a general non-market model, centering precisely on the element which today is attracting most attention - improvements in the technological process. I suggested that its analytical categories might be used to reclassify the sectors of input-output tables in a way that would minimize the number of technological coefficients that are altered by innovations. This though stirred some interest, but I was not able to reply to questions concerning details of constructing such a table. It was the third lecture, however, that definitely stirred the greatest interest, although not of an immediately practical kind. This concerned Prof. Polanyi's work, his general, para-market model of the economic process, and its inferences for the analysis of the socially destructive aspects of economic efficiency. ("social costs of production"). I was able to indicate the principal parameter (labor time and non-productive physical aspects of nature) in terms of which

tables may be constructed for the analysis of the social productivity of limiting economic (material) efficiency. I also discussed briefly the need to apply such methods to the application of new scientific discoveries that may be socially destructive as well as constructive for individual aspects of the economic process.

I met Academician Nemchinov briefly, and gave him a copy of Prof. Polanyi's "Trade and the Market in the Early Empires." He spends relatively little time in the Laboratory, and much time with the Economic Council, where he directs the work of a very large number of people. He is suffering from impaired eyesight and is required to reduce his reading. As a person he is gentle, very human, and genuinely civil, not merely polite. I have spoken to him again on several occasions in Geneva. There, incidentally, his report on the use of mathematics in planning, generally disappointed the participants because it indicated that at the theoretical level of model building and optimizing, the soviet work is not based on some kind of unusual achievements, and even appears to lag behind that of Frisch and Chenery.

I have also lectured at the University, in a relatively more hostile atmosphere, on the new non-market institutional concept in the field of economic development. In a gathering of about 15 professors and and fifteen graduate students (all economists) I contrasted the Kostas-Vernac-Schumpeterian approach to the study of institutional development with Prof. Polanyi's use of his general definition of the economic process, which raises the issue of subordination of the economic process to social valuations. Almost all the questions that followed were asked on Professor Polanyi's work. They reduced, it seems to me, to unsuccessful attempts to find a "bourgeois" bias in his approach, and expressed a disturbed feeling concerning the absence in it of a market-centered concept of stages of economic development.

I also met on two occasions with sociologists of the Institute of Philosophy of the Academy. As elsewhere, I left many recent books - especially by Fromm. It was there, I feel, that I could have lectured most usefully had I remained another week or two. The interest of the six persons or so who are studying American trends in sociology and philosophy is extremely intense, and they are generally aware, it seems to me, of the excessively academic character of their knowledge of the more recent trends. It is there, too, that work is being done on the institutional aspects of industrialization. It was my impression that this work is very limited.

#### Concerning the Journal.

Professor S. M. Vishnev, of the Institute of the World Economy, whom I had already met in Geneva three years ago, where he was assigned to the U.S.S.R., told me that there would definitely be an interest in the

October 3, 1961

kind of journal that I mentioned, and added that he himself had thought of organizing one like it a few years ago, and so had Gunnar Myrdal, whose project for an East-West Institute in Stockholm apparently collapsed for lack of funds. He told me that I should speak about it to Academician Alexander Topichev, who is the decision-maker on this, but that unfortunately he is at the Conference. To discuss it with the secretary of the Presidium of the Academy of Sciences, Academician Eugene Konstantinovich Fedorov, he agreed, was the next best alternative, and the logical path. This is also what other persons had told me. I spoke, at the Presidium, not to Fedorov, who was away, but to Mr. Vladen Stepanovich Vereshchebin, who is assistant to the person in charge of foreign relations (whoever that is). Mr. V. was very friendly, and appeared interested above all in the form of participation that was suggested. He said that a letter with the corresponding information should be sent to Academ. Fedorov.

From still another professor who had invited me to dinner, I had the impression that there could be almost no objection to the journal at all, if it were presented as a periodical "Conference" in print. For that conference coincides fully with the present objectives in foreign policy in the common sense meaning of that term, and has an established status. Finally, a variety of impressions suggest to me that what the Chinese might like or not like about this would make very little difference.

My own suggestion is that an invitation be extended not only to participate on the editorial board but to voice any strong preference or objectives that would still be compatible with the overall framework of the journal. But this should not be extended, in my view, to the point where a fear of responsibility for the journal's articles would emerge. The Soviet participants would have reasons to prefer, it would seem to me, a status of consulted guests, rather than of decision-makers. However, they themselves should be permitted, I suppose to make that choice.

I would very much like to accompany Prof. Polanyi if he meets Topichev. Would you object?

Sincerely,

Paul Medow

PM:elw

Inverloch, Kilmun, Argyll, 15. IX. 61

Dear friends,

at last some serious progress to report (unless you heard it already from Medow, to whom it is due and may any time arrive at yours—I did not see him personally on return, but had a long 'phone talk and got an extensive letter: thank him again for his help!). He reports from where he was, friendly interest in the journal, and even observations, by some people, that they thought of something similar already for some time (I heard the same this spring in Europe, but there it was more obvious, and not so reassuring in itself since good wishes, including our own, are cheap yet even merely moral support from the other side will probably be sufficient to overcome the difficulties here, and in particular ~~put~~ that F. into motion). The suggestion on which we agreed immediately on the 'phone, is that you should approach (personally, not by letters which are always subject to interpretation as controversial platforms) Academician Alexander Lofichev, who is at present at the Pugwash Conference (but it should be done soon, since he is likely to return in two weeks from now, or so); Medow would like to participate in that trip, and this would surely be all for the good since he could refer to the discussions he had in M.I. think the title of the journal, and perhaps our tentative lists of subjects to be discussed in its columns, all of which you have, is sufficient as a basis, plus a general explanation that we wish to have some people on the underdeveloped countries on the Board, and that Thom Hodgkin, who is a specialist for these matters, would be a suitable member of the Executive Committee of five or six, if technicalities allow: no definite mention of Africans since the lists in my hand are horribly Brazaville-in general, much of the spring preparations is now obviously out of date. Just the day before M. 'phoned Mila and I discussed that it may have been all to the good that no quick progress was made—in the present situation it might easily fall down, the Myrdal, Doreen etc. type fall off, etc.—if we now get a start, it will just become efficient in the unavoidable improvement period (that we <sup>planned</sup> do it now will, of course, increase the Russians confidence). As regards the steps to be discussed with them I suggested to P.M.—in increasing order of activity:

1) agreement, that some of them will contribute (with right of mine to write this F.—and you to the Poles—which, will, presumably, be enough to get things into motion).

2) one or the other of them joining the broader Board.

3) direct approach of theirs to P., or to whatever other publisher should do it, to demonstrate that we have a basis.

Probably (1) should be sufficient—P.M. writes me that they would, probably, prefer to be treated more as friends and consultants than as direct participants, and this may be all to the good in the end.

On our side here, mention only Joan, myself and T.H., plus the Italians, of course (as many as I want); people like Tinbergen may be easily recruited (but, hitherto, I did not speak with him about this matter—he may, however, be even at Pugwash, then greet him from

Tomichov

F (the fact that is proven)

J. D. Bernal

me). Since the thing is so obviously in the air, and their agreement is fully sufficient to get things moving, there is no point in going into potentially controversial, or unreliable, persons or details. Everything should be done on a simple scale - P.M. writes me that Myrdal broke down with his Institute plan because of a lack of funds.

If it can be arranged in any way, please arrange for T., or with whom-ever you speak definitely, to meet me on his return - if he should land in Prestwick, there, otherwise in London (or Oxford, if Th.H. should still be there? - but I could meet him also later, the first think is to meet T., or his deputy). If this is unfeasible we might meet somewhere else, at the occasion of anyone of these Conferences, or they might simply invite me to M., as they did with P.M., and we could use the opportunity for prolonged talks. Arrange this as it appears fit - in that case, I shall not spare with time and fares, since - if things are moving at all - this may be the decisive turn. You may simply wire to me - you know how the airmail operates.

Kindest regards from house to house, and write soon

*Anders*

← First fold here →



Dr. Karl and Mrs. Ilona Polanyi  
R.R. 3. R.R. 3.

Pickering (Ontario)

Canada

← Second fold here →

Schlesinger, Inverloch,

Sender's name and address:  
Kilnara by Dunoon, Argyll, Scotland

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

→ To open cut here

★ ★ ★ LUCY LOWE ★ ★ SONG SHOW ★ ★ ★

418 West 118th Street ★ New York City 27 ★ MOnument 2-6194

September 16, 1961

Dear Professor Polanyi:

This is to let you know that I've permitted myself to be persuaded (and it wasn't too hard to do it, either!) to do a series of Sunday evenings of my song-show in Judson Hall (formerly Carl Fisher Hall) on November 5, 12, 19 and 26th. I spoke to Mr. Halasz about it recently when he came in for some help, and he has promised me a list of persons who might be interested.

I am wondering if you would care to give me the names of some of your friends and/or students who might enjoy what can truthfully be called "plain fun for anyone who'd rather laugh than cry."

In the past year and a half I've managed to collect a whole new wardrobe of really glorious costumes - they are the equal of any Broadway show and were made for me by my dear Hungarian costumer, who simply loves to make them.

I am hoping very much that you may just happen to be in town for one or more of the evenings. I really do think you would enjoy the show and the fun - and perhaps be a little surprised and pleased at my way with an audience. Perhaps not surprised, for you've been so kind about understanding what I am trying to do.

I hope you folks didn't have the horrible heat we've just emerged from - it was down to 51 this morning at eight o'clock and most welcome indeed! I'd about reached the end of my patience with the endless heat and humidity!

I'll appreciate any suggestions you can give me, and at as early a date as you can send them. I plan to put the notifying letters with subscription blanks in the mail by October 1st. Please let me know also, if in writing to any names you suggest, I may use your name.

I wish Mrs. Polanyi could see the show, too!

Again my best wishes,

Sincerely,

*Lucy Lowe*

P.S. After the series, I'll get a new brochure, but meantime this one will refresh your memory of the songs, etc.





**THIS IS THE WAY IT BEGAN**

**LUCY LOWE**



★ ★ ★ PRESS COMMENTS ★ ★ ★

The staid fastness of Town Hall were invaded by a program of much lighter and more frolicsome quality, when Lucy Lowe gave a costume recital of American Popular Songs from 1776 to today. These began with a few gems of popular appeal of Washington's Day, proceeded through Crinolines and Minstrels to the Turn of the Century, and beyond to tunes of World War days, the late and unlamented Flapper Era, and finally the immediate present. Miss Lowe is a tall brunette, gifted with a flair for satire and a way with audiences. Her listeners were so carried away that they joined in singing several of the more familiar numbers. A whole series of encores were demanded at the end.

—Musical Courier

"Miss Lowe, a comely brunette with an attractive personality, is a disease. Her high spirits proved so contagious that the audience was delighted with her and even sang when she requested them to."

—New York Times

"A novel song recital—lively and informal and the audience did not hesitate to accept her invitation to join in the choruses of songs such as Tarara Boomdeay and other favorites of the years before and after the Turn of the Century."

—F. D. Perkins, New York Herald-Tribune

"Last night at Town Hall Miss Lucy Lowe turned in a marvelous performance. Her personality, delivery and selection of songs went over with a bang and afforded everybody an unusually pleasant evening. What this country needs is a few more Lucy Lowes."

—New York Enquirer

"Clever character numbers of old-fashioned songs."

—Brooklyn Times

"Miss Lowe's interpretations of gay songs of great American periods have won for her warm praise from educators and artists. Always humorous, they never burlesque the old songs."

—Detroit News

"Yankee Doodle, keep it up, Yankee Doodle Dandy!"

"An unusual but delightful and interesting program, composed entirely of American airs was given by Miss Lucy Lowe. Beginning with the Colonial days of Washington's time, the Crinoline Days, the beginning of the 20th Century, the War days and right up to the "swing" songs of today, Miss Lowe sang popular songs of each one of those epochs, and she wore costumes significant of the changing times. A large audience seemed to thoroughly enjoy these reminders of the past and joined in singing many of the familiar tunes."

—LaPrensa, New York

"Wearing a ruffled pink chiffon with old-fashioned wide pompadour hat, she gave a frolicsome spirit to the numbers Tarara Boomdeay, Bird in a Gilded Cage, Poor John, Bedelia, Get Out and Get Under, In the Good Old Summer Time, Daisy Belle, Let Me Call You Sweetheart, Annie Rooney, and others. The program, friendly and informal, appealing to her audience, they joined heartily in a number of favorite choruses, with Miss Lowe vivaciously leading them."

—Mt. Vernon Argus

"Miss Lucy Lowe reduced her audience to tears of laughter . . . An amusing musical history of the social development of the various periods of American culture. . . . Appearing in typical costumes of the period, each funnier than the last, by the time Miss Lowe reached The Good Old Summer Time, Let Me Call You Sweetheart, and Annie Rooney, everyone was singing."

—Bronxville Press

"One of the most entertaining program notions of the season . . . chose her ditties well!"

—Robert Simon, The New Yorker

"Lucy Lowe registered a riotous hit singing Tarara Boomdeay and A Bird in a Gilded Cage."

—New York Evening Sun

"A delightfully unique program of songs was presented by Miss Lucy Lowe. The program was divided into four groups: songs of Colonial days, Crinoline days, the Gay Nineties and modern numbers. Miss Lowe appeared in the various costumes of the periods and a more enjoyable program could not be imagined. The audience was most enthusiastic, not only about the songs, but about the very lovely singing and the perfect imitation of belles of gone-by days as given by Miss Lowe."

—Passaic News

"Lucy Lowe's great charm won instant approval."

—Scarsdale Inquirer

★  
Lucy Lowe Song - Show

418 West 118th Street New York City

MOument 2-6194



"Tarara-boomdeay!"



"Hinkey-dinkey parley-voo."

# LUCY LOWE — — SONG SHOW

AMERICAN POPULAR SONGS  
from  
Colonial Days to the Present  
in  
Period Costumes

"One touch of Lucy Makes  
the whole world kin,"  
because that's the effect  
she has on audiences.

LUCY LOWE aims straight for your heart,  
with nostalgia, with comedy, with pathos,  
but always with taste and artistry.

Baumgardner  
Hollywood  
1936

GAY SONGS BY A GAY COMEDIENNE  
A MUSICAL RAMPAGE OF AMERICA'S SONG HITS

# MUSICAL AMERICANA

starring

## LUCY LOWE

AMERICA'S SPARKLING MUSICAL COMEDIENNE

IN

### AN EVENING OF SHEER, ROLLICKING FUN

This fast moving, hilarious musical review of our songs, our styles, and our manners, had its origin several years ago in an unusual program staged by Lucy Lowe at Town Hall, New York City.

Critical acclaim stressed the novelty of depicting American social history entertainingly through our popular and musical hall songs, and that intensely enthusiastic response of that sophisticated audience to this fascinating panorama of ourselves. All the critics noted Lucy Lowe's amazing audience appeal.

In the years which have intervened, audiences in many cities have enjoyed this song-show, and their reactions are noted below:

#### PRESS COMMENTS

Walked out on the stage in a cerise shift to the knees with loop and fantail train copied exact from fashion show of the 1920's and the audience stopped the show cold with laughter for five minutes... loosened up the Quaker City audience.

--Philadelphia Bulletin

An evening of great enjoyment... every number brought back memories... young people enthusiastic about present day interpretations.

--Parkersburg (W. Va.) News

Lucy Lowe's personality and the humor and sentiment made the evening enjoyable to the audience who felt a share in it.

--Galion (Ohio) Inquirer

Lucy Lowe's sense of humor has made her the woman of the hour and a national apostle of good cheer.

--Detroit Free Press

Americana in its merriest mood in a program of pure unadulterated entertainment. Lucy Lowe's warmth of friendliness and vivacious charm made it a gay party --- everybody had a glorious time.

--Amsterdam (N. Y.) Evening Recorder

Lucy Lowe took her audience by storm... the performance was contagiously fresh and attractive.

--Albany (N. Y.) Knickerbocker Press

Gaiety and charm of personality won her audience at the start... Miss Lowe has a faculty of captivating her hearers.

--Bluefield (W. Va.) Daily Telegraph

Tickled the crowd and she managed to create quite an uproar when she got everyone to singing "Jada."

--Ashland (Ohio) Times Gazette

A smash hit!

--New York Daily Mirror

LUCY LOWE SONG-SHOW, 418 West 118 St., New York City 27, MONument 2-6194

Pickering, Ont. 17 September 1961 1.

Dear Paul, "Statement"

the enclosed <sup>contains a</sup> complete authentic picture of the "Coexistence" ~~from~~ <sup>periodical</sup> project - purpose and history - up to date.

The likes to Infeld (on the Editorial Board of "Polish Perspectives") and the list of desirable contributors are ~~to~~ <sup>to be kept</sup>. These <sup>persons</sup> have not been contacted, except those few mentioned in the "Statement". The French e.g., as well as U. S. A. are still to be added. The prototype for France is J.P. Sartre.

The problem is the position of S. U. contributions. Assurance of ~~exceptional~~ <sup>occasional</sup> high level contributions of individuals would be sufficient at this stage. Also such important countries as Cuba or Yugoslavia are ~~also~~ to be comprised. Central to the project is the correct

channelling of the new (2)  
nations periphery of the old  
world. The list of desirable  
contributors on Africa is  
the result of careful sifting by  
sympathetic experts. No  
such preliminary groundwork  
for Asia and Latin America  
has been yet done. (cf. "Statement")

The editorial nucleus, <sup>to</sup>  
consist of tested <sup>who are independent scholars,</sup> ~~journalists,~~  
contributors to be committed  
adherents of the principle of  
co-existence.

A.P.

I.C.

Sept 20, 1961

Dear Harry: I am sorry.

A dull pressure of conscience  
has assailed me these weeks.

I had read your draft at  
once, and felt much or  
nothing could (and should)  
be said. (1) It is a part of your  
venture, a complex, weighty  
growth which I regard highly;

(2) You said it's  
not finished, and warned me

(3) Actually it is not  
yet what it will become at  
the next reformulation,  
when it links <sup>up</sup> with the other  
pieces I know.

