

Shin-ichi Uraki & Katsuhiko Imai

**SUPPLEMENTAL PASSAGE REFERENCES
FOR
CAPITALISM, SOCIALISM AND DEMOCRACY
BY JOSEPH ALOIS SCHUMPETER**

Collection of Schumpeter's passage references
based on unused drafts and short memorandum
in the supporting material utilized for respective
parts of the text as well as to systematize the issues

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Editor's Notes

- (1) When the original draft of Joseph Alois Schumpeter's¹ "*Capitalism, Socialism and Democracy*"² came to light, it was accompanied by a variety of personal manuscripts (M) and heaps of disorderly notes (N) that the author had employed as source materials. Within the book's Preface are inferences that a significant percentage of these source materials reflect the views of the author – based on greater opportunities for observation than socialists usually had and who reacted to what he observed in an unconventional manner – that had been gathered at various stages of his life. Such materials increased in the process of writing the book and continued to do so during and immediately following the 2nd World War – from 1942 to 1947. To a significant extent, the substance of this volume is the sum of the source materials.
- (2) The personal manuscripts (M) tend to have been written in cursive English so that reading them is not always without its problems. The notes (N) tend to have been scribbled in either stenographic German or abbreviated English so that deciphering them often presents challenges. In fact, Schumpeter's notes in German make use of a version of Gabelsberger shorthand³ that is rarely utilized today even within the German Stenographic Society. With Gabelsberger shorthand to be cursive style, however, it is possible to decipher meaning from spelling similarities even if the decipherer may not be fully informed of social science terminology. In a similar manner, notes in abbreviated English can be deciphered. To clarify which is which, the marks (M), (N), or (M)(N) are placed at the beginning of the appropriate passages. "(M)(N)" refers to the material in a passage being mixed.
- (3) A passage is defined as the specific set of words, phrases, and sentences for the particular implication being examined. There are approximately 600 passages in this volume, and each passage has its appropriate position as noted in (4).
- (4) Position: Zk – (Yj) – Xi whereas Zk = Section, (Yj) = Chapter, and Xi = Passage. Zk consists of the Foreword and the five (5) Sections that correspond to the five (5) Problems – categories established by the author. (Yj) is the order number of the appropriate Chapters, and Xi is the order number of each Passage within the Yj. It was during the editing process that the 600 passages were allocated into what was considered to be their proper positions – that is, placing each of the Passages into the appropriate Chapter within the appropriate Section.

This editing process conforms to a plan laid out for composing this supplementary volume for "*Capitalism, Socialism and Democracy*". In fact, it is realized that this particular version may not be fully satisfactory. However, it is hoped that it provides a basis for future researchers to undertake

¹ The Austrian-American economist and political scientist who lived from 8 February 1883 – 8 January 1950

² Dealing with capitalism, socialism, and creative destruction, it is considered one of the important books on social theory, social sciences and economics. The first edition was dated 1942

³ Created about 1817 by Franz Xaver Gabelsberger, Gabelsberger shorthand is a form of shorthand once rather common in Germany and Austria. It was first fully described in the 1834 textbook *Anleitung zur deutschen Redezeichenkunst oder Stenographie*.

followups and in the process provide greater precision to this volume. In the meantime, we are proud of this first attempt for the finalized arrangement of $Z_k - (Y_j) - X_i$: an example of which is $III - (4) - 5$.

- (5) Passage $II - (4) - 13$ is unique in that it was prepared as a shortened outline of chapter XIII – “*The Sociology of the Intellectual*” – in the book. It was considered necessary to do so as part of the foundation for a supplementary text.
- (6) It is only natural that duplications and similarities in vocabulary and phraseology exist between the book and its source materials – not so much with the notes (N), however, as with the manuscripts (M). In any event, such instances are clearly indicated in this volume. Mark [O] refers to the appropriate page number in the book – published by Harper & Row in the “Harper Torch Book” – and [OO] refers to corresponding material in this volume.
- (7) By contrasting the book with this volume, the primary goal has been to shine new light on the propositions that Schumpeter raised and thereby expand or deepen recognition of his argumentative implications.
- (8) Impressions of the book may vary significantly from impressions gathered from this volume. Whereas readers tend to be impressed by the book’s bold summations of various objective facts as well as the logically developed and well-coordinated arguments that left little or no room for criticism, readers of this volume may – at least at first – feel that the material presented is but the random gathering of fragmented and insubstantial papers.

Read carefully, however, and it is posited that readers will find this volume both fascinating and absorbing. That this happens can be attributed – at least in part – to the manner of referencing the rhetoric and phraseology that is often used by Schumpeter in his book. On the one hand there coexisted within the author tremendous mentally complex references to particular subject matter while on the other hand he consciously endeavoured to develop an argument objectively by excluding or restraining such sympathetically-or-antipathetically mentally complex considerations. Together, however, these two elements contributed vitally to the author’s unique rhetoric and phraseologies while giving the subject matter a degree of indefiniteness. In this volume, almost all of the passages are free from such as self-imposed restraint to present a genuine directness.

Shin-ichi Uraki, Editor
Katsuhiko Imai, Associate Editor
2015

Preface (The first edition)

0 - (1) - 1

1.(M)

This volume is the result of effort to yield into a readable form the bulk of almost forty years thought, observation and research on the subject of socialism. ... Part of the heterogenous materials ... the extensive and heterogenous materials ranging from some personal manuscripts to heaps of disordering notes that had proved strangely alive in parts and cling to their lord and temporal gods ... that had to be marshalled, reflected the views and experiences of an individual who at various stages of his life had more opportunity for observation than no socialists usually have and who reacted to what he saw in an unconventional manner. I had no wish to obliterate the traces of of this : much of such interest as this book may command would have gone if I had tried smooth them a way.

I said that I am no Marxist. Neither am I a Marxologist : I have not read every letter that Marx ever wrote or all material that has been published by the Marx-Engels Institute or ever collected Marxian texts : but I know Marx's major publications, and, being an economist, I have read them with a professional eye for technique. This, I dare say, I understand better than a Marx philologist would and this is my warrant for presenting my interpretation and critique, although I am not the specialists equal in the knowlege of Marx's washing bill. ... But what has it got to do in the hall of a house build by one who is not a Marxist? It stands there to bear witness to this non-Marxists belief in the unique importance of that message, an importance that is completely independent of acceptance or rejection. But it makes difficult reading. And no Marxian tools are used in the subsequent work. ...

(In order to exclude duplication to published book, preface is omitted except two paragraphs described above. These paragraphs contain respectively phrases which were written and erased by author. ... editor)

Impressionable and Reflectionable Comments on the Book in the Period from First to Second Edition

0 - (2) - 1~25

1.(N)

Clear head of Cant? ... break down ...

I have been criticized ... I should like to please any, aber ich kann nicht ändern und nicht leugnen das in around air. ... Wo ist, daß Leute nicht zufrieden werden? ... Argument viel richtiger als addit. oper. of drawing concl. ... Aber eines : ist nur Erwähnungsmöglichen, have kein Urteil über.; sometimes even approve, so wird das Folgen haben but not for long run. ... New Deal, Bürokratie und labor has concerted. ... to sum up ...

2.(N)

What beats me is this ... that this destruction of values is brought by people who profess religion, private Autonomie u.s.w. ... Chatolic charch only serious factor. ... If we are Bolschewist ... since I never quarrel with attribute value ..., I should understand but the world is pulled down by people who believe in it. ... Präsident und Congressman true "conservative" before election. ... Trouble with this country without its history was system ... next did some room debtors to work off debt. ...

3.(N)

Today, 29 IV 46, beim Gebet — also in nächster Nähe Gottes stets — did it occur to me in all simplicity, daß das der Moment ist für consequences of peace of our time. ... Und dann in Zusammenhang damit der davon unterscheidende Gedanke auftauchte, daß ich etwas derart in der Neuauflage zu tun könnte? ... Ist das ein error? ... Kommt error im Gebet und das wichtig ist : nicht übertreiben und rhet. sein : in ruhigem subdued Ton and unadorned style die bad trouble sagen. ...

Thought or Reflections on a regionale Peace als Einleitung? ... Und dann in neuem Kapitel nur Sit. in diesem Lande. ... "Serious objection to policy of this country mit its own Interesse", ist alles nur domestic politics. ... und ganz unglaublich ... aboulia anomie ... fumbling (auch Konservative : die nur ein little bits wollen). ... Mirage, die moralische Wert verzerrt und alles in falschen Perspektive stellt und facts aufhören facts zu sein und wunschgebilde facts werden. ... Wie man reagiert : russische Finanzen, welche sich lesen wie wenn hostile propaganda hides. ... und no unempl. ; russischer Imperialismus hinter Sozialismus. ... Conant sagt ruhig : wird alles möglich sein, "möglich sein" vielleicht ein oder 2 Länder üblich "überlassen", und wenn man das gesagt hatte, so wäre Krieg vermieden worden — das sieht man nicht. ... Tatsächlich mehr Nationen als Hitler ever threatend, Finland und Poland, hier nützt nicht Sentimentalität. ...

4.(N)

Sozialismus : die Schwierigkeit — warum Frankfurter nie dasselbe über dieses Buch sagen wird wie über Pignes. ... und das ich der "string" ; das darf ich nicht vergessen! ... Immerhin kann ich vested interest in social unrest aufführen bei way of die Dinge, die Sozialismus beseitigen werden. ... Gruppen Sabotage [Bauern] — sind das egoistischeste — würde gerade im praktischen likely Sozialismus nicht aufhören. ...

Die forces which make for Sozialismus. ... Das Gefühl der Sozialisten, die Kämpfer des

Lichts zu sein, und die anderen eben demokratisch nur bezahlte henchmen. ... Nicht-Sozialist — Sein ist nicht nur error, sondern sin. ... verschieden auch page in Nocks* St. Paul ... Wie lange (und wo) sind Sozialisten demokratisch. ... Change of side ist war controversy. ... Was Kapitalismus für die Massen tut. ... (Ptolem. Reise genau so bequem.) ... Advertisment not waste! ... Hat Funktion selbst Zahnpasta und auch im Sozialismus nötig. ... (* knock ... editor)

5.(N)

Für Buch ... Monopol und Fatalismus, futility und saving ... foreshadowing meine Konservativision ... horror der Reaktion über wages im letztem Kapitel. (das auf Kosten anderen Arbeiten) ... Interesse des Arbeiters ... inflation ... foreshadowing plan : unpopuläre Wahlheit : erection of big bus. ... must not degenerate into work, ... No problem ... disturbed Discussion über Recovery Bill und deficit spending ...

6.(N)

Book ... The book ist not spielerische action und Gegensatz für action. ... There is any opprt. — but can't book take it. ... refuse to take, order ... über Aufnahme des Buches : das vielleicht bestens Ausgangspunkt des populären resources. ... Monopol ... straight comfort. ... letztes depre. : über Revolution unserer Zeit und die Notwendigkeit 100% nichts — sein. ... fatalism-no gates ... not perish, weil nicht alleinige cope — but defender lock in gate ... You can't believe yourself. ... futility ... Demokratie und freedom ...

Große Frage : was über Deucheland und Japan. ... Hitler ist Produkt of Fascism. ... Russia does not decide than sequester. ...

Positive Probleme : what you want, compulsion, full empl. ... wage und preispolitische Fragen ... creating one's own life ... Was ich darstellen wollte, das System in its organic. ... Revolution in America ... 4 freedom in prison ... free society, Land der kleinen bourgeoisie ... For me or against me, what should be done, the "Plan". ... dip. barking über Monopol und über saving ... suicide — this war : so merkwürdig daß chart das hierbei von. ...

7.(N)

Prefatory Essay on futility and defeatism ... In the preface to first ed. I have told the ess. of the History of this book. Was alles darin ; aber nicht als Philosophie und unit verfaßt. ... Entscheidend für Urteile der Zusammenhang nicht-ökonomischen Erfolgen dieses Jahrhunderts mit Kapitalismus — nicht so natürlich daß nichts geschehen wäre —. ... Hinweis auf Konservatismus — book ... auch über Monopol und Einwendungen gegen Ökonomie. ... applying reason to have an affair ... ohne wishfulness ... Erkenntnis der Vorteile eines sozialen Systems nicht entscheidend. ... Seine überlegenen System verschwinden wenn sie gut werden : Antonious Pious oder selbst Diocletian oder selbst Plinus. ...

8.(N)

Preface ... what I miss offhand ...

- 1) our lack of leadership und Bestatischen
- 2) etwas über Bedeutungslosigkeit von Klassenkampf
- 3) fascism
- 4) church
- 5) killing off of good stock

World forces vs problem deenergized und deradiant ... betraying small countries ...

9.(N)

- I the 2nd altern. ... not completely impossible ... über amerikanische labor Sit. und guild soc. ... schon jetzt strikes gegen andere Arbeiter. ...
- II 1st altern. ... Vergleich mit meinen Index ...
- III Sit. in this country und econ. conseque. ... Unmöglichkeit privaten exports, wenn aber staatlich garantiert. ... unless there be sequred what ...

10.(N)

- 1) keine Veränderung ...
- 2) defeatism — und weniger — auszuführen ...
- 3) Voraussage war pessimistisch, aber das hätte ich nicht erwartet. ... Put ourselves on Stande of bourgeois und was er nicht wollen kann. ...
Blind und deaf to clash, not only of interest und safety but of honor und decency. ...
- 4) und so wird Sache mit Arbeiterklasse als catspan ...
We accept what it is impossible we should believe. ... Unter uns immer Leute, die immer alles believe, aber dennoch ... aboulia und liturgy ... Order vielleicht im Endkapitel, über Wirtschaft und soziale sit. ... “No amount of defeatism would have suffered.” ... Rationaler Kämpfer ist Essentielle, während we talk nonsense on full empl. ...

11.(N)

New ed. ...

wirklich nichts zu ändern ...

More exploit ; another Kritiker kann nicht verstehen daß calls this a new requisition. ... futile ... der amerikanischer Angle ; positiver estim. ... OPA, wages, Steuern, interest ... ist nicht ökonomischer failure, das Notwendige zu finanzieren. Sind die sideconditions die Sit. unmöglich machen. ... Dinge können so klar von unseren Augen stehen, daß wir sie nicht verstehen. ... creation of big busi. ... full empl. ... wahre empl. Problem (Becke) und wage Problem über Br. Socialism ... Zinsfrage ... Wirkung des Weltkrieges ... kapitalistische Reproduktion möglich, aber ... too old for misery games ... guild Socialism ... über Bismark und Morgenthau könnte ich nicht ohne impat. sprechen. ... auch über Defizit und bal. budget ... keine Differenz ... Warum Hegelist nicht schrieb Kapitalismus und Frieden ; Export mit Staatgarantie. ... Vierlleicht doch möglich, ist nicht inhumanity (Jingis Khan), sondern complete irrationality. ... Schon im 1st world war : in etwas more futile, France als destroy

A-H Monarchie und dann zu trennen, daß größter Erfolg wäre to set it up again. ... Das und vielleicht post war demand ... und vielleicht Plan? ... und über Einkommenssteuer ... Beveridge und Murray ... vice vs reconstruction ... Sabotage, say sincerely what you want und I shall. ...

12.(N)

Wenn das "Philosophy of History" ist, so könnte ich diesen Gesichtspunkt in neuen Kapitel in Vordergrunde stellen. ...

a) underlying tendency

b) chance u. s.w.

konsequent zur Hardys ... Möglichkeit eines Syndic. in U.S., weil keine sozialistische Partei embargos. ...

13.(N)

A philosophical (und propitiatory) Preface to the second ed. ... apology ... patient of criticism ... Was wirkt und how. ... und das zuerst und dann my ... und Rest und little u.s.w. ... nur wenn möglich ... First step to sol. of a problem is to recognize it. ... Sozialist ... Kapitalist ...

14.(N)

Vorwort für Kapitalismus ... defection ... dieses Buch gegenüber andern. ... Useful deprivation is not come. ... Aber heute sind Leute tired, sie wollen ja und nein. ... for and against comfort. ... OB definition of the liberal ... Und Schluß-kapitel : ganz klar, daß Steuer, OPA und wages genügend, um System nicht funktionieren zu lassen ... Und das muß gewollt sein. ... the meaner fellow ...

15.(N)

Last chapter ... wieder Reform v.s Recovery ... no agreement weil man denselben draft : nichts schlimmer als in Mitte Abbrechen country assets itself export. ... Workman strike gegen andere workman. ... in wie 20er Jahren in Deutchland ... "defeatism" ... "überlegen" ...

16.(N)

Ist erlebt und selbst nötig eine Satz über horrors und wanton destruction, if I succeed in keeping last chapter cool.

17.(N)

Demokratie und freedom ... escapism und defeatism ... antidemo. a form of defection ... Erkenntnis essential für Freund und Feind ... not a political book ... It's the fell for horse that kicks. ...

18.(N)

Chapter ... In no more positive Probleme, following essential considerations beschließen mit Wirkung von war auf Sozialstruktur und features of soc. groups. ... England ... Russland — komplizieren weil populäre Interpretation ganz falsch. ... Wir haben rationale Autokratie außer what it success. Die außerdem redemands — unlike other victory countries — to leader dessen Taktik beyond prize Holly Russen ; trouble is not. ... die verzweifelten Besiegten ... what chance ... ruthless or tired escapist ; wir for policy dem. politics. ...

19.(N)

Eine Möglichkeit ist aber in der pref. (die so eigentlich zur Einleitung zum neuen Kapitel wird). ... Welt Sit. zu schildern : outstanding fact, victory of Russia — victory über England und U.S. ... Und das stärkt autocracy, so sehr daß man des russischen Nation sagen kann : neue Rüstung, neue suffering. ... selbst in surrender von Sweden, Schweiz, Spanien ... horror und Poland, ... occupied nur mit bomb. ... escapism undermined ...

Diagnose der Natur von Russland (trouble ist nicht) und Wille. ... in wieweit “desselbe” ... Und unglaubliches Phänomen, a)daß most obvious, not recognized, b)daß dieser Autokrat die alliance der “Liberalen“ hat. ... Sit. des Sozialismus ... Restatement of obvious before Probleme persisted werden kann. ... feebling society vs inexor. logic going on mit Schergendienst. ... a) was Prognosis occurs, b)Sit. — changing ...

20.(N)

In preface, warum nicht ... fascism ... cathol. church ...

21.(N)

first ... Defeatism is not an argument. ...

second ... nicht applic. to ... ; reasoning right and duty ...

third ... First step toward rational action is to face a problem. (to solve a problem is to recognize to)

klappt nicht ... “Should be done every where.” ... C. banks are not only agencies und is mere “able believe that they are”. ... Evol. of B of England in 2nd War ganz wie ein dep. mit Sozialist advice. ... fake ... Was alles gemacht werden könnte, die merkwürdige Sit. der Sozialisten. ...

22.(N)

Neuaufgabe ... Es sind seine Weltanschauungen, welche kämpfen. ... positive Probleme — keine Probleme ... sincerity ... full empl. um zu verhindern a),b),c) ... nothing easier ... Trouble mit Russland — 3 Weltkrieg — ist nicht daß Soviet, sondern daß Russland. ... ist a)Marxist, b)liberaler Sozialismus out? ...

23.(N)

Preface or Chapter ...

Morally und politcally undefensibile und so in the present attitude. ... Die Schuld noch größer

macht. ... Escapism : als ob bombe einziges Problem wäre! ... Hinweis auf "Bogey" ... Diese Auffassung, wie wenn die Bürokratie die Kräfte geschaffen hätte, which is harnessed. ... (demand inpinging on underutilized organism) ... Demokratie bedeutet Richtungslosigkeit, statt in game of power Politik wir gezielt sehen (all out for booze). ... full empl. als positives Problem ... nicht imagi. danger, daß alle Erfolge von Arbeitern auf Kosten anderer Arbeitern gehen. Trouble mit Russia ist nicht — das wird immer verwechselt. Das ist theoretiker pattern (gegenüber Marx). ... Und Russenimperialismus ... profiteer von ... Noch nicht time sociol. of 2nd World War zu schreiben— aber sicher nicht marxistisch. ... in welchem Sinn "dann". ...

