

Oct. 31/46
N Y City

Dear Ray:

Thanks for your two notes. I was very pleased to get them. As for my not asking back the pamphlet, that is the advantage of being a bourgeois. I didn't at all intend the inscription to be cold or unfriendly. If I am going to morrow, I'll phone but I do not know at the moment if I am ~~not~~ or not. I am harried and harried these days. I have always got my finger into too many pies, and always try to have too many things going at once and living is an endless war with time and unfinished tasks, and more unfinished tasks. Last night, I went over four articles for a forthcoming book of essays, and then read, and woke up today with my eyes in a state of menace from the effort and there are more things. Of course I dance. It is bourgeois past that accounts for it, however.

I have been meaning to write you all week. I read all of your things except the rebuttal, and am returning them. I also went through the three earlier Russian articles in the N.I.

I retain my non-position of suspended judgment on the nature of Soviet economy. Freud remarks in his ~~AMTXX~~ AUTOBIOGRAPHY, apropos of criticisms of him, that scientifically, it is often necessary to work with indeterminate hypotheses. Scientifically this is often the case. It is so in the case of the nature of Russian economy. The problems which it raises should be studied with the two positions held as hypotheses. That is what I think Stalinism, and the ~~Cannons~~ Cannonites have done a lot to discredit any such tentativeness, to castigate it as weakness, speculation, petit bourgeois and so on, and with this, they have (a) trained a lot of people to know history before history knows herself, and to have the future mapped out in advance thanks to the programme, the party, the dialectics, and (b) to make people feel foolishly guilty if they don't have a conclusion when they don't have a ground for a conclusion. The conclusion we come to tests and confirms our hypotheses and our definitions, and often, our starting points must be very tentative in character. On Soviet economy, this seems to be the best way to go about it. Also, it is because from different standpoints, the same practical conclusions can be reached. From the standpoint of either a degenerated workers state, or bureaucratic collectivism, one can conclude for or against defense. From your standpoint, and Jimmy's, of course one can't.

To continue. In a discussion before a large group of students last summer in Minneapolis I, for the first time, made a tentative statement that I was inclined towards accepting the thesis of bureaucratic collectivism, but on reflection, I think I was

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hasty and lazy. When I read Max's part of THE NEW COURSE, I was not satisfied with it, and I felt that the conditions of the theory had not been met at all by Max. For a theoretical presentation, the economic questions have to be raised and dealt with. The quotation from Max which you put in a footnote is very confusing. For there, Max says that bureaucratic collectivism is progressive historically. This can well lead him to a defenseist position. Is it economically progressive and politically reactionary? If so, which is prior? Prior in the logical sense here, of course. Further, a continuation of studies such as yours seems the only way to answer the question. For the thesis of bureaucratic collectivism raises a question: Let's call it the question of necessity. Is a bureaucratic phase necessary for raising the productive level of a backward country when you have a revolution? This is necessity in a different sense than saying that the triumph of Stalin over the Left Opposition was necessary. That was necessary in the sense that the co-relation of tendencies and forces were such that the alternative tendencies, represented by T and the Left Opposition were too weak, too weak politically. Was there weakness purely internal to Russia, or was it a world phenomenon, a reflection of the weakness of the world proletariat in the face of world capitalism? We can say that the bourgeoisie was historically necessary in the first sense here, and give some empirical demonstration by, say, an analysis of the Great French Revolution. Can Max do the same in the case of the Russian Revolution? This is one of the questions which the theory of bureaucratic collectivism raises.

In general, I have never read a really convincing presentation of the bureaucratic thesis. Burnham's is a very shabby one. It is non-empirical, without any analysis of the economy of Italy, Germany, Russia and the U.S. It is not so much a political one, in the usual sense of political, but rather, it is more narrowly political: it is an administrative argument, and based on the administrative facts. This leads me to suspect the following. Administrative analysis is a new means of (a) retreat from Marxism, and (b) weakening of Marxism, and (c) a substitute for economic analysis that would be politically co-related. Burnham is an instance of a. Brady in BUSINESS AS A SYSTEM is b. A man named Bison, author of a recent book called JAPAN'S WAR ECONOMY (I think) which I have gotten and looked at is c. But to continue. The socialist revolution is long overdue. The prerequisites for capitalism have long been historically established. The decay of capitalism- Lenin said that there are no hopeless situations for capitalism, Adam Smith said that there is a lot of ruin in any system- would, in this situation, lead to successive deviations from the norm. The norm in the estimation of tendencies is a theoretical and synthetic analysis which is a means of gauging and measuring. This is central in Marxian methodology, and it is precisely this methodological construction which (a) so many bourgeois political and economic analysts can't grasp, and (b) which is beyond the radical intelligentsia who have been writing so vaguely on these questions.

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questions in recent years. The norm here permits us to measure the decay of capitalism. But the situation is one of decay.