(4) Hence I ought to  
have returned it at once,  
and wait for my operation (approx  
20), the recovery, the home  
rehabilitation which is at last  
complete (Sept 20). On Sept  
24th I go up for observation  
as usual, and may stay at  
T.W.H. for an other week, or day.  
(No operation in sight, it's all  
Routine)



- 2 -

However, work proceeded here  
and the Dahomey - a new  
book - is shaping up for a  
finished work, with the end in  
sight.

Paul's trip at the Academy  
and the University in M.  
appears to have been reasonably  
Co rather more than 'reasonably'  
successful. He was also at the  
input-output Conference at  
Geneva, where also Kari seems  
to have benefited, she feels.  
Frisch and Chensy (besides  
Leontief) were the people.

Please forgive my bad language  
re ms. What ever you let me  
have, will be accorded the grand  
old 'treatment' from  
as always

Kari

Prof. Polanyi

October 3, 1961

Dear Professor Schlesinger:

I was not able to meet Academician Topchiev after all, even though he was in New York briefly. Professor Polanyi had sent me some material to show him, in the hope that even a general statement expressing interest in the project and an expectation that Soviet writers would collaborate in some form, would be sufficient to overcome the financial obstacle that exists at the present time.

To arrange a meeting with Topchiev, I approached Mr. Solodovnikov (Vasili Grigorievich) - the vice director (after Arzumian) of the Institute of World Economy and International Relations, who is now in New York as a high ranking member of the U.N. Secretariat in charge of organizing an international conference. I had met him earlier through Professor Tsagolov of Moscow University. Mr. Solodovnikov expressed an immediate interest in the project, but suggested that the best procedure would be a different one, namely, to first obtain the support of one or several influential scholars in the social sciences in Moscow before the matter came up at the decision level. Professor Polanyi felt, however, that the approach through Topchiev now was the more correct procedure, and during a second meeting, Mr. Solodovnikov who expected to see Mr. Topchiev in New York, agreed to arrange a meeting with him. At that time, I told him, after consulting Prof. Polanyi, that Prof. Polanyi did not at all wish to withhold from him the details of the project, which must clearly interest him, and had accordingly offered to meet him at the time of his expected visit to New York to meet Acad. Topchiev, and had also asked me, in the meantime, to show him some of the documents as a matter of information. Mr. Solodovnikov read the list of proposed topics, and the brief statement describing the origin of the project and made some notes. He then repeated his earlier advice concerning procedure and in this connection half-offered his own services. He asked whether Prof. Polanyi knew any of the well-known Soviet scholars personally. Upon learning that he knew Dr. S. Varga, he said that he should certainly write to him without delay and observed that in spite of his age Dr. Varga was still quite influential and active in such matters. At the same time a formal request should be sent to Acad. Fedorov, Secretary of the Academy of Sciences as I wrote to you earlier.

of planning officials (Ministers) from under-developed countries - next year (Geneva).

Professor R. Schlesinger

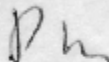
2

October 3, 1961

A week has gone by since that second meeting, and this morning Mr. Solodovnikov told me over the phone that he had not been able to see Mr. Topchiev who has now left New York, and that the next step, accordingly, should be to write directly to the President of the Academy of Sciences and to Varga.

May I add that his point concerning the importance of inside support seems extremely convincing to me. Judging from my own recent experiences, there is a strong aversion on the part of Russian officials to dealing seriously with people whom they don't know personally, and who have not some kind of measurable support within their own ranks. There is also not much of a feeling of reality or urgency concerning all matters outside of the USSR.

Sincerely,



Paul Meadow

PMelw

799 United Nations Plaza  
New York 17, New York  
October 4, 1961

Dear Dr. Polanyi,

You must have wondered whether your letter ever reached me. It did, just before I left Chicago, and I was so glad to have it. So often since coming to New York I have thought that I was probably missing a chance to see you by not picking up the phone and checking with your apartment. But the pace here at the US Mission has been hectic, and it has taken me some time to adjust to my new and fascinating job. It has also taken me a long time to find a place to live, but I have finally landed in a charming and most convenient apartment, at 235 East 46th, very close to my work here at 45th and First Avenue.

So now I hope I shall see you on one of your next trips to New York. I was delighted with all your news of the progress of the work. I am sorry I never followed up on your query about a roster of the economists in HEW. I will see what I can find out. I hope that Dahomey has advanced well since you wrote.

Here I live with modern Dahomey and her many sisters, which are already a strong force in the UN. Governor Stevenson has, I think, acquired some influence over them, by dint of hard work and a genuine feeling for them. I am now his secretary, or one of three. I am the only one he brought from Chicago -- his former secretary having decided to move to California to be near her family. I handle mainly his personal affairs, but have some contact with his UN work, especially since we moved from 2 Park Avenue to this new building right across from the UN. I can usually be reached here until 8 pm, and the number is YUKON 6-2424, Ext. 283.

I have just finished typing the beautiful little speech the Governor made in Sweden the other day, and will enclose a copy for you. You can imagine how happy I am in this job. Short of doing something oneself, it is very satisfying to call on every ounce of one's skill to assist someone who is doing something.

I have seen Rosemary and George, of course. Florence died suddenly last spring, as you may have heard. George is teaching now at the new Nassau College on Long Island and has the children with him, but is still faced with staggering problems.

I'll be hoping to hear your voice on the phone one of these days. My number at home is PLAZA 2-3097. And I still hope to travel north and meet Mrs. Polanyi. Thus far this year my travels have been south -- all over South America! It was a fabulous experience.

Yours, as ever,

Roxane



RUTGERS · THE STATE UNIVERSITY

COLLEGE OF ARTS AND SCIENCES

NEW BRUNSWICK, NEW JERSEY

New York  
Wedn. 4 Oct. 1961

Dear Professor Polanyi,

I have just been speaking to you on the phone and it made me aware of how long it has been since we have had a genuine conversation - not about ~~the~~ Topshiev. I was not aware that your call was not a collect one; I would not have held you up for so long if I had known.

Since my return to New York, in between other activities, I have been slowly developing an operational perspective on my work for the next two or three years. The lectures that I gave in Moscow helped me immensely in this regard, for they were concerned with precisely the points on ~~which~~ <sup>which</sup> I wish to be fully competent. The direct knowledge of the ~~the~~ current state of economic science in various parts of the world that I ~~also~~ also acquired both ~~there~~ there and at the Geneva conference ~~gave~~ gave me more of the kind of courage that derives from a knowledge of the confused state of thinking among other ~~school~~ school. Above all, however, the possibilities opened by linear programming for the reembedding of industrial economies now appear so promising, if only one is ready to abandon the economic process itself as the central frame of reference, ~~that~~ and so important for the future of planning, that I find myself committed above all to the development of this line of thought. As a result I have tentatively envisioned the ~~following~~ following work schedule for the next three years:

This year: completion of the New West and of short book on the the application of social norms to economic decision making in industrial economies. One or two articles from the dozen or so topics ~~on~~ on which I have initial drafts.

Next year: a leave of absence to study mathematics at Columbia. I may be able to have a Ph D in applied mathematics at the end of the year. My thesis would be on the mathematics of social costs, within the framework of your substantive model of the economic process, an expansion of the short book mentioned above. It looks as if Prof. Vickrey might agree to sponsor it.

The following year: completion of the draft on "Non-Market Economics" that I ~~discussed~~ discussed with you last year.

Later: A maximum use of the growing status of a mathematical economist to disseminate the new work and ~~to~~ encourage its implementation.

The major revision to which this schedule may be subjected is this: if there should develop a more urgent task, next year, in the form of another book on which we might work together, I would postpone the mathematics for a year, and use the leave of absence (with salary) to work with you.

Of course, I also have in mind more trips of the kind I made this summer, but more lasting, possibly under the sponsorship of the ~~the~~ Council of Learned Societies. But I should know my mathematics before the next one.

This year I will register for Professor Vickrey's course in Mathematical Economics. I have already attended two lectures, and found that I can follow the material. I will also give a course at Rutgers on both linear programming and input-output analysis, using the same texts as Kari. ~~This~~ The occasion to do this arose unexpectedly when a ~~senior~~ student, in his fourth year asked me if I could not help him in the ~~field of planning~~ within the framework of a course entitled "Research in Economics". After the chairman ~~agreed~~ had agreed, two graduate students, one from Porto-Rico, and one from India (a young Professor on a Fulbright exchange program) asked if they could participate. All of them ~~know~~ know either as much or more mathematics ~~as~~ <sup>than</sup> I do, and all are extremely interested in just one thing: planning. This intense common interest has already made the two meetings that we have had so far just about as ~~interesting~~ <sup>interesting</sup> to all of us as ~~one~~ one could wish. In addition, next spring I will teach a course in economics to engineers who have had three years or more of mathematics, with the understanding that I will have much freedom in organizing the course.

I another two weeks, or three, I will finish the initial draft of the booklet on "Economic Decision-Making and Social Norms", ~~xxx~~ ~~xxxx~~ I will then have that and the draft of the New West (GT in 1960) to revise during the rest of the year. But ~~the~~ I regard Christmas as the deadline for the second (almost final) draft of the New West. The inclusion in it of your section on the new party program will add a new direction to its contents.

The only thing that we still need is not a time machine but a distance-eliminating machine.

Best regards to Mrs Polanyi, whose unseen hand I now see everywhere, and to Kari and Joe.

Sincerely

Paul M

5 Oct 61  
New York

Dear Professor P. Stanzi,

In expanding on your appraisal of the new party program, it might be useful to consider how this could fit into the book on the New West.

The focus there is on the need of the West to rise to the occasion and ~~meet~~ help the new nations meet the problems of industrial civilization, including its external relations aspect.

The inadequateness of the market approach must then be fully ~~to~~ (but briefly) ventilated, and the question of alternative principles posed. The Soviet experience then arises as one such alternative approach, ~~the~~ and it may be examined critically, in the light of basic criteria listed earlier. It is possible to consider separately, in this connection, the Soviet economy of the 1930's and that envisioned by the new program, noting that external ~~press~~ and internal pressures and certain ~~the~~ transitional phenomena ~~seemed to~~ affected the 1930's order very considerably. In the longer run however, all <sup>the</sup> basic criteria that ~~must be~~ <sup>are relevant</sup> applied to an industrial economy must be applied. And in that context the advantages ~~of~~ ~~the~~ implicit in the proposals over the market approach, as well as the shortcomings, ~~must~~ may



be listed. But then it must be concluded that this is one alternative to the market economy (including the "transformed" capitalism of today) that is valuable because of the element of reembeddedness in it, but that this probably does not <sup>automatically</sup> make it a model for the new nations.

In short the program might be treated as a ~~definite~~ first contribution and serious contribution of the New West to solution of some of the problems that arise with industrialization.

xxx

The problems of industrial civilization include

- a) the overcoming of <sup>faith in the</sup> market ~~methodology~~ and of the atomistic view of man
- b) the clarification of the methodology and institutions associated with planning
- c) discovering how to limit growth in industrial production
- d) discover how to limit or avoid the use of certain technologies
- e) ~~discover~~ discover how to make full use of the potentialities for personal life, of material abundance. Especially for women.
- f) the problem of ~~the~~ creating an environment of social relations ~~must~~ that is adjusted

5.X/01

2.

to man's social propensities,  
rather than to functional (e.g.  
technological) needs.

g. the problem of conscience  
in an industrial society  
(the reality of society)

h. The effect of an international  
division of lab<sup>r</sup> on national  
independence

i. The ~~an~~ effect of technology  
on weapons and on international  
relations

~~j. Other problem~~

j. avoiding excessive urbanization  
induced by technology

k. extending the principle of  
democracy to the economic sphere

l. avoiding undesirable cultural  
consequences of industrial development  
(e.g. assimilation of minorities)

m. avoiding the dangers of  
excessive nationalism, induced  
by the ~~new~~ new role of  
calculations in industrial societies,  
e.g. to safeguard family life.

- m. To keep separate education from technological training
- n. To find non-destructive outlets for ~~the~~ abundant leisure
- o. To control the dangers inherent in the use of mass media of communications
- p. To adopt a sane policy with regard to space exploration
- q. To control excessive population growth
- r. Other problems: (e.g. the threat of fascism)

It would be, of course, important to derive these problems logically from the nature of industrial economies.

But in any case the reference should be not to this or that concept of socialism or freedom with justice and honor, but to these specific problems, or at least the leading ones.

In this context, I will briefly compare your appraisal of the component elements of the <sup>new</sup> party program with that of Fromm.

### A. Fromm:

He notes above all <sup>three of its</sup> ~~two~~ features:

- 1) its ideological eclecticism, ~~and~~ <sup>which represents, in his</sup> use of ~~both~~ <sup>new</sup> ~~revolutionary methods and~~ <sup>socialist</sup> ~~ideals~~ <sup>and</sup> (towards capitalist ones).

2) its emphasis on avoiding a nuclear war.

3) its <sup>genuine</sup> ~~and~~ acceptance of uncommitted nations.

He finds that the reference to material incentives <sup>and the emphasis on material production</sup> indicates that in spirit the program is capitalist not socialist. As for the social elements in the program, he finds that they do not transcend those of the welfare state.

As <sup>with regard</sup> ~~for~~ the reference to personal life, he finds that it centers on a moral code that is <sup>Victorian</sup> ~~more~~ and hence more reactionary than that of the market societies of today. This stems from its essential element is that of "Calvinist work morale", and this may be seen in its emphasis on family, work, patriotism, and duty.

In appraising this criticism I would say that it is written in a deep cold-war spirit, ~~deeper than that of the market,~~ and centers on the conviction that Russia is perverting ~~the~~ the highest achievement of the Western (Judeo-Christian) heritage - Marxism, in the light of its own non-Western cultural traditions, and that <sup>even</sup> capitalism, ~~is~~ but especially modern capitalism, is more civilized and "socialist" in spirit, and the <sup>only</sup> true bearer of Western civilization today, whose central aim is the emancipation of spiritual life.

By Your Draft:

The principal criticism, however, is that ~~the~~ Fromm appraises the program not in terms of ~~the~~ its capacity <sup>to cope</sup> ~~the coping~~ with the <sup>main</sup> ~~problems~~ <sup>problems</sup> of industrial a world industrial order, but in terms of its faithfulness to one element in Marxism. Ultimately, that element may well be the most important criterion. ~~At the present juncture~~ ~~its~~ Its connection with life in an industrial society, however, has not yet been clarified, and in any case ~~at present~~ ~~the~~ in the present structure of world history that element does not

possess the capacity to cope with the many urgent conflicts attributable to industrial civilization itself. In short the program does not <sup>yet</sup> promise entry into messianic times. But it does ~~not~~ turn constructively to new problems of social organization without ~~losing~~ <sup>considering</sup> the eventual possibility of a <sup>thoroughly</sup> spiritual ~~life~~ way of life is unthinkable.

### B. Your draft:

on the other hand, your draft<sup>2</sup> is oriented on the leading world<sup>wide</sup> problems of our time, especially the political ones. This includes the emergence of a New West, <sup>and specifically the need to stress the social reembedding of the economy and the need to find new arrangements in international relations, both within the socialist camp and ~~to~~ among rival political blocs.</sup> It is in that context that you appraise the new ~~advised~~ steps forward and the <sup>remaining</sup> shortcomings.

Specifically, with regard to reembedding you note that that perspective is <sup>definitely</sup> opened; <sup>that is particularly interesting with regard to social life;</sup> ~~and that~~ the element of spiritual values is explicitly introduced; that radicalism is retained, in spite of the ~~abandoning~~ <sup>replacement</sup> of the concept of class-conflict by anti-imperialism. At the same

time, however, revisionism is not openly admitted and <sup>the place of</sup> populism and nationalism <sup>in society</sup> are not properly recognized.

With regard to ~~the~~ international relations you note that, ~~the~~ ignoring a New West position with regard to China is not taken up, that the problem of relations within the socialist camp is ignored, as is the need for new <sup>international</sup> economic institutions in relations with the rest of the world. Also <sup>with regard to the new nations</sup> populism and nationalism are not properly recognized. With regard to the old West, its past achievements and capacity for readjusting are neglected, ~~under~~ the concept of imperialism and they are viewed as merely imperialistic. As a result the draft offers no guidance to ~~the~~ non-Russian intellectuals, and the concrete aspects of coexistence are neglected.

A ~~more~~ fuller treatment of these general perspectives would clearly fit in very well ~~with the~~ in the book.

Sincerely,  
Paul M.

Please return 1) this letter,  
2) your draft  
3) From's draft } ~~as~~  
soon as you can (not immediately). I will  
have copies made.

Lindner  
CRALL (File)  
1961 Oct. 6.

Kuusi Jorma,

Heihei Kevon St. Andrewn ka it hallohan  
nyntä luvket is mig lundaban neppapin  
a wacikat. Kenneth de Rottic tal ösgeuhtin  
idogelch is a juhaz vesse vindeneppos  
sosa neppimunka. Valibon opparoni  
voge vama a "Uns mig franzosa" -  
"A Fete para" ngy eppelchen eppesge  
muiszi alkofa; kamos fista, alin  
Eo van bene, epp valibon letera  
geudly; koltis - igan hözpos - is juhaz  
ferinid eppel leppel barallin.) (Vadilat-  
sawelto, haktunas muala rolt e vesse  
leforditun; kigen nuwank epp vadlinid  
kessin vesseil van ego (helgenkint a leinid  
van isweldolmel is eozka), kamea olgan-  
vel, vuch vadkionit, gaudag dimgalot-  
kan, nglis finomsagotkan, nifergeoi  
evaditiegben is ego-öszeteli nyitara-  
kan; Juggpöddöben, kogy fektine  
epp iniga epp foteket öszgallitani.

juhaz vesseilöl. Egentline mig valind  
korganti a felfordulas is mig go  
let kelig eltant, aing vind a la-  
ssad, wind peing at eppesemi  
"Bendulissal" vudben leppel a igg  
ötköber foguon neu fudol Elin-  
burglha wenni. Nouwenberben  
Aronban feltellenuil elweppe is  
wepresem at ewlilich fuidot  
a juhaz-rotet niadara wäpben.  
(Kenneth neppan at wondja, kogy  
jott leune at defordi fiadonid  
wepplekufni is at kigi one igan  
jöl lewines at ewlilich is. En  
ehog neu hudo? korgisgölin, wnt  
kijeren "zöldfalu" waggos aupliai  
niadon is fiadkufos agos hat-  
jaban.)