24.(N)

Einleitung zu 2nd ed. ... Vorurteil to apply reason to human affairs — aber das implies Erkenntnis, daß "what should be done depends on love and hates. ... Hardys no signature ... What man will, ist eben comfort. ... "U.S. äußere Politik as unjustifiable Politologie as it is morally" ist keine Politik ; for policy ist domestic policy and just follows humors. ...

25.(N)

In neuem Kapitel, ein Plan? ... based upon sincerity ... z.B. unemployment ... besser aus englischen System of taxation ... Clearly other half of work remains to be done und Leistung nötig für ein Problem, das nur militärisch gelöst werden kann. ... Und daß Schwierigkeit mit Theorien eben ist, daß Leute ihnen vormachen wollen, daß wirtschaftlich nötig ist, was sie politisch wollen : nur das schafft die Probleme, die ganz einfach sind, wenn wirklich zugibt, was man wirklich wird. ... Defl. und Infl. : full empl. ... Ein System, das man nicht fallenlassen will — weil dazu kein demokratische Zustimmung — das man aber entschloßen ist, nicht arbeiten zu lassen. ...

Wie Inflation absorbiert werden wird hinauf mit Zins! ... Imaginäres Hilfsmittel für imaginäre Gefahr. ... Case, indefensible third world war (has already begun). ...

If you really want full empl. a)to avoid suffering, b)to avoid deterioration, c)to avoid social loss, exposing waste of econo. acting — something easier ; if you want freedom und responsibility — why das costs something und unempl. of econo. capacity u.s.w. ... clay of idea ... Ganz anderes Problem, a)weil alles zu Arbeiter gehört anyhow — sie sind die Aktionäre, b)weil nicht Arbeitsgelegenheit die Vorteile sondern discipl. ... reform vs recovery ... perfectly true, perfectly just ...

Changes for Second Edition of “Capitalism, Socialism, and Democracy”

0 - (3) - 1

1.(M)

The idea is to leave the text completely unchanged even where verbal corrections would seem indicated, in order to avoid the impression that otherwise might arise in the readers mind that the author harbors any wish to detract or modify anything he had written before. New material will be added by means of a new preface and an additional chapter at the end of Part V (chapter XXVIII. The Consequences of the Second World War). ...

The preface, besides nothing but other objections that have been raised against the argument of the book, will deal fully with the charge of “Defeatism”. That is to say, it will reassert the right and duty of the analyst to present social patterns and tendencies as he sees these, no matter whether the resulting picture is pleasant or not. But it will also show how the results of such analysis may be put to practical political use. ...

The new chapter, which will bring up to date the historical sketch of socialist parties, will serve two purpose. On the one hand it will fit the cause of events during the last few years into the framework of the preceding analysis and thus provide a last of the latters reliability and a basis for prognosis. On the other hand it will discuss the implications of the present economic and political situation in the U.S. and Europe and try to appraise the social changes wrought by the war. There will be some comments on the attempt of communist parties everywhere to fuse with or otherwise dominate socialist parties. ...

... stand for and against ... Can not we stand for truth? ... straight argument for our argument ... make appetite for last chapter ... Statement can be followed by case to anders, or its criticism. ... Aber das ist nicht für (?)... is escapist, is defeatist ...

... into the philosophy of history adumbrated in this book. Nevertheless it needs an introduction. For its argument will impress readers as still more defeatist than have other parts of this book and, since labels are effective in preventing an argument from the readers mind, it occurred to me to use this opportunity for a breif discourse on Defeatism and Escapism. ...

But there is another point on which I should like to comment first. Many readers and some critics seem to have been shocked by my treatment of the monopoly problem in Part II. ...

My argument undoubtedly yields the result that, as far as ascertainable facts are concerned,

there exists in the modern world a strong tendency towards socialism in the particular sense in which socialism has been defined in this book. Put like this, the thesis is certainly no more surprising than it is novel. All the novelty is in the factors which I hold to be responsible for that tendency and which may be summed up in shorter thesis that has indeed struck some critics as paradoxical : capitalism is being killed not by economic failure but by economic success and by the effects this success has upon the social structure. I thought I had taken every care to make it quite clear that I had no intention to advocate either socialism or anything else. Nevertheless, to my immense amusement, I have been actually accused — and more than once though not so ...

(above 3 paragraphs had been translated to next 2 paragraphs by author ... editor) ... into the philosophy of history adumbrated in this book. Nevertheless it needs an introduction. For still more other parts of any arguments are my comments on that situation of exposed to certain misunderstandings with which the book as a whole has not. In the rest of this preface I shall therefore avail myself of the opportunity to clean up at least one of these misunderstandings, the one that refers to what has been called my defeatism. ...

The argument of this book undoubtedly yield the result that, so far as ascertainable facts concerned, there exists in the modern world a strong tendency towards socialism, that is, a tendency to transfer the management of economic affairs from the hands of the private entrepreneur into the hands of public authority. Put like this, the statement is certainly not more surprising than it is novel. What is novel, and may have been felt to be surprising by some readers is motivation of that tendency that I have presented. However, I thought I had taken every care to make it quite clear that recognition or denial of the existence of any such tendency is logically quite independent of whether we love or hate the goal toward which it points, and that is particular there is nothing paradoxical in the prediction of some events one dislikes. Nevertheless, to my immense amusement, I have been actually accused — and more than once, though not, so far as I know, in print — of “preaching foreign collectivism”. ...

Let me repeat then : je ne propose rien, je N'impose rien, j'expose : I do not preach anything, all I want to do is to explain, for the benefit of conservatives and socialist alike, why things are as they are and why they move in the way they do. Furthermore, I thought I had taken every care to define the sense in which I hold that capitalism is “zoomed” and that socialism is “inevitable”. All I meant to establish — and I still think that I have established it — is the existence of the a-fore-said tendency which will produce socialism if allowed to work itself out according to its inherent logic or, which is the same thing, if no contradicting tendencies emerge. ... It should be clear that this statement does not imply prophecy about the actual course of things in any particular country, still less a prediction of the timing of events : it merely serves to sum up certain sets of probable facts. Nor does that proposition spell Sociological Determinism. For, unlike to astronomical system, the system of social phenomena does not admit of unique determination. And whenever this is not possible,

determinism reduces to a dogma of materialistic metaphysics and therefore ceases to have scientific — or “operational” — meaning. But even if it had any, it would have nothing to do with fatalism or, speaking from the standpoint of capitalist civilization, defeatism because these terms denote attitudes of men in action and are inapplicable to the attitudes of the observer : facts in themselves, hence statements about facts are never defeatist or the contrary. ...

(* Defeatism means, if anything , the anticipation of the defeat of some group or cause with which the defeatist identifies himself. Since in this book or in my scientific work in general — I do not identify myself with any group or cause. ...

But have I not, by this very argument, laid myself open to what most people will consider a much more damaging charge — the charge of futility ...? How can the mass of ominous facts presented in this book, especially all those facts that go to show that the process of disintegration of capitalist society is far advanced, suggest anything but defeatism unless they are practically irrelevant? Well, I suppose that a report to the effect that a given ship is slowly sinking has its practical uses. The measures there upon taken by the crew in order to keep the ship afloat may indeed be futile and the spirit in which it accepts the report may indeed be defeatist but so far as the report is concerned there is no more point in calling it futile than there is calling it defeatist even if it does not go into the question “What should be done about it.” The first step towards the solution of a problem is to see the facts of the case. He who refuses to do is escapist. The escapist attitude is much more indicative of deepseated defeatism than is the frank presentation of ominous facts. Sometimes it also is a form of desertion. ...

The reader is requested to keep all this in mind when perusing the new chapter. The time has not come for writing the sociology of the second world war. But its consequences are so clear beyond reasonable doubt. In any case, this war would have had what I described as an accelerating effect when speaking of the consequence of the first world war. But this effect is complicated by the event that dominates the political sense, Russia’s victory not only over her enemy but also over her allies. It is only the prevailing escapism that creates a problem out of this simple state of things. And escapists will again dispose of the argument of that chapter by calling it defeatist. I can only hope that some readers will not. Even these will miss advice as to “What should be done.” ...

But this is not a political book. Description and explanation (“analysis”) is my chosen task. I want to accomplish it as best I can. And the only way I know of doing so is to keep to it. For comfort and advice I refer the reader to those who have it in stock.

Taconic Conn. May 1946 J. A. S.

Part I Marxism System

(1) Economic Interpretation of History

I – (1) – 1 ~19

(2) Marx the Economist

I – (2) – 1 ~23

(3) Austro Marxian and so forth

I – (3) – 1 ~19

(4) Anything Else

I – (4) – 1~4

(1) Economic Interpretation of History

I — (1) — 1~19

1.(N)

Social life — ökonomische Geschichtsauffassung ... Marx als bourgeois

2.(N)

besser zu sagen! ... Look at ... visualize ...

3.(N)

We must try to visualize. ... oder wieder Geister? ... Differenz, zunächst erklären this working and der Veränderung. ... welches wählen? ... Go back to econ. interpre. und make Analyse subserviert to it. ... bringt if, aber dafür institutioneller ... nicht ganz originell ...

Das tut die Ökonomie nicht. Was sie tut, ist versuchen, was geschiet dann. Wenn nur das Goal, Problem nicht, aber nicht so eine Theorie. ... Aber falsche Klassentheorie ; falsche Vision verdirbt alle. ...

Kann man Sozialismus voraussagen? ... does nicht so ... does not crime. wie der Historiker. ... schwer zu beurteilen ; macht Fehler nicht besser. ... readily understood! ... bring den Reserv. selbst. ... Every step is historically considered. ...

4.(N)

Every social state produces next one, "as to output of their own frame". ... Conservation is liking ... Meine Sozialismusdeutung ist auch nach ökonomischer Geschichtsauffassung. ... vision ...

5.(N)

Vielleicht noch aufzuführen über ökonomische Geschichtsauffassung. ... handmill ... daß Ideologie nicht steam, auch nicht smoke ... prove of inevitabi. ... Lange und Sweegy ... dann Klassen! Das Klassenkampfverhalten der Geschichte ist nicht so schlecht : das muß ich sagen! und "Daten". ... und bürgerlicher Staat hat Freihandel gemacht. ...

6.(N)

Propeller, der nicht selbst impetus braucht. ... schon gesagt, daß ökonomische Geschichtsauffassung wichtiges Glied in Argument, daß inevitability beweisen alle, und dieser Aspekt ist noch Aufnehmen! ...

Der Menschenheit zeigen, warum sie kämpft. ... Plan des sozial. Gemeinwesens ... sozialistische Politik ...

7.(N)

keine Klassentheorie — Marx und Hegel ... keine ethischer Materialismus — Bernstein und Engels ... Nor we must do a thing. ... the bourgeois ... Capital als sozial — ökonomische Kategorie ... Value simply value. ... mechanische Akkum. ... Rechnung wäre sozialistische Punkt in money work. ... originality ... Verachtung der psychology als Ideologie ... Wissenschaft sozial ... Economics — training of mind ...

8.(N)

Marx ... Verachtung für Psychologi ... das Greifen hinter die Ausschauungen ... englische Geschichte ... Klassen und Produktionsform ... inwieweit das ist historisch. ... insert : Weber und Feuerbach ... Klassen mit spezielle und ökonomische Kategorien ... Mehrwert ... Rodbertus ... auch und Engels ... soziale und ökonomische ...

9.(M)

Success of this fascinating construction was immediate and profound. The struggles and vicissitudes of humanity fell into order in the light of a few fundamental principles. The most intimate secrets, the deepest meanings of history seemed to be laid bare. In particular we shall understand the enthusiasms of the educated young who found the arid bones of economic theory they abhorred from experience of indescribable tedium, and the no less arid bones served up by the scholarly historian, suddenly coming to life — moving in an orderly “trionfo del mort” towards a shining far-off peak. They felt that they now saw through the marionettes of current politics and that they were admitted to an understanding of the core of things denied to all the professional authorities who only drew contempt by shaking hoary head and trying to argue that “it was not so” ... [O] p47~48

10.(M)

Much more important is it that Marx contributed a new goal and a new method of social reserch. He visualized the possibility of a theory of the historic process of economic life and looked upon all concepts and propositions of the theory as tools with which to interpret the actual variety of historic patterns. He strove after the ideal — and there is undoubtedly something Hegelian in this — of a very general organon of truth which would however loss nothing of specific fact by generalization : as a rule or, as most of us would say, by logical necessity, a proposition loses in content, the more general it becomes. Marx denied this necessity and, proceeding upon that denial, succeeded to an astonishing extent. What attempts there had been before him to analyze economic evolution sink into insignificance when compared with his achievement. The classics also painted historical backgrounds but these were almost completely divorced from their description of the capitalist process. They also tried to extrapolate their findings and to develop a picture of change from such elements as increase of capital and population with natural resources remaining contant. But this is as nothing beside the grandiose Marxian conception of social dynamics which as a program would retain its value even if all the methodes, principles and results by which he tried to realize it were at fault. ... [O] p9

11.(M)

And many intellectuals who have not the same excuse and are excluded forever from the heart of analysis as well as the heart of power simply because of their inadequacy feel the same way about it. But behind this there is something much more serious and substantial. Wherever modern analysis, whether theoretical, historical or statistical, meets Marxian argument, the latter is sure to be defeated. ... It is the privilege of the artist, that once he has risen to supreme achievement, that achievement will retain its significance over the centuries. It is not so in science. We economists have little reason to congratulate ourselves on the rate at which we progress but nevertheless, in spite of all the set backs we suffer from time to time, we move on. In particular we have built a technique of theoretical analysis with which the Marxian cannot compete, but among the building costs are specialization, aridity and resignation. The details of the various monetary and non monetary mechanisms we present very much more satisfactorily than former generations could, but theory loses all red hot associations in the process. This is unavoidable and no worse a fate befalls any other science as soon as it becomes of age. But the task which Marx set himself remains and it will have to be undertaken with the better apparatus and the larger factual resources at our command. In this respect his venture is not lost for us. It may even serve as a sign post and example.

12.(M)

Marxists in the habit of describing non Marxian economics as "bourgeois". Like all such terms of opprobrium, this one very soon lost the original meaning assigned to it by Marx, and acquired a different one. ..., Marx himself defines a bourgeois economist as an economist who believes that the capitalist world of the nineteenth century type is the absolute end and perfection of social evolution and going to last indefinitely. This at least defines the term by a scientific criterion and only labors under the disadvantage that there are hardly any economists left who indulge in that belief. ...

Later on however it came to mean simply, non socialist economist, the innuendo being that they were either disingeniuns or stupid defenders of the interest of the bourgeoisie. ...

13.(M)

Nobody can be a Marxist today. In the full and primitive sense and at the same time pretend that he is giving scientific analysis its due. If he stands by truth a very different picture of the social process will unaboidably emerge, a picure which in important respects carries different, and in some points even opposite, implications. No less clear is it however that much around remains after what is untenable has been yielded. ...

As far as that go, Marx himself is , because of his very virtues, in a worse position than some of his more uncritical and narrower allies and followers. As point out before, among those virtues, was a keen sense on the one hand of the logic of social things, and on the other hand of cultural values . We need only refer lack to our quotation from the Communist Manifesto.

When once so much had been admitted about both the necessity and the achievements of the bourgeois epoch, the blaming attack on the exploitation that follows loses much of its conclusiveness. The anxious questions present themselves, whether exploitation in the Marxian or in any other sense is not a prerequisite of cultural achievement, and if so whether that time during which it was really quite past. The very word "exploitation" then loses much of its sting and possible of its meaning. And the way in which the Romans of old used to deal with their slaves when they revolted acquires an uncomfortable association with all that gives to the antique world its unique significance for humanity. Now the barbarian who poses as a socialist by virtue of being unable to visualize anything in the social world except the wage bill and the boss is within his rights if he does not bother about all that, but to Marx this pitiful right is denied.

14.(M)

We are now able to form an opinion about the reliability of the second of the two propositions of which it consists. How far has Marx succeeded in establishing his case for an immanent or self-propelled economic evolution or, to put it as plainly as possible, for a proposition that from its very structure the economic process of capitalist society must go on revolutionizing itself, destroying each state of equilibrium to which it may be tending at any given time? The answer is, I believe, this: he has not succeeded in proving that proposition but he correctly recognized that it is so.

And an exactly similar answer must be given to the question which emerges behind that. Was he correct in believing that this economic evolution will eventually transform its institutional framework in such a way that socialism will be the inevitable result? The first thing to realize is that while the proposition which asserts the presence in the capitalist machine of factors which will propel it indefinitely from any state in which we may find it at any time raises a question of fact, the proposition now before us is a proposition about future developments taking a certain course.

15.(M)

Now propositions about future events or forecasts, unless they are prophecies in the strict sense of the word, are necessarily hypothetical in the sense that they assume the persistence of mechanism at work in the present or past. In predicting ordinary astronomical events we need not expressly state that hypothesis because we may rest assured that it will not fail us. This is obviously not so in the social field and hence the Marxian proposition must at once be qualified by the proviso "if the process we observe continues to have the right of way". Even orthodox Marxists recognize this. As an example we may adduce the fact previously alluded to that a man steeped in the true Marxian faith as Hilferding could have thought it necessary to abandon the theory that capitalism will break down so to speak under its own weight. The alternative he visualized, progressive consolidation of giant concerns, is perhaps not particularly convincing because such an organism would display an obvious bent towards verging into a sort of bureaucratic socialism after all. At any rate it is only one possibility out of many and, as

soon as we admit it, we can not exclude others and the imposing determinism of the original position is gone.

16.(M)

But there seems to be another line of arguments which agree with the fundamentals of the Marxian creed at least as well as does that which Marx actually took. To expect break down of the type which Marx envisaged may be as complete nonsense as the theory of immiserization is contrary to fact and indeed to expectation from any correct analysis of the capitalist process. But the conditions of capitalist production may so transform the mind and cultural outlook of humanity as to make it turn away from capitalist modes of action and habits of thought. If capitalist economic practice destroys, on the one hand, the close connection between the entrepreneur or capitalist and brick and mortar of a given factory, it wears away all that the lordly position which a captain of industry once meant, if it destroys, on the other hand, the family house and the form of life and system of motivation it stands for, will not the grip relax by which property is held and generation be evolved to which all the beacon lights of capitalist society mean just nothing? Is not this what actually happens? And is this not Marxian enough — do we want the dubious glitter of wrong theories at all?

17.(M)

This socio-psychological process heads for somethings that in important respects will have a claim to be called socialism and in particular to issue into a social control over all means of production. Events that impinge on this process from outside may undoubtedly deflect, conceivably even arrest for good. But there is nothing within the social system of a modern capitalist society to point to that likelihood.

18.(M)

It should be noticed especially that the process can go on within a very wide variety of cultural and political compliment and that authoritarian forms of social organism need not necessarily interfere with it. Socialism under a nationalist dictatorship may not be recognized as socialism by what we may term a professional socialists, but in the cool air of scientific analysis it might have to be labelled socialism all the same. It is not at all impossible that some of us will live to see situations in which many of those who are socialists not well see the ideal they cherish in a way that will make them yearn for freedom and democracy of capitalist society, the upper most strata of which sometimes carried gentleness to the point of financing the very publications which ran them down. They may plaintively assert that this is not the sort of thing they intended to fight for and that what they really meant was socialist society only if ran by themselves, but that is another matter. Even if this should be the outcome, Marx would be entitled to the compliment that he foresaw correctly even though he may have formulate incorrectly substantial features of what was to come.

If I have succeeded in conveying my meaning, no further word should be necessary on the

problem of the “necessity of socialism”, but we may add that our argument at the same time suggests a way out of the difficulty which Marxians experience about the precise relation between evolution and revolution in the master’s thought.

19(M)

No doubt spectacular revolution has to be “featured” on the posters of any movement that intends to fire the imagination. It is also very understandable that anyone who fervently adheres to some practical idea will not find it easy when talking about it or acting with reference to it, to apply the results and attitudes which become a matter of course to him as soon as he is back to his study. So Marx undoubtedly preached revolution and Engels actually went to the trouble to study tactics in order to be prepared for what he evidently conceived to be his function in the coming physical struggle.

