

C O P Y

Communication

July 8, 1958

Editors, WORLD POLITICS

Dear Sirs:

In his interesting article, "Ten Theories in Search of Reality: the Prediction of Soviet Behavior in the Social Science," (1) Mr. Daniel Bell fails to deal with the theory of state capitalism. I note his reference to Rudolf Hilferding's article, "State Capitalism or Totalitarian State Economy," but that is where he leaves it. It may be that he did not deal with it because, far from being in search of reality, the state capitalist theory does indeed yield fruitful and cogent analysis of Russia -- its economy, its rulers, and its policies.

In any case, the omission is especially regrettable in view of the fact that the Russian rulers consider this theory "the most dangerous and subversive" of their totalitarian regime. Since the state capitalist theory holds that Russia is a state capitalist society, it goes without saying that no one dares expound it within the borders of the Soviet Union.

However, for a brief period at the end of World War II, when the Russian bureaucracy seemed uncertain of its relationship to Western Europe and called Eastern Europe state capitalist, a variation of the state capitalist theory was developed by Eugene Varga in his Changes in the Political Economy of Capitalism Resulting from the Second World War. (2)

Indeed, it was held by the Institute of World Politics which Varga headed. In brief, his analysis showed that planning by the state was no longer a monopoly of "socialism", but, to one degree or another, characterized the whole post-war world, including Great Britain and the United States. Varga maintained that capitalism had thus achieved an "equilibrium," obviating a general crisis for a decade or so. This set off Stalin's unbridled campaign against "cosmopolitanism." Varga recanted.

Outside of Russia, and long before the specific dispute, as a Marxist Humanist, I developed the theory of state capitalism. I was able thereby at the outbreak of World War II, to make the first detailed analysis of the Russian Five Year Plans. When, in the midst of World War II, the Russian theoreticians were compelled to revise the teaching of the Marxian law of value as the basic law of capitalist development and admit that it functioned also in Russia, I was the first to bring this information to the American public. (3) On this basis, I stated -- and I believe

(1) WORLD POLITICS, Volume X, No. 3, April 1958

(2) In Russian 1946. A stenographic transcript of the discussion on it was, however, published in an English translation by the Public Affairs Press, Washington, D.C., 1948.

(3) American Economic Review, No. 3, 1944 for the translation of the Russian article, "Teaching of Economics in the Soviet Union," and my commentary, "New Revision of Marxian Economics"; that entire year was occupied with criticisms of my analysis, and my rejoinder, "Revision or Reaffirmation of Marxism" in No. 3, September 1945. See also Will Eisner in The New York Times, October 1, 1944.

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I was the first to do so -- that despite the then wartime alliance we would soon see the beginning of a new period which has since become known as "the cold war."

Again, when Stalin died in 1953, and most of the "Russian experts" were arguing Malenkov vs. Beria, I wrote that Khrushchev is the man to watch. I mention these two facts, not as any proof of prophecy -- I assure Mr. Bell is much too serious to seek prophecies -- but to indicate a tool of analysis we are all seeking to discern a general pattern or movement.

It also happens, not accidentally, that today the state capitalist theory is the ideological weapon that the Yugoslav leaders are using in their life-and-death struggle with Russia.

Needless to say, I do not consider the Russian and Yugoslav variations to be the authentic Marxist Humanist theory of state capitalism, for, as I show in my recent book, MARXISM AND FREEDOM, they end where they should begin. I am able to go much further and at the same time give a more accurate picture of the "Soviet Man," not only as to his economic function in the state apparatus, nationally and internationally, but as to his socio-psychological characteristics as well.

As I see it, the importance of articles such as Mr. Bell's is that they are part of today's never-ending efforts to pierce through to the reality of Communism in view of the urgent global struggle for the minds of men. All the more reason to recognize methodological tools which offer accurate insights.

Let Russia keep the monopoly of thought control and have all their intellectuals appear as state philosophers. In scientific journals such as WORLD POLITICS, we have no right to use historic terms loosely. I am referring to Mr. Bell's apparently interchangeable use of "Marxism" and "Communism."

The Russian Communists spend an incredible amount of money, energy, and vigilance to force an identity between those two opposites: (1) Marxism, the theory of liberation which sees state property, not as Socialism, but as the ultimate development of capitalism; and (2) Communism, the term they have usurped as the designation of their state capitalist regime. If we do not keep this distinction clearly in mind, we are prone to fall into the trap set by the Communists.

Yours sincerely,

Raya Dunayevskaya
4993 28th Street
Detroit 10, Michigan

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July 9, 1959

Mr. Daniel Bell
FORTUNE
NYC

Dear Mr. Bell:

I enclose a copy of the letter of criticism I sent WORLD POLITICS. Since you are the subject of the critique I felt it only fair to let you have a copy and I so informed the editors of WORLD POLITICS when I submitted the letter to them.

Yours sincerely,

Raya Danagovskaya
1953 28th Street
Detroit 10, Mich.

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July 8, 1938

Editors,
WORLD POLITICS
Princeton, N. J.

Dear Sirs:

I enclose a Communication for publication in your journal. I am sorry I'm so late in commenting upon your April issue but, as it happens, Mr. Bell's article was first called to my attention this week-end in, of all places, Algona. I trust that the lateness of comment will not keep it out since I consider the need to understand the Russian reality more urgent now than ever.

In lieu of a biographical sketch I enclose the jacket blurb of my recent book, MARXISM AND FREEDOM. Should you desire any further data I will of course be glad to submit same to you.

I will send Mr. Bell a copy of the Communication since he is the subject of my criticism and I feel it the right thing to do.

Yours sincerely,

Kate Dunayevskaya
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