Waggon öwiltos, kogy a  
Nuora Perenga "wigeie irta" is-  
lebet. Wint a genreaktöl kol-



kom a franciska högtidlig önskan  
på kortet. Årets är nu och a  
hjälsningar.

Det bevisar, hur  
a var postinal elvaren  
lenfeli sällat inbäddan  
Spedit a lenkelt, vind a  
Posta spanghjäbit lukt-  
gen i Lundskan

Så sporeket  
idrottel vindkretsket

*[Signature]*

First fold here

To open cut here

Sender's name and address:

J. J. J. J.  
Lindero, CR 11  
St. Mand

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

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Mrs. J. Poling

R. R. 3

PICKERING (Ontario)

CANADA

Október 6.  
1961

Kedves Barátaim,

Olaszországi utunkról "hátrékelve" nagy örömmel  
itt megtaláltam Károly kedves küldeményét. A téma rendkívül fontos  
és érdekes s igyekszem felhasználni úgy a beszámolót mint a  
Bibliográfiát itteni szociológiai tanításon során. Az "Economic  
Sociology" volt eddig a gyengén, illetve ezt elhanyagoltam volt s  
most igyekszem ezt pótolni és ebben a küldemény nagyon is segítse-  
gemre van; végre egy gazdasági analízis melynek metodusa nekem  
helyesnek tűnik.

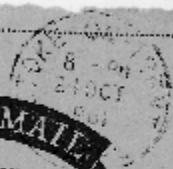
Olaszországi utunk persze igen érdekes volt - Mussoli-  
ni óta először láttam ismét Italiát. Bár a városokban (sajtó, könyv-  
kiadók, kiállítások) határozottan szellemi újraszűtés van - vidéken  
mi sem változott: festői nyomor, klerikális sovinizmus némi ökor-  
ménnyel tarkítva. És persze napot s tengert elvezo idegenek (köz-  
tük mi is). Viszont a sajtóvita nagyon érdekes volt: Saragat javas-  
lata körül zajlott. Saragat ugyanis össze akarja hozni a KerDemokratát  
Pert "mouvement de base"-jat - amely balra tart; és Nenni csoportját  
amely "ainsi-tro destra"-fele tart. Ha ez a két erő egyásra talál-  
allítja Saragat s hívei (köztük a Republikánusok is) akkor meg lehet  
végre valósítani a "Resistenza" szociális programját: jóléti állam,  
tervezés, igazi demokrácia és modern iparosodás... Csak éppen a  
Ker. Dem. pártvezetőségnek kell ebbe belemenni, no meg a Nenni partnak  
el kell fogadnia a nem-semleges külpolitikát. Allitolag nem lehet  
etlen egyik követelés sem. (Ha majd letni fogom, akkor elhiszem a  
jóslatot).

Itt közben megértük hogy a toryk tervezést hirdetnek-  
doktrinér tanár-kollégáim nagy remületére. Persze nehéz előrelátni  
hogy mi lesz ebből a javaslatból - de lehet hogy a toryk régi szokasuk-  
hoz, kepeste, elloptak az ellenzék ruheit. (Hogy egy "Victorian" kifeje-  
zéssel eljek). Szóval az öreg Európában is zajlik meg az élet!

Remélve hogy nemsokára ismét Hallok Rolator, szeretettel  
közönl Titeket, Vera nevében is.

*Y. A. D.*

BY AIR MAIL  
PAR AVION  
AIR LETTER  
AEROGRAMME



POST OFFICE  
LONDON



Mr. Karl POLANYI  
H. H. 3  
PICKERING, Ontario  
CANADA

First Fold here

Second Fold here

Sender's name and address: J. S. Bros  
62 the College Keele  
Staffs England

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

Third Fold here

Dear Professor Polanyi, 8 Oct. 1961  
N.W.

I would now like to begin to resume our consultation by mail with regard to specific sections of the N.W. Let me say again, in this connection that even the briefest replies, <sup>even if they are tentative or incomplete,</sup> in so far as they encourage me to think along a given direction, can be extremely helpful.

Question 1. What are some specific features of an industrial civilization? Why is technology inherently dangerous? (Why can it destroy mankind?)

2. What points must be brought in to describe the final triumph of the market economies after the Second World War?

trade unions, ~~brought over~~ <sup>become market support</sup>  
corporations create pseudo-<sup>embellishments</sup>  
~~markets~~  
affluence triumphs over social chasm

3. I would like, concerning international relations, to leave a brief section concerning the need to develop a genuine law of nations for the settlement of inter-national conflicts. This requires

that the needs of national social organisms  
be recognized and ranked in terms of priority,  
and that the analogy between the nation  
and the person (like that between the corporation  
and the person) be dropped. Is it possible to  
summarize the initial development of international  
law (Agostus) in terms of such a confusion?

Yes

Sincerely  
Paul M.

*Final*

O. Lange on Economic Science and Socialist Planning  
and the Management of a Socialist Economy \*

I have written on theoretical aspects of socialist economy and have been able to test my theories... The theories have fared worse than the practical experience, and I have therefore readapted my theoretical views. I will now present a brief account of what are today the main problems that the management of a socialist economy places before economic science.

"A Socialist economy is an attempt to subject economic activity and development to conscious human control and guidance on the basis of scientific principles". Planning is the instrument for control and it is based on social ownership of means of production. This gives a degree of freedom that does not exist in economies in which policy must take into account vested interests stemming from private property. Socialist economies, for the first time in history, offer the possibility for conscious control. The extent to which this becomes a reality depends on the scientific knowledge necessary to guide a socialist economy.

\* Lecture given at Columbia University (Graduate Economics Club), 8/11/62.  
Notes taken by P. I. Medow.

*planning - Acad*

A basic feature of a socialist economy is the development and planning of scientific investments for effective planning is the scientific task. This is the major concern of economists in socialist countries. But a considerable amount of relevant thought was developed in capitalistic countries, especially after World War II, in connection with applying those techniques in certain sections and more recently the planning needs of underdeveloped countries have increased the interest in the scientific knowledge connected with planning.

In the practice of economic planning there are two basic problems: 1) the internal consistency of plans; and 2) choosing the optimum plan. The branches of economic science concerned with planning deal with these problems. One may also say that in the socialist countries the first stage of development is concerned with internal consistency; it is only in the last few years that the problem of optimality is receiving increased interest. This is partly because socialist economies developed gradually, and some problems appeared only later, but also because the development of thought has its own logic. *ordered sequence.*

The first problem requires a technique for balancing material flows with each other and also monetary flows against material flows. The balancing technique was first employed in the Soviet Union in connection with the first Five Year Plan. Later it spread to capitalist countries under the name of national accounting. Historically this represents an extension of the accounting procedures of an enterprise to the economy as a whole. Concerning the monetary flows' relation to material flows, it is possible that excess demand or supply may appear. Initially, arithmetical methods were used for insuring consistency in this regard. More recently the conditions for consistency were formulated in algebraic form (by Leontief).

*mal*

The problem of choosing optional plans has emerged more recently. It refers to choosing one plan from all the consistent plans, in the light of certain criteria. It can be said that in the earlier period, too, some intuitive idea of optimality guided the planners, who knew the objectives. However, these objectives were not then presented in quantitative terms, because many of them ~~related~~ related to a specific type of social structure. It is only

in the course of time that the main objectives of a socialist economy have tended to emerge. Initially the task of economic development was so overwhelming that it is only now that the problem of 1) specific objectives and 2) efficiency is emerging.

In a socialist economy, is there one or are there many objectives? In the literature the general objective is the "satisfaction of human needs". But each one might be viewed as a separate objective. Or you might try to find a common denominator. The discussion on this subject is not yet concluded. Personally I believe that it is possible to formulate the goals of a socialist economy in terms of one single objective, in the following three equivalent ways:

- 1) the maximization of national income
- 2) the maximum increase in national income
- 3) the maximum rate of increase in national income

Accordingly, the problem of choosing the national plan is related to this maximization of national income.

This leads to a number of conclusions:

- 1) What should be maximized by enterprise?

It is net output. This is equivalent to maximizing profit only if the wage bill is constant

- 2) What is the criterion for the efficiency of investment?

It is the contribution to the increasing of national income.

Obviously, full employment of resources is presumed.

As you know, any maximization problem may be expressed in terms of minimizing (it's dual), and, in this case, minimizing of the use of resources.

- 3) Concerning incentives in enterprises and their members: this brings up the role of prices in a socialist economy. There are two: a) They serve as an accounting device, that makes it possible to compare resources and goods; without this the concept of national income could not be formulated. The criteria for the prices can be determined. b) they also serve as incentive for economic activity especially in the form of wages, but also as prices of raw materials, etc. I would prefer, however, not to dwell on this now.

Instead I will turn to the problem that attracts the attention of persons concerned with the optimal organization of the socialist economy. I will consider specifically the problem of the flow of information and of centers of decision-making, which is known in the Soviet Union as "economic cybernetics". It seeks to apply the type of reasoning developed in cybernetics to the economy. For example, if there are three levels of decision-making (Ministry of Chemical Industry; sub-associations of enterprises /e.g. dye-making/; and an individual dye-making enterprise), how does the process of decision-making proceed?

- 1) Information is sent to the top (reports)
- 2) Decisions are made
- 3) Information sent to the bottom (commands)

In this prospective decision-making is a transformation of reports into commands.

There are two problems that arise: 1) the reports take time 2) the transformation capacity of decision-making centers varies, and thus the time element appears again. This calls for the "automation" of the decision making process. Two ways exist to achieve this: 1) decentralization, and 2) the use of computing machines.

With regard to the former it is possible to rely on decentralized arrangements when such incentives exist that decisions taken at the bottom are those that the top would make. Note that if the centralized information flow - decision-making cycle is too long from the point of view of operational requirements, then obviously the center is not able to exercise effective control in the first place, and in such cases decentralization is required even if the decisions do not fully coincide. This problem, however, is familiar to engineers concerned with automation. For example, the information flow in a telephone exchange may exceed its transformation capacity; then sub-exchanges are established for processing a new category of "internal calls"

With regard to the use of centralized arrangements that rely on the use of electronic computers, this is an alternative to decentralization in capitalist sectors too. Here we encounter the problem of the relation of the market mechanism to this. The price system is an important instrument for the automatization of decisions. But I believe that the mathematical machine is competing with this. In my "Economic Theory of Socialism" I had noted the argument that the market system made unnecessary the finding of efficiency prices through solving a large number of mathematical equations because market processes would create the same solutions. Now, however a technological revolution has occurred, and you can solve the equations. Therefore one can choose between the machine method and the market method.

In linear programming one can solve problems by either maximizing or by minimizing another function, which implies the use of "shadow prices". You then choose a certain system of "shadow prices", and see if your resources are all used up. If not you revise the "shadow prices" until they are. This (the simplex method) imitates exactly the procedure of the market which, like it, operates through successive approximations. You may thus view the market system as an analog machine but not necessarily the most efficient one.

Accordingly, in planning an economy, the accounting function of a price system may be performed either by a market or by the machine. In a socialist economy the problem of optimizing can be solved exclusively with the machines; so that now a scientific approach to this problem is possible. In practice, however, it is not yet employed. The method still is the making of a variety of managerial adjustments in a consistent plan.

To conclude: it is a socialist economy that is most interesting to the economic scientist.

In his answers to questions from the audience Prof. Lange <sup>also</sup> noted the following points:

- 1) The criteria of rationality for consumers goods prices should be the usual ones, and those for producers goods should be such, in his view, that  $D=S$  in the short run. With regard to the long run, however, such prices must also measure [the efficiency of their use for investment]
- 2) The amount of total investment should be regarded as a political question. In the calculations it should be treated as an externally derived constant.



There is not, in his view, such a thing as an "optimum rate of investment", but only upper and lower limits (the latter determined by employment needs as population rises)

- 3) The "optimum rate of investment" of a capitalist economy corresponding to the monetary problems created by the preferences of persons for liquid funds is not relevant to the maximization of income over long periods.

[9 Oct. 1961]

My dear Karli,

I am sorry so long has passed since your letter arrived, but I have been excessively busy--admission of a record number of students, writing two commissioned articles, giving a radio talk on Wyatt, and the usual endless series of meetings, not to mention 8 orations on hon. graduands as Public Orator. I saw Irene in London (when I was up for my broadcast) not long after she had seen Kari, and I was delighted to hear news of her.

I am glad the plans for the journal are progressing. I didn't have a chance of discussing it in Warsaw; I was only there three nights, and met only members of the British Council, professors of English, and a number of translators and poets at a formal party, not to mention the Ambassador. But I was impressed by the liveliness of the intellectual life.

I will certainly approach McGibbon and Kee about the journal if your other plan doesn't materialise; but the chances there are less than they were a year ago since the death of the socialist millionaire friend of Devan who owned most of the shares.

We go to Pittsburgh in September '62, unless they decide I am politically undesirable after visiting Moscow. (A friend of mine, married to an ex-communist, was there last year, and they have invited him back notwithstanding.)

We have a Russian woman in my department this session, writing a book on the English Novel 1920-1940. A pleasant person, but a bit disappointed that we have only one course on modern literature.

We went to Austria in August, and I went to Stratford before and after for a summer school and a conference. I am writing an article for a Moscow symposium on the productions there. Did I tell you that Moscow are also publishing an article on Hamlet and a book on Macbeth (in English), and that Poland are publishing an article on Antony and Cleopatra. So as I had three books published this year, I'm just about cleaned out.

Katherine is applying to universities to read Maths, and if she succeeds she will fly out to Pittsburgh Christmas '62.

Love from us all

Kenneth

To open see here →

Sender's name and address:

Kenneth Miller  
University of  
Liverpool

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POST

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SAVING



Karl Polanyi  
Pickering  
Ontario  
Canada

← First fold here →

Paul

M

X.1  
'61

11 October 1961  
561 West 141 St  
New York

Dear Professor Polanyi,

Did you read the Nigerian delegate's speech in the UN in today's Times? It was a warning to African nations to learn to settle their disputes without the help of the great powers, who had lost, he said, their right to be leaders. The words he used are excellent illustrations of your position concerning the Old West.

I have been writing, in recent weeks, a draft of the projected small book on social norms in economic decision-making. I decided to approach this in terms of your general model, which I have reformulated in decision-making terms, ~~refining~~ noting that decisions must precede economic activity, whether they are taken consciously or not. Economic activity is defined, as earlier, as the transforming and the transferring of material goods, and decisions then refer to the selecting (fixing) of ends for which means must then be found. (This defines which activities are means, and are therefore economic activities). This leads to the following kind of approach to the ~~analysis~~ analysis of empirical economies: which are the norms (criteria) that are imposed on the following decisions that underly economic activity: (the other question is: through what institutional elements etc, they are imposed)

A. Production:

- 1) what to produce
- 2) how much to produce
- 3) how to produce
  - a) what technology
  - b) what factor proportions

B. Transfers

- 4) to whom (where) to deliver
- 5) from whom (where) to obtain inputs

These decisions create the channels (in the world of natural processes and in the world of social relationships) along which the goods move, and along which, therefore, economic activity is directed. They are intimately associated, however, with the activity-inducing mechanisms, and derive some of their criteria from the latter. Hence the first step is to study the latter.

If one examines these decisions in terms of what norms should be imposed in order to have the most effective use of resources given possibilities for substitution, then the traditional Mengerian principles of economic analysis result. They follow not from any postulates about markets but from the ~~principles of diminishing~~ technologically derived principles of diminishing utility, increasing alternative costs, decreasing returns to scale, and diminishing productivity of individual inputs.

If one examines, them, instead, in terms of the actual norms that are imposed upon them in empirical ~~economies~~ <sup>markets</sup>, then the fact that purely social norms play an important role should become evident. And then, too, the social arrangements ~~which~~ through which these norms are brought to bear on decision-making would emerge in a functional perspective, indicating, at the same time, the precise character of the link between society and the economic process.

P.S. I have a file of "New West" clippings from the N.Y. Times collected over the last few years, (about fifty or more items). Would it help you to see it?

Both the patterns of integration and the supporting patterns should then appear in a new light.

My aim, however, is to answer the question: can social norms be applied to economic decision making in an industrial economy. It is for this reason that I wish to illustrate clearly, at first, the ~~extent~~ full extent to which they were applied in pre-industrial societies. And then ask the question: is there anything specific to industrial economies, that prevents this for all times, and makes inevitable, as may people presume, the application of strictly economic or efficiency oriented norms to economic decision-making. The answer will be a mixed one. Its essence is this: that a new kind of division of labor, within the sphere of producers goods, makes necessary the use of purely functional, ~~economic~~ efficiency-oriented criteria within that sphere, ~~and hence of corresponding~~ and hence of corresponding valuations for the 'prices' used there. But that this principle need not extend to either decisions about what factors to use in production (to make available to the economic process, and under what constraints) nor to the manner in which decisions concerning the assortment and priorities of goods are established: at these points, social norms are free to prevail, in principle.

The final question concerns, then, the institutional arrangements and the types of calculations through which social norms may be imposed ~~on~~ on economic decision-making at both ends of the economic process.

One of the questions that recurs to me, in this connection, is just what socialism refers to. Is any embedded <sup>in the</sup> economy socialist? ~~This is what Schumpeter suggested, when he said that central planning is the essence of a socialist economy, and that the problem of the type of society that this is is a distinct one: there may be both human and inhuman socialist economies. Or does the term socialism refer to the Judeo-Christian idea of the spiritual emancipation and inner life of man? One would perhaps have to specify that one has in mind a Christian socialist economy, or a Buddhist-socialist one, or a fascist-socialist one(?)~~

If I forgot to mention one point concerning the decision-making: it refers to de-facto decision-making at the industry level, not that of individuals at the operational level, or rather, that of individuals at the operational level that refer to production at the industry level. With regard to the value of goods, I have concluded that no such thing exists, except, in the form of an illusion, in market economies. Hence adding goods is not permissible, and the concept of a national product is meaningless.