But this sort of thing must be discarded if we want to do justice to the thinker. His whole system resting on a most rigid belief in the logic of historical sequences, it is impossible to accuse him of having fallen so far below his own standards as to share the infantile attitudes of the common run of revolutionists. At the same time he of course realised the inertia inherent to institutional setups and thought revolution probably necessary as a last step to realization. But it was not revolution in general but revolution in the fullness of time and this makes all the difference. Faithful Marxists invariably become irritated if the implications of this are pointed out with reference to Russian revolution but that case allows perhaps of an interpretation acceptable to them.

(2) Marx the Economist

I — (2) — 1~23

1.(N)

unter Marx ...

Marx does not reason with equilibrium, und so interpretiert selbst Ausbeutung may be right.
...

2.(N)

Understanding of Marx as an Econ. begins by the fact that as far as technique — and hence — he was first and last a pupil of Ricardo. ... Model in time ... Ricardo's Betrachtungsgesetz ...

3.(N)

Aber muß nicht profitlessness of constant capital lead back to all this? ... capital theory ... Ricardo's Betrachtungsgesetz ...

Evol. or Rev. : dumme Kontroverse ... Revolution in fullness of time knew daß man mit Revolution nicht neu Sit. schaffen kann. ... Aber seine humanities!!

4.(N)

Ist so etwas logisch möglich — eine Theorie ist Völker Lebensfälle? ... vielleicht many others. ... Spruch — das ist ein Verdienst aber wie der anders. Ist kein Vorteil oder Nachteil. ... multiplicite of forces ... Also was ist wie Marx — und ist das möglich? ... Und wie steht es zu meiner Grenzidee? ... Ein eindeutige Bestimmtheit (Gleichgewicht in diesem Sinne) in der Sinn, daß eine Sit. von vorheriger Sit. eindeutig bestimmt ist (das übrigens wichtig für Gleichgewichtsbegriff). ...

5.(M)

Following some Marxologist, we took the view that whether a distant "substance" or not, Marx's labor quantity values are merely intended to serve as tools by which to dispay the division of total social income into labor income and capital income (the theory of individual relative prices being then a second matter). For, as we shall see presently, Marx's theory of value also fails at that task — granted that we can divorce that task from the problem of individual prices —

6.(N)

Marx — seine tieferen Bedeutungen ... Ess. in : necessity of red checks für consumptive expenditure. ...

7.(N)

For Marx, saving or accumulation is identical with conversion of “surplus value into capital”. With that I do not propose to take issue, though individual attempts at saving do not necessarily and automatically increase real capital : today many economists — among whom the groups led or influenced by Mr. Keynes are outstanding — deny that and sometimes stress the opposite possibility to the point of making it appear a certainty. But though not correct, Marx’s view seem to me to be so much nearer the truth that I do not think it worth while to challenge it here.

8.(N)

Both greatness und results ist in Verbindung mit social. ... Aber für Theorie ein Nachteil ... Keynes’ Urteil ... nochmals Grundrente ... agitational ... War seine Theorie historisch? ... Zins billigen u.s.w., I und III Bd ... Ausbeutung des Menschen durch den Menschen ... Ist die Theorie historisch? ... [Eindringungen] von ökonomischer Geschichtsauffassung ... Dynamik ... categorical neatness ...

9.(N)

Marx hat mit aller seiner Philosophie doch eigentlich eine Dynamik.! ... Aber Verhältnis zwischen Gleichgewichtstheorie und Entwicklungstheorie nicht richtig gesehen. ... There is too much which is “not so” ... Konzentration in [V] und auch Zusammenbruch. ... und Datenveränderung, out side Sit. ...

10.(N)

Theorie — Fehler, technisch und in Vision ... entrepreneur — capitalist ... Verelendung — rel. Verelendung ... ob man sie verbessern kann. ... dynamische — evolutionär more fascinating : Politik aufklärend und alles was geschah! ... Einbeziehung von Politik ... Und Second Prop. belongs to econ. diff. line. ... Menschennatur ... Rententheorie ... kommt : V ... Schluß : in what sense Entwicklung zum Sozialismus, a) Was für Sinn in Progress ... b) Meine Theorie — aber was heißt Sozialismus ? ... Wie ist das mit Hitlerism ...

11.(M)

The economic interpretation of history is to note how valuable an instrument it is. The disciple receives a comparatively simple key to all secrets of history, a uniform schema by which to coordinate observations and ideas and to array contemporaneous event. ... There, everything that happens anywhere in the world becomes so very simple and clear in the light of a few Marxian phrases. ... Even such analysis is greatly superior to what non-socialist sheets of the same standing have to say about the same events. Even the crippled sister of the economic interpretation of history, the Marxist theory of Social classes, will then look different to us, if only because of its value as a tool with which to hammer in the idea of proletarian consciousness. ... [O] p13

12.(M)

For the capitalist world, there are, according to Marx, two social classes only which replaced the more complex structure of earlier states of society, the bourgeoisie and the proletariat, property being the distinguishing character of two, have or have not. This highly simplified picture — the proposition that the history is the history of struggles between classes — had to be qualified, by Marx himself, by the admission that groups within the bourgeoisie and the bourgeoisie of different countries fight each other quite as much as they fight or fought either feudal or proletarian groups. A qualification which, while rescuing the theory from obviously clashing with facts, breaks the heart out of it. ... [O] p15

Moreover, acquisition of property by some people who in the beginnings of bourgeois ascendancy were in no more favorable position than others. ... Marx, of course, was unwilling to solve by reference to such bourgeois “children’s tales” as saving and so on. So the origins of the bourgeois class remained in the dark. ... The constant rise of non-bourgeois elements into the bourgeoisie and the not less constant dropping out of the bourgeois class of families not equal to fulfilment of the class function — “three generations from shirt-sleeves to shirt-sleeves” This phenomenon has been neglected by Marx’s followers, no real progress has been achieved. ... The principle, that associates class distinction with property and antagonisms with class distinction, is all. ...

13.(M)

Marx himself has not developed any theory of social class, but he offers stones and motor for the structure which it was to build. ... The history of class struggles in France is an excellent example. ... The difficulties, which he creates for himself by trying to define the phenomenon in terms exclusively economic and by making everything rest on the unrealistic and secondary distinction between people who have and people who have not command over means of production, may account for this. At all events Engels’ theory of social classes does not reproduces or carry on the Marxian rudiments but is of the division of labor kind. However, the appeal to the followers of the slogan of the class struggle being the meaning of history, was not diminished at all theory. ... [O] p15

14.(M)

A series of blemishes in analysis, in a setting of glowing phrases wedded to a faulty sociology glittering with dubious gems. This is the verdict to which the vast majority of competent economists of today would unhesitatingly subscribe. ... But we can not fail to observe a fact, which will shake our confidence in the verdict. However rigorously we may strip Marx of both prophecy and phraseology, something emerges behind it all, which has a meaning and a value of its own. And however severely we may condemn his blemishes, something remains. ... This something is the attempt to construct a theoretical model of the historic process of economic change. ...

In order to realize what this means, we must remember what has been said above about the

Economic Interpretation of History and its cardinal importance for the whole of the Marxian System. We are now concerned with the second of the two propositions, into which we have resolved it, v.i.z the proposition that the economic element in social life contains, within itself, the evolutionary impetus, which by its own logic and by necessity, transforms the social and economic conditions of production and, by virtue of the first proposition, everything else. And the purely economic argument of Marx, his economic analysis or what we usually call “theory” serves the purpose of providing the apparatus of the conceptual tools, in order to show why and how it is that the economic organism is thus incessantly transformed, what the disruptive forces are which every economic organisation (save socialism) generates, and how they act so as to produce another such organization and, with it, the social Data of another civilization . . .

Ordinarily , economic theory does not attempt to do that. It is true that we find — Ricardo is again the author, in whose pages we find particularly clearly — the elements of a theory of economic change, consisting mainly of certain propositions about the historical and future course of rent, wages and profits. Marx may very well have started from these, as he undoubtedly started in so many other cases from Ricardo’s teaching. But there it was so little Ricardo had to offer, and in the non-Marxian theory even that little died out so completely after John St. Mill, . . .

15.(M)

. . . that we may fairly allocate to Marx alone the idea of an economic theory which does not stop at the description of economic mechanisms of various kinds, but undertakes to reduce to exact principle the historic evolution of the actual mechanisms we observe from the dawn of civilization through “capitalism” and beyond. Theory thereby acquires an historical connotation and a fascinating flavor of reality and of the struggles and catastrophies of real life, which must necessarily be absent from the structures of other economists, who are content to provide the means with which to analyze the working of given economic systems, defined each of them by appropriate assumptions, and who are in perfect agreement with the majority of economic and social historians in holding that nothing can be said about the historic sequence of certain of those system or about the way in which one historic state “generates” the other. Of court, all this does not excuse mistakes. Besides, the grandiose aim of this reducing history to simple principles, is obviously open to question, and might easily, by some of us, be voted out of course as just another of those dilettantic “philosophies of history”, which are, and always have been, so distasteful to serious and conscientious historians. Even if we waive any such objections, the question remains as to the correctness of Marxs’ social vision and as to the value of his particular contribution towards the realization of that — scientific as distinguished from any practical — goal. . .

16.(M)

In doing so, he not only has the merit of much keener and deeper vision, but also of improving the conceptual apparatus he received from Ricardo. For instance, he replaces Ricardo’s loose

and barren distinction between fixed and circulating capital by the much more relevant one between constant and variable (=wage) capital, and Ricardo's hasty notions about duration of processes of production by the much more vigorous concept of "organistruce of capital". But what is more important is trying to account rationality for the net return to capital in his analysis of the capitalist process, his Theory of Exploitation. ... [O] p26

Presumably, the masses have always felt themselves to be frustrated and exploited. And as soon as they became articulate, they said so. At any rate, the intellectuals that formulated their collective views for them have always told them that they were, without necessarily meaning by it anything precise. ... Marx's merit and achievement is that he perceived the weakness of the various arguments by which exponents of the mass mind had before him tried to show precisely how exploitation came about. ... None of the usual slogans about bargaining power and so on satisfied him. ...

What he wanted to prove was that exploitation did not, occasionally and accidentally, arise from individual situations, but that it resulted from the very logic of the capitalist system, unavoidably and quite independently of any individual intention. Labor — not the services of labor — has become a commodity, bought and sold like every other. Hence the general law of labor value is applicable to it. that is, a quantity of labor will fetch a price proportional to the number of men-hours contained in it. But what number of men-hours contained in a quantity of labor? Well, the number of men-hours took and takes to rear, feed, house the laborer. This constitutes the value of labor and wages proportional to this a laborer will (in equilibrium) receive. He thus gets the full value of his labor — and is not balked of any part of it. But it is a fact that he can work more hours than it takes to "produce" his labor (Arbeitskraft). The products resulting from the latter will also (in equilibrium) have a value on the markets of capitalist society proportional to the man-hours that enter into them. Hence the value of each laborer's product will be greater than the value of his labor and the difference, the surplus value (Mehrwert) goes to the capitalist, necessarily so by virtue of the fundamental law that controls the mechanism of capitalist valuation, and the laborer is thereby balked of the full value "his" product. ... [O] p26~27

The word Exploitation joins on to scientific argument and serves the purpose of comforting the disciple marching onward to fight his battles. ... Taken at the ordinary level of the theory of a stationary economic process, it is easy to show that under Marx's own assumptions that doctrine of surplus value is hopelessly untenable. The labor theory of value can, even if we grant it to be valid for every other commodity, never be applied to the commodity labor, for this would imply that workmen are produced in response to cost consideration, like machines. ... Logically Marx would have improved his position had he accepted the so-called Iron Law of Wages and argued on Malthusian lines. But this he very wisely refused to do. Moreover, perfectly competitive equilibrium can not exist in a situation in which all capitalist-employers make exploitation gains. For in this case they would individually try to expand production, and the mass effect of this would unavoidably tend to reduce gains of that kind to zero. It would be

possible to mend the case somewhat by appeal to the theory of imperfect competition, by introducing friction and institutional inhibitions of the working of competition, by stressing all the possibilities of hitches in the spheres of money and credit and so on. Only a very moderate case could however be made in this manner, one that Marx would have heartily despised. ...

[O] p27~28

But Marx's real argument is not on that level. To what he really meant, any proposition about stationary economic processes and static equilibria is of secondary importance, and he could have admitted, without fundamentally impairing his position, that perfect equilibrium which according to him, capitalist society can never attain and in which the bourgeoisie could not exist, is incompatible with any difference, however measured, between values of products and values of factors of production. Surplus value arises whenever the bourgeoisie revolutionize production and it is precisely because once a new technique becomes established, this surplus tends to vanish, that the struggle ensues to keep it alive to the description of which Marx denotes many glowing and, occasionally, misleading passages. It is true that Marx does not as a matter of fact admit that competition itself tends to eliminate that surplus — the emergence of which moreover has nothing to do with the doctrine of labor value —. But it is also true that in this point his analysis, if correct and put into its proper dynamic setting, may be salvaged in part. ... [O] p28

17.(M)

... question whether the intrusion of the element of different length of production must really by itself and in all cases cause the commodities to be sold for prices different to those indicated by fundamental theorem on value. As it was, he never questioned the fact, and finding Ricardo unsatisfactory on the point and perceiving much more clearly than Ricardo did himself the seriousness of the breach, he employed himself with all the doggedness the true theorist displays in the face of a logical hitch, for years and over hundreds of pages, to show how prices are in reality determined, if they are not determined by the law of proportionality to quantities of labor and furthermore to prove that the principle according to which they are determined does not after all really contradict that law. ...

It is an open question whether the final results of his efforts are really before us, for the third volume of his chief work, having been put together after his death, contains much matter of the character of provisional sketches. But there can be no question, that the problem was wrongly put by the master and wrongly accepted by the pupil. Formulated as they were, the principle of proportionality and the principle of the equal rate of profits are logically incompatible if introduced on the same plane, so that prices would have to conform to both in the same sense and at the same stage of argument. They are not incompatible in the sense that the one was logically prior to the other and that the other modified the consequences of the former. Marx's labors have been paralleled by the efforts of defenders and critics who of course failed to convince each other. ...

18.(M)

His booty, the surplus value, the capitalist invests in labor — saving machinery. To Marx's argument it is essential that he should do just this and do it promptly (theory of accumulation). Why this should be so, unavoidably and automatically, is explained by the pressure of competition, which forces this course on the capitalist who would otherwise be thrown out of the running. This rests on the observation of a fact of experience. We all know that concerns are forced to plough back into the business a great part of their gains and that they have little choice but to do so. But this is not a cause but a consequence of the rapid rate of capitalist evolution, and it is this evolution and its rate which must be explained and which once explained in turn explains the extreme instability and sensitiveness of the industrial organism existing at any time and the necessity of constantly remodelling every established concern. Without such explanation, the process of the reinvestment of gain in the direction indicated by Marx, lacks motivation, and it can not find it in itself. ...

Hence the conclusion that from the theory and the explanation of exploitation gains, were it even as satisfactory as it is as a matter of fact, unsatisfactory, we cannot follow Marx on to his next step because his bridge is a mere surface phenomenon and breaks under us unless we peg it by elements entirely foreign both to his theory and his social vision. ...

The main peg is the entrepreneurial function which is much more important than any routine process of investment, which moreover acquires its own importance and its meaning from the thing the creation of which it finance. Marx was unable to take account of this. He accepted the old classical identification of the entrepreneur and the capitalist, which may with the classics be partly excused by the extenuating circumstance that the two functions so often coincided in the family enterprise of their time. But which nevertheless remains faulty analysis. ...

Apart from this, however, his own vision and structure of this theoretic apparatus made it all but unavoidable for him to look at the capitalist process as something automatic and impersonal, in which the only creative forces, labor, was tied by ineluctable chain to an apparatus running by itself. As it ran, so it developed by itself and reinvestment was the only automatic factor available in this developmnet. It stands to reason that any other view would have made it difficult to draw the picture of a parasitic capitalist class. ...

The only function of which was to squeeze value out of the producing workmen and to squeeze it into the econotic process again. No importance need, however, be attached to this. It is quite enough that Marx's analytic apparatus would not work that way. It is interesting to note that a similar theoretic situation and similar practical tendencies are present in and responsible for much of monetary theory of our own time : with some of our most prominent authors investment has again become a shibboleth constructed to do what a faulty apparatus is unable to do. We are in the habit nowadays of calling this the monetary theory of the business cycle.

... Nevertheless let us cross the awaying bridge and accept the theory of accumulation. ...

19.(M)

Nowhere Marx's direct dependence on Ricardo is more in evidence than in the theory of the effects of mechanization on his productive process. What we behold after having crossed the gulf just described, the theory of "immiserization", entirely learns on the argument in Ricardo's famous chapter on machinery. Marx lets workman at an increasing rate be displaced by machinery and pours wrathful sarcasm on his critics, as he always does when the ground is unsafe. The workmen so displaced, or to use the phrase offered by Marx for popular consumption, thrown on to the streets (the "industrial reserve army") depress wages and increasing misery ensues on the one hand and increased discrepancy between the productive capacity created and society's capacity to consume on the other. ...

There is nothing in all this and at best a very modest case can be made out on the strength of temporary disturbances incident to economic change. From the theory of accumulation, displacement of labor in the productive process taken as a whole does not follow under competitive assumptions. Moreover, absolute as distinguished from relative fall of total real wages would not follow from displacement. ...

It is true that an improved analysis shows that while this whole chain of argument is fundamentally wrong, yet an insertion of suitable assumption may prove each of the Marxian results as statement of possibilities or even tendencies, although these are overshadowed by much more fundamental factors. Because of this it is not entirely justified to point to the steady increase of employment at rising real wages during this whole of the capitalist epoch as an obvious refutation of Marx. It can easily be replied that such an intermezzo, coinciding as it did with the opening up of new countries, does not prove anything at all. Theoretical argument can only be refuted by theoretical argument. But it is precisely this test that Marxian argument fails to meet. ...

20.(M)

Under the pressure of the automatic process of mechanization, concerns rush down along descending cost curves into a desperate struggle characterized by both overproduction and underconsumption in which progressively fewer and fewer survive whilst the capitalists connected with the others are progressively "expropriated". The facts of the elimination of the craftsman and the growth of the giant unit and others by which the factual connotation of this could be illustrated are obvious and have been often triumphantly pointed to be the faithful. We waive the question how far this triumph was really justified and are content with starting that in part it certainly was. Not as much, however, can be said for the other branch of the argument leading up to the same result. The discrepancy between power to produce and power to consume deduced before is made to explain the phenomenon of recurrent capitalist crises. As a theory of the business cycle, this is entirely wrong because the working of the capitalist

system as such does not produce any such discrepancy. So far the theory is hardly more than the application of faulty instrument to the description of a surface phenomenon observable when depression has actually set in. ...

By what some may think a stroke of genius and others may think a simple mistake in analysis, the same argument is made to lead up to a final catastrophe of capitalism (“breakdown theory”). The same mechanism which will produce crises from time to time will increase these in intensity as time goes on, and one such crisis, not differing in kind from the preceding ones, will one day kill the system in a chaos of failure, disgrace and misery, when the class-conscious proletariat will irresistibly rise to its feet and take possession of the means of production — “expropriate the expropriator” — ... Be it mentioned to Marx’s honor that he thought of this in a truly great spirit. No mean cruelties, no despicable sadism enter into this picture which is a sublime one of universal liberation not only of the workman but also of the capitalists themselves, who are perfectly logically thought of as being a special kind of victims of the system. And not only all men are liberated but also tremendous cultural forces and sources of new cultural creation. Here we may as well dispose of the silly controversy which goes on under the heading : Evolution or Revolution? It has already been emphasized that Marx did not lack historic sense. ...

21.(M)

Perhaps he thought it possible to quicken in step one distance. Pointing to this is his strangely devious argument for free trade , in which the competent economist he was perfectly recognized that free trade was to the advantage of the working class, but the socialist leader, being very reluctant to admit that any such bourgeois tenet could possibly be true, advocated the thing merely on the ground that it would quicken the step of evolution and so bring capitalism sooner to its end. ... He can never have approved of revolutionary initiative in milieus which were not in his sense “ripe” for socialism. However, he correctly recognized the fact that the institutional framework of any society has a momentum of its own which may make it outlast its economic foundations, and this he certainly proposed to do away with by revolution. None of the infantile attitude of the common run of revolutionists, who hope to create new world by violence, can be charged to him, however often his associations and his passions may have betrayed him into similar attitudes in particular cases. His Revolution was not only not incompatible with evolution towards socialism but on the contrary its realization. It was revolution in the fullness of time. ...