In that decay, we have the following phenomenon that are integral with the situation: 1: The normal character of recurrent war, and the co-relation of this with war economy. Was economy is not an "accident". The tendencies expressed in war economy have long been in existence, and they are derivable from the law of the falling rate of profit, and with this, the tendency for fixed and variable capital to show a growing disproportion. 2: The fact that the world is trustified. 3: The acceleration of all processes which create unevenness when capitalism is regarded from a world standpoint.

In this situation, it is most tempting always to find a new theory. If you can find a new theory, you can most easily explain everything. The new theory of bureaucratic collectivism, however, leads to a serious question of revising Marx. Now I am perfectly willing to revise anybody when there is ground. But the conditions of theory demand that a new theory be made consistent with what has already been developed, or (b) that one openly admit an inconsistency, and then say - I am working on the basis of an inconsistency, and after I proceed further, I test what I have already concluded, gather more facts and so on, I will then try to deal with this inconsistency.

Now on the other hand, I suspect you and Jimmy of an inclination toward formality. You state that the laws of motion of capitalism serve as the test here, don't you? You point out the role of the world market in the question of defining Russian economy. And I think you do an admirable job in getting data and putting it together. But there is insufficient data. As Jack Weber remarked, you have to get more data and get a curve which will show more graphically, the tendencies. With this, I think the next task is that of theoretical and statistical co-relation of the data you can get and have already gotten concerning Russian economy with facts concerning the world market.

With this, a historical analysis is needed that goes back to the immediate post-Versailles period, at least, and co-relates the market, the economic changes, and the political tendencies.

The indeterminateness of conclusions here is not inconsistent with a political view on Russian policy. The consequences of defense, the consequences of Stalin's successes etc. can be seen, and on a direct and practical basis, one can say - against Stalinism. In other words, theoretical differences here don't at present lead to practical differences. In methodology as in everything else, the Cannonites are rigid. They demand not only

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programmatic but also methodological agreement. They say that if you say A, you must say B. They apply this methodologically. If you have hypothesis a, you must reach b. But this is just not the case. This is so empirically in the history of science. It is so logically. A statement can be logically true if the conclusion is true, and the premise is false. A false premise, a false hypothesis doesn't absolutely determine a false conclusion. This methodological rigidity as differentiated from rigor, is used as a bureaucratic instrument to frighten boys and girls, especially boys and girls who are ridden with guilt because they have petit bourgeois origins and are sinfully intellectual.

To continue: if you have warranted your hypothesis of state capitalism. When did it become state capitalism? Was it state capitalism in 1928. Can you start from the 1928 figures, and say it became state capitalism, or was it already that then? This, again, stresses the need for a ~~curve~~ curve.

It is clear now that there have always been capitalistic elements in Russian economy. The point about capitalism is capital.

The accumulation and cogulation of capital is one of the central factors, and it is here where so many people have gone off of their beam. The drive of ownership and administration

has long been a pronounced factor in capitalism, and the cogulation of capitalism into large blocs leads to the rise of the administrator. Marx forecast this. It happens in capitalist

countries. A T & T is administratively run: so is the motion picture industry. In terms of national economies, this is seen in the rise of the countries which had a late development,

notably Germany and Japan. With this, there was, also, a closer linkage of bureaucracy, ~~church~~ church, army etc. This is all

consistent with your hypothesis, and I am open to it. But I am intellectually suspicious of you. I think you incline towards economic formalism. I recall Jimmy being at my house to go over

one of my Napoleon articles with me, and talking of this,

stating with conviction that all of the laws of motion of capitalism apply in Russia, and afterwards I thought of it, and could only remain in the same inconclusive position of suspended judgment.

I wondered then of him were he not overly formal.

What do you think of the theses of the Germans? They impress me as non-empirical, and, in the last analysis, these theses seem to be derivable from Hegel not history. The dialectical spool unwinds

backwards, and just as in old age, we become children again and pinch the legs of the girls and have temper tantrums, so does capitalism do the same thing. It reverts to barbarism. Rather than

say this, I think we should keep in mind unevenness. With unevenness, we see, alongside of the historical success of capitalism, its historical failures. Its failures to fight barbarism. The

Old Man passingly said of fascism that it vomits up all of the undigested barbarism of its own condition. And Marx remarked that the past presses on the brain of living man like an awl. This

passes presses on the brain of man because there are conditions in capitalism for the perpetuation of elements of the ~~past~~ past.