Another point: the concept of equivalencies (and I suppose, here, the two types of social justice) appears to be, at present, the missing link needed for a functional reinterpretation of the general model.

Only yesterday I found striking support for my view of what distinguishes industrial societies from pre-industrial ones in Chenery's paper, delivered at Geneva. He notes that input-output tables of pre-industrial economies indicate that "interconnections among industries are quite limited...intermediate demand for manufactured goods accounts for only 5-5% of the total demand."

This brings you up to date on my recent thinking. But the time has come to return ~~most~~ most urgently, to the New West.

Sincerely,  
Paul M.

NORTHWESTERN UNIVERSITY  
EVANSTON, ILLINOIS

THE COLLEGE OF LIBERAL ARTS

USOM/L  
c/o American Embassy  
Monrovia, Liberia  
October 13, 1961

Dear KP:

I am applying to the Social Science Research Council for a year's grant to do a book on comparative economy. I enclose a draft of the essay I wrote as part of the application, outlining the work I have in mind. I would be very grateful if you wrote a letter of recommendation on the enclosed blank, "Confidential Report on Application for Grant," and mailed it to the Social Science Research Council, 230 Park Avenue, New York 17, New York. Their deadline is November 1. I'm sorry to give you so little notice, but I received the application forms only a week ago, and it took me the week to write a satisfactory draft of the application essay.

If they give me the grant, I will spend a year working full-time on the book. I am rather keen to get on with the work, and a year off from teaching would allow me to get a good deal done.

I have no experience in foundationmanship and have no idea whether the application essay is up to the mark. I outlined my ideas on it to Paul B. in a letter and he thought it would do. There is much else I should like to do in the book, but in writing the application essay restrained myself from including excessive detail.

I am spending a good part of my spare time this year in Liberia reading for the intended work next year. There is an enormous amount to do.

I'll cut this letter short so that it makes the outgoing flight today. There are only two flights a week.

Paul B. is thriving, I received a long letter from him today.

HAPPY 75th BIRTHDAY

Love regards  
George

Inverloch, Kilmun by Dunoon, Argyll, Oct. 14, 1961

Dear Medow,

excuse my being so late in thanking you for your report on events-I waited a little to hear from the Polanyis, whom I had written immediately after our 'phone conversations from London. I am not particularly astonished about the lack of a direct result in these matters we all turn in a circle: it is difficult to rally sufficient support for the project on the Western side before its success in forming a bridge is secured, and on the other side of the bridge people are bound to be sceptical about the reality of the group attempting the project here. Things are more difficult because of the present international situation which raises doubts about the extent of the availability of these or those contributors-of course, in principle this is irrelevant since the more complicated the situation, the more necessary is the effort at clarifying co-existence. But how to do it? The one point where I saw some hopes of a national basis, from which to operate since ~~it over~~ alone can keep the thing going, and need not bother whether 50, 50 or 80 per cent. of the desired contributors would arrive, ~~as~~ Italy-but ~~from~~ there, too, I get at the moment no ~~encouraging~~ news.

It is all right for Prof. Polanyi to try and to write-perhaps I shall myself, in a few months when an opportunity arises, make an effort to get direct communication with V., too. On the whole, I have the feeling that, in this effort, we are the prisoners of forces stronger than any group of individuals: this does not mean that efforts should relax since their very existence may bear fruits when conditions change.

How is Karl Polanyi's health? I was already ~~astonished~~ about the long delay in getting a reply to my letter-but from what you write about your conversations, ~~he~~ appears to be all right.

kindest regards, and again many thanks for your efforts

P.S. Still, I must emphasize again and again how important the project is: all limited efforts, such as our journal, run into a cul-de-sac from which there is a sensible exit only forwards, in the direction of comparative sociology. Write me, please, about everything you hear of in this field.

*Ray Hillier*

To open cut here →



Prof. Paul Medow,  
 Department of Economics,  
 College of Arts and Sciences,  
 The State University,  
 Rutgers  
 New Brunswick, New Jersey  
 (USA)

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Sender's name and address: Schlesinger, Inverloch,

Kilmun by Dunoon, Argyll

Scotland

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**Canadian National Railways**

O.M. Solandt  
Vice President

Research and Development

Montreal, Quebec  
October 19, 1961.


Professor Karl Polanyi,  
R.R.F. Pickering,  
Ontario.

Dear Professor Polanyi:

Many thanks for your kindness in sending me a copy of your article prepared for the American Philosophical Society. I found it thought-provoking and very interesting.

I am sorry that during your last visit in Montreal our exchange of ideas was limited to a short period, but let us hope that in the wintertime we might meet more often.

Yours sincerely,

  
E. Maroti.

EM:rf

Mrs. Gustav Stolper

One Gracie Terrace

New York 28, N. Y.

October 24, 1961

Dear Karli,

The arrival of your reprint this morning was a joy indeed to me, and now I've also read it and bettered my understanding. I have been thinking so much of you and Ilona during my 4 1/2 months in Europe; but in the end <sup>(13 to 18 Sept.)</sup> I have even been five days in Canada, 3 hours in Toronto without calling you. My inhibitions against forcing friends to the telephone when it

suits me, is sometimes almost  
insurmountable, and then  
I scold myself and am full  
of regrets. All this was mercifully  
swept away by your kind  
action and four words.

I shall be at Joan's and  
Fugal's again at Christmas  
Dec. 20 to Jan. 3. Here is  
their new address: 33 Hill Street,  
Kingston, Ontario, here their old  
phone number Liberty 6 4830.  
During these two weeks I shall  
talk to you surely, and am  
looking forward to it right  
now. Should you however

Come to New York before then,  
will you call me, please!  
There is of course again  
a lot to exchange, and first  
and foremost I need to know  
that you both are in fair  
health and that the  
children prosper. Mine  
do, but they have a sad  
knack of moving far away,  
it now being Max's turn.  
Thank you again! Best love  
Tom

Kedus Ilma ja Karl,

[1961] Oct 24

kuoro- ja kulttuurilapsuudet, joiden  
vähintäänkin on oltava välttämättä  
22 astetta enemmän indeksoitua: a) Kallio Express  
on eläimien tutkimus ja tutkimus ja tutkimus  
ja ei levinneet, 52 dollaria kpl. Eilenen,  
a) 8-10 dollaria ja a) 2 dollaria, niistä 10  
on astetta, ne on vähän karsua,  
a) H. Amatorin eläimien tutkimus, ne on välttämättä  
vähemmän, on karsua. Huolellisesti,  
Mikko

A. Kalar  
423 W 120  
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THIS SIDE OF CARD IS FOR ADDRESS

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

Inverloch, Kilmun by Dunoon, 26.X.61

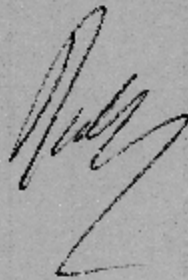
Dear Karl and Ilona,

for a long time I had no word from you; I would already have been afraid of, say, some health incident had not Meadow extensively reported me about your effort to get at the Russians in N.Y., and the intention to write Varga. Please keep me immediately informed on any reply you get from this quarter since I wish to use an opportunity ~~to~~ communication which I shall have in early January on similar lines, and would refer to any reply from him you might have. On the whole, of course, I am afraid the project will have to wait till the waves are settling down again-but this may happen ~~fairly~~ much more quickly than those presently interested in heating the Berlin issue expect, and one should keep the contacts once established running. For same reason, please tell me immediately if you have anything new and promising in other fields. I have in a fortnight from now, or so, to write to P. on other matters, and could easily mention the thing, simply in order to prevent it from being quite forgotten by default. Of course, if I am myself a publisher, I, too would not start it now-but, as said, the development trend next year may be much different. The Congress discussions are most interesting and, I hope, that stimulation in the directions desired will emerge.

Did you read my articles in Science and Society (I meant the second one) and in the October issue of Soviet Studies. Please, let me have critical comments. I am trying to trace my way towards what we intend to do, which is much more difficult in isolation than with a collective-which would, of course, one of the merits of the journal, and even of a preparation stage more advanced than now since I am afraid too much to such the subject with other than close friends lest from the time-lag between discussion and possible realisation a sense of frustration might arise. It was a pity that Meadow and me could not meet personally-still, I now know where is interests lie.

How are you, and how are things in general? Write soon!

Best wishes from both of us

A handwritten signature in dark ink, appearing to be 'Rudolf', written in a cursive style.

BY AIR MAIL  
PAR AVION  
AIR LETTER  
AEROCRAMME



Dr. Karl and Mrs. Ilona Polanyi

R.R. 3

Pickering (Ont.)

Canada

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Sender's name and address: Schlesinger, Inveroch,  
Kilmun by Dunoon, Argyll,  
Scotland

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BRANDEIS UNIVERSITY  
WALTHAM 54, MASSACHUSETTS

November 3, 1961

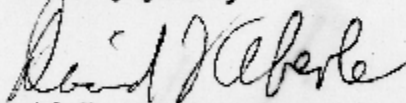
Dr. Karl Polanyi  
RR #3  
Pickering, Ontario

Dear Dr. Polanyi:

I read your reprint with interest and admiration and wanted to thank you and tell you that I had moved to Brandeis. You will be pleased to know that in a staff of seven people you have three strong supporters, Dr. Kathleen Gough, Dr. David Kaplan and myself.

My very best wishes.

Sincerely yours,

  
David F. Aberle, Chairman  
Department of Anthropology

DFA:ecl



State of New Jersey  
PATERSON STATE COLLEGE

MARION E. SHEA  
PRESIDENT



300 POMPTON ROAD  
WAYNE, NEW JERSEY

November 8, 1961

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

Dear Professor Polanyi:

Last year I wrote to you regarding our plans for a Senior Seminar in Social Science, utilizing The Great Transformation. You were very kind to express an interest in our work. Consequently, I thought you might want to see the outline prepared for this Seminar, especially some sections devoted to the economist's approach to The Great Transformation as part of the overall Seminar theme: "An investigation of problems of citizenship in America..." Any suggestions you or your associates may have would be most appreciated, either in terms of additional approaches, discussion or research topics or other books to add to our reading list for this year.

Needless to say, I find The Great Transformation a very fruitful source of ideas regarding the world we live in. They have influenced me in the writing of my book, soon to be published by the University of Pittsburgh Press: Secretary Hoover and Economic Diplomacy: Economic Foreign Policy in the Commerce Department, 1921-1928.

My best wishes for many years of health and productive scholarship.

Sincerely yours,

*Joseph Brandes*  
Joseph Brandes, Ph.D.  
Associate Professor,  
Social Science Department



**State of New Jersey**  
**PATERSON STATE COLLEGE**

MARION E. SHEA  
PRESIDENT



300 POMPTON ROAD  
WAYNE, NEW JERSEY

P. S. Speaking of "your associates," Professors Harry Pearson and Paul Medow were most kind in their help on the enclosed outline (which is my own "experimental" work and for which I must take responsibility).

Home address:

112 IoZIA Terrace  
East Paterson, N J

*J. Brandes*

8th November, 1961

Dear Rudolf,

We were, indeed, abominably bad correspondents lately, but Paul sent us the copies of his letters to you, also your answer, which we were so glad to read, for we take the same line entirely of not giving up this plan. (Just to go back to some details in the past weeks or rather, months: there were two operations, one incidental, at the end of August, the other routine, ~~at~~ towards the end of September, both very satisfactory. Between the two, i.e., between 15th of September and 24th Sept (when he was due at the hospital), Karl kept in readiness to make the trip to N.Y. if a meeting with T. could be arranged. It was, of course, a very tense time and not well suited to initiatives. The Seventh Pugwash Conf, <sup>for instance,</sup> which ended at the middle of Sept. was conducted in complete seclusion in a Vermont Village, not a line appearing in the press.)

It is a pity that Paul and you could not meet. He would have learnt a lot from you, and you would have seen something rare. P. has a powerful theoretical mind, and a great scholarly and ethical passion. He is a Russian all right. Politically he is very naive. At any rate we did not feel that it would have been right to put more definite responsibility on him in matters of the Journal. He went as far as he well could, and that was right so. - On 16th September we sent to Paul a <sup>(especially personalia)</sup> concise statement concerning the antecedents of the Journal, also some material, for his own information in any talks he may have with visiting scholars in N.Y., with the express request not to hand over anything for fear that in such a case the Project may peacefully go to sleep in some Office for cultural relations or the like. (I still think that the Polish end lies in such a swoon at the Palace of Culture in Warsaw). A copy of the statement is here enclosed.

The suggestion was then made in N.Y. to P. by S, who is now with the U.N. that we should tell Varga about the plan. V. is indeed an old friend and seems to remember us both extremely well.

However, we are not in favour of doing that just now. We have both written articles at Mészáros' invitation for an Italian quarterly (Nuova Presenza), K. on the Draft Program, I on Hungary. They should not give offence (not K's at any rate) but one or the other thing in them might, or at least might be embarrassing for V. As we see it, the way the Congress ran, these articles are very positive, and may be of useful effect in Italy, sparking discussion. However, before they have appeared (and have been discussed) we would rather not make suggestions.

I wish we could follow the discussions of the Congress. We are rationed to what was available, i.e. the 50,000 word Draft which we found fascinating.

We absolutely agree with you when you write in your last letter that the settling down of the waves may happen much more quickly than those expect who are interested in heating the Berlin issue, and that one should keep the contacts running which were established. (Do you know by the way whether Tommy Hodgkin is planning to come to Montreal this winter? We hope to be there for the winter months, after Christmas) Surely it is right to ask F. If one does not keep pestering a publisher he thinks the matter has been dropped by the initiators. Incidentally, Kenneth Mait writes (received about middle of October): "I will certainly approach McGibbon and Kee about the Journal, if your other plan doesn't materialize; but the chances there are less than they were a year ago, since the death of the socialist millionaire friend of Bevan who owned most of the shares". K.M. also writes, he had no chance of talking to an one in Warsaw, where he was only three days (and it seems well supervised all along by the British Council, etc.) but he writes: "But I was impressed by the liveliness of the intellectual life."

SOCIETY FOR VISITING SCIENTISTS LIMITED,  
5, Old Burlington Street,  
LONDON, W.1.

17th November 1961

My dear Karli,

I am delighted to have the reprint from the Year Book of the American Philosophical Society, 1960, which you have sent me. It is good to have at least this news of you. I have not seen or heard from Irene since last December, and I have no news of Donald, but I hope he is having a thoroughly enjoyable and not too strenuous a time. I wonder if he has managed to visit you?

I think I had better give you my private address: it is 28, Steele's Road, London, N.W.3. The reason for this is that our Society has to vacate its present premises next March. The house, a ~~joining property~~, is to be pulled down to make way eventually for a multi-story garage. We failed to persuade the Government to finance a bigger and better S.V.S. (our appeal was considered at the moment the Government had announced a policy of retrenchment on all things cultural) so we are envisaging means of keeping actively ticking over, while our Treasurer (Professor Alexander Haddow) prepares a thorough onslaught on sources of funds. The solution may be the taking of office premises in this district, and making use as a corporate member of the facilities of the English-Speaking Union for lectures, receptions and occasional meals. *The situation is really very difficult, and a great strain. I thought our last session would surely be pronounced, but the Council won't let the copies be down.*

And what of you both and of Kari? Has Kari abandoned her idea of coming over to Cambridge? When I last had news, she was in Jamaica - I did not hear whether John Murray met her when he went there. I have not seen John for a long time; did you know that he eventually joined the Society of Friends?

If you and Ilona find time to tell me what you are doing and how you are, I shall be very pleased. For myself, I have as little leisure as ever, but I do manage an occasional music session, which is an improvement on recent years.

With all my love to you both,

Ever,

Tess

To open cut here →

Sender's name and address: **Society for Visiting Scientists, Inc.**  
**5, Old Burlington Street,**  
**London, W.1.**

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

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BUR  
JUL  
19

Professor **Karl Polanyi,**

RR3,

PICKERING,

Ontario,

Canada.

← First fold here →

Milano, nov. 24, 1961

Kedves Polányiék, nagy örömmel vettem kézhez kedves levelüket. Remélem látták hogy cikkem második jegyzetében Maguknak is kifejeztem hálás köszönetemet a segítségért az anyag összehozásában. A háboru alatti magyar forradalmi mozgalomra cikksorozatom harmadik vagy negyedik folytatásában fogok (jövőre jelennek meg, ugyanabban a folyóiratban és majd később egyszer könyv formában) bővebben kitérni. Persze majd elküldöm annak idején a kivonatokat. Az elsőt Tömörnek is elküldtem és meg is kapta. Ugy írta hogy most Oroszországba utazik pár hétre.

Persze a folyóirat terve most igazán jó volna; sajnos Feltrinelli, mint minden más kiadó, nagyon is anyagi szempontból ítéli meg. Schlesinger Marx könyve különben megjelent Feltrinellinél olaszul és kézirata a szovjet kommunista párt történetéről ugy tudom szintén Feltrinellinél már olasz fordítás alatt áll. Ha utóbbinak sikere lenne a közönségnél (a Marx könyv sajnos itt 10 évvel túl későn jelent meg), amit hiszek, akkor talán Feltrinelli jobban hinne a folyóiratban is. Hát ki kell várni.

Mészàrost én is nagyon szeretem; rendkívül tiszta, becsületes és komoly ember. Ha irnak neki, kérem üdvözöljék nevemben.

Sajnos én most tulontul a hivatalomban vagyok elfoglalva, minden más munkám így lassan halad.

Sok sok szívélyes jókívánsággal és üdvözlettel hívák  
*Feltrinelli*



X.  
124  
161  
Mar. 24  
1961

Dear Kenneth, the closer I come  
to the CPSU program draft, the more  
surprised I was about the reserves of  
mind and will it revealed. At two  
points I toned down criticism, or rather  
my apprehensions that the "unity"  
implied in the "world socialist system"  
will be found incompatible with  
independence unless the stagnating  
of anti-nationalism ceases.  
However, since China seems the  
alternative at this moment, I  
propose to "unity" under K. to 'freedom'  
under Mao. The ominous more  
feature of the w.s. system is the  
straight jacket implication of the  
world ~~a~~ central-planned-economy. And yet  
unless outspoken safeguards of national  
political freedom are provided,  
a planned division of labor  
leaves no room for any national  
freedom...