Incidentally it should be observed that this is also the reply to all those who persist in still looking upon Marx as a visionary, scientific socialism and opposition to Utopian socialism notwithstanding. Quite reasonably socialism in the fullness of time, when rationalization of industry could be expected to have been carried very far and the rate of interest to have converged towards zero, when mens minds moreover could be expected to have lost feudal and bourgeois prepossessions and to be psychically ready for the great change, would be a thing also practically different from a merely thought out of socialist scheme set up just somewhere

and somehow. ...

22.(M)

Such then are Marx's economics. However imperfect, our sketch still I hope suffice to give an idea of the general character of Marx's system, the light in which he saw his problem, the spirit and technique he brought to bear upon them. If so, it should help us to understand what seemed to be such a paradox to Edgeworth : how it is possible for many of us to admire a writer while finding him guilty, at the same time, of serious error. ...

It is true, on the one hand, that Marx's methods are obsolete and cannot today be accepted at the face value. Moreover, probable mistakes abound and no semi-religious sublimation avails to alter the fact. Closer scrutiny also shows that emendation, while possible in many cases, would cut deeply into the fundamental lines of the Marxian picture of social reality : the mistakes are not distributed at random over his system but they cluster around some points which are most material to some of the most typically Marxian doctrines. If we formulate them so as to make them tenable, or if we reduce them to such elements of truth as they contain, the glow of the Marxian indictment vanishes completely and it becomes very difficult for anyone who means to deal honestly with his facts to keep himself in a transport of what Barnard Shaw somewhere described sociological rage. ...

But it is no less true that, on the other hand, that the author of all those misconceptions which in some cases amount to distortions, was the first to visualize what even at the present time is still the economic science of the future, for which we are slowly and laboriously accumulating stone and mortar, functional equations and periodic integrals ... This would be high achievement, stood it even alone. What told at the time how has told ever, was primarily a "particular turn" which he gave to his economic dynamics and which expanded it into a system of social dynamics.

23.(N)

The verdict on Marx's purely economic argument is at once seen to require a modification. Marx did not explain, and he was probably not fully aware, that what mattered most to him were states of disequilibrium or essentially transitory situations, which are never allowed to work themselves out into a state of equilibrium but on the contrary procreate others which are (may be) still farther removed from it. ...

Das ist nicht gut. ... Vielleicht so besser : it will be best to state first the result of revision and then to add so much of it as is possible in an essay like this. Both as to purely econ. argument and sociology (and vision), it is possible to correct and still retain not only the festigt aim, sondern auch some details, but sting is taken out and sweep — science is eben nicht prophecy. ...

Und es ist mit Voraussicht wie mit Abrufen von Konsequenzen. (Ausblick auf Möglichkeiten

des Kapitalismus? abolish poverty?) ... all colours und impli. lost (by modification ... editor).
... Aber das ist doch als wie wenn ich nur hätte Marx verbessern wollen ; sollte doch lieber
sagen : das ist ein anders aim und Kritik von Stande der gewöhnlichen Theorie trifft nicht das
Ganz und wird auch ungerechtigt. ... Aber das verbessert die Sache nicht. ... Mechanismus
beruht auf a) Ökonomie b) Klassen ... Falsche Diagnose der Kapitalismus und seiner
Dynamik ...

Such then, is Marxian economics, in a nutshell, as it can not fail to strike any dispassionate
analyst who is familiar with the modern apparatus of the science. It's case may well seem
hopeless, and this is in fact the verdict of the most majority of competent economists of today : a
series of blunders in a setting glowing phrases wedded to a faulty sociology glittering with
dubious gems. In support of this statement we need only mention Mr. Keynes. ...

Verbesserung aber definiert implic. dann. ... Enquete über 1) disequil. 2) imperf. compet. 3)
labor theory of value. ... Lange, fascination und verif.! ... Sociology ist eine Aufgabe. ...
Model of process in time ...

Kann wir noch Marxisten sein? ... Die Theorie sagt immer nur "wenn". ... Und nicht
vergessen über die Wichtigkeit des tenet der ökonomischen Geschichtsauffassung zu sprechen
— dieser 2 Satz falsifizieren. ... Capitalism ist falsch sein! ...

(3) Austro Marxian and so forth

I — (3) — 1~19

1.(N)

Marx ... philosophy ... gemeinsamer Boden ... heaven, this side of grieve, obgleich gerade so wenig recht wie bible ...

Beteiligung in Russia ... aber Renaissance in Amerika besonders merkwürdig! ...

Neomarxists; Sternberg (auch Bernstein?) ... Religion ; ends ; prophecy, Heilslehre ... Applying reason to social affairs is not the point. ... letzter Stand und Schema für Erklärung vor allem ... aber Religion auch Schwierigkeit für Entwicklung ... Konflikt, wiissenschaftliche Entwicklung ...

bourgeois economy, bourgeois economists of today ... disliking boots ... (?)... Dignity slowly accepts order from Moskow. ... Gemeinheit ... be speeches of God ... scientists. ... neomarxism ... Erklärung verschiedener Meinungen über ihn (in England! Ricardo) ...

Man kann Marxist sein und Zins billigen ... Seine kulturelle footpoint ; Komm. Manifesto ... konserv. Deutung! crooked Argument für Freihandel ... imperialism ... neomarxism ... expr. of expropr. ... Gespräche mit Lange und seine Artikel ... Ich gehe another example für widerspruchsvolle Wertung.

2.(N)

Also jedes Element in sich vorsagen! ... Und ökonomische Geschichtsauffassung directs parts well — auch bei Dikutaturen. ...

Das Große ist die richtigen Vision. ... Zusammenbruch des Kapitalismus ... Ricardos Betrachtungsgesetz ...

3.(N)

Schon gesagt bei Ausbeutung, daß ein Zahl nicht equal ist. Can never alter. ... Warum so faszinate. ... but there is none to it ; truely dynamic ... imperialism — Nazismus ... Inevitability — aber auf diese aus durch Ökonomie und Daten. ... Was inevitable means. der Socio-psychol. Moment ...

4.(N)

Ausgangspunkt ... Daten ... sociology ... dann was das alles bietet. ... Imperialismus ... Kampfe um Profit ...

5.(N)

Gesetz der fallenden Profitrate ...

Ultimate victory — wissenschaftlicher Sozialismus ; aber schon gesagt, aber noch darauf zurückkommen auf proof vielleicht auf Hitlerism ...

6.(N)

Marx ... unemployment ...

Data und variables zu behandeln ...

Methods ; factors ; institution — besonders private property — ; Rationalität ... Aber Kapital ist auch ein Datum! ... Kinderfabel ... Bevölkerung kein Datum. ... Produktionsfunktion ...

Theorie of development, see Mill ... Accumla. ist Funktion von output and increase, und nicht of Interesse. ...

Also, wenn faced mit Argument, daß Leute nicht wie Maschinen produzieren werden, hat Marx die labor saving methods, wenn Mehrwert reduziert wirt z.B durch Reduktion des Arbeitstages u.s.w., dadurch der nötige Druck gegen das Maß von Entgelt hin — das verhindert wäre aber Durchschnittsprofitrate. ... change of Methode ... high wage = low profits. ... Kapitalismus kann nicht leben ohne Profit. ...

Data : changing ceteris paribus. ... Labor saving nur Form, Profit zu verfolgen ; aber das ist schief. ... protection of profit ; combine ; use of state faith ; Imperialismus ; Monopolismus. ... war ...

7.(N)

Wie antisocial! ...

Arbeiter und Farmer Interesse ist worse than any bis. group, die wenigstens immer was leisten sollen. ... Und das antisozialistische ist, daß "labor" eine Profession ernährt. ... Marxian broadly mit Seniors der classical Economics.

8.(N)

Finanz Kapital doch wichtig!! ...

Die Neomarxisten überhaupt would be the best today, daß alles daran. ... Imperialismus als letzter Stoff. ... eine falsche vision ... Die notes on Klassentheorie (our aspect of existing classes und das falsch) ... Lösung nicht vor uns ... Philipp d'Orleans. ...

9.(N)

1.Ausbeutung 2.fallende Profitrate ... vielleicht mit einem moreover anzuschließen als das Referat und die Kritik über veränderte Theorie. ... cost nicht proportional to value ... passage über Reed ... Datenveränderung essential ... genug Hypothesen! ... Marx hier technisch äußerer. ... und wie equal damit vereinigen. ... "dynamics" ... defence of profit, Großbetrieb ... Konzentration ... jedenfalls imperialism ... Kampf um Profit und Erhaltung ... novel : das Modell. ... kladderadatsch aus Preis eigentlich nicht marxistisch. ... Marx

himself points and bases on it. ...

Zusammenbruch aufgegeben ... Capitalist perversion of its achievements ... "Daten" zusammen mit Geschichtsauffassung und Klassenpolitik ...

10.(N)

Kostpreis bei Marx ...

Schicksaale der Wissenschaft — wird nicht weniger fascinating ... wohl aber für Laien!
... Krisen entstehen durch dieselben Faktoren, die auch Kapitalismus über Haufen werfen.
... not convenient ... for more vigorous dealing mit einzelnen Problemen. ...

Marxism und Hitlerism ...

11.(N)

Warning in what sense that is expl. ... keine Basis für Kritik ... Subtragend und Minuend zweifelhaft aber nicht so falsch. ... gleiche Profitrate ... und dann also Schwierigkeit ; Idee, Maße und Verteilung ...

Jetzt Dynamik of it : for is tool for irreversible process. ... accumul. Theorie of saving ... Verelendung (rational pro.) ... Class struggle in defence of profit und um ihn zu erobern : Verkürzung der Arbeit ; Frauen — und Kinderarbeit ; hinzufügen Geldwert. Zusammenbruch (Krisen von der gleichen Ursache) ... exprop. Krisentheorie ... Verbindung mit mat. Geschichtsauffassung und besonders deren 2 th prop. ...

Vision falsch glaring irrtümlich ; seine sozialistische Politik (aus Zeitumständen aber tief Einsicht), daß andere Klassen die Arbeit des Prol. tun. ... Young and inexper. that feel themselves to be admitted sight in dark secrets. ...

Finaz Kapitel ... Anwendung auf Nationalismus ... Hilferding ; Bauer, Adler, Luxemburg, Sternberg ... Neomarxisten ; Imperialismus ... Struggle for group discipline! ... inevitability of socialism — dissolving ... aber wer weiß ...

When corrected, fascination gone. ... contempt of brougeois eco. — was ist done? ... Also unter 3, die Dynamik ; die Widerlegung, daß aufgegeben nicht junger mann und dann[V]. ... Such are Marx Economics. Warum so viel mehr fascin. besonders ... wider implication.

Sagt er wirklich mehr? z.T. nur scheinbar, aber zum großen Teil wirklich — wir werden unter Teilbarkeit sagen. ... Incommensurable like a line and a square, wo immer wirklich meet, wird Marx geschlagen durch unser Kapitaltheorie. ...wie weit automatic (2 proposition) ...

Imperialismus — a Politik ... Neomarxisten ... Sozialistische Taktiker ... die inevitability ...

12.(N)

Jungleute glamor. ... Sozialismus zu begründen. ... Such there are flavor. ... kind of argument ... fascination ... Können wir Marxisten sein? ...

Marxist. Politik und Revolution ... evolution und revolution ... Automatismus ... Hineinnehmen von ökonomischer Geshichtsauffassungen und Klassen ... obgleich class struggles find its place along ... Beispiel, struggle of nations ... neomarxists ... imperialism ... Einstein — Deutsch ... allgemein und doch concrete, aber selbst in Theorie. ... Pigue und Keynes ... Veblen ...

Center presence ... Russland und Deutschland in Italien und Frankreich ... Class disrupter yearns for freedom. ... who finances carry gentleness. ... This does not mean daß Sozialismus unmöglich Demokaratie. ... Sehr Weise, daß kein Program : uncritical belief. ... je Kultur ... malleability ...

13.(N)

Je — weshalb die Geschichte des Marxismus? ... neom. Sternberg ... die Sicherheit des heiligen Zinses ... salvation from what. ... Einheit des System : es gibt keine Einheit. ... model in time ... redundancy. ... pupil ... Professor Ricardo ... Ricardo und Quesnay ... Question of socialism is not economic — yet its ballyhoo und advertising is what Marxist ought to say. ... auch andere Widersprüche ... Werttheorie der klassen Kampfe ; schwache Geldtheorie ... Natur der Ausbentung ... kulturelle Vision ... scientific soc. ... Leitfaden für Beurteilung der Klassenkämpfe ; Communist Manifesto ... philosophy ... neomarxists ... imperialism ...

14.(N)

Also über politics als Teil der Reakt ist schon in marxian economics. ... No longer politics — roughly strong or wise statesman — bring det. and conductor of efforts. ... Aber noch nicht das moment, daß politics nicht separat behandelt werden kann und man nicht sagen : “wäre nicht nötig; ist nur politics”. ... Noch zu sagen daß, was ein Datum ist, ein matter of an analytic choice ist. ... Ferner schon etwas über Erklärung der letzten decade : nichts spezif. Marxism struktuell change. ... For, as we shall see later,those facts sind nur der Krise überhaupt (Arbeitslosigkeit, kein investment opp. u.s.w.). ... Auch schon das ähnliches wie 70er Jahre. ...

Evol. und revol. ist fullness of time maturity! ... Equil. und “these things” is many sources of social waste. ... Imperialism in I und II ... schon über Revolution von 1905 ...

15.(N)

Napoleon — Revolution — ancian regime ... Brauchen nur in Position zu sein. ... Wie nicht dann wenn day not for. ... “Planung” and “Kontrolle” ... österreichische Sozialisten ...

It is in Politik daß Marxian aim must prove to deliver itself. ... Warum Leute nicht meher radical sein können in America. ... New Deal hat gesieht. ...

Methode of Taxation, die man vorher unterschätzt. ... Danger und no danger of inflation bedeutet nicht notwendig. ... full empl. ... investment ... administ. Kapitalismus ... Protection hat schon alles die Schwierigkeit weiter to tragen. ... So das nicht sicher. ...

16(N)

Tendenz Marx umzudeuten ... und in Verbindung zu bringen mit moderner Ökonomie! Neomarxism ... fascination und Wissenschaft ... Theorie und historische connection ... Marx und Freihandel ... second preposition ... wrong vision ... pre-descending Theorie ... tragedy of prophet ... Glance at examples of phrases ...

17.(N)

Können wir noch Marxisten sein? ... So nicht ; Konzentration; Finanzkapital ; Außenhandel. ... wage goods ... Struktur of capital ... Krisen ...
Vergleich mit bourgeoisie Theorie ...

18(M)

An interesting doctrinal development, hinted at by Marx but set up by Bauer, Hilferding, Luxemburg and Sternberg (the whole important group, in fact, which is known as Neo-Marxist), delives from the analysis of the capitalist process sketched in our last steps. When capitalists find that the masses they have impoverished can not buy what they could produce, and when the rate pf profit is rapidly shrinking after each attempt to keep it up by mechanization, they try to invade other market or other field of investments. As this happens in all caitalist countries, they first of all cry out everywhere for protection. And they go at the same time for those countries which cannot protect themselves, urging the home governments to conquer those counties and make them colonies or if this be not possible, to conquer those countries economically by investing in them — “capitalizing” through the existing precapitalist space. Their competing nations meet and in no friendly moods, the capitalists of everyone of them being whipped from behind by shrinkening profits and increasing cut throat competition at home. Hence nationalistic attitudes and phraseologie, hence capitalistic wars. This is the socialist theory of imperialism which thereby reveals itself as only one stage, the last one, of capitalist evolution. ... [O] p49~50

Needless to say how wide the expanse of historic and contemporaneous fact is which the theory has to account for. Needless also to emphasize how exclusively it is for the faithful to look upon facts which seemingly fit the schema so well as so many verifications. Of course if we have no faith in the steps leading up to it, no amount of verification can save the doctrine, especially if there are other explanations witch fit the facts still better. In this case nothing remains but to add this fascinating theory on to the long list of instances of spurious verification. ... The economic interpretation of history intervenes here most obviously. In fact

the theory of imperialism offers a very good illustration of the art of how to apply it. But of course the whole orchestration of the great symphony of the capitalist process rest upon it, and the way in which socialism is to come about according to Marx is the best and most forceful exposition of his general idea about the way in which every social organization procreates the next one. ...

19.(M)

In order to understand what was a stroke of imponderable boldness and brilliance, we must define the relation of his economics to his sociology. For this purpose let us recall the second of the two propositions of the economic interpretation of history. That proposition postulates the existence of a self-propelling economic mechanism and must be justified by proof not only that the economic process and the conditions of production do change of themselves, but also that they change in such a way as to enforce these changes in the institutional superstructure which we actually observe. Within the economic interpretation of history itself, such proof cannot be supplied: all that historical analysis can do is to establish a greater or smaller degree of concordance and plausibility. Nor can historical analysis, unless reinforced by more powerful instruments, show how that change in production functions come about and how it shapes the institutional framework of society, habits and attitudes and volition included: without this that proposition and, in consequence, the economic theory of history itself, would indeed be nothing but a hypothesis. But fulfillment of all those desiderata is now before us. The body of economic doctrine discussed is nothing else but an arsenal of answers to these questions. ...

We know now what it is that according to Marx propels the economic system away from any equilibrium it may at any time be approaching and that there is a “force” to do this which does not need the help of any extra-economic impulse. We also know how this economic change enforces social change — by creating, raising, depressing, destroying social strata (classes) that are the carriers of institutions and attitudes and by placing them in situations implying antagonism of “objective” interests. Thus the economic process changes its own institutional data. We may answer our question about the relation between Marxian economics and Marxian sociology by saying that the former implements the latter. ... The economic argument supplies the wheels on which the sociological explanation runs its course and so grows in fact into a theory of social evolution. And this is what had systematically never been tried before, though after it was partially attempted by Historical School. ...

In describing the competitive struggle between firms, working through the mechanism of the accumulation of capital, Marx derives the proposition that weaker competitors are progressively eliminated (“expropriated”) so that the size of individual concerns tends to increase until only few giant concerns are left in each field (“theory of concentration”). Most people, foes included, have been much impressed by this proposition which at first sight seems to be strikingly verified by the subsequent course of events. We will not enter into the question whether Marx’s reasoning is perfectly correct, that is to say, whether such a tendency to

concentration really follows from his argument, either as it stands or as it could be amended in the light of recent work on increasing returns, and how far that verification is genuine. We will grant that in order to display the explanatory values of any argument of that type. ...

First it provides us with a theory of “big business”. That is exactly what the beginner in economics and the intellectual who is not a trained economist craves for. ... When he turns to some treatises on economics he is likely as not to find it and its satanic practices relegated to a secondary place, while problems that to him are entirely uninteresting are dealt with at considerable length. Marx lights things up for him, gives him an explanation, tells him what to think, which way to turn his vague suspicious and how to justify his impulsive dislikes. The work of R.Hiferding (Das Finnaz Kapital) then adds the complement of a theory of haute finance, which gives the beginner a still more vivid sense of life and reality, while the unfortnate professional economist to whom that sort of thing is old stuff and anything but fascinating, here fail to satisfy still more. ...

Secondly, however, we see immediately why production functions are being incessantly revolutionized and how the process of eliminating classes incident to this — for it is in terms of classes and not in terms of incessant rise and fall of individual concerns that Marx reasons — changes the mentality of the community. Burgeois attitudes tend to disappear with the proletalization, first of the artisan and then of the small and medium sized factory, and a dwindling set of wealthy magnates faces a mass, levelled by “expropriation”, that increasingly realizes its homogeneous position and interest. Thus an economic process creates and marshals the troupe that are to fight the social battles, stages the political scene, makes people in every respect — and not only in economic matters — think and feel as they actually do. ...

I think the reader will admit that, granting what we do grant now, the type of argument of which this is an example, really succeeds in doing what it is intended to do.

(4) Anything Else

I — (4) — 1~4

1.(N)

Marx assay — über amerikanischen Marxismus, über das neue Wollen ... Aber Marx behauptet nichts statistisch gemeint. ...

2.(N)

1) socio. psychol. Frage, 2) nicht actual, 3) theoretisch, 4) ...