With this, I think that the Germans are wrong in what they say of slave labor. And this leads me to reflect on Russia. The fact that Russia has had to depend so much on slave labor, and the fact that it has so cramped the cultural development of the masses casts light on arguments concerning (a) the progressive character of the economy, and (b) the theory that it is a new form of economy. Marx says that it is ~~an~~ a malformation. It is. But this refers us back to the conception of pure capitalism, and to the use of abstracted norms as means of measuring tendencies. Recall that Marx said in the introduction of Volume 1 that laboratory experiment has been the great weapon of physical sciences, and that for political economy (really here social sciences as a whole) abstraction is the great weapon. We cannot expect history to develop according to our theories. We must always have this in mind. Much of the surprise of many people has been due to their dependence wrongly on their theories, to what Whitehead has called "the fallacy of misplaced concreteness." To say that it is a malformation can be begging the question. Capitalism is now a malformation. The bourgeois used the concept of progress as a weapon to destroy the fixed ideology of feudal society, and the bourgeoisie of the nineteenth century also believed in progress. But the concept of progress has a different sense in Marx. It was an instrument for the measurement of history, and on the basis of this, a means of affirming and denying, of conceiving political tactics and strategy and so on. Marx never had in mind the idea that the revolution should sacrifice itself to a concept of progress. In the last analysis, this is one of the things that the Cannonites now really hold.

Your references to Japan are suggestive. There are differences, too, of course. Japan had more export, didn't it. And wasn't there a contradiction in Japan - the need for an export economy, and the need for accumulation, for development of war industries etc, a contradiction which widened the unevenness of Japanese economy. The plan in Russia eliminated this. Stalin didn't have to let the textile industry develop and get new machinery at the expense of basic industries which are needed for imperialist war.

Also, the decay of capitalism is not even and regular. In decay, capitalism still makes great advances, and has reached the point of harnessing atomic energy. On the whole, in America, capitalism is seen only in terms of advanced technology. Unevenness, backwardness, the economic and barbaric underside of capitalism is often not at all grasped. Lenin and Trotsky approached the problems of capitalism from the standpoint of the underside of capitalism, from backwardness. They came from a backward country. They lived in the west. They saw it on top and on the bottom, and they were keenly sensitive to the unevenness. To Stalin unevenness was merely the backside of capitalism, and this relates to his economic crudity, his lack of faith in the masses and so on.

Nov. 4, 1946
N Y City

Dear Raya:

I hope your vacation will have been pleasing. I'll have the stuff back to you by Friday.

I don't think you clearly understand what I meant by suspended judgment. It is not suspended judgment on what the Cannonites say. It is on the question of a decisive definition of Russian economy. Correct me if I am wrong. When Marx writes about state capitalism, he deals with the tendency in capitalism to coagulate into one big lump of capital. This is as I understand it, an advanced development of capitalism (its decay) which is likely if there is not the intervention of the revolution. But if the S.U. is state capitalism here, we have to recognize that it has developed not according to the norm of such a development but in variation from the norm, and after the intervention of the workers with or via revolution, and after the establishment (as you would hold) of a workers state. When I say I feel that you are unduly formal, I mean the following. You apply the laws of motion of capitalism on the basis of the norm, and you do not, to my satisfaction, then explain how these apply and how this has come about in the case of a variation of the norm. In consequence, I do not completely grasp your argument, and in consequence, I asked, in the interests of clarity, when this happened.

If there was a contradiction- a, the laws of capitalist society- b- workers intervention which checked a full expression of these laws- what roughly was the situation, and how did it change? When did it change is only a suggestive question to help us learn in a more apprehensible manner how? IN addition, if there were curves on Russia, curves on the world market, ∞ -relations, then there would be more means for one to gain a better apprehension.

Also: I asked the question of necessity as one which had, to me, two significances. 1: It is a legitimate one to ask one who advances the theory of bureaucratic collectivism. 2: Can we say then that the laws of motion apply in Russia because (a) this evolves structurally out of Russian economy, (b) because of the pressure of the world market, or (c) a combination of a and b. If it is a combination, then, we need a better sequential idea than we have.

I agree. The adherent of bureaucratic collectivism should seriously study the problem and test his hypothesis rigorously.

I also add: I asked is a bureaucratic phase necessary in order to pose a question valid in terms of the theory of bureaucratic collectivism.

I spoke of administrativeness because (a) this bulks large in the writings of the new elite theoreticians or "theoreticians", and (b) because you can argue no on the basis of the Cannonites position, and on the basis of your position.

If you hold to state capitalism, how do you explain the predictions and arguments of the Western Socialist people who have said this since 1917?

Also: How do you evaluate it as vis-a-vis and as possibly different from capitalism under Hitler, and in America and England?

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If there was the contradiction you mention, again, to have a sequential picture would help us to see how and when there was a change.

My own view is- a bureaucratic phase was not necessary for raising the level of production. It was necessary only for Stalin, for reaction. It was necessary only in the sense that the forces to make it unnecessary exist potentially, but were not historically powerful enough at the right moments. Defeat makes different things necessary from victory. Certain things are necessary under capitalism, viz: reaction. Reaction isn't historically necessary in the sense that the prerequisites for its opposite have not been developed historically. I suspect that Max gets lost in the word necessary without analyzing and distinguishing necessity in a more precise way. Theoretically it is crucial to be sharp in the use of this word because otherwise one falls into blank determinism, into fatalism, into ambiguities of all kinds.

But enough. It is necessary to do other things now.

John

I wrote this long last week before reading your article. I'm going away and haven't seen to continue further since. I'll see you after I get back.