You surely realized that  
the 'New West' intent moved me  
in writing the paper. Is there  
any chance of getting it published  
in England? (I count on you  
for the English -) The paper was

71  
24  
161

written for the Italian periodical "Nuova  
Presenza" which asked Istrian  
Mezarios for contributions relating  
to revisionism. He referred to it as a  
decent <sup>Christian</sup> ~~left wing~~ <sup>quarterly</sup> magazine, quarterly  
and is contributing himself in the  
"special issue". My friend Paul  
Medow, who recently lectured at  
Moscow University, inter alia, about  
my approach, is also writing on Social  
Justice theory. (I have sent them a  
handwritten article <sup>about</sup> the buried  
truth <sup>in</sup> ~~the~~ Hungarian October)  
It is a topical subject, and publica-  
tion ~~is~~ is expected for Italian  
December. I'd much prefer England  
to the US, though it would do my  
friend Eric from a lot of good.  
He is a truly courageous fighter  
against CIA war demagoguery, but  
finds himself, so it seems to me,  
unable to overcome his in-  
terate anti-Sovietism however  
much he tries. I am writing to M.  
Istrian to have him make <sup>my</sup>  
of the copyright. Love to both.

12/1

1961 Nov. 29

Harry dear,  
 Yesterday I had a letter  
 from Terry, a long happy  
 letter from which I learnt that  
 in 1957 he attended a  
 meeting of NYU of the Anthropological Society, where  
 I was speaking as a visiting  
 lecturer. He wanted to hear  
 the author of the "Gr. Tr." then joined  
 our course. He met you and  
 Rosemary about that time - It  
 was a "Wanderjahre" letter,  
 if ever there was. The story of  
 ten years - Walter surprised  
 me with the high degree of con-  
 sciousness in his field and  
 work and of the developments  
 of his <sup>own</sup> research. It was very  
 nice to be able to watch the  
 channels of seepage by which  
 minds infiltrate each other  
 over the years. A wonderful  
 letter, I thought, which made me  
 feel very good. There was a long

This is to be  
 let me have  
 a photo (early  
 and very  
 Harry) to put away

Harry dear? for me to choose from. Harry dear? Do do you have snapshots

note from Eric Frouman which gave the encouragements one prizes most, explaining how should I say what my existence had meant to him. Paul Bohannon thought up this to cause me pleasure - he asked for my consent to inscribe his prospectus "The Trade Market" book to me. All this was heart warming, and I put it away to tell you about, with my concern about George Woodard, it was the top of good news to hear from Roxana who visited him that he got the teaching job you <sup>heard</sup> ~~know~~ of some time ago.

Did you see Harry Johnson's "Sociology". A good book and makes Tarsus's ~~is~~ accessible at least on paper - But reading in it, I found the exchange (catallactic) <sup>theorist</sup> ~~theorist~~ Siskling naive. Nelson's faint approval to this as a model of American sociology is depressing.

Trade and Market is far from unknown in Ox + Cambria. R. Firth, at LSE, had a lot to say to Terry about it - 1969 K

2 XII/61  
New York

XII/2  
11/61

Dear Professor Polanyi,

My attempts to write an article for the journal have only resulted in several half-finished articles and many new insights. I have moved an appreciable distance into the concept of the New West, and ~~at~~ the same time have accepted the need to only mention ideas that in many cases would call for entire books by themselves. My inclination with regards our book is now as follows: let it contain everything.

1. The idea of the GT in 1960
2. The New West as a new type of policy director
3. <sup>Some of</sup> the institutional aspects of coexistence

If one simply introduces this in terms of your written fragment on the New West, this will give all of it the necessary <sup>overall</sup> orientation.

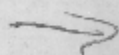
The major change that I have in mind, in short, is to de-emphasize the scientific basis (the non-atomistic view of society) for the new view, and orient it primarily, simply on the now evident realities of the international political scene, with non-market socialism as <sup>only</sup> a supporting element.

It actually seems to me that the principal task then, is no longer one of writing but of putting together available fragments, completing them and editing them.

Please keep your copy of the first draft intact. I am going to take mine apart.

Best regards to Mrs Polanyi.

Paul M.



John. G. ...  
I 491,600

- I would then like to pass  
quickly <sup>with you</sup> to a short booklet  
on the "non-atomistic concept of  
society" and the "general model of  
the economic process".

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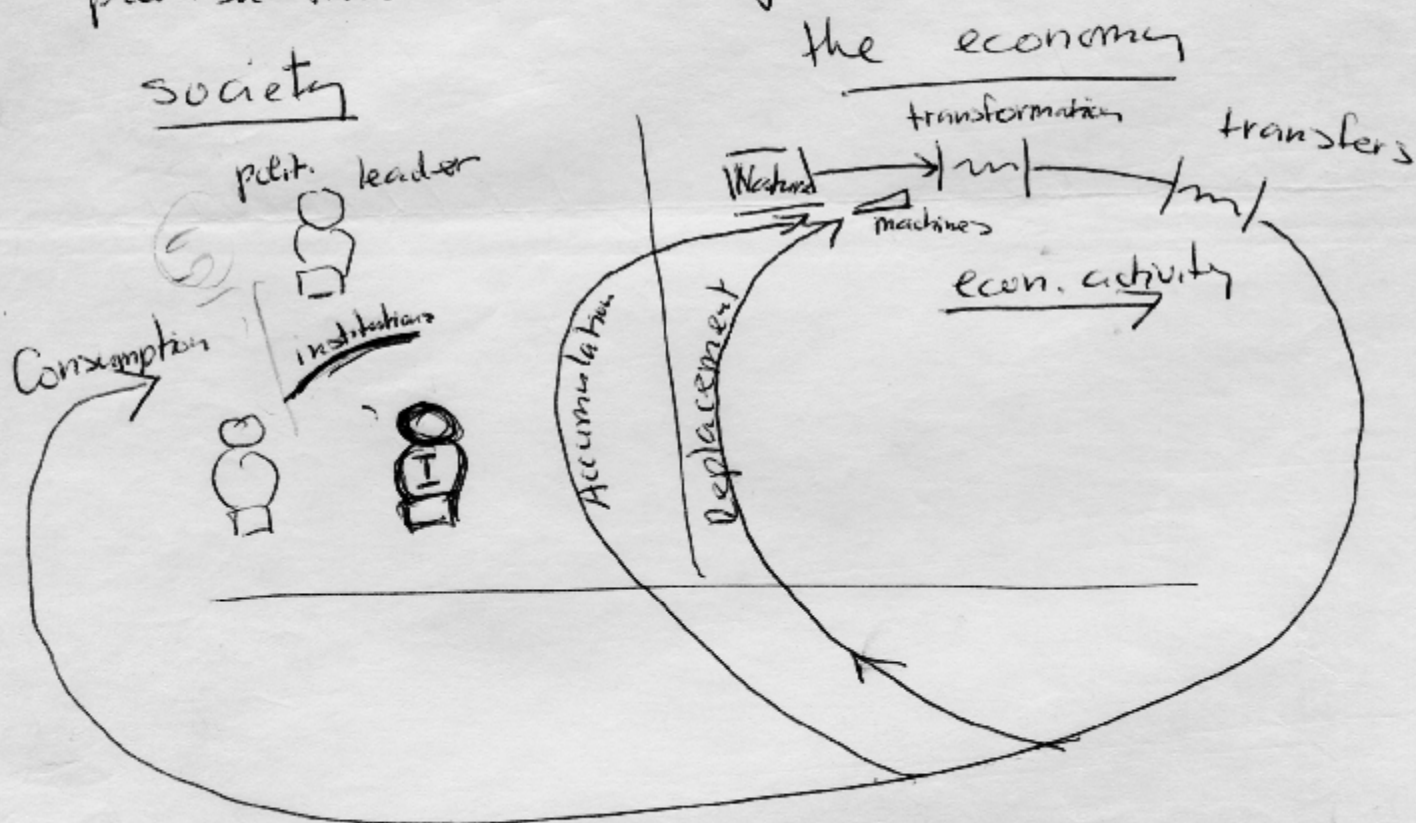
Then I will work on the  
social costs aspects of the  
general model (reformulated in  
terms of input-output analysis)  
with the aid of linear programming.

This is, I think, the three  
tasks that I see for myself as  
the natural ones.

Dec 7. 1961

Dear Professor Polanyi!

I really think I have it this time. Here is a sketch of the essential things. If you approve, let us publish this immediately, with Harry.



① The material ingredients leave nature (defined as everything outside society, - i.e. except its members), are a) transformed and b) transferred.

② As earlier, this defines economic activity: it is the ~~setting~~ <sup>engaging</sup> in means-ends patterns that <sup>effectively</sup> transform and transfer goods.

③④ ~~As earlier~~, In addition, this defines

7 Dec. 1961

the decisions (objectives), without which the economic process cannot begin. Decisions refer to the selection of ends for operational purposes. Only then can <sup>effective</sup> means (and corresponding operations) be identified. The decisions that must be taken are:

- ① what to produce
- ② how to produce (~~what technology~~)
  - ~~③~~ a) what technology
  - b) what  $\&$  input proportions, if substitutability is possible
- ③ to whom to transfer the goods, and in what quantities
- ④ from whom to receive inputs (including labor), and in what quantities.

There must be elements in the society that provide norms ~~for~~ or criteria for making these decisions. They may be difficult to identify.

- ④ As earlier, this (i.e. ③) also defines economic institutions. They are those that create the situations (the conflicts) that induce economic activity.



This means that engaging in economic activity must have, in one way or another, the capacity to reduce the relevant conflicts.\*

\* Specifically, these are likely to be conflicts by the natural propensity of ~~men~~ men to accept certain types of obligations, and accord them a high priority:

1) Those that stem from the ethics (and etiquette) of personal relationships (this leads to reciprocity)

2) Those that arise from ~~the objective~~ a presumed objective need to conform to the requirements of valued means-ends relationships; (this leads to redistribution)

Also, they may refer to the person's own needs or wants for material means. These may be met directly from nature (householding), or through withholding one's <sup>own</sup> goods, that conform to the needs of others, until the highest compensation is received (exchange).

Except in cases in which his ~~needs~~ most urgent needs are not met through other arrangements, however, such ~~conflicts~~ personal conflicts do not normally have the capacity to result in exchange. For this requires a) that all other obligations be already met; and b) that one be dealing with a total stranger, in the sense that he is a person who does not possess by his status or other social ties any prior claim to goods in one's possession or to one's services.

This means that engaging in economic activity, in one way or another, must have the capacity of reducing the relevant conflicts.

## THE RELATION OF THE ECONOMIC PROCESS TO SOCIETY :

- ① The economic process a) provides <sup>various</sup> flows of material goods that have the capacity of meeting specific wants and needs. But I prefer to say: that have the capacity to reduce certain conflicts\*, b) it requires that social arrangements conform to the functional requirements of production, to those aspects of transfers that integrate the economic process ~~the~~ (i.e. the replacement flows ~~of the factors~~ [and the distribution of labor]).

It is important to be able to identify the points at which this conflicts with the requirements of society.

---

\* e.g. bricks reduce the conflict between a rigorous climate and bodily requirements.

② Society is a broader concept than that of the economic process. I find that it is ~~operationally~~ fruitful (as well as, I suspect, correct in the philosophical sense) to say that society is concerned with a large number of the conflicts that its individual <sup>members</sup> face, <sup>[of which some are "recognized"</sup> ~~and as common~~ <sup>and hence declared to be "rights" that</sup> ~~one should depart~~ <sup>Accordingly,</sup> ~~in my view,~~ <sup>and as common and important</sup> ~~from the~~ <sup>call for common action - Accordingly</sup> ~~multitude of~~ <sup>relationships that</sup> ~~relate the individual to his~~ <sup>(natural and social)</sup> ~~environment, and from the existence~~ ~~of a variety of needs and wants on~~ ~~his part. One notes then that a) he~~ ~~is in a situation in which he~~ ~~confronts many conflicts, and that~~ ~~activity to reduce them is his natural~~ ~~response; and b) that the urgency of~~ ~~these conflicts is unequal, and accordingly,~~ ~~some priorities inevitably attach to their~~ ~~reduction. In part these priorities are~~ ~~"objective" in the sense that they are~~ ~~shared by all persons. In part they vary~~ ~~with individuals.~~

(5)

The political leaders of a society, and also its institutions are concerned with reducing a range, a number of such conflicts <sup>(or needs)</sup>, which are common to its members. This means that ~~it cannot~~ they cannot be concerned with only one - such as the need for food.

- (3) If one selects, for observation, several such needs (corresponding to conflicts), then one will note that
- a) as the conflict is reduced, the need vanishes. I.e. no specific need is "unlimited"
  - b) if the conflict can be avoided altogether <sup>through migration</sup> (i.e. a harsh climate), the need will not arise in the first place.
  - c) the reduction of a given conflict requires up to ~~three~~ <sup>four</sup> "inputs" or components, or elements:
    - (1) freedom <sup>of the individual</sup> from other types of activity
    - (2) ~~activity~~ <sup>person</sup> specific types of relationships to other <sup>(direct)</sup>
    - (3) specific patterns of <sup>access</sup> ~~(direct)~~ to nature
- (9) ~~(3)~~ the availability of material means ~~(indirect)~~ (i.e. <sup>to transformed</sup> ~~rather~~ aspects of nature) i.e. indirect types of access to nature)

④ It <sup>thus</sup> appears that from the point of view of the functions of society, material means are only one of ~~the~~ <sup>four</sup> ingredients that the meeting of "rights" require; accordingly an abundance of material means by itself cannot serve to reduce a large number of important conflicts.

① <sup>generally</sup> so far as the <sup>greater</sup> production of material means ~~imposes~~ creates, ~~conflicts~~ that ~~aggravate~~ (or depends upon) conflicts that aggravate the most urgent set of ~~functions~~ <sup>conflicts</sup> that individuals confront. <sup>it is a source of social harm.</sup> Specifically, in so far as it deprives them of ~~the~~

- a) the free time
- b) the patterns of social relations
- c) the type of direct access to nature.

that the reduction of the <sup>most</sup> ~~meaningful~~ urgent or (normatively) the most meaningful conflicts requires, <sup>the economic process</sup> ~~production~~ is dysfunctional ~~to~~ and destructive from the social <sup>(or human)</sup> point of view.

⑤ Specifically, this indicates that the concept of ~~dise~~ the social disembeddedness of the economic process refers to one in which the requirements of the economic process have been permitted to enter into conflict ~~with~~ all other ~~and prevail~~ <sup>with</sup> all <sup>the non-material components of the</sup> ~~other~~ <sup>requirements that stem</sup> ~~from the ne~~ of man. This implies that these ~~other~~ requirements have ceased to be "rights", in fact that no rights exist.

~~THE SOCIAL BASIS OF AN "EMBEDDED" OR SOCIETY-ORIENTED ECONOMY: THE RECOGNITION, IN A DECISION MAKING, OF SOCIAL COSTS:~~

⑥ It follows that the social basis of ~~an "embed"~~ a socially "embedded" economy is the taking into account, in the economic decision-making, of ~~a) social norms~~ social norms that express the social costs of excessive production; or of particular types of technological processes; or of particular types of economic institutions.

*Edley*

~~The use of ma~~

#

quantifying social costs

The technique for ~~doing this~~, in the case of ~~more~~ complex industrial economies, is the following one:

① For every conflict, which ~~is to~~ there is to be a corresponding "right", quantity, <sup>in physical terms</sup> the minimum requirements of

- a) Free time
- b) social relationships of a specific type
- c) direct access to nature (e.g. fresh air)
- d) material means

② From d) one may derive the minimum production requirements for the economy as a whole. This provides one social criterion for decision-making

③ The other social norms take the form of constraints on the selection of techniques <sup>(or types of economic activity including institutions)</sup> <sup>Now shown</sup> deprive the person from a), b) and c). If this is impossible, then some of these "rights" are premature, and must be surrendered. <sup>Such a capitulation should be executed in terms of the social priorities.</sup>

This requires a multi-sectoral model centering on ~~the~~ specific types of material flows (through <sup>input-output analysis</sup>), and

"rights" than  
 \* Which should be surrendered and in great function  
 order is a political problem, and the ultimate  
 of plan central planning. It is here that the  
 source of variety in types of industrial  
 societies appears.