Habe wieder auf "Betrachtung" hingewiesen, daß jedoch Marx deshalb noch nicht gerechtfertigt. ... Krisen — Zusammenbruch — mode, merit, novel ... Datum Änderung und Zusammenwirken mit Geschichtsauffassung und Klassentheorie ist inevitable. ... Kampf der Kapitalisten ; Imperialismus ; Politik ...

3(N)

Insert in proper places ... 1) a defence of Marx dagegen, daß er sich nicht mit psychologischen Frage abgab. ... Dauertypus racial u.s.w. ... 2) Bernstein, ad. Stelle auch seine Argumente, in-communists Logik der Wirtschaft (und anderer Gebiet nicht?) ... 3) Expl. sublimation von populären Begriffen zu behaupten, so daß Gefühl eingespart worden. ... non sense ... 4) daß nicht klein Bürger und nicht trade union 5) Referat — Rodbertus, zugleich soziale und ökonomische Kate., 5) — a) fallenden Profitrate ... 6) Capital Struktur und kein surplus on kassierten Kapital, 7) über mögliche Rechtfertigung der Ausbeutung ... Ricardo's Betrachtungsgesetz ... 5), 7) ... directions into picture ... 8) model in time und Kapital u.s.w., trotzdem daß jeder Schritt falsch, auch wenn jeweils vorhergehender Kategorie ... 9) real basis of socialist prediction, socialist Möglichkeit und socialist Kultur, Bild veranstellt durch sickness und durch jene, die bürgerliche Konzessionen machen. ... meine propose ... was der Sozialisten sagen stellt und nicht sagen kann. ... grand show, trusts ; exprop. ... Ende ...

4.(N)

Zitate und Erklärungen wären nötig. ...

1 mal bei "Edgeworth" ... 2 mal bei "Max Weber" ... 3 mal bei "Pareto" (p12), P14 erfordert dann sequel später — automatische Entwicklung ... 4 mal bei Bernstein p14 — Revisionismus — bis 22 geht es so ziemlich, aber p15. 16. 17 require re-Wertung ... systematische Berücksichtigung von — und Entgegnung — Lange? ...

Lenism, wirft alle Visionen über Board. ... bloße Theorie ... Entwicklung zum Sozialismus ... Wirkung außerökonomischer Daten und Rückwirkung ... ökonomische Geschichtsauffassung und Bolschewismus ...

Part II Can Capitalism Survive?

(1) Successive Occurrences of Creative Destruction

II — (1) — 1~15

(2) Monopolistic Practices and Wastes

II — (2) — 1~10

(3) Supplementary Passages to the Change and Deterioration of Capitalist System

II — (3) — 1~23

(4) Spoiling Sickness to Result in Death of Capitalist System

II — (4) — 1~35

(1) Successive Occurrences of Creative Destruction

II — (1) — 1~15

1.(N)

Material in ambi. Cabb.?

Ich habe in chap.V nur 2 % gerechnet. ...

Das applied to 1928 ; dann gild für 1978 ...

2.7 x 1928, das sei ... trotz private disp. inc. ... corrected für changes of p.p. (parity price ... editor) schätzte für 160 Billionen p.p. ... und aver. income from 650 to about 1300 of 1928 p.p. ... amount of 1\$ at compound interesse of 2% : 1.55

gross total Einkommen, Kuznetz, total pr.c und cap. Investment p.8, both von p.130 ...

Wenn 90 für 2% (correct pr.) ... also $90 \times 1.55 = 139.50 \sim 140$... in 28 prices ... 1000 per head aber gross ... Aber wenn 3% : $1.9 \times 90 = 171$ Billionen ...

Ernst Frage : dernach hätte der Krieg ein hedge gemacht. ... Wenn 1943 Preise, welche 103.1 der basis 26 sind, (1928:95), so macht dieses letztere (weil $108 = 108\%$ von 95) 188 ...

(*) This note was made in the writing of the additional part of the book (Chapter XXVIII, IInd Edition, 1947). But it seems to be adequate that this is placed here (referring Chap. V, The Rate of Increase of Total Output in the book), because it shows the mode of econometrical calculation in Schumpeter's brain, though the content is not enough understandable to us. ... Still, the unit of several is dolloar. ... (editor)

2.(N)

die sozial-ökonomische Doppelbedeutung ... die wissenschaftlich – capt. Doppelbedeutung ... entrep. und cap. ... cap. und Grundbesitzer, peasant ... booty ...

3.(N)

das wahre argument für Profit und für Privateigentum ... People spricht immer nur über Institution und Prinzipien, nie über men und Taktik. ...

4.(N)

prod. performance ... strategy u.s.w. of an einzelner Firma ... Und dann muß die Firma mit allen ihren peers, die mehr Gewinn oder Verlieren, gesehen werden! ... plans having threating und loss ... from new commodity come loss and threat. ... source of gains und die accessorishe ... navigation in the torrent ... Gewinne komme auch anders woher. ... a) bus. sit. wird erzeugen b) für einzelne Firma loss und gain ... where does the strategy

come in? ... Der Plan, die junge Firma, die Firma in success, die consul. Firma, die Firma

in decay. ...

Zum second stride gehört auch noch die Kritik der perf. competitive case. ...
Wiederholungsgefahr : Wesen des Kapitalismus geschildert im 2 Kapitel II. (Part II cha
pter X I, X II in Book ... editor) ...

5.(N)

Concerning the ineff. ... Price prop. to social cost. ... Kahn und Lerner über perfect compet.
... zu schnell oder zu langsam ... Does this restrict?! ... aber it save. ... Ragner ... Here
price compet. in 2 Sinnen. ... bourgeois time mit vielen foolness und price compet. ...
function of acc., die auch beim Monopol enter banks ... gerade diese haben die großen
Produktionen. ... nitrogen u.s.w. ... defence of profit, exante-expost ... aber regulator ...
aber ist immer das moving ... gegen Sweezys ... über profit bei Monopol ... Monopol.
Große Unternehmung darf nicht statisch betrieben werden. ... Movement in those 3
Firmen ... Vergleich protected by adv, selling app. und services. ... consumers (output)
Interesse aus regul. ... Funktion Restriktion ...

6.(N)

Reason why those theories lead to false conclusion. ... Was diese Theorien, die sonst richtig
genug wären, übersehen ist, daß die Fragen, die sie beschreiben, eingebettet sind in den
Prozeß of industriellem change, als deren Konsequenzen diese Verhaltensarten aufzufassen
sind und von dem sie ihren Sinn gewinnen. ... Den ich übersehen als solche, aber sehr
wichtigen Fakt. ... run away with formalen properties. ... Darf doch Werte nicht leugnen,
dann noch über perfect compet. ... outsider center ... change goal ... looking at model
... Was Firma. tun würde unter gegebenen Umständen, ist Nebensache Stephans. ...*

* Those theories above are the Marshall-Wicksell theories and the Marshall-Cournot theories
; Chapter V I . Plausible Capitalism in the Book. ... Alfred Marshall, Principles of
Economics (1890) ; Knut Wicksell, Lectures on Political Economy (1901) ; Augustin Cournot,
Researches into the Mathematical Principles of the Theory of Wealth (?) ... (by editor)

Am Ende des fundamentalen Kapitels, die Bemerkung, daß sonst jene Theorien richtig
wären, deren Monopol das arises out of Entwicklung und als eine Form of it.

- a) Kommt fast nicht vor,
- b) wäre, wenn vorkäme, kein Monopol,
- c) selbst wenn Monopol, würde dieses Monopol noch immer billiger sein können,
- d) Vorteil einer Monopolstellung ; darunter auch gelegentlich eine Machtstellung in einer
Ecke. Ganz andere Auffassung von Monopol nötig sind und von compet.
- e) rigidity ... exante — expost ... Monopolistische compet. ist freie compet. und zugleich
Vorsorge für Mangel.

Aber α) wir sehen doch den keinen Mann dem change kommt von außen, β) wir sehen Preismanipulation ohne jeden Zusammenhang mit produktive change und nur um Preis zu halten. ...

Obsolescence auf Konsumentenseite und Produzenseite, wenn vorausgesehen a) was muß schneller reingemacht werden, b) oder es muß an dem, was geschaffen wird, festgehalten werden vor a time. ... total cost aber prime cost ...

7.(M)(N)

... routine operating incident to running existing concerns. Not only is that routine not all : it is itself dominated by the fact that these concerns stand on ground that is being shifted by a perennial earthquake. No doubt there are, at any given point of time, large strata of firms which somehow drifted into existence because some people could not think of anything better to do. They just run their business on established line and change comes to them as an external event to be managed by passive adaptation. But observation of their behavior tells us much about the working of capitalism as observation of the soldiers who at any given times lie in hospitals would tell us about the movement of their army. There are also, at any given point of time, many inlets made great torrent of capitalist evolution, in which a numer of firms can take shelter and without effort exploit temporary advantageous. These inlets, to be sure, are not interesting to study, but the life of the stream is in the torrent.

Kommt jetzt das Argument : how this works out mit Monopol — over worked in this country —, oder noch ein Punkt über individuelle Frage, lure und threat, profit conserving exante-expost, regul. zu langsam ; nicht einfach waste, ist ja fraglich, of investment pays bonanza times mit failure den barren quasirents.

To recognize this is to adopt a new standpoint from which to look out on the profit-making and profit-preserving strategy of individual concerns on the fortunes of any given industry and on the functioning of the industrial organism as a whole. But precisely how does it bear upon our thesis? ... anderen Begriff von compet. und Monopol ...

8.(M)(N)

Life in that torrent is a process of finite duration and what any given firm is and does at any moment must be seen als Creative Destruction. Oder einfach typical case of life history somewhat as follows : what a given econom. is and does at any given time has been partly determined before it come into existence, by the plan und the setup. There was an idea, conjuncting with it or exposed that was believed to be its chance or superiority. Und dann : wie das changes our outlook! ...

Yet both our theorists and our government experts, who write reports on industrial conditions, almost invariably reason as if those hospitals and those inlets were all. In

consequence we get that picture of industries the component elements of which are given, produce by equally given methods and just struggle for their shares in no less given markets in which quasimonopolistic situations understandably ensure that are characterized by high and right prices and low output. But this analysis neglects the case which embodies the driving force of capitalist evolution. ... Analysis nicht inapplicabel aber ganz andere wichtig. Nicht nur wird die conquered Sit. gesperrt, sondern die conquering factors erscheinen in neuen Licht. ... Stand of life Historie ... to produce promptly ... always : such plan, however ... Firma. tut 2 Dinge. ...

9.(M)(N)

That gives us a new standpoint from which to look out on the individual firm's behavior and its profit-making and its profit-conserving strategy, on the fortunes of any given industry, on the functioning of the industrial organism as a whole — a standpoint not usually adopted by theorists or by the government experts who write reports on the industrial conditions. But precisely how does it bear on the problem in hand? ...

Well, so soon as we cease to think of any given concern as just as an assemblage of buildings, machines stocks of materials, credit relations and so on that somehow come into existence and has somehow got to be administrated and begin with to think of it as what it really is, a living being of past that determined by what it does, we ...

... subspecies, diese life process ... Vielleicht zuerst die creative destruction, unabhängig von Monopol? ... lieber gleich eine Industrie ... Das ist compet. — creative destruction und devices of those who are not creatively destroying, aber auch jener, die es sind to protect themselves. ... Warum nicht gleich willigste Parteien. ... Darin besteht price flexibility, viel entscheiden wenn Firma hovers on threshold of existence als plan (freaks). ... exante-expost ... bonanza time ... life in torrent viewed from the life history. ... loosing rigidly perfect compet. ... beweist nur, daß Kapitalismus tut was sonst good tun mußte. ...

10.(M)

We are told that when a man is being faced by sudden death, his whole life passes before his mind's eye. In such the same way, let us review again the evolution of the laborersbudget from, say 1760 — when soap had just entered it — to 1940, and note what will be obvious to everyone, however slender his acquirement in economic history, viz. that its contents did not simply grow on unchanging lines but they underwent a processes of qualitative change. Similarly let us review, for the same period, the history of the productive apparatus of a typical farm, from the beginnings of the rationalization in crop rotation, ploughing, and fattening to the mechanized thing — linking up with elevator and railroads — of today, or the history of the productive apparatus of the iron and steel industry from the charcoal furnace to our own type of furnace or the history of

the apparatus of power production from the overshot wheel to the modern power plant, or the history of transportation from the mailcoach to the airplane. ... [60] p83

The essential truth to grasp, that in importance overshadows everything else and nevertheless has been persistently neglected, is that "capitalism is a form or method of rapid industrial change". It is evolutionary by nature and can not be stationary. This evolutionary character of the capitalist process is not merely due to the fact that economic life goes on in a social and natural environment which changes and by its change alters the data of economic action : this fact is important and these changes (wars, revolutions and so on) often condition industrial change, but they are not its prime mover. Nor is that evolutionary character due to a quasi-automatic increase in population or capital. The fundamental impulse that sets and keeps the capitalist engine in motion come from the new consumer's goods, the new methods of production or transportation, that capitalist enterprise creates. ... [OO] p82~83

11.(N)

Neuer Stand : besteht darin, daß wir behold Prozeß over time, der must be longer over time und den Sinn gibt allem, was die Firma zu einem Zeitpunkt ist und tut. ... Lets see how this work out. ... active und positive Frage (wobei ein und dieselbe abwechselnd das eine und andere sein kann). ... Einführung eines Gutes ... compet. Monopolisation ... Monopolisation compet. und monopoly waste rigidly ... Selbst predatory compet. hat Funktion? ...Prozöß over time der Bedeutung gibt und als Element of which alles betrachtet werden muß...

12.(N)

Gewinn zu berechnen ... Motor car — Entwicklung der kleinen Regierung, dann Finanz a power mit failure. ... nach 21 die 3 concerns, die sich nur halten können, wenn immer wieder adressed Ausgleichen auf andere ; Preis compel daß aber — rigidisiert ... auch pos. von output ... Natur dieser sehr großen Gewinne ... hier Profit? ... Wer das für den Moment sieht und nicht in organischer Funktion. ... viel effective als scheint ... nicht nur überschritten durch various devices, sondern auch die Wiederholung genügt. ... in Form von Qualität anticipating Resultat of compet. struggle, fortwährend Pflege des market. ...

Loss of Position of leaders nicht vergessen und Aufsteigen von Nichts. ... rigidity : moderate case ... One at best be sound out, aber wieder ein economist, der entdeckt. ... run away ... Single seller aber nicht mit gegebenem demand. ... cannot go ... Standard Oil ... rigidity bei Monopol ...

13.(M)

Let there be, in some industrial field at given time, given number of concerns ; each producing by given methods in a monopolistically and at the same time oligopolistic

situation and controlling special markets. ... “These concerns produce the discriminative products each other and their sizes are so big as their each activities are able to influence on that of the rest concerns. Such a situation therefore is not perfect competition in the technical sense. Moreover it has to be observed that in these patterns there are the most important cases which bring the same results at the case in perfect competition, correctly or approximately.” (“ ” The original writings above was lost by editor’s error, the writings described above is reproduced from the Japanese translation by editor.)

14.(M)

To the pattern that will best illustrate what I wish to convey, let us assume that each concern sits tight, prepared to defend its market but avoiding trespassing on the domains of the others, keeping its prices as stable as possible and varying output, quality, and advertising effort according to circumstances. ... Those prices will in general be higher and that output lower than they would be under conditions of perfect competition. Excess capacity is likely to ensue. The antagonism between the making of profits and the making of goods stands out well. ...

Now such patterns do occur and from the standpoint of a short-run analysis they even are fairly frequent. But in the capitalist process they are but lulls in a perennial storm and cannot in general persist for any length of time. Around them hover plans for doing differently — better or more cheaply — the things that those concerns are doing. Those plans materialize soon or later. It does not matter whether they are carried out by one or more of the concerns already in existence or failing that by new concerns set up for the purpose. In either case the old structure is effectively brought down and a new one emerges. To the observer who confines himself to a moment or short period, this may well seem to be as exceptional an event as a political revolution. To the observer who surveys the capitalist process over time it is the normal thing that occurs even in those sectors which are not themselves imbued with the spirit of enterprise. The agriculture of New England was destroyed by the railroad, retailers and department stores of high cost were destroyed by chain stores.

15.(M)

Here the necessity of overhauling our ideas about the working of capitalist engine become obvious.

(1) Firstly to go is to revise the traditional conception of competition. The true lever of competition is the impact of new products and new technologies. It is as much more effective than the price competition and the freedom of entry into a trade that are exclusively emphasized by the usual theory, as “a bombardment of a building is in comparison with widening a door”. When the concept of competition is so broadened as to include the effects of those impacts, the other components not only lose much of their

importance but they also acquire a different significance. Perfect freedom of entry may sometimes prove to be a retarding factor. Otherwise there would be no sense in the practice of granting patents or protecting brands. So may perfect flexibility of price. Although the intrusion into the industrial organism of new products and technologies generally does involve downward revision of prices in the short as well as in the long run, this revision is not necessarily brought about by the mechanism of price competition in the usual sense. If a given market is revolutionized by a new commodity, statistics of prices can conceivably display the utmost rigidity. The explosion motor displaced the horse, but horses are not any cheaper than they used to be ; a new perfume may conquer the market and satisfy consumer's desire for perfumes much more cheaply, and yet as long as the old brand sell at all, not a single price need have changed to indicate that fact. ... [O] p84~85

(2) The usual analysis misses an essential element in the situation, even when we are in dealing with business behavior in an industry that enjoys what I have above described as a temporary lull. Even the threat of the intrusion of something new that one day will upset the existing structure, in general suffices to enforce a business policy that in the long run trends to approximate output to those of perfect competition. For one at least of the methods available in order to ward off ever present pressure consists in refraining from provoking them by a restriction of output, that would, whether resulting in abnormal profits or not, might leave too much unutilized demand for the would-be intruder, to attract customers firmly by establishing a name for quality and service and so on. Thus the process of creative destruction disciplines also where it is for the moment not actually at work. That is why the businessmen at the recent hearings on monopolistic practice in Washington astonished their examiners by talking about competition in cases in which those examiners were unable to see any competition at all and were inclined to look upon those utterances as so much make believe. Looked at from the standpoint of the consumer's interests, there are in imperfectly competitive situations many compensations for what they are supposed to lose. ... [O] p85

(3) Let us suppose, an oligopolistic group of firms, these firms enter into an agreement to respect each other's markets and to fix prices, outputs, and credit terms by consent. The sort of thing we can best visualize in the form of a German cartel. Such a rigid setup may well look like the very picture of absolute petrification. In the typical case it is first disciplined and eventually blown up by the threat and then by the actual impact of the new product or technologies. Looking over a sufficient span of time, though rigid at every point, any inflexibility could not be in the structure moving along, as it were, a conveyor. However, it does not necessarily follow that cartel restrictions mean injury to all except the capitalist interests. They would in general if economic life were a stationary flow. But if it is pervaded by our process of creative destruction, such organizations (the monopolistic practices) regulate steady, and conserve in a manner which does not necessarily curtail total output in the long run and may well work the other way, even

if the particular practice resorted to is intended to fight the full utilization of new techniques. ... [O] p91

Suppose that somebody invented a method of producing synthetic wheat flour at one cent a pound. There is no argument for suppressing such a boon. But since the sudden intrusion of that synthetic wheat would mean a catastrophe for wheat grower and after that, in the well known sequence of cumulative depressive effects, a catastrophe for banks, for all business that catered for wheat growers' demands and in the end for the whole economy, there is a very obvious argument for slowing down the process to allow for orderly retreat and to avoid the wanton destruction of things and values, that before the catastrophe had prevented, justify themselves again. Now cartels and similar types of industrial self-organization, whether the method happens to impinge in their own field or outside of it, are to some extent able to accomplish just that. Politicians and the intellectuals are, of course, quite aware of this aspect. They condemn cartels only when industry forms them on its own initiative whereas, witness the N.R.A., they are perfectly ready to approve the same kind of thing if it be done under their own auspices. Hence that curious vacillation between imposing and persecuting them. This is meant to be an adequate presentation of the cartel problem. All that matters here is that the usual uncritical condemnation of anything that tends to restrict price competition visualizes what, in the setting of capitalist evolution, must be a special case of rare occurrence ; that the presence in an economic system of monopolistic practices of that type proves less for the gulf between profit making and maximum output that one might think ; and ever that a high-powered car might conceivably travel not only more safely but also more quickly if it has a brake than it would without one.