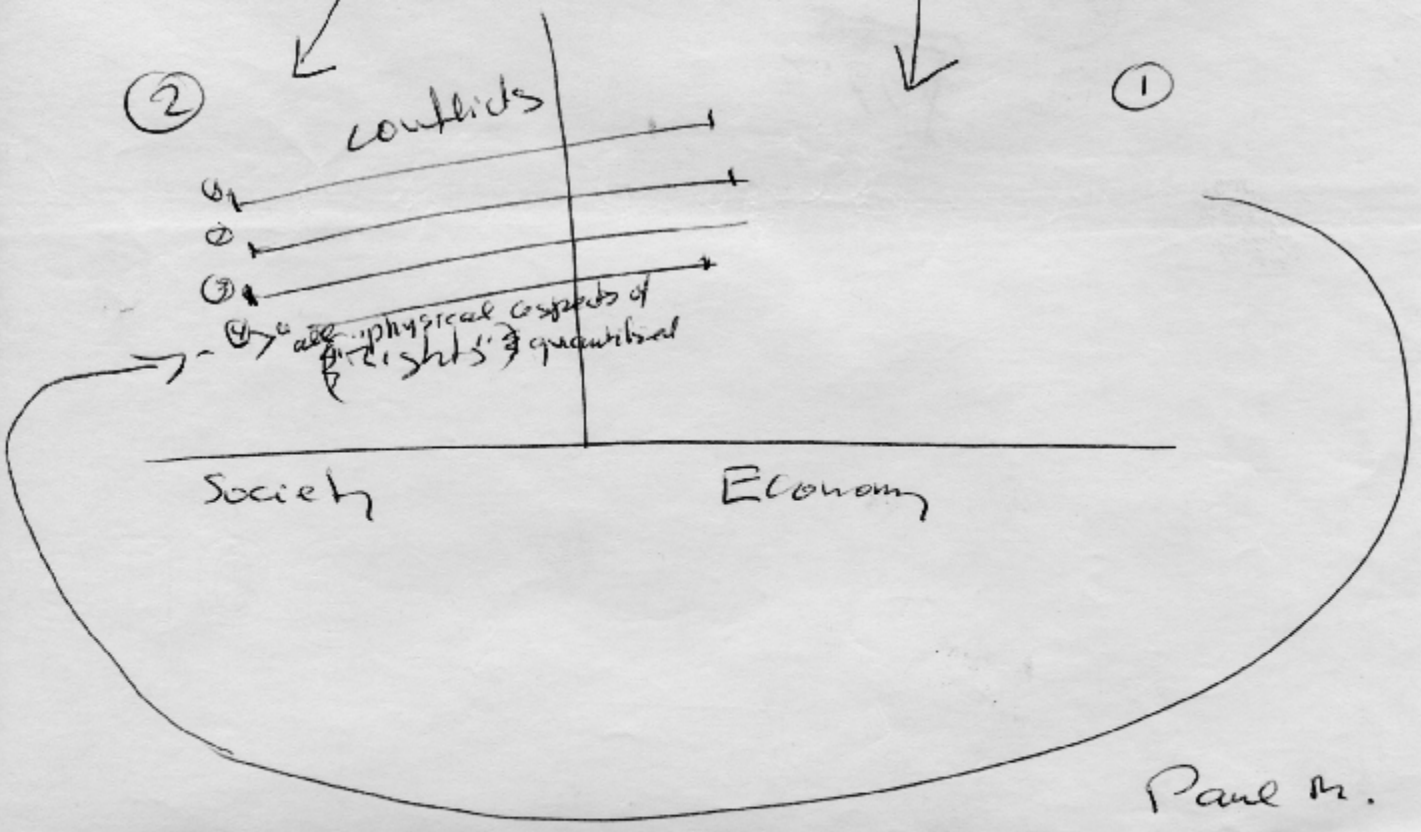
the use of linear programming calculations in which the objective functions refer to the efficiency in <sup>of various techniques (or institutions)</sup> production, and the constraints refer to the ~~social~~ quantified social norms.

8 The institutional basis of such an economy requires that the political sphere be free to impose social norms on production; both on the output and on the input side.

9 To sum up:

Linear programming calculations of permissible techniques, given <sup>volume of</sup> output and social norms of inputs.

(input-output) <sup>multisectoral</sup> representation of the material flows



all physical aspects of interests quantified

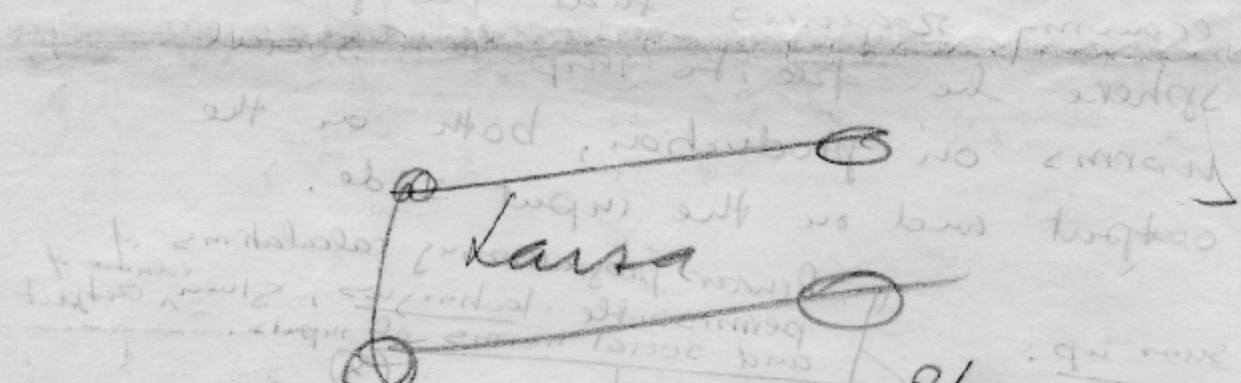


①

the use of linear programming calculations in which the objective functions refer to the efficiency in production and the constraints refer to the ~~social~~ quantified social norms.

⑧

The institutional basis of such a



⑨

To sum up:

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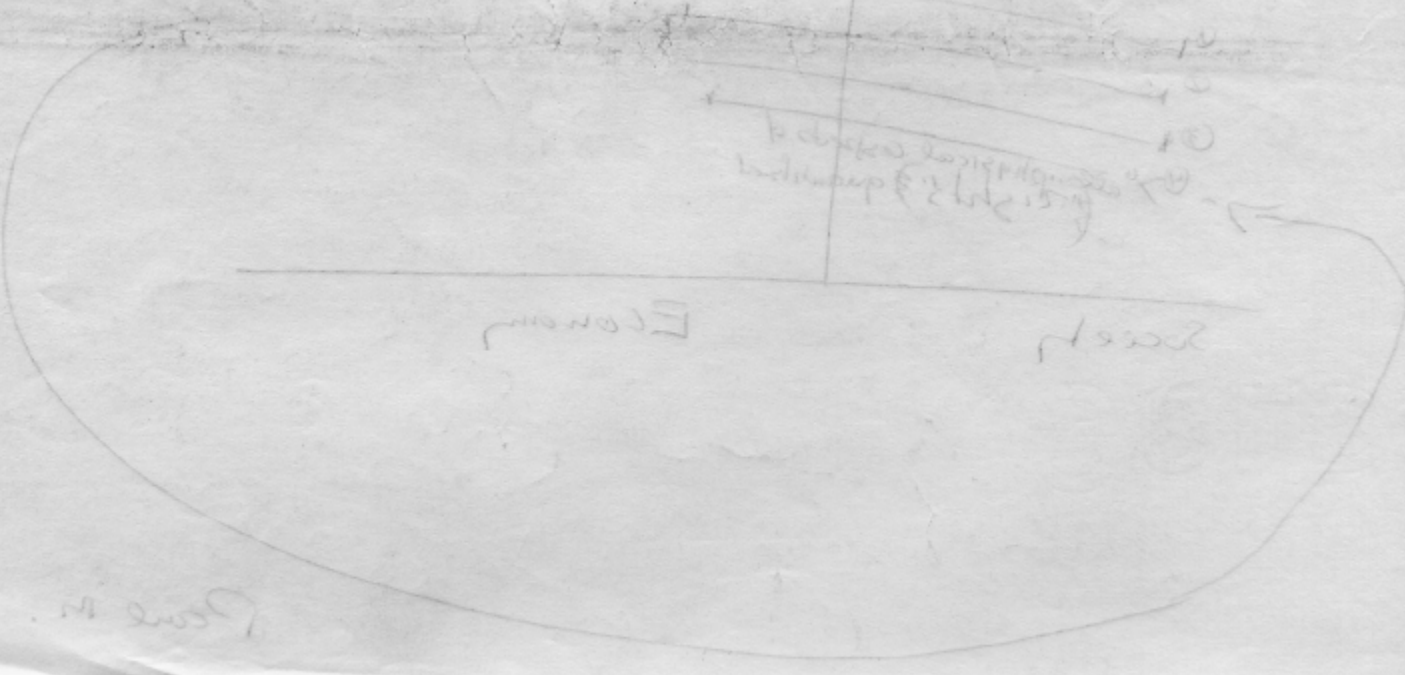
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①

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contingents



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RUTGERS · THE STATE UNIVERSITY

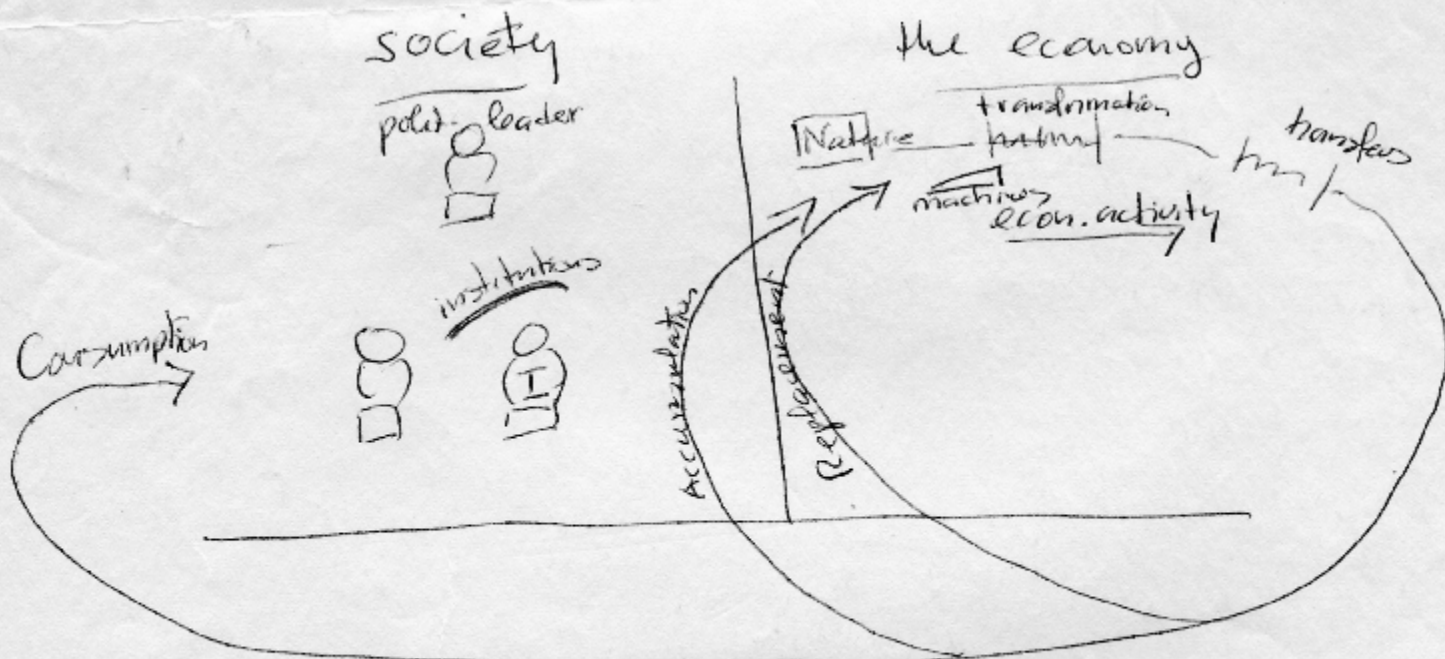
COLLEGE OF ARTS AND SCIENCES

NEW BRUNSWICK, NEW JERSEY

December 7, 1961

Dear Professor Polanyi:

I really think I have it this time. Here is a sketch of the essential things. If you approve, let us publish this immediately. With Harry.



1. The material ingredients leave nature (defined as everything outside society - i.e. except its members), are a) transformed and b) transferred.
2. As earlier, this defines economic activity: it is engaging in means-ends patterns that transform and transfer goods.
3. In addition, this defines the decisions (objective), without which the economic process cannot begin. Decisions refer to the selection of ends for operational purposes. Only then can effective means (and corresponding operations) be identified. The decisions that must be taken are:

Choice

1. what to produce
2. how to produce
  - a) what technology
  - b) what input proportions, if substitutability is possible
3. to whom to transfer the goods, and in what quantities
4. from whom to receive inputs (including labor), and in what quantities.

There must be elements in the society that provide norms or criteria for making these decisions. They may be difficult to identify.

4. As earlier, this (i.e. 2) also defines economic institutions. They are those that create the situations (the conflicts) that induce economic activity.

This means that engaging in economic activity must have, in one way or another, the capacity to reduce the relevant conflicts.\*

---

\* Specifically, these are likely to be conflicts by the natural propensity of men to accept certain types of obligations, and accord them a high priority:

- 1) Those that stem from the ethics (and etiquette) of personal relationships. (This leads to reciprocity)
- 2) Those that arise from a presumed objective need to conform to the requirements of valued means-ends relationships; (this leads to redistribution)

Also, they may refer to the person's own needs or wants for material means. These may be met directly from nature (householding), or through withholding one's own goods, that conforms to the needs of others, until the highest compensation is received (exchange).

Except in cases in which his most urgent needs are not met through other arrangements, however, such personal conflicts do not normally have the capacity to result in exchange. For this requires a) that all other obligations be already met; and b) that one be dealing with a total stranger, in the sense that he is a person who does not possess by his status or other social ties any prior claim to goods in one's possession or to one's services.

---

THE RELATION OF THE ECONOMIC  
PROCESS TO SOCIETY

1. The economic process a) provides various flows of material goods that have the capacity of meeting specific wants and needs. But I prefer to say:

that have the capacity to reduce certain <sup>tensions</sup> conflicts\*. b) it requires that social arrangements conform to the functional requirements of production, to those aspects of transfers that integrate the economic process (i.e. the replacement flows and the distribution of labor).

It is important to be able to identify the points at which this conflicts with the requirements of society.

\* e.g. bricks reduce the conflict between a rigorous climate and bodily requirements.

2. Society is a broader concept than that of the economic process. I find that it is fruitful (as well as, I suspect, correct in the philosophical sense) to say that society is concerned with a large number of the conflicts <sup>tensions</sup> that its individual members face, of which some are "recognized" as common and important and hence are declared to be "rights", that call for common action. Accordingly one should depart, in my view, from the multitude of relationships that relate the individual to his environment, (natural and social) and from the existence of a variety of needs and wants on his part. One notes then that a) he confronts many conflicts, and that activity to reduce them is his natural response; and b) that the urgency of these conflicts is unequal, and accordingly, some priorities inevitably attach to their reduction. In part these priorities are "objective" in the sense that they are shared by all persons. In part they vary with individuals.

( strains + stresses )

The political leaders of a society, and also its institutions are concerned with reducing a range, a number of such conflicts, (or needs) which are common to its members. This means that they cannot be concerned with only one - such as the need for food.

3. If one selects, for observation, several such needs (corresponding to conflicts), then one will note that

- a) as the conflict is reduced, the need vanishes. i.e. no specific need is "unlimited"
- b) If the conflict can be avoided altogether (e.g. a harsh climate through migration, the need will not arise in the first place
- c) the reduction of a given conflict requires up to four "inputs" or components, or elements:
- 1) freedom of the individual from other types of activity
  - 2) specific types of relationships to other persons
  - 3) specific patterns of direct access to nature
  - 4) the availability of material means (i.e. to transformed aspects of nature, i.e. indirect types of access to nature)
- property (?)

4. It thus appears that from the point of view of the functions of society, material means are only one of four ingredients that the meeting of "rights" require; accordingly an abundance of material means by itself cannot serve to reduce a large number of important conflicts.

\* Dem on logical Term KP  
i.e. introjection of fighting personality to Nautiga tensions

December 7, 1961

- 4 -

Generally in so far as the greater production of material means creates, conflicts that aggravate the most urgent set of conflicts that individuals confront, it is a source of social harm. Specifically, in so far as it deprives them of

- + a) the free time
- + b) the patterns of social relations
- c) the type of direct access to nature that the reduction of the most urgent or (normatively) the most meaningful conflicts requires, the economic process is dysfunctional and destructive from the social (or human) point of view. *gr*

5. Specifically, this indicates that the concept of the social disembeddedness of the economic process refers to one in which the requirements of the economic process have been permitted to enter into conflict with all the non-material components of the requirements of men. This implies that these requirements have ceased to be "rights"; *e.g. dependent labor created*

6. It follows that the social basis of a socially "embedded" economy is the taking into account, in the economic decision making, of norms that express the social costs of excessive production; or of particular types of technological processes; or of particular types of economic institutions.

Paul M.

This is an addition  
to the typed version  
of my letter on social  
costs that ~~the typist~~  
I forgot to give to the typist  
last time.

Sincerely  
Paul M.

Generally in so far as the greater production of material means ~~creates conflicts~~ that aggravate the most urgent set of conflicts that individuals confront, it is a source of social harm. Specifically, in so far as it deprives them of

- a) the free time
- b) the patterns of social relations
- c) the type of direct access to nature that the reduction of the most urgent or (normatively) the most meaningful conflicts requires, the economic process is dysfunctional and destructive from the social (or human) point of view.

4  
5. Specifically, this indicates that the concept of the social disembeddedness of the economic process refers to one in which the requirements of the economic process have been permitted to enter into conflict with all the non-material components of the requirements of men. This implies that these requirements have ceased to be "rights".

?  
6. It follows that the social basis of a socially "embedded" economy is the taking into account, in the economic decision making, of norms that express the social costs of excessive production; or of particular types of technological processes; or of particular types of economic institutions.

→  
7. The technique for quantifying social costs, in the case of complex industrial economies, is the following ~~one~~:

1. For every conflict to which there is to be a corresponding "right"; quantify in physical terms the minimum requirements of
  - a) free time
  - b) social relationships of a specific type
  - c) direct access to nature (e.g. fresh air)
  - d) material means
2. From d) one may derive the minimum production requirements for the economy as a whole. This provides one social criterion for decision making.
3. The other social norms take the form of constraints on the selection of techniques. None should deprive the person from a), b) and c). If this is impossible, then some of these "rights" are premature, and must be surrendered.\* Such a capitulation should be executed in terms of the social priorities.

\* Which "rights" should then be surrendered and in what order, is a political problem, and the ultimate function of central planning. It is here that the source of variety in types of industrial societies appears.

December 7, 1961

- 5 -

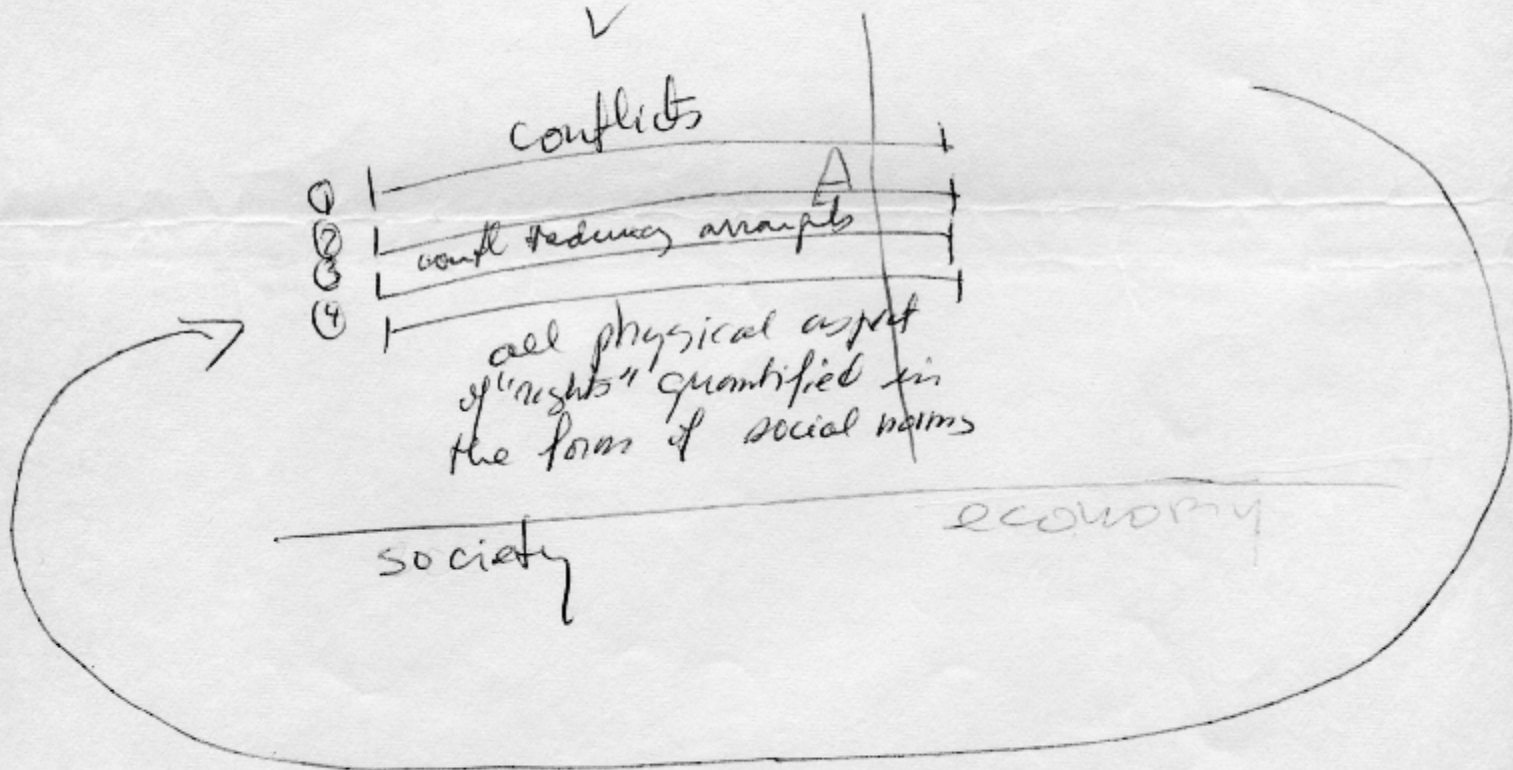
This requires the construction of multi-sectoral models centering on specific types of material flows (through input-output analysis), and the use of linear programming calculations in which the objective functions refer to efficiency in production, and the constraints refer to the quantified social norms.

8. The institutional basis of such an economy requires that the political sphere be free to impose social norms on production, both on the output and on the input side.

9. To sum up:

C | linear programming  
calculations of permissible  
technological processes and  
institutional arrangements  
given the volume of output  
and the social norms for inputs

B | (input-output) multi-  
sectoral representation  
of the material flows





## SOVIET STUDIES

A Quarterly Review of the Social and Economic Institutions of the USSR

DEPARTMENT OF SOVIET SOCIAL AND ECONOMIC INSTITUTIONS  
THE UNIVERSITY, GLASGOW, W.2

Inverloch, Kilmun, Argyll, 8.XII.61

Dear Karl and Ilona,

I am late in replying since I wished to tell you about that reprint. Well, after you had asked me for a reprint of an article you had seen in Toronto, it came out that the reprints dye to US has not yet arrived in the Department. I made a scandal-in your interest as well as in that of all the contributors-and yesterday it could be posted from our office! This is the efficiency of British industry, and one of the grounds which drives them into the Common Market (they will experience their blue wonders there!) In compensation I sent you-so much was the delay-also the page proofs of an article (the first of two) on the programme, which you would otherwise find in Toronto only in late January, at best (it is uncorrected, with such minor things thus as you find World War I where it should be World War II and so, but nothing which cannot be guessed with commonsense. Write me what you think about this stuff. How is Karl?

I learned only from you that I.M. had been appointed at St. Andrews-I had had before a picture card from Craig, but with mere greetings so I thought it was a mere holiday trip. Now I wrote him, and got reply. For the moment he is extremely burdened with preparation for lectures etc.-as happens to everyone who is just getting into that job without the necessary routine, which then results in his having a huge amount of spare time-theoretically etc, he had nothing to report, and there was merely a quite interesting point which he made about Looking Backwards and Forwards (he had hesitations about unequal development-not justified so far as my very restricted argument is concerned, but to be kept in mind on a longer perspective). Next spring I shall publish there also an article on the programme (apart from my second article in SS - the latter for a broad scholarly public, the S&S For Marxists. It is a fascinating document, though it says more implicitly than explicitly -and more developments may follow from what happened at and around the XXII Congress. With our things we must wait a good time, like the general situation clears up-I hear from F. occasionally about technicalities of the publication of my books, but nothing about the project, notwithstanding my efforts dort abzutasten. What did you hear from Valiani?

Joan asked me to send bot of you her love, and the kindest best wished for Christmas and the new year from

*Ilona*



Dr. Karl and Mrs. Ilona Tolanyi

R.R. 3.

Pickering, Ont.

Canada

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Sender's name and address: Schlesinger, Inveroch,  
Kilmun by Dunoon, Argyll, Scotland

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Finnegans Wake.

Mary and I are both recovering from very bad colds, the first for two years. We have avoided them for so long by eating vitamin C in large quantities, but this particular germ seems to thrive on it.

Victory for Socialism has just issued (Dec.) two pamphlets intended to influence the voting at the last L.P. conference. They seem to have lost all their fight.

I've finished my book--Life & Letters of Sir Thomas Wyatt. Longmans asked to have an option on it, but the Liverpool Press are appealing to loyalty &c. I don't mind not getting royalties, but a much higher selling price and much lower sales and fewer reviews are serious considerations.

Love from us all,

210 Dec. 19617

My dear Karli, Thank you for the interesting document. The only paper which might print it is the New Left Review. When you let me know that the copyright is O.K. I'll try it on them. But I am sure that they would be more likely to print it if you let me revise the style. Will you let me do this? I won't alter the sense at all, but I would eliminate your metaphorical excesses.

The Leeds Citizen has just celebrated its 50th birthday, with a dinner attended by Hugh G. The Guardian had an interview with the present editor, in which he was reported as saying that they were more worried by my fondness for Shakespeare than by my left-wing views. I pointed out that there were fewer literary articles after I became editor because I no longer had time to write them. The editor said he had been misreported. They seem to have forgotten all the rows I had with Transport House.

We have a lecturer from Moscow here, writing a book on the novel between 1919 and 1939. She was very homesick at first, but now seems to have settled down. Her chief complaint is that everyone at the students' hostel will talk about the weather. I suppose they are deliberately avoiding controversial subjects. She is now trying to understand

To open cut here

Sender's name and address: **Kenneth Muir**

**6 Chetwynd Rd, Birkenhead, England.**

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Dr Karl Polanyi

8/ 3

Pickering

Ontario

Canada

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RUTGERS • THE STATE UNIVERSITY

COLLEGE OF ARTS AND SCIENCES

NEW BRUNSWICK, NEW JERSEY

12 XII 61

Dear Professor Polanyi,

Would it not be best <sup>then,</sup> ~~for~~  
you to come down in January? If not, in the  
second half of January (towards the end) I will  
have a free week in between semesters, and I  
will come upt then.

I have several things to show you, in-  
cluding a draft of an article on Marx's model  
of expanded reproduction. I have switched  
180°. I now see that marginal utility valua-  
tions ( based on expectations) and the  
'labour' ( actually qualitative transformation  
aspect of vluse creation ) are two aspects  
of single process. This makes the growth  
model of MarxLenin essentially valid, except ~~for~~  
for the way in which prices have been calculated  
in the USSR.

In terms of procedure, I have been re-reading  
the GT-1960 to determine an operational agenda  
for our meeting - one that bears directly on  
~~the~~ bottlenecks in the means-ends process.

Sincerely,

Paul M

From beyond the fanning and the  
sic, the compound and the village,  
the ~~particularity~~ for ~~extra~~ labor  
and goods

Paul  
M

( will add this page to proposed letter to Fromm. )  
14 Dec. 1961

Most of the ideas will appear in the 'New West' book that has been gradually taking shape. But one of the reasons why I have mentioned them in this letter is to make more clear the sense in which I wrote to you in last time that in my view your analysis of "escape mechanisms" in Fascist Germany/does not apply to the Soviet Union today ( and presumably even less to China). I do not mean to say, of course, that the problem of alienation does not exist in some form. But I do see, as you originally did, too, <sup>an important</sup> distinction between alienation and the "escape mechanisms". The latter refer to a crisis in which one's belief in inner ~~xxxx~~ life is <sup>broken</sup> ~~broken~~ up because <sup>of the</sup> ~~power~~ appears to be a permanent necessity that is <sup>incompatible</sup> ~~incompatible~~ with humanistic values. I mean power in the objective sense which derives from the logic of means-ends relationships, and specifically from those of the ~~xxxxxxx~~ industrial economic process. Only then does the worship of power in the psychological sense acquire new dimensions and an altogether new meaning. But there has not yet been any such crisis in Soviet society. On the contrary, the conviction that power is only a necessary (and very effective) evil ~~xxxxxxx~~ is one that <sup>gradually wanes</sup> ~~gradually wanes~~ to be very deep as well as universal, and nothing is more revealing of its strength than the many arrangements through which individuals divide their life in terms of 'business', if that word can be used, and the really valued aspects of life, of which there are <sup>many</sup> ~~many~~ manifestations. There may be many ways in which the use of <sup>(objective)</sup> power is rationalized, but there is <sup>a</sup> ~~a~~ fundamental difference between rationalizing types of decisions for which one has a ~~xxxxxxx~~ definite distaste and the ~~xxxxxxx~~ acquiring of a taste for the violation of humanistic values. Accordingly, if socialism does stand for a continued commitment to humanistic values in the face of the existence of power, it would appear that Soviet society is very much socialist both in terms of the basic commitments of the population and of the general direction of its political decisions, only some of which, at the present time, can be concerned with humanization. But it is equally true, of course, that the prolonged need to use power and the hideous forms in which it has manifested itself ~~is~~ has created deep moral problems for many persons, and has resulted in a strong antagonism between some of the writers, on the one hand, and the political leaders and the ~~xxxxxxx~~ industrial managers on the other, who in terms of their conscious activity are inevitably more concerned with <sup>finding means for specific</sup> ~~xxxxxxx~~ ends and <sup>tend</sup> ~~tend~~ to associate the essentially religious values ~~xxxxxxx~~ that attach to the ideal of 'full communism' with a ~~xxxxxxx~~ future that is still sufficiently distant to be ignored in ~~xxxxxxx~~ practical affairs. This conflict appears to me, in fact, to be the <sup>probably</sup> ~~central~~ one in the internal political life of the Soviet Union, and it <sup>explains</sup> ~~explains~~ much of the contents of the new party programme.

My very best wishes for the New Year.

Sincerely,

Paul Medow

RUTGERS • THE STATE UNIVERSITY

COLLEGE OF ARTS AND SCIENCES

NEW BRUNSWICK, NEW JERSEY

17 Dec. 1961

Dear Professor Polanyi,

This, too, is important. I am enclosing a copy of an extension of my proposed letter to Fromm. It deals with the point that the USSR is basically a socialist country, and the reasons for this view, but also notes that the strength of the commitment to non-power values is creating a serious conflict, especially because of Stalin, between the persons administering ~~means~~ means-ends relationships or instituting them, and the writers and ordinary people.

I am now thinking of making this, and perhaps my earlier letter to him concerning his position on Marx, into an article for the Italian journal. This would be an outright critique of his own article, and might ~~be~~ accordingly be very much in order.

Sincerely,

Paul M.



14 Dec 1961

Dear Dr Fromm,

Mr. Meszaros was very happy to learn of your suggestion that an excerpt from "Marx's Concept of Man" be published in the form of an article. He asked me to mail a copy of the book to him, and I suppose that by now the December issue of Nuova Prezensa containing contributions by both yourself and Prof. Polanyi, is ready for press.

I have not yet written to you how touched Professor Polanyi was by your telegram. He received many fine letters, but I think that none moved him as much as your short message. He responded to it so deeply because not many of his friends know as well as you do, I think, the nature of his ultimate concern and its essential identity with your own. Among other things his passionate interest in politics, his emphasis on the "reality of power in society", as well as the seemingly remote character of some of his recent work (Babylonia, the Bah~~o~~ney) and his opposition to "systems-thinking" in the study of institutions have made it easy for some of his associates to neglect this, and to assume that his discourses on existentialist problems, ~~and~~ on Christianity, and also his vocal outbursts against the market system are simply occasional failings of an otherwise logical mind. In fact, however, his concern is precisely with your meaning of socialism, and it differs from it only in the emphasis he places on Christian teachings concerning conscience, on the one hand ("the second revelation" - the possibility of inner death; the first being the reality of death) and on the other, in his emphasis on the reality of power in society, especially in industrial societies. This refers to the power of persons and groups that are associated with vital means ends relationships (such as the economic ~~process~~, or ~~xxxxx~~ military or medical capacities) and which ultimately derives from the positive valuation of the means-ends relationships themselves rather than from psychological ties. (In his view the emergence of fascism in Germany, for example, must be understood in such terms, by referring to the economic crisis and paralysis of the political sphere that had emerged). This emphasis on the reality of power, however, causes him to draw ~~two~~ types of conclusions with regard to its relationship to socialism, ~~and~~ <sup>and</sup> it is from this source that most of the differences between his generally optimistic view of the present world situation from the point of view of socialism and your own somewhat more pessimistic one stems. For on the one hand the "reality of society in industrial civilizations" (Robert Owen's "third revelation") which may have established a permanent obstacle to the social prerequisites of inner life, is obviously a negative phenomenon, although like death, it has far reaching creative possibilities if it should be found to really exist and is then acknowledged. On the other hand, however, since the first prerequisite of socialism (which he then views as an attempt to defend the ideals of Christianity in the face of the reality of power in industrial civilization) is the capacity of the political sphere to control the economic process - to limit it and direct it in the light of social criteria - the greater the freedom of the political sphere from economic constraints (such as exist in a market economy) the more there is hope for such a change in social institutions. This presumes of course, that public opinion is still basically concerned with Christian norms; a commitment to the opposite results in fascism. With regard to the non-Western new nations in which Christianity is not an issue, however, Prof. Polanyi believes that the basic commitment of the nationalist movements

(Letter to J. F. Brown)  
14 Dec. 1941

is frequently to a populist type of nationalism that differs fundamentally from fascism and is essentially democratic in orientation. Among the subsidiary differences to which this emphasis on the reality of power leads, in turn, are a positive valuation of the nation as the central political unit of modern times, and in the sphere of international relations, a belief that the growth of political power for the various countries (the freeing of their political sphere from the paralyzing rules of the idea of liberalism) is serving to make possible the kind of international political action and commitments that the solution of present problems requires. His enormous optimism in recent years, stems much more from the hopes that he derives from the increased functioning of the political sphere of Western and non-Western nations, than from any particular hopes concerning changes in man's character structures. It is also for this reason that his overall appraisal of the new party program in the Soviet Union is so different from yours. In particular he sees in the first arrangements that are described for using the political sphere to redirect material flows to the all-round reshaping of rural life an illustration of the powerful socializing capacities of the planned economy.

Most of these ideas will appear in the "New West" book that has been gradually taking shape.

My very best wishes for the New Year.

Paul Medow

21. 12. 1961

My dear great friends, last year this time we had  
you with ~~us~~ <sup>as</sup>; to my utter amazement and moved  
joy there came yesterday a kind of life-reminder  
of that visit: <sup>a copy of</sup> the very lumberjack <sup>cap</sup> that Karli  
had worn when he stepped off the plane from  
Canada! the explorer's cap that crowned him.  
Many thanks for thought and deed but shall I  
dare to wear this crown? At any rate I can  
look at it & think of both of you. - Last Xmas  
and the strange New Year's Eve when Karli felt  
Daphne's pulse were already tinged with melancholy,  
this Christmas for me is Black. Daphne has  
left me. The blow is so hard that I still refuse  
to believe in it but it is true enough. I cannot  
bring myself to write about this at length in  
this letter - but I feel with her life has rejected  
me - c'est tout. I have not seen her since she  
left 3 weeks ago but I hear indirectly that she is  
well - even very well. I don't know where she lives  
except that she of course continues to work at  
her pottery which you never saw, I think. Her  
thoughts and feelings have been away from me for

← To open cut here →

Sender's name and address  
F. Sanson

6 Pembroke V. Way  
London W. 11  
U.K.

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Professor Mrs. K. Polanyi  
R.R. 3

Pickering  
Ontario

Canada

for a long time and as she is a whole person, the  
break had to come, I suppose. She is capable  
to re-build her own life though traps & tragedies  
lie along her way too but I do not know  
what is to become of her. I have a fine post  
where milk and honey flow & for a time the  
students even stood at my lectures because there was  
no more seating room. But see where I am.  
So my dear friends this is not a cheerful letter; ~~but~~  
for you Working & Loving, the two gates to  
heaven are, I hope, as always wide open. My love  
to you. I remain your ever impossible Mensch  
John Polanyi Feb 12 -

Dec 1961

Kedves Ilona és Charlie !