(4) Coordination of policies enforcing something like orderly advance in step, would even without any organizational machinery result from an oligopolistic pattern with product differentiation, if there are but few big concerns left that are intensely alive and aware of the facts, on the one hand, that they must incessantly move on under penalty of death and, on the other hand, that they cannot hope to oust their competitors from anything more vital than outlying positions. Though we emphasized the element of rigidity in preceding schema (3), we will now produce another variety by emphasizing another element, viz, the fact that modern oligopolistic regulation may also directly result from, and be a form of, progressive motion instead of being an intermezzo between movement and a defence against their consequence. It "may". But as a matter of fact, that is the rule.

In the United States at least, the bulk of large scale industry comes within this pattern. A dozen instances, all of which are particularly associated with the pace of economic progress of the country, could easily be listed, from motor car to tin cans, but it will be sufficient to think of the classical instance, motor car. Beholding the quantitative and qualitative development of its output, no observer who accepts the ordinary rules of

common sense inference can help to realize the fact that the theory of oligopolistic restriction is in this case and in all analogous ones a ludicrous misfit, and also the reason why that is so. ... The misfit is particularly in evidence in the proposition which forms part of the theory of imperfect competition, viz. that the latter tends to produce an uneconomically great number of firms of uneconomically small size. And the proposition is not, as the reader might think, erroneous. Within the setting it is quite correct, and it even has some applications. *Difficile est satiram non scribere.*

Applying our principle — that the history of an industry must be considered as a whole and with reference to its setting supplied by the process of capitalist evolution, and neither *ex visu* of any given, e.g. the present moment nor in an imaginary setting of a substantially stationary character — we can distinguish four clearly marked periods. There was an experimental period : many small-scale and short-lived effort, most of them failures from the start. It lasted from the middle nineties to 1808. Then came, ushered in by the spectacular success of Henry Ford, the “bonanza period” that lasted to roughly 1915 and displaced also numerous cases of loss and failure but coupled with them very large profits in the successful minority of cases. ... It is easy to see ... how it induced the next one (1916—23). Again many newcomers crowded in, in most cases only to be crowded out before long, while a few concerns definitively established their positions and a number of minor but still very important improvements created the condition for the outburst of productivity that was to follow. That outburst and subsequent consolidation, declining profits and the ascendancy of three giant concerns characterize the fourth phase during which the industry still led in every upswing, and in particular, led out of most recessions what increasingly showed signs of settling down. After having curtailed the passenger and short-haul freight business of railroad — an excellent example of that kind of competition that really matters in the capitalist world —, it begins to face the competition of the airplane as well as satiety and consequently a further fall in net return.

During the whole of its career, it (motor industry) not only incessantly moved itself but imparted a powerful impulse to the whole of the economic system. This is did immediately through conditioning the development of subsidiary trade, such as the tire and gasoline industries, road building, the retailing and servicing traces and so on, and indirectly through its influence on income and expenditure that shifted demand and supply schedules of commodities and stimulated production all round. Compared with the effect all this had on total output, the question whether or not the industry expanded its own output fully as much as it would have had to do under conditions of perfect competition, ceases to be so very important. At any rate it ceases to be the only important one. But from a long-run standpoint, though not from a short-run one, even that question must presumably be answered in the affirmative.

Price competition is, of course, not absent between the three big concerns. It manifest

itself on the one hand in the “cut” which have been from time to time announced in the past mainly by the Ford concern, and on the other hand in the yearly variations in the offering of the individual firms. If flexibility of prices is not more in evidence, that is due partly to the fact that, the war-time peak having been lower than in other industries, there was less to descend from, partly to the practice of varying price by varying the allowance for “traded-in” cars and partly because of the steady improvements in quality. If competition in prices is not more in evidence, and if prices of different concerns tend to the whole to move in step, that is due to the fact that the strategy of big concerns to some extent reacts to expected as well as to actual moves of competitors and hence anticipates the results of competitive struggles that otherwise would, but under the circumstances, need not ensue. Thus results differ from those that a cartel would produce by the fact that, though in a less obvious form, competition between the giants and competition from existing or potential outsiders still regulates the business policy of the three concerns.

Having risen by performance and keeping or expanding their ground by performance, they have little to gain by combining into a cartel that would raise difficult questions, impose irksome fetters, and be very vulnerable to attack from outside. And results differ from those that perfect competition of the classical type would produce by the regulation of that regulator, Since it is not a state but a movement that is being regulated. — Beispiel für stationäre Auffassung —, all the individual concern a hope to attain is to avoid disorganization of the market by sudden aggression, and to stand ready to penalize aggression, while the boundaries of domain gently expand or contract in response to its lucky and unlucky “hits”. Each individual concern therefore does not do what it would do if it were a “drop in the sea”, i.e. fully use all the advantages it commands at the moment, but, unless it should happen to have an absolutely decisive one with which to drive all competitors from the field, it uses them, i.e. improves quality and reduces price, gradually and as far as possible in step with the others. The established position and the existing physical plant, the well-nourished capital account, the advertising campaign, the well-developed sales organization, the greater facility of servicing cars that are familiar to every station — all that helps, of course, in awarding off deviations from that canon. But over time results are much the same as if there had been perfect competition. And they may be better in as much as the perfectly competitive process might, if the pace of progress be very quick, entail many breakdowns and other avoidable waste. ... *

* Hier wieder über Kapitalkonservation möglicherweise! aber dieser Gesichtspunkt kommt dann wieder beim Monopol.

(2) Monopolistic Practices and Wastes

II — (2) — 1~10

1.(M)(N)

That the fact indicated by the term single seller does not in itself suffice to constitute the monopoly people feel and worry about, becomes indeed evident as soon as we state the assumptions of the Cournot — Marshall theory. This theory presents the single seller with a given market for his commodity and derives the theorems about price, output and profits by allowing him every facility for exploiting that market at his leisure. Slightly more technically this theory assumes that the monopolist faces a given demand schedule which is severely independent of his own actions as well as of reactions to his actions by any other concern. Whenever that is not so, i.e. if the single seller must take into account all the shifts of that schedule that well result from his attempts to maximize his profit with reference to it, he cannot behave at that theory would have him. Now it is clear, on the one hand, that typical monopolistic exploitation will occur only if he does so behave ; and on the other hand, that cases in which he can so behave for a period long enough to matter for the analysis of the secular trend in output, must in the era of modern capitalism be extremely rare. Referring for a moment the discussion of the short-lived cases we can easily satisfy ourselves of this. ... [O] p99

* Hick's picture of monopolist who sets back. ...

There are commodities — salt for instance — or groups of commodities — tobacco products — or particular quantities of a commodity — speaking from the English stand point, we might mention post — which are so refractory to substitution by others that effective prevention of entry into the trade is in fact all that is required in order to a truly monopolistic situation. This may be accomplished by public authority and has actually been accomplished by the European fiscal monopolies of salt, tobacco, matches, brandy and others. But it is not easy to see how it could be accomplished (we are speaking of articles that, except for exhibition, could easily be made by anyone who cared to do so) in any other way. ... ist nicht möglich mit compet., orange and cotton. ... Kapitalismus turns gegen seine Resultate. ... spices : Vernichtung von Waren, export ... gesetzlich ; öffentlicher Hass ... short-lived : a) in Innovationsprozeß, b) aber auch hier Ausbildung des Marktes ... Molibdenum ohne tangsten und wie das passes. ... Ford Innovation ... die Proposition about equal conditions ... Short-lived aber außerdem hier gebunden durch creating market, außer wenn besonders Umstände. ... patent nicht genug ... Monopol element in Profit. ...

2.(N)

Abuse ... Single seller — Schwindel — könnte nur sein wenn gesetzlich. Attribute passt nicht darauf, selbst in diesen Falle. ...

3.(N)

Profits, nature of — bei Monopol ... indep. demand ... aber Reaktion a) Erholung durch Aktion ... b) wenn nicht indep. so ganz irrelevant, wie er bei demand keineswegs machen könnte. ...

self financing ... und ganz großer Apparat ... bedeutet neu Methode oder wenigstens bessere leadership. ... nicht so in U.S. steel ... nicht anderen Preisen gefolgt ... conditions ... initiate inclosure ... Was also ist Vorteil von ...

4.(N)

Trust busting muß basiert werden auf demerits of individual case, aber bedenke, daß ich nur eine Proposition etablieren will. ...

In our Monopolies in 14—18 Jahrhundert ... Handels adventure as fact attended ... Hass — aber der hatte schon Funktion, welche der gleichkommt, daß notwendig : ex post die Propostion unter gegebenen Umständen. ...

5.(M)

There is one point in insisting on that class of monopolies which in the sixteenth and seventeenth centuries and even earlier, were also created, in England for instance, as favors to individuals, powerfull courtiers and so on. They were simply a method of exploiting the public and nothing else. ... Hence, even today, any politicians rouse unreasoning hatred against them with the mere name of monopoly and, especially in the English speaking world, make them the object of attack.

However little that may have to do with the genuine case, and that otherwise quite sensible people become impervious to rational argument once the word thrown into discussion : no wonder that the modern economist whose moral and cultural vision is adverse to the capitalist system is anxious to use it as often as he can. Even the trade monopolies of that same epock is not the genuine case and not partake of the character we are about delineate. ... [O] p100

Barring creation by legislative or administrative action, monopolies answering to the Cournot-Marshall description, not only temporarily but in the long run, could arise only from the control by one seller of the whole of the available supply of a raw material, provided that this material is not only irreplaceable for certain purposes but also fully established, that is to say, that no account need be taken by the seller of the possibility of raising the demand schedules in those uses or of conquering others. Examples, that will a approximate that pattern, can no doubt be formed. For part of nineteenth century mercury (then almost wholly found in Almaden and Idria, both sources being controlled

by the same financial group) was one. The Katanga production of radium is another. But they are few and far between. It has been suggested that the Anglo-American world could bring pressure to bear upon other nations by withholding certain materials. The better informed among the advocates have been careful not to mention any of those great articles of trade of which the layman might think. Then they were left with such things, not a single one of them, even if controlled by a single seller, produce a true case of monopoly. But even if all of them would be so, the quantitative importance of any resulting restrictions on the long-run trend of output in the capitalist world would be small as it is and it would be rendered still smaller by technological changes that would not fail to occur. Perfect competition is no doubt a very theoretical case if we exclude the great agrarian staples. But long-run monopoly is immeasurably more so. ... It is, of course, not sufficient that the material be found in one country only. The talk about a country's having a monopolistic situations of this or that is only another instance of the misuse of that unfortunate term. ...

In the short run, on the contrary, monopolistic situations — or let us call them monopoloid in order to include approximations — are quite common. They are two kinds. The one is the creature of exceptional circumstances : if a village in the Ohio Valley is temporarily turned into island by an inlandation, the village grocer may for hours or days be turned into a monopolist. The other is a creature of the capitalist process of creative destruction that incessantly creates and destroys monopoloid situations. This kind is for us the only important one and we will briefly notice a few cases pertaining to it. If a firm starts producing a new commodity or old one by a new method, it will for a time at least, move into a “monopolistically competitive” situation. In fact this affords the most interesting opportunity for applying the theory of monopolistic competition. In as much as the surplus which such a firm normally earns if the novelty is not a failure, would not emerge if competition followed on its heels instantaneously, we may say that there is an element of the “true” monopoly in it. But if we say that, we must at once add that this is a very peculiar kind of monopoly that fills an organic function and is responsible for results not associated with monopoly as such. Similarly, if we call wage every return from personal effort, we might call that surplus a wage. But since we should have to recognize that it is a very particular kind of wage, there is not much gained by call it so. ... Monopolistische gain als Entlohnung : Analogie mit Rente. ... selbst defence : Alum. buying up bessere Vorkommen, haben ihre Funktion a) ex—ante, b) die Mittel, um anzubauen. ... [O] p102~103

* Local monopol. — railroad und electri. ; dann solche die due to Größe des Kapitaales ... größte Unternehmungen nicht die rentabelsten, aber sind sie deshalb zu groß? ... monopolist, der seine Stellung nicht ausnützt, nicht als solcher sich verhalten kann. ... wo railroad? und der Fall, wo compet. unmöglich? ... patents, expenditure ...

Motorcars had in the nineties been produced by only one firm, the sole would, in order to do what a monopolist is supposed to do, have had to offer his cars — for which horse and buddy then were acceptable, if not superior, substitutes — at the price which would have maximized net surplus with respect to the demand that then actually existed for them. Obviously he would have had to be an odd sort of person to do that. As it is both the lure and the dangers of the bigger market looming ahead will in all normal cases induce the sole producer of the new commodity to behave much as the producer in conditions of perfect competition is forced to behave.

It has been pointed out before that oligopolists are normally disciplined by the threat of potential competition. This also hold true in our case. Still more clearly than the firm struggling in an oligoplistic pattern, the sole producer of our case must realize that he had to compete for his place in the industrial organism ; that competitors will not fail to crowd after him ; that he has got to build up his demand. ... Efforts to develop demand as a rule last untill the new product is in turn displaced. In any case there are a matter of decades. ... As long as he regulates quantity and quality of his output according to those conditions, he could be called a monopolist only with the proviso that he cannot in the ordinary course of things behave as much.

The source of profits is in temporary cost advantage incident to the successful introduction of a new commodity (or method), and profits are typically premium on this particular kind of performance that is readily seen to be the prime mover of the capitalist process. Practically all other kinds of surpluses of returns over cost, except those that are due to “true” monopoly, are reducible to that one or else to the oppotunities offered to speculation in the widest sense of the term by the sequence of alternating prosperities and depressions which are themselves traciabile to that process and its prime mover. It stands to reason that profit can, as far as that goes, hardly be described as “toll” unless we are prepared so to call a payment that increase the flow of goods. Moreover from the nature of the process within which those profits have to be made it follows that if an enterprise is not to result in social as well as private loss, expected profit will in most cases have to be large enough to provide for rapid depreciation and also for funds with which to weather storms and to repair losses from mistakdes : strictly speaking there is no net profit untill a plant has been written down to scrap value ; and in practice there can be no boldness or freedom of planning without an accumulation of owned funds to fall back down. No appraisal of services or return is possible before a concern has run it course. Even then subnormal returns must be viewed, as has been pointed out already, together with the supernormal, supernormal ones together with the subnormal returns or losses of other concerns. There is no sense in considering peak successes only and those only from a suitably chosen point of time in order to be able to explain : “Look how much more cheaply those goods could be made available to consumers if those were no profits to pay!”

* That proposition reads undoubtedly bold and dogmatic, but fully developed in historical and statistical detail, in my book on Business Cycles, 1939. ... Das auch in Sozialismus nötig — wiederum charging vorhand und konservieren valus and raising means for advance.

The concept of necessary profit, that is of profits sufficiently great to propel the process of creative destruction, should be larged by the inclusion of some of those conceptions mentioned above. During the decades usually covered by the life of a successful concern temporary situations will arise from causes independent from the action of that concern itself in which it may be able to behave as a “true” monopolist. Such windfalls have nothing to do with the expansion of output if viewed *ex post*. But they have much to do with it if viewed *ex ante*. They figure in the — conscious or subconscious — balance of chances and risks that is at the basis of every long range enterprise. Hence, they are part and parcel of the general schema of things into which ever firm is born and for which it frames its production schedule.

Next come those cases in which the disciplining effect of the process of creative destruction apparently does not work at all or take so very long in becomming effective that the result is much the same. Railroad and public utilities are the outstanding examples of enterprises that in fact may locally acquire “true” monopoly positions. Since the public sometimes looks upon them as it does on kidnapers, I may perhaps hope to be forgiven the triviality that kidnapers exploit what exists independently of them, whereas railroads and public utilities first create what they afterward explait. The necessity of nursing demand is here of particular importance because of the pressure exerted by the absolute and relative share of the overhead. Concerning monopoly gains in general, the argument of the last paragraph holds true. Concerning monopoly gains that are in particular due to discrimination between classes of commodities and localities, it is enough to say that the development of this country would have been impossible without it and that static balance of advantages and disadvantages to the various interests concerned — though also much more favourable to the practice of discrimination than current and especially legal theories admit — is completely irrelevant to our problem. But since nobody ever thought of denying that railroad and utilities were vehicles of progress and that, all their misdeeds notwithstanding, their net effect on output was anything but restrictive, we need not go further into this matter.

Realizing the volatile nature, any concern producing a new commodity will naturally try to conserve it, and even to recreate it when it had evaporated, by an appropriate price policy and a number of devices, some of which like patents are legally recognized, while the law and public opinion are indifferent or hostile to others. Measure to keep technological experience as secret as possible, are an instance of the former type, and measres to secure preferential treatment from public carriers are instance of the latter.

... From our standpoint, it is necessary to say on the subject, though it may not be superfluous to repeat, that few enterprises of the more risky type could be entered into if all such means of defence were effectively prohibited and if every one were fully convinced of that before hand. In this sense restrictive monopolistic practices may well be instrumental in increasing rather than decreasing total output overtime.

But another question might occur to the reader. Thinking of individual concerns — they are easier to imagine than to find though they do exist — that strain every nerve either to remain or to come single sellers he may wonder how this agree with my statement, that even in case of success they will not in general be able to behave as monopolist : why then do they try to hard? I have not said that the position of a single seller is valueless. We have seen that single sellers are able to take advantage of exceptionally favorable situations that are too short-lived to attract competition. Though it is not in general the policy of big single sellers to use such opportunities to the full, they do use to the full the advantages of their position in unfavorable short-run situations. It is for them infinitely easier to overcome these without permanent injury to their commercial and financial structure than it would be in any competitive case. To be sure, this involves the most important case of “rigidity” which may have dislocating, though it also has stabilizing, effects on the economic system as a whole. But it greatly increase the hope for undisturbed planning over long periods, and it was not follow that there is monopolistic exploitation overtime, i.e. that total output over time increases under this regime at a smaller rate than it would under competitive conditions.

* There are small single sellers who fully use such opportunities even over considerable time because chances in their field are so poor that nobody cares to invade it. But it is as wrong to overstate the importance of such cases as it is to overlook them. ... Hier auch über Hick's picture of Monopolist ...

6.(M)(N)

Since we have in any case incurred the penalty for preaching common place but unpopular truth, we might as well conclude by the pointing out that most of what said also applies to single-seller positions, or positions approaching it, that have been created by means of merger or “trust”.

Even if no new technological or commercial principles enter into a process of trust building, there is always a new administrative principle involved since, as every text book put it a trust differ from a cartel by the rationalizing reorganization of the trustified industry. Therefore, it always means something more than the simple monopolization of the existing step would : the conquest of a single-seller position is never more than one of many element in the case. And since the thing may spell progress contingent upon such a position, there is nothing but political exploitation of legislative survivals from the period of Manchester liberation. Whatever sense there is in any particular prosecution

must be looked for in the demerits of the individual case.

* besonders von Stande des Sozialisten, 1) as will become clear, 2) reply to good mode depression und Sinn ist in attempt to discipline und display power. ... Untersuchungen Ursachen immer weiteren Rahmen und weitere Konsequenzen. ... Und die demerits sehr oft as nearer cap. ; cutthroat u.s.w., keine soziale Funktion. ... über control muß besser gemacht werden. ... Wer und wie kontrolliert? ... U.S. Steel — große Konzern don't present ... Control either of the trustified industry itself or other industries that the accumulation in the former permits to invade is in itself as empty a phrase as "supply and dress out" ...

7.(N)

Waste ... underemployment ... works like natives ... und dann die vielen kleinen Firmen ; "zu klein", "zu viel" ... von einfacher Größe sprechen wir schon jetzt noch gewiß. ... Nichtausnützung des Monopols. ...

Very same thing done und prosecuted zu schnell oder zu langsam. ... die flex. der rigid short-lived Systemes vs contin. flexib. ... Was also mit dem großen paradox lieber halten. ...

Wo Rigidity und Waste. ... erstens possibly for "second" ... They are less rigid than it seems ; but as far as rigid nicht einfach Nachteil. ... If by abuse we mean not abuses in themselves, replacing — dann imperfect. is benef. ... ex post — ex ante ...

8.(N)

Reverse idea of Waste — nicht geleugnet, aber nicht einfach ... schneller progress, works like natives ... tragical ... advertisement ... aber Garantien für economy in anderer Beziehung groß ; nicht relevant für Frage ob favorable ...

Restriktion hat Funktion. ... und Ausnützen von Gelegenheiten ... ex post : of cap. value. ... waste ... monopolrestriktive produce ... selbst buying off of Arbeiter ... broadcast to include dann die anderen Dinge nebensächlich ; price compet. unter gegebenen Verhältnissen zu sehr emphasized (ist nur dann möglich piece of Mechanismus). ... perf. compet. ... wo Einführung ...

Argument von new rigidity little to it. a) weil nicht new, b) weil nicht so wichtig. ... Monopol a) würde zerstört, b) selbst so lange behalten. ...

9.(M)

It is time that economists should drop their narrow ideas about wastes and recognize that this is another concept that must be made to include a time dimension. What is social waste — i.e. unproductive of any return (monetary or other) except possibly to the agent responsible for the wasteful act or condition ... ex visu of an individual spot

in the economic organization and of a given time is not necessarily wasteful if considered as an element in an organic process over time and vice versa : what we are to mean by waste is thus relative to the length of the period that we watch to survey.

* with noticing the obvious distinction between waste from the standpoint of the shareholder's interest of an individual concern and waste from the standpoint of society (here simply equal to other people). We are interested in the latter only.

In one sense "monopolistic capitalism" is mostly ideally free from waste — in the sense that, if not most large scale concerns of today are marvels of technological, administrative and commercial efficiency. In other sense industry increasingly learn to control its processes with a view to avoidance of waste — some of the monopolistic practices afford conspicuous examples. But we have also had examples — and there are many others — which reveal the presence of very serious sources of social waste. One conspicuous instance is the inability of the system to use its productive resources in full — as displayed by excess capacity of plant and by underemployment or unemployment of labor. We are dealing with unemployment from the standpoint of waste, though serious.

But as soon as we put these phenomena into the setting of evolutionary process, the inference from them lapses to a considerable extent. Quick progress means quick obsolescence. Obsolescent plant that is not yet obsoleted and hence while not being fully used or being used intermittently only, is still carried on the books and in statistical reports. Quick progress also means the necessity of building ahead of demands, that is of creating capacity which cannot immediately be used at a profit. In the first case there is no loss at all, in the second case there may be if there is, it is only a price for the rapid expansion of output. To the observer who rarely looks at a cross section of the process, both cases must appear in a completely misleading light. Quick progress also means constant upheavals and cyclical alterations of prosperities and depressions and thus entail the consequences that plant will be constructed that is from the outset intended to be worked in the prosperity phases only and that shrinkages will occur in depression production of both excess capacity and unemployment.

This is no doubt waste though "opinions may differ as to the extent to which they could be avoided by other social arrangements". But since this waste is but an aspect of the rapidity with which total output expands — a waste incident to tropical growth — and would largely be absent if that pace slowed down, it cannot be made to support the thesis that, owing to the wastefulness of the capitalist process, the observed rate of increase in output cannot be attributed to it. ... Whether that price would have to be paid in a socialist society, is not easy to say. According to the pure logic of such a society, it would have to be paid only if a certain plant is, in view of future demand, erected on a larger scale than it is possible to use with the existing capacity of complementary plant.

There are other reasons for the underutilization of resources in the pattern of monopolistic capitalism. But when we deduct the effect of the causes mentioned, there is not so very much left to account for. Moreover, there are compensations. What I believe to be exaggerated emphasis has been placed on the tendency of monopolistic competition to overcrowd certain sectors that are not much in the running with small and inefficient firms — gasoline stations being the classic example. But so far as — temporarily as we have seen — that is so, it must not be overlooked that of a particularly deserving type of unemployed : the skilled workman whose skill has become useless might do worse than run a gasoline station.

Another instance is afforded by advertizing and other selling expenses not of course by the whole of amount spent, by part of it especially by that competitive advertizing that merely results in shifting clientele from one source of supply to another. In some cases the waste even extends beyond the resources used up in advertizing to the resources use up in producing the things that are advertized and are accepted only because they are. In such cases output itself as an index of economic performance plays as false. During the twenties we have in this country witnessed such an outburst of selling activity of every description — partly caused, it is true by the torrent of new types of consumers goods that had to be made familiar — that we are perhaps prone to exaggerate their normal importance. Precisely how we are to weight them, relatively to the improvement in quality and service that from the producers standpoint are to some extent alternative to them, must remain a matter of impression. Consumers education is likely to reduce their importance in the future.

Of course, any kind of waste, including the two kinds just mentioned and those which we noticed before, might be described as a faulty allocation of resources. But we will use the term in a narrower sense and make it the heading for third type of waste. From it we shall exclude all that appears as waste of resources from moral standpoints. For instance duplication and overlapping of services is of common occurrence both in the ordinary run of business and in struggles between industrial groups such as rate wars. This is really is a special case of excess capacity but is mentioned separately in order to display a few points of interest. The exact balance of an industrial pattern, even if ever were established to perfection, would have to be quickly upset in a process of rapid advance, because improvement always impinges on a particular element of the pattern, causing duplication in some part of it and bottle neck difficulties in others. Moreover, duplication in service may not be an ideally economic form of competition but it is a very effective one and guarantees quality of service as nothing else would. Its rationality is a question of more or less, and business has plenty of motive and plenty of methods in order to prevent excess that would spell uncompensated waste. On the other hand, rate wars are, for the commodity and the development of total output, obviously not unmixed evils.

They bring down prices, with unsurpassable efficiency, in spots where they otherwise might become really rigid.

Or it might be argued that cost calculation for the purpose of guiding private enterprise does not coincide with the cost calculation that would guarantee socially correct allocation of resources. That is true. The fact the smoke nuisance and the support of the unemployed and so on are not elements of the private list of cost, unless made to enter it by public authority, no doubt vitiates the allocation of resources. But in very many cases the private method of calculating cost favours rapid advance and thus the development of output. This consideration is not necessarily decisive from a welfare standpoint. It is from the standpoint of our problem.

* This point was first emphasized by Professor A.C. Pigou

There are other reasons for suspecting socially faulty allocation of that type. Cases in which output could be increased by transferring resources from one industry to another will frequently occur under imperfectly competitive conditions. Even independently of these imperfections they will occur if an industry could expand output at falling costs and nevertheless no single concern can do so (external economics). While they would be very important in a substantially stationary process, they are precisely the sort of thing that creative destruction in general, and the evolution of the giant concern in particular, tend to eliminate.

* "Some notes on Ideal Output", *Economic Journal* for March, 1935, Mr. R. F. Kahn's brilliant analysis ...

Or we might think of the waste of funds, saving in particular, that have been squandered in "empires building" or in order to serve the personal interests of an individual executive. Here it is necessary to distinguish between faulty allocation of funds and faulty allocation of real resources. What is directly squandered in the wars of conquest between financial groups is funds. That is no doubt entail, but is not in itself, faulty allocation of real resources. However morally objectional and aesthetically repulsive, stock exchange maneuvers and all that sort of thing may be, however treacherous the guides in whose hands the leading strings of investment are placed — capitalism is certainly not kind to average capitalist whose fate it is left to socialists to be moan — directly they have nothing to do with the productive performance of the system. The most ruthless financial pirate may have highly productive ideas about what he is going to do with his loot. Scandalous doing in a holding company may be compatible with excellent management — management whose efficiency is increased by the integration effected by the holding company — of its operating companies. And the financial conquest of otherwise unassailable competitive positions may spell a great step in rationalization : British coal mining and its services

to the English economy are not in better shape because application of such methods was out of the question. "Control" must be judged by its fruits. It should cease to be a bogey.

Expansion of a group's control over other concerns or industries is not necessarily inimical to expansion of output. Even if it is embarked upon in order to paralyze a competing group, for instance if an electrical concern buys a controlling interest in a gas company, the effect of coordination and the advantages of what I have called ordered advance may well result in net increase of output greater than what it would otherwise have been, quite independently of the additional consideration that the prospect of being able to paralyze the competitor might be an essential element in the creation of the conquering plant. Allocation of resources, that not only looks faulty when viewed without regard to ultimate results but really is faulty in the sense that it reduces the secular rate of increase in output, is less frequent than it seems to economists and government committees who are combined beforehand. Of course a group may acquire control over a concern in order to "pick its eye out" and either to steal the temporary surplus that will result from letting the plant run down or to profit from appropriate speculation in the stock. A group may use its control over a concern and its funds or credit in order to enter into disadvantageous contracts or hopeless enterprises because it is bribed. Past history was everywhere but especially in this country where temptations were greater and more plentiful than elsewhere, full of instances of both. The number and importance of established cases does not justify a suspicion that our conclusion about the trend of output be invalidated on this count. In the future semi-criminal or simply criminal practice will not be very easy and even the role of honest error is, for obvious reasons, likely to be smaller than it used to be.

It must not be forgotten that unless there is bribery, there is, excepting error, no reason to expect malinvestment of real resources to arise out of investment of available surplus funds in other concerns. For if there is no definite interest of investing concern to serve, investment will simply be guided by profit expectations which is as it should be and, as far as social results so, preferable to staffing the investing concern itself from a pride in its absolute perfection, a practice which, though perfectly honorable, often enter the category of social waste, but is clearly a deviation from a rule. All these things are, however, extremely difficult to appraise. In order to do them justice, the observer must be intimately familiar with very many individual cases and with the spirit and general environment of the business community with which he is dealing. That is why it is also difficult not to get impatient with entirely inexperienced people who pronounce those matters with the utmost confidence. ... hier noch etwas über cognate question of incompetence : hence, however, außerdem ganz, wenn — aber das hat nur Bedeutung für besondere Umstände z.B. Inflation. ...

10.(M)

It is necessary to show how our argument bears upon our opinion about perfect competition.

It is easy to see that most of the points made must dim its halo exactly to the extent to which clear monopoloid capitalism.

Even our predecessors had drifted away from that unqualified admiration that a still earlier generation — the one, roughly, between Mill and Marshall ; an excellent instance in the Italian leader Francesco Ferrara — felt for perfect competition. On the one hand, Marshall and Edgeworth and after them Pigue and others, kept on discovering an increasing number of case in which the general propositions about the properties of perfect competition simply ceased to be true. It is not true for instance that, even accepting any given distribution of income as a datum, perfect competition always guarantees ideal allocation of resources, and hence maximum output. On the other hand, the same economist also realize that, even if the perfectly competitive pattern really performed as a cruder analysis would have had us to believe, its virtues could not amount to more than that, under its conditions everyone, trying to do for himself the best he can, would achieve the maximum of satisfaction compatible with these conditions. This proposition is not quite the stale triviality it looks. It plays a considerable role in many an economic argument, e.g. in all arguments which deal with the effects of measures that aim at influencing economic activity without altering these condition themselves. But it is a poor reason for believing, as many of our more ancestors did, that perfect competition is the absolute ideal for all times and places. ... [O] p103

* Reference may again be made to Mr. Kahn's article quoted before. But the number of contributions to that subject is by now quite considerable.

Modern — mainly postwar — theory has gone beyond that. In developing the dynamic aspects of the economic process, that is to say, in paying attention to the sequence of reactions to any disturbance, to their different velocities and to the influence of expectations on economic behavior, modern theorists have come to doubt the validity of the old schema — first developed by Walras — according to which economic equilibrium is a very stable thing which quickly absorbed, and smoothly adapted itself, to any changes in prices or quantities that might occur. The possibility eventually presented itself of violent and even explosive fluctuations, lasting for an infinite time and conceivably resulting in temporary chaos, and the remedial effects that had been attributed to the automatism and the flexibility of the competitive system, in consequence appeared to be largely imaginary. From our stand point, since we stress the violence of the process of creative destruction, those considerations acquire additional weight.

The whole case for perfect competition in modern industry collapse, however, as soon as it is recognized that the monopoloid elements in modern capitalism are not more concomitants but essentials : that its achievements during the last fifty years would have been impossible without them, and that in very important respects they are not mere

necessary evils but serve organic functions. So far as modern methods of production require not only the giant plant but also the giant concern and so far as the giant concern can not be created and run without prospective and actual resources to monopolistic practices, there is no sense in yearning for perfect competition.

That would hold true even if the modern industrial giants ever did attain truly monopolistic positions and were free to settle down to the business of exploiting them according to the Cournot – Marshall schema. For the theorem, that (save a limiting case) monopoly price is always higher than competitive price and monopoly output always smaller than competitive output, is valid only under a strict *ceteris paribus* proviso. That is to say, it is valid only if we compare two (equally possible) states of an industry which differ in absolutely nothing else but in that the one is perfectly competitive and the other perfectly monopolistic. Whenever that condition is not fulfilled, that is to say, monopolization means the introduction of cost-reducing improvements of a technological or commercial or administrative nature, the monopoly price is not necessarily higher, or monopoly output lower, than competitive price and competitive output are at the lowest level of costs that could be reached in a competitive situation. Competing mail-coach firms might transport more passengers at lower fares than a truly monopolistic mail-coach trust. It does not follow that a railroad, even if it were a true monopolist, would supply less transportation service at higher fare than would a perfectly competitive mail-coach industry. When Adam Smith said that “to narrow competition must be always against the interest of the public”, he was simply wrong. ... But as we have seen, railroads are not true monopolists. Still less so are the modern giants of manufacturing industry.

Even as regards economy in functioning we must amend our own statement, that one property of a system conforming to the pattern of perfect competition would be the absence of all major sources of social waste. Once we recognize the superiority with respect to productive performance of monopoloid over perfectly competitive capitalism, the question which of the two alternatives is more free from waste within its own conditions loses much of its importance, particularly if we are interested in comparing how they do in the evolutionary process rather than in the comparative virtue they do in a stationary equilibrium. It seems nevertheless worth pointing out that perfectly competitive systems, though free from some sources of wastes, do have others of their own.

And it further seems to be the case that the waste they are free from their compensations whereas those they suffer from to have not. This is sufficiently clear from the recent analysis of purely competitive processes that had been mentioned before. But an example may be useful. Rate as high as you please the waste of resources induced by monopoloid rigidities and as low as you please their steadying influence ; provided you do not entirely deny the latter's existence, there is some compensation. But there is nothing to compensate anyone for waste involved in such a phenomenon as the Hog Cycles : if a favorable fodder-pork price relation due to some random event, induces an expansion of hog

production that issues in a collapse of prices and if there upon all farmers restrict hog production so as to bring about high prices of pork, which induce another untenable expansion and so on, there is indeed waste and nothing else.

The recurrence of untenable situations in perfectly or at all events highly competitive industries — wheat, cotton, production of crude rubber for instance — can not be disposed of by entirely unfounded slogan that they are due to the rigidities in other sectors or by making a virtue of them. The waste incident to them must be accepted as part and parcel of perfect competition if it has to work in a process of rapid change. People have always been shocked — only too naturally of course — at the practice of destroying commodities in order to raise their prices. This could not occur in a socialist society. It need not occur in a capitalist one, if there were responsible and competent governments to handle such situations. But the situations themselves imply waste even irrespectively of the actual destruction of things that would satisfy human wants. Given, for instance, the conditions under which the Dutch East Indian trade had to be carried on in the times of early capitalism and which precluded competition, it is not so sure that their practice was so much more wasteful than was the destruction of cotton, wheat, oranges in this country a few years ago. No doubt those traders presumably safeguarded a gain and the recent destruction of agricultural products was merely intended to prevent or reduce loss. But the main difference seems to be that in the former case break downs were prevented whereas in the latter case they were allowed to spread their effect over the whole of the economy and its banking system.

(3) Supplementary Passages to the Change and Deterioration of Capitalist System

II — (3) — 1~23

1.(N)

Ch II (Part II in the book ... editor) ist doch "Can Capitalism Survive" und hat wahrscheinlich eine Einleitung gehabt ; aber wo? Ja es war eigenes Scheinpunkt. ... No ... schon sehr viel über Rationalisation von King und Pope ... diese Analyse noch später wichtig. ... schon daß enemy financed und Demokratie und Sozialismus und "the will" soziale legisl. ... Metaphysik chased u.s.w. ... sense of duty ; betterment of mankind ... Superempirical glamor rubbed off. ... Aber noch nicht : inequality als Überbau empfinden. ... efficiency und service ... ideol. halo ... pacifinism u.s.w. Vielleicht hier neue Abschnitte ... dann noch eine Menge reunitment ... Das summing up auch zweifelhaft ... Vielleicht ist diese in 2. zu teilen und dazwischen einzuschieben : econ. opportunity, waste u.s.w. ... Der sozialen psychische Prozeß does come in here. ex visu die achievements. ...

2.(M)

If we know from the analysis of a mechanism A that it might have produced the observed fact B, we cannot conclude with perfect confidence that A actually did produce B. Even mere presumption that it did has to wait upon the result of a search for another possible causes. That is the common curse of all observational, as distinguished from experimental, sciences. ...

Therefore, if, for the half century preceding 1914, our investigation has plausibly shown that the motive forces of monopoloid capitalism were adequate to produce the observed increase in output and inadequacy of the arguments which aim at showing that it could not possibly have done so, that does not in itself constitute proof or a presumption of the kind that must serve instead of proof in the conditions of economic reserch — that monopoloid capitalism actually did perform that test. Some other factors might have been responsible for it. And since during that epoch capitalism so completely prevailed as to leave no room for the action of such factors except through the capitalist mechanism, one question should be reformulated. But does that solve our problem?

3.(N)

Aber wo die Frage der Bürokratisierung und Mentalität des management : Separierung von ownership und management. ... möglicherweise here daß summing up : daß also theoretisch keinen Grund anzunehmen, daß das restringiert und functioning pervertiert, as soon as erkannt, daß — in wichtigen Beziehungen — notwendige Formen dieses

Fortschrittes ist (und natürlich wichtige Voraussetzung für Sozialismus) : nicht nur nicht Gegengrund, sondern im Gegenteil Grund dafür! ... doch das vielleicht als Schlußsatz. ...

4.(N)

Müssen dann society und Bevölkerung behandelt werden. ... und ist dann ob Apparat a) weniger effective wird, b) forcing to etwa wegfallen. ... Capt. die Methode, diese Möglichkeiten auszunützen. ...

Bevölkerungszunahme, either indep. or dep. ... mehr Geburten ... attracting wage ... Irish ... Migration of cap. und Mass ... technische Fortschritte — Bevölkerungszunahme, Bevölkerungszunahme — Länder Kapitalismus macht das ...

10/1 Kriege, armaments ... Freiheit — nicht exh. aber sehr produktiv ... neue Länder wäre output nicht so groß gewesen und sie geben außerdem Profit! ... Aber sind 2 Dinge, a) Kapitalismus vs other factors, b) Kapitalismus furthered by other factor. ... Und das könnte zu any resultant führen, selbst wenn (?) vor 1914.

5.(N)

Revival in Populationstrend nicht möglich ... a) weil attained hat seine Zahl. ... b) time reserved ... Ruhstoff ... a) pressur. durch Mangel ... b) developing Rohstoffproduktion als Aufgabe ... Weibenergie freigesetzt (das wichtig für conditions auf längere Arbeit in späteren Alter.).

6.(N)

Opp. kann eben so ungewöhnlich sein, daß ob past perf. nun due to cap. oder nicht, die perf. nicht wiederholt werden kann. ... geared to investment ... schon gesagt ... No the land würde im 19 Jahrhundert Produkt per head redu. haben. ...

Saving would adapt itself. ...

Reduktion of investment opp. from demand side, from supply side ... Hier habe ich gesagt, daß Mehrleute mehr erzeugen. ... auch output per head? ... Das doch nicht entscheidend ... Wenn keine Kinder weniger saving ... abnehmender Ertrag ... sehr kapitalkonsume Güter ... leisure ... Außerdem die alten. müssen erhalten werden. ... aber als Symptom und Cause ...

7.(N)

“amply accounted for”! ... Was also mit satiety — Produktion — policy. ... und gesagt, daß ich nur past performance illustrieren will. ... retard and abnehmender u.s.w. kommt erst noch. ... hingewiesen auf understatement durch Qualität. ... Wo das due to bourgeois

class. ... Auch schon über long wave. ... Auch schon über Steuern u.s.w. und Arbeitslosigkeit, avalanche. ...