Már régen nem kaptam Töleték postát, Márta is ritkábban ír az utóbbi időben; ő tőle tudtam meg, hogy Charlie már nem tanít az egyetemen. Remélem egészségileg ismét rendben vagytok, mert jó egészség nélkül nehéz egy kellemes karácsonyt elképzelni.

Nálunk sok változás történt az idén, apr. vége óta kétszer is költöztünk, akkor hagytuk el Pa-t és Queens-be, (N.Y. City) költöztünk. Itt sokkal könnyebb munkát kapni, mint Pittsburgh-ben. Először Bronx-ban kezdtem dolgozni egy "Housing Project's field office"-ben, de később a cég áthelyezett N.J.-be a központi irodába. Tíz nap óta itt is lakunk, vettünk egy kis családi házat. A címünk: 57 Bedford Rd., Dumont, N. J. Tel. 384-7580. Hét méle-re van innen a G.Washington hid, sokan járnak be innen N.Y.-ba is dolgozni. Berta is dolgozott okt-nov-ben mint varrónő, itt is szét fogunk nézni hamarosan munka után, mert a pénzre mindig szükség van. Edith utolsó éve ez a H.S.-ban, már készül az egyetemi felvételi vizsgára. Doris Pgh-ben maradt; az állása és völegénye fontosabb neki, mint az anyja, úgy látszik; pedig az első kettőt itt könnyebb szerezni, mint ott...

Egészségileg meg volnánk, csak az én gyomrom molesztál az utóbbi hetekben, remélhetőleg csak a költözés izgalmait érzi átmenetileg..?

Márta azt írta egyszer, hogy Ti időnként átruccantok N.Y.-ba, remélhetőleg hamarosan benézték hozzánk is, legkésőbb a tavasszal!

Ezúttal is köszönöm a könyv-küldeményeket!

Mindkettőtöknek kellemes karácsonyt és boldog újévet kívánunk!.  
1961 december 9-én

Sok Szeretettel:

Fisza  
Edith  
Bertha

Peter

Lore and K. W. Kapp  
Registrar's Bungalow  
University Road  
Jaipur, India

December 1961

Dear Friends:

For the first time since our arrival in India we seem to find the time to write you a collective account of some of our experiences and impressions since we left the States in June. We had to complete the second edition of Social Costs for the Asia Publishing House in Bombay, and we wrote three final chapters for our collection of Essays on Hindu Culture, Economic Development and Economic Planning.

We may as well begin with the beginning: Russia. India was a relief after traveling with Intourist through Russia from Leningrad to Moscow and to Central Asia. The relief of being on one's own again without a guide and interpreter, speaking one of the languages of the country (English) and getting meals when and where you wanted them, having waiters that really wait on you. In Moscow it took sometimes 2½ hours to get through a dinner with the result that part of our program for the rest of the stay was upset. In fact, waiting on persons seems to be one of the most undesirable types of socially necessary labor; at any rate, it is rendered reluctantly, without interest and with excessive delays. We liked Leningrad best, found Moscow much more impressive as a city than we had expected, and were surprised to find relatively modern cities in Central Asia (Tashkent and Alma Ata). Apart from the usual sightseeing, we saw a model machine tool factory outside Leningrad with evidence of socialist competition everywhere. We never got to a collective farm; Intourist could not arrange it for us. We talked to research economists and one well-known member of the Academy of Sciences on investment criteria and linear programming which we were told is actively under exploration and consideration for the solution of transport problems (inland shipping).

In Alma Ata we met with the Director and the Faculty of the Agricultural College—an impressive group of people. We asked them what, according to their views India should do in connection with the improvement of land uses in newly irrigated areas. The director who had been in India came forth with the reply that India must make her own experiences and her own choices. "Her problem is that she believes in God. We believe in ourselves and our own strength."

Anybody who comes to India for the second time will be asked the question: Do you notice any changes? The answer is of course: no. Neither is there any break-away from the long term trend in economic development, nor have we noticed any changes in Hindu traditions and institutional arrangements. Right now, and for the next decades, India will be faced with major foreign exchange problems; crops seem to have been better since we left in 1958 but still far from sufficient to cover India's food requirements. Without America's export of food India could not feed her rapidly growing population. The Third Five Year Plan which was published in October aims at removing the deficit, but there is little evidence that the measures contemplated and their implementation are commensurate with ~~the~~ the magnitude of the problem. The flood damages caused by this year's monsoon were worse than ever. According to official reports at least 3000 lives were lost, and property and harvest damage amounted to at least 150 million Rupees. Millions of acres have been destroyed; herds of cattle were swept away and drowned, particularly in Bihar. The public health picture has not changed either; cholera is rampant in epidemic proportions in Bihar and present in other states. In the political field the 1962 election is coming up; conflicts are sharpening. There is a noticeable attempt on the part of former rulers to get back into politics running as Independents or as members of the opposition (Swatantra) party, which has just come out with a new platform promising the removal of land taxes (!), the abolition of planning and free enterprise.

The election campaign under these circumstances will be lively - although everybody seems to agree that neither the old nor the new opposition parties have any chance to defeat Nehru's Congress Party. (Rajasthan may be an exception in this respect).

On the whole, we feel that India is returning to her past. The agitation for Hindi as the common language seems to be much stronger and more successful than we remembered from our stay in 1957/8. The prohibition of the slaughter of cows is more strictly enforced than ever. Indeed, no politician would dare to come out against it and hope to be reelected. Caste is as strong as ever and makes most social reforms difficult, if not impossible. According to official reports the special treatment of Untouchables and Backward Classes (150 million people involved) has not led very far. Village studies are full of evidence to support this conclusion. There is an interesting reform under way in the field of village and district government and administration. Panchayats and Panchayat Unions have been given greater power including the power to tax and are expected to assume functions of planning in a decentralized fashion. We have extensive discussions on this problem here in Rajasthan which is ahead of other states in this respect. The trouble with the reform is that in its attempt to prevent the spread of factionalism in a caste society, the law insists on unanimity in decision-making at the village level and a two-thirds majority at the Panchayat Union Level.

Since unanimity is practically impossible to achieve at the Village level, not much can be done. If you don't have unanimity you simply cannot build the well and its location may favor one group as against the other, in which case the latter will vote against it.

Another fact which tends to confirm our impression that changes are more superficial than is usually admitted and may actually conceal a return to the past is the continued hold which cosmic causation, astrology, palmistry, etc. have on the Hindu mind - not excluding that of our intellectual friends. Even Marxists or former Marxists try to convince us of the relevance which the constellation of the stars at birth have for the fate of the individuals, and of the scientific character of palmistry and the significance of the lines of your hands. People (including some of our colleagues) talk about eminent catastrophes to be expected during the early part of 1962 and one specific prediction has it that President Kennedy will not survive the next year. We also learned that the period of the full moon and the new moon are not working days in many rural areas - in addition to the many religious holidays and festivities. (This should be interesting to statisticians who sometimes think that a month has 26 working potential working days.) Weddings are spaced so as to coincide with the auspicious time of the full moon in certain months. November was a particularly auspicious month in this respect and we had our hands full with invitations to weddings.

We sometimes wonder about the extent of emancipation and Westernization of the Indian intellectual. We know of cases where Indian women with college degree and teaching positions agreed not to engage in a regular fast for the long life of her husband in accordance with Hindu customs. After several years a fast has now been taken up again much to the dismay of the husbands, however. The orthodoxy, even though abandoned in early life seems to be breaking through again.

Speaking of women whose role, as everybody knows, should never be underestimated, we find them as difficult in India as during our first visit. It is hard to converse with them although they may speak English; they are too shy and withdrawn and have very little to say. Divorces are a special case. We met two ladies of the upper middle class who had had a divorce. Their divorce puts them in an impossible social condition. They have returned to their families but cannot really organize their lives. They had been abroad but this did not seem to help much either. Hindu tradition rejects them and while they have the security of their families, they seem to be crushed by the traditional position of the divorces. Under the pressure of the tradition, they seem to become more, rather than less orthodox themselves.

There is very little to say about the University. It is growing, buildings and houses are coming up everywhere. New departments are still being formed. Economics and Public Administration is one of the oldest departments and we are said to have the best students. Our colleagues are young, two senior members have left: one died and the other went on leave to join the important Finance Commission in Delhi. The students are problematical; they are well-behaved but like to debate rather than to inquire. Nevertheless, I have the impression that they would like nothing better than to have a charismatic teacher and accept his word as an answer to all problems. Their command of English is no longer what it used to be. In fact their college education in economics was in Hindi and for many of them lectures in English are their first experience of spoken English in their subject matter. To make it worse, there are very few books in Hindi dealing with economic subjects. There are about 12 girl students in one of my classes. One of my colleagues says that the girls are in college only to become eligible for better husbands. But this may be unfair to some of them.

Indian students seem to come increasingly from middle-class backgrounds now, and hence do not bring the intellectual background to their studies which the previous generation of Indian intellectuals - of which Nehru is the outstanding representative - had. But the fact that the social background of the students seems to be changing is significant. The library is in a poor and disorganized state mostly due to poor administration. We know this first hand having had to do a lot of checking of materials

To continue in a lighter vein, you may be interested in our life in Jaipur, which was the capital of a formerly princely state and is now the capital of Rajasthan. His Highness, the former Maharaja of Jaipur was a "17 gun salute prince" (21 was the maximum) whose house claims descent from the sun. He and his ancestors studded the city and the country side with magnificent palaces, hunting lodges, country houses, et cetera. The Maharaja of Udaipur (100 miles away) claims descent from the moon. The relationship between the two houses was marked by the great animosity due to the fact that the Jaipur HH (that is the way he is called now) joined up with the Moghuls and was left in peace whereas the Udaipur HH fought it out with them and lost. His ancestors vowed never to set foot on Jaipur soil - a vow which kept until a few days ago when the international cricket match (Rajasthan against England) brought him "officially" to Jaipur. Actually the former ruler of Udaipur had been here many times by car and by train but that was not official.

To come back to the palace of HH. We spent several days in one of them, the Rambagh Palace in Jaipur which has been converted into a luxurious hotel with a marvellous park and garden with peacocks, fountains and swimming pool. The front ramp permits elephants to come up to the entrance. Before going to Jaipur we had promised each other jokingly a Sunday afternoon ride on an elephant. Sure enough, on our first Sunday in Jaipur, we could hardly believe our eyes when an elephant appeared in full regalia to pick up some "round-the-world tourist" for a trip to Amber Palace outside the city gates. The tourists fly in and out of Jaipur. When they meet us, they can hardly believe that we actually live here. They often appear in a state of complete exhaustion and we are sure that, while they enjoy the elegance of the palace, they experience it and the city as in a dream. The Palace is indeed a great tourist attraction. The Maharani's bedroom and particularly her bathroom are centers of interest. The latter is in black marble and has a mirror arrangement which enables you to see yourself from all sides at the same time.

Jaipur city (that is the bazaar and the living quarters for the great majority of the population) is one of the most colorful cities of India. It is a pink city but some irreverent people call it the "stink" city. During the monsoon rains the city is indeed smelly and one has to pick one's way carefully. In any event, it is a very lively



place with a crowded shopping district in which you can see every kind of dress of lack of it, (as for instance in the case of the almost naked sadhus) camels and elephants passing with their load, and monkeys sitting on the roof tops. During the monsoon weeks there was sickness all around but the Indians accept this as a matter of fate and simply call it "seasonal fever".

Our house is the "Registrar's Bungalow" which is on the grounds of the University. We have a 5 minute walk to the office. At 110 degrees the walk can give you a heat stroke; Ted is doing it on a bicycle as is Poona, Lore has to walk. The University grounds are being developed on the outskirts of the city on one of the former hunting grounds of HH. A few hundred yards from us begins a kind of desert and about a mile away in the background are hills covered with low jungle growth. Our cook Pedro, remembers when tigers were shot in this neighborhood and nobody thought of walking here. We found this rather unbelievable until, the other night, we heard a terrible commotion outside the compound. All the dogs of the neighborhood and some migrating hyenas started barking and howling. This went on and on and we decided almost to go out to see what was happening. Fortunately we did not. The next morning the university chowkidar (guard) reported that a tiger had come down to look for water on the campus. This story has been revised in the meantime and the tiger has become a leopard. Leopards are said to be more dangerous than tigers which will avoid human beings unless they had had a taste of human flesh and have become so-called man-eaters. When we mentioned this incidence to our cook and said that one has to be careful in the evening he reassured us by saying: "Not necessary, sahib, tigers will not bite you." And this brings us to our servants. Of course, we can not do with less than three: a cook to cook, a bearer to help in the kitchen and in the house as well as wait at meals, and a sweeper or cleaning woman. She is an untouchable, the only group of people who will clean the bathroom. She is of considerable beauty, very shy, submissive, takes the orders of the cook and works very fast. She expects a baby any day. The bearer comes from Kangra; ours is one of the first jobs and he is very eager to become a professional. He is intelligent and attentive and since he began learning English on his own we engaged a college student as a teacher for him. Pedro who is from Goa, is one of the former cooks of HH from whom he receives a pension of Rs. 35 p.m. (or 8 dollars.) When we don't know what we want for dinner we simply ask for one of the favorite dishes of HH. -and get it. Yesterday we received a present of partridges and Pedro served them roasted, on toast. Pedro has the sweetest disposition, he is very old, efficient, and considerate. He is always on time and we are on the best possible terms with him. His English and his thoughts are delightful as you can see from the tiger which will not bite. When we go out without a (hired) car, he asks: "you are going out by walk - obviously in analogy to going by car."

The house is large, comfortable, cross-ventilated and with fans in every room. Now "in winter" it is very cold and we sleep in our sleeping bags. We rented the furniture piece by piece from the "Jaipur Auction House". We finally got a refrigerator which looks so delapidated but works. We had a radio for a month - but it was not worth the money and time spent on it. There is an enclosed garden in which we are growing vegetables and are experiencing the difficulties of Indian farming. One set of beans suddenly began to wilt and died within three days. Our TCM, expert here, who is an irrigation expert from South Dakota diagnosed the case as a deficiency of nitrogen and manganese in the soil. The soil is sandy and dries up within a day if we don't keep it watered regularly. The cucumber plants were eaten by a kind of ground mole and we have become quite fatalistic ourselves and begin to understand what farmers mean when they say that yields do not depend on water, fertilizer or hard work, but are determined by one's Karma. The only plants which grow in profusion are marigold and their flowers are colorful and gay especially after they have been made into a special arrangement by the bearer.

Needless to say that India surrounds us at every step. We have three servant quarters in our compound, two are used by the cook and the bearer. The third was recently occupied by a chowkidar of the University who got into trouble with the authorities because he had accepted 70 Rupees for "his" permission to let some cows and buffaloes graze on the University grounds - against University regulations. He was fired but stayed on in our servant quarters. When his wife had a baby he borrowed money from our cook to take her to the hospital. She is now back from the hospital but has to stay in strict purdah and we have never seen her or the baby, nor has anybody else. Whenever anybody comes close to the quarters the chowkidar simply says: bas which means stop.

From our flat roof we have an impressive view extending over the university grounds with the hills nearby; and open field in front of us and another palace of III on a hill dominates the entire scene. The road in front of the house is a major connection from the city to the outlying villages. We can not think of a more colorful procession than that which passes by every morning and every evening. Early in the morning herds of donkeys pass the house on their way to work. We hear their bells and the tack-tack-tack of their hoofs and the shrill voices of their owners urging them on. Before breakfast we see from the roof top the magnificent spectacle of a long line of camels making their way into the city with their drivers sitting under a black umbrella (the sun comes out early!) and wearing shocking pink or saffron yellow turbans. It takes seven yards to make a good looking turban.

However in contrast to our life in Poona Jaipur has an intense impersonal and official social life. Tea parties at the Governor of Rajasthan or at the Vice-Chancellor, speeches, meetings seem to be taking place every day of the week and the problem is how to stay away from them. The month of November was in addition the wedding month and one receives invitations from people one has never met. There is no austerity on these occasions. We attended a party where the Chinese cook had been flown in from Delhi and where the most expensive Scotch was served. Weddings are as costly and ostentatious as ever. We attended one where the bridegroom arrived on an elephant and with III, as a guest at the men's party with dancing girls performing for the gentlemen in the old tradition. The Maharani and the other ladies had a separate party. I (L.) had never seen so much jewelry in one room, the ladies were studded with them from the large pearl or precious stone at the parting of the hair, down to their toes. The strong colors of the Rajasthani costumes were beautiful - saris are not so universally worn here. But the strictest protocol ruled the party: with everybody getting up when the Maharani got up or sitting down when she did; nobody talked when Her Highness talked and most of them never said a word during the two evenings I was with them. The bride sat in a magnificent yellow brocade all embroidered with pearls; necklace, nose ring, toe ring, bracelets covered whatever was not covered by her costume. She sat there as unhappy looking as one can possibly imagine. She had never seen her husband and had met her parents-in-law, with whom she is going to live, only the day after the first ceremonies were over. Altogether the wedding took three days.

Incidentally, you may have heard that the Maharani is in politics. She is running for the Parliamentary seat on the Swatantra ticket. She is for free enterprise, lower taxes and against prohibition. When she campaigns in the villages she uses an old Buick instead of the white Jaguar she usually drives. We spent our vacation in Manali (Kulu Valley) at the foot of the Rohtang Pass on the road to Tibet, and we are planning to spend about three months in Kashmir after we have finished the University work in March. Before that we shall go to Hyderabad, Madras and Ooty/Coonoor in the Nilgiri Hills in Southern India. Over Christmas we are planning to explore the region of the future Rajasthan Canal which is at present more or less a desert. We shall write again on our experiences from Kashmir.

We are wishing you all a peaceful 1962, and happy holidays!

Cordially,

Ted and Lore.