Wo eigentlich, daß das performance ist too reliable to be endamager, oder selbst in sich ein argument, oder daß das ist nicht entscheidend ist. ... also unempl. schon! ... Meine extemp. of jene Resultat nur wenn ich die geringere Bevölkerungszunahme also nicht relevant erkenne.

8.(N)

In Diskussion der Frage, ob performance attribute to Kapitalismus, auch schon wieder über politics being no indep. Faktor. ... unterscheiden engine ... Mensch und Material ... ad. Bevölkerungs als incentive und überhaupt ... Also lands schon erledigt und satiety (und policies) später zuerledigen. ...

9.(N)

Eine große Schwierigkeit : die populären Argumente ... Übervorteilung? des consumers ... also Vergleich mit 3 Dingen und a) Möglichkeit, b) Ausnützung ... daß Kapitalismus nur auf Erhaltung der Kapitalwert geht. ... die andere calcul. ... Ersparung durch lawyer — retaining fee — ; aber sonst — und Herabsetzung von top Gehältern nicht viel. ... inequ. als breath of life ... Ausbeutung von Menschen durch Menschen. ... bus. men simply lucky fools und radicals ...

Die leisure people, konzentriert und temperament leisurely, hat eben wenig genuine und in diesen kann er ausgeben, auch nonons. rich. ... 1) — , 2) elim. — idleness does not badly, 3) work done by idle rich, kapitalistische Methode to man, polit. und u.s.w. 4) motive, 5) Sparen ... Motiv for work and saving ... entrance in idle rich ... (What about idle, England) ... account of the family ...

10.(N)

Warum nicht adaptation zu weniger Investment und mehr cons. goods? ... Aber das würde doch Investment bedeuten — aber die Breite. ... Hätte sagen sollen, daß Ricardo weise war, keine Krisentheorie darauf zu bauen. ...

11.(N)

1). Das Moment des Absterbens der Geschäftspsychologie in Corp. Exec. (das übrigens auch vielleicht unter den Umtänden, welche pessimistische Prognose rechtfertigen.) ...

2). Since Rohstoffe und food doch nicht scarce sind und keinen Druck ausüben. Und daß es andere Rohstoffe gibt und die alten besser ausgenützt werden, auch Kohl u.s.w., so könnte es sich nur um Investment in anderen Produktionen handeln — Siedlung und Schaffung neuer Zentren. ...

3). Anpassung an eine neue Sit. ...

4). Investment — Kapital absorption. ...

12.(M)

The capitalist process pushes into the background all those institutions, the institution of property and for contracting in particular, that expressed the needs and ways of the personal — the truly “private” — economic activity, and clothed the individual economic initiative, of old. Where it does not abolish them, as it already has abolished free contracting in the labor market, it attains the same end by shifting the relative importance of existing legal contracts — of the legal contracts pertaining to corporate business for instance as against the legal contracts pertaining to the partnership or individual firm — or by changing their contents or meaning. ... [O] p142

Analogy : where there are civil codes and in many countries in which there are none, it is still the law for the wife to “love, honor and obey”. Perhaps that turn of phrase never meant very much : I have a hunch — not that I disapprove — that the obeying has always been primarily the function of husbands. ... Nevertheless it meant something, and in particular something that could to some extent be enforced. The phrase still stands. but as far as definite legal obligation goes, its meaning has gone.

13.(N)

Noch tradition des owner manager. ... Wirkung exasperates suffragettes, ... Nicht vergessen, daß schon hier über Produktion gesprochen. ... Habe ich nicht schon bei Rationalisation gesprochen darüber? ... Again interaction : house less desirable wenn keine Kinder ; Kinder less desirable, wenn nicht Haus. ... Nicht vergessen, daß das alles zu Sozialismus points, aber noch nicht weit fortgeschritten ist. ... Nicht zu weit gehen, have put strongly ... vastly inevitability ... violence ... is not a healthy force. ... Wo suffragettes in I X X century, und soll ich Rückwirkung über house noch erwähnen. ... heroic adaptation ... college worn in typewriting ... society life lack of balance ... general destruction of modern man ... modern ludicrous ... follow mit fusion ...

14.(N)

Also zuerst zeigen, daß kein ökonomischer breakdown noch auch unsatisf.. ... dann das destroys ...

a). Unternehmer wird weniger wichtig (auch Administration) — Bürokratisierung, Mechanisierung.

b). Rationalisierung

c). Habitus der Bourgeoisie in Produktion und Konsumtion ... die Familie ; Bevölkerung ...

d). Habitus der anderen Leute ...

e). hostility — nicht — an — sich — selbst — glauben, Konzentration auf Wirtschaft — protest. Ethik ... feudal Religion ... meaning ...

Die Atmosphäre : die Geschlagenen, die unter Räder kommen! Die in race fall behind.
... Die Bauern geführt durch Ritter. ... People loose healthy pride in achievement of their
class. ... Subdying Defence selbst wo verteidigt wird.

15.(N)

Capitalism und Sozialpolitik ...

- 1). Social legisl. presupp. cap. success und was man tun könnte 2100 per head ...
- 2). unempl, aged und sick, educ., hygiene, free goods ...
- 3). dann, alle diese rationalistischen Sachen. ... rationalization of daily life, King und Popes.
... Masses crying out or rattling their chains. ... schon über financing economies. ...
democracy ...
- 4). Social legisl. ist nicht einfach forced on, sondern growth out über den "will" monoism
u.s.w. (ist das nicht wiederholt oder selbst contradicted).
... 21~23 ist nicht gut correlated with later argument ; auch schon Feminismus, unheroic
pacifism, internationale Moralität. ...

* 1). 2100 per head is 2100 dollars per head. ... 21~23 is not our number of passages.
... (editor)

16.(N)

Daß Staat nichts kreiert ... andererseits quatsch über monop. und nicht Sparung u.s.w.
... Und daß in trustif. Kapitalismus die Bedingungen nicht gegen den compet. Unternehmer
und big bus. ... Wenn ich dem Sozialismus große Visionen zubillige, so muß ...

- 1). Der Unternehmer macht sich selbst überflüssig durch bloßes achievement : gewisse
Probleme löst und Art der Lösung ist bekannt (Rechnen und Rechenmaschinen). ...
Dazu kommt die bürokratische und mechanisierte Erledigung der leitenden Geschäfte ;
das zerreißt Beziehung zur Unternehmung (Spezialisten) und demokratisiert (Aufsteigen
aber noch immer möglich). ... securi. craze ...
- 2). Familie zerstört unterstützendes Moment : so viel leichen zu leben außerhalb Familienhaus.
... Motiv, Lebensformen ... Bevölkerungsbetrachtung ... Abnahme der Geburtenrate is
erklärt. ...
 - a). durch Wohlstandstheorie und Rationalisierung. (aber was ist diese Rationalisierung etwas
anders als Zerstören von meanings?) ...
 - b). durch Zerstörung des Heims ... über die rationalische Natur und achievements ...
Double entry book-keeping ist das rationalistische Schlagwort nicht übertrieben — ist es
nicht mehr Konzentrierung auf ökonomische Rationalität. ...
- 3). Hostility — intellectual ... Verlust des bourgeois Glauben an sich selbst. ... bourgeois
world, the harder kritisiert the gentler it gets. ... Rechtsbewusstsein ist mehr Resultat als
cause. ... Einfach moralisch mißbilligt, wesentlich ist für Kapitalismus : inequality, Profit,

Ausbeutung. ...

17.(M)(N)

All sorts of virtues that are supposedly absent from the world of modern capitalist “monopolies”. It cannot be repeated too often that there is little or nothing in this argument and that the “evils” of large scale enterprise are largely imaginary — not much less so than as Marx’s picture of increasing misery and tyranny. However, whether imaginary or not, they are not the point. The sociological consequences of concentration would be the same, even if the big unit of control so worked as to draw applause from the angels in heaven. Capitalism would still be attacking. ...

Comment’s Mentalität at polls. ... compet. soc. comments at polls ... voting severer und still liveliness of prop. und contract. ... also selbst so weit stehen könnte ... Und diese strömt aus aller Mentalität : der kleine Mann, der einzige Kapitalist. ... see U.S. ... bleibt Arbeiter ... does not come off so early. ... nur Bauern bleiben. ...

Then change of meaning ... daher change of restriction ... conversion ... Privateigentum also died out in Produktion. ... long run Gesichtspunkt in den Familien ... Familie und Malthusianism ... Konsumeigentum ... family Motive ... What would the women have to think? ... rationalisierte Welt ... Bauern, rationale allegiance ... Das ist nicht nur politisch, sondern auch liveliness of property, died out in Kapitalismus.

1). This then leads to our formula, 2) aber Vision gerade ein Bewegung nach Sozialismus, 3) ist sehr langsam, 4). mögliche Revisionen, fascism. ...

18.(N)

Saving and investment ... aber profit rate ... inevitable ... Politik ... Bild ... gibt selbst Hinweis darauf, daß die Dinge nicht statistisch gemeint ist — elm. of Mehrwert. ... inevit. of socialist goal am Schluß ... Imperialism ; Nazism ... Regierung nur henchmen ... der junge Mann ... linking up ...

$$C+V+m=W=C_1+V_1+m_1+2C_1+V_1/2+m_1/2=3C_1+3V_1/2+3m/2$$

Data Erklärung von Marxistens und capit. reality. ... dem jungen Mann — newspaper reality oder etwa so etwas wie unter Arbeiter ... accord. Diskussion ... yearns ... spurious verif. ... fallende Profitrate und Konzentration ...

19.(N)

Schon über Kapitaleexport, coloni., Imperialismus und Krieg (Nationalismus nicht) ... A few remarks will be in order. ... On rel. in which bourgeoisie stand to imperialism. ... Breiter phrase : Sozialismus nicht für firms : I have been painted at this advocacy of irresponsibility. ...

Akademischer teacher hat nur die eine Funktion, sich schließen zu lassen in act of restraining. ... Trotsky's "theory" of the permanent Revolution. ... wishful then thing über fullness of time : Kautsky on Revolution of 1905. ...

20.(N)

Dictators — freedom they disapp. ... Kann nicht eingeschränkt werden ohne end which approve. ... Bourgeoisie will nicht und kann nicht. ... means, large scale ind. und change ... nature of patron — Ausdehnung ... Folgen der Massenproduktion ... stamp ; vollige Faulheit ; rationalist civil can't ... they think they can. ... education — unemployment : read population ... drifting out of people, welche andere Voraussetzungen nicht erfüllen und von Leuten, die sie schlecht erfüllte. ...

Indep. nur durch attack ... politics ; Bürokratie — growing jobs ... Unterschied, Professor-training und Praktiker — work ... nibbling selbst be allowed. ... group Interest, group at tack ... Notwendigkeit von attack ... nur von kräftigen Erdboden und footfall ... auch Mentalität ...

21.(M)(N)

Returning from this digression we immediately face a set of facts not less ominous than those we have been just discussing. As I said before, what capitalism did to institutional framework of feudal does to its very own. We need only glance back on some previous stretch of our road in order to realize that. For both effects result from the ...

Das ist nicht so. sind nicht dieselben 3 stages, und es ist wichtig, daß der Kapitalismus sich nicht mechanisch-ökonomisch totläuft : Giant undertaking bedeutet nicht neuen Feudalismus und ökonomische deadlock. ... Beseitigung von compet. hat nicht die Bedeutung, die ihr üblicherweise zugeschrieben wird, wohl aber sozialpsychologisch politisch wichtig, darauf herauszukommen, a) daß das dann rückwirkend wirklich den Kapitalismus retardiert und alternative wirklich sozialistisch ist, b) daß der ganze Prozeß langsam und noch nicht so weit ist. ...

Der salaried manager kommt später. ... Aber kam ersicht schon vorher. ... System, investigating ; fortwährend plans ... completes our answers ...

22.(M)

Stationary capitalism is a contradiction in terms. The upper strata of capitalist society live on resources which would cease to yield returns if economic change of evolution either ceased or become perfectly automatic. Since capitalist enterprise, by its very achievements, tends to produce both those results or at least the second one we conclude that it tends to make itself superfluous by — to break to piece under — its own success. The perfectly bureaucratized giant industrial unit, as had been often observed, tend to oust the small or medium sized firm and to "explopriate" its owners. It is more important that in the end it also ousts the entrepreneur and expropriates the bourgeoisie as a class.

The true pace-makers of socialism were not the intellectuals or agitators who preached it but the Vandelbilds, Carnegies and Rockefellers. This result may not in every respects be to taste of Marxian socialist, still less to the taste of socialists of a more popular (Marx would have said, vulgar) description. But so far as prognosis goes, it does not differ from theirs. [O] p124

As far as we have considering the effects of the capitalist process upon itself, they are seen to extend beyond the economic basis of upper strata of capitalist society to their social position. Along with income from profits, interest and so on, so the economist would add quasi rents, the capitalist process will eventually destroy the social prestige of those strata. And ths parallelism does not primarily rest on the triviality that the losses of ones income would naturally impair ones social position — which, though also true of course, is an entirely secondary matter — but on the fact that both phenomena are the consequence of the same cause. The bourgeoisie is going to lose its economic and its social position because it will eventually lose its economic function.

23.(N)

We see, daß selbst wenn Kapitalismus nur zerstörte, was pre-cap. war, er sich entblößen würde — ist nicht at rundern sondern nötig. ... ist nicht so, daß Kapitalismus nur das Werk des Vergängers zerstört und etwa setting up bekommen, die er dann konserviert. ... Rationales Argument für Eigentum so unwirksam wie das für Monarchie... 1) prop. comp., laissez faire ... No institution can stand on rational ground. ... 2) attitudes and policies ... 3) Rückwirkung welche dann zum Vorwurf wirkt. ... radical right daß feudalism ... Cap. does the same to its own framework ... aber zerstört auch eigenes und bei same process : wir können wiederholen ganz dieselben Schritte. ...

Dann hostility und politics — welche dann zurückwirken ... nichts tax und interference. ... no longer to do as one likes with ones own. ... new master but a hostile one. ... We must educate our masters, cheerfully accepting, aber das nützt nichts. ... Standard of life und leisure nur eine Ursache mehr : What is left of world ; devine right of pro. goes mit devine right of King — freilich bourgeoisie glaubt anders. ... Such die Amerikanische und hielt da für 150 Jahr. ... Polit : Institution ...

Freilich wenn wirklich alle guten Gehirne nicht wollten, bourgeois stratum selbst Hinweis auf was über Rationalisieren gesagt. a) family, family house, family firm ... Hinwies auf schon gesagt und auf III ; scheme of duties und process ... b) Religion ; motivation ; bourgeois radicalism ... No answers mehr to why responsibility, security. ... c) kein Herrengefühl ; no disapproval of criminal ... Will you please if you dont mind. ... Intellektuelle ; der bourgeois läßt sich erziehen. ... Wille stirbt apres nous. ... bus. sit. wirt noch empfinden aber in long run. ... saving und money ... toxin. of Utilitarianism. ... () of

art ...

Nicht nur hostile world — auch hostile world which they do no care to fight, aber darüber doch darum in III. ... Auch schon viel davon in [1] gesagt, daß das point to socialism — ist wichtiges Thema! aber Prozess langsam, Hinweis auf Behandlung des Themas von Evolution und Revolution (dessen Irrtümer schon hier apparent) ... conservatism ... Ich noch nicht so weit ... kurz Bemerkung über Art der Umformung ...

Rückwirkung auf Process ... Wo über Demokratie and Kapitalismus ... Wo : Leute sich selbst überlassen ; Institution of non-Institution — social laisser faire. ... competition, pr. property, democracy, laisser faire. ... Methode ... new morals ... very Fundament disappeared : profit and accum. und inequal und saving ... Der Intellektuelle und vielleicht doch am Ende sagen, daß Resultat denn wie das der Sozialisten

(4) Spoiling Sickness to Result in Death of Capitalist System

II — (4) — 1~35

(1).(M)

The capitalist process not only tends to make superfluous its own protagonists and the class associated with them, to break down its defence, to disperse the garrisons of its entrenchments, to destroy attitudes and interests that would stand for it, but in addition it produces the atmosphere of hostility to itself to which I referred at the threshold of this part. This should follow without further comment but, owing to the importance of the problem and to its paradoxical nature, it seems to desire to develop explicitly the theory of that hostile atmosphere seeing that we cannot explain it as is usually done in the either Marxian way which is palpably wrong or the popular way which is nothing but a rationalization in the technical sense of Freudian psychology. ... [O] p143

2.(M)

One of the basic propositions to start from is that societies or groups never act or, more generally, behave on rational deductions from well understood social or group interests. People in the mass feel, think, and behave extra-rationally or, as Pareto expressed it, alogically according to set allegiances and beliefs that are largely ancestral and are being institutionally inculcated and kept alive. They change according to laws of their own and rational considerations play but a minor role in their emergence and decay. This proposition, which will lend its aid to us at many a turn of our way, embraces all the most important differences between the modern view of the social world and the view of the Philosophical Radicals of the end of the eighteenth and the beginnings of nineteenth century.

We do not steal or kill because, from rational considerations applied to well defined interest or motives, we come to the logical conclusion but because our moral habits exclude such decisions from our schema of possible choices ; we do not obey orders that are addressed to us in a way we habitually accept because we recognize in each case the rational of obeying the individual order or that kind of order but we do so “instinctively” and without much conscious deliberation ; we go through our working day not from a logical perception of our individual or group interests or of the wisdom of the social arrangement of which our work is an element but simply from an unreasoned propensity to do what we call our duty ; we do not take off our hats when we meet a lady because we have any particular reason for doing so — in most cases we are not even aware of the act.

3.(M)

If any “logic” enters into all that, it does not go beyond the recognition of the social sanctions that patrol the beaten paths — social disapproval of deviating behavior being the term that covers them all, from the shrugging of shoulders to electrocuting. Let me add, however, that those social sanctions are not independent regulators of behavior but flow from the same source as does unsanctioned conformity to social standard. Once established, a criminal code for instance does acquire some life of its own, but fundamentally it merely formulates moral habit and its effectiveness is primarily due to this fact : whenever legislation imposes rules that are not sanctioned by the moral sense of the community, we always observe the phenomena of which this country’s reaction to national prohibition is a classic instance.

4.(M)

The other basic proposition we need is that the capitalist process is an essentially rationalist civilization. This we have established already. So I have only to define its bearing upon the problem in hand. By saying that capitalist-civilization is essentially rationalistic, I do not mean to imply that the extrarational determinants of human conduct are not important for its functioning. It is true, even though it may have been over-stressed by economic classics of the type of Adam Smith, that capitalist system of production harnesses individualist rationality, as well as individual self-interest, into social service to a degree and in a way all its own. It is also true, as we have seen, that rational attitudes and rationalist criticism spread from the economic sector to all other walks of life.

But the importance of extrarational discipline, of implicit acceptance of, and unreasoning conformity to, certain institutional elements that constitute fundamental data of the system, is not impaired thereby. The spread of the rational attitude therefore interferes with the smooth running of the engine. Once kings and lords and popes are stripped of the protected coating of hyper-rational glamor, and are made to stand on such utilitarian merits as they may possess, the same process — to the mortification of the bourgeois — runs on to operate on the scanty of private property and on much beside, all of which is now subject to investigation and called upon to show utilitarian credentials.
... [O] p144

5.(M)

Thus the capitalist process not only attacks its own foundations directly by gradually eliminating both precapitalist and capitalist functions and groups that are carriers and protectors of an institutional structure favorable to its survival, but it also attacks its own foundations indirectly by destroying hyper-rational allegiances. In a sense which is additional to the sense of which, we used the phrase before, the capitalist order is made to stand trial defenceless.

6.(M)

We shall presently notice the importance of the fact that the all-important center of capitalist motivation., the family, is disintegrating. But we see already that, quite independently of this, the family motive and especially its highest form, the ambition of creating an industrial or financial dynasty, would have to die in any case merely by virtue of the impossibility of satisfying it. That “defencelessness” and that “hostility” which ...

Moreover, bourgeois behavior is being changed by that “defencelessness” — I hope the reader will keep in mind the particular meaning our argument assigns to the term and will not interpret anything else into it — and that hostility, the various causes of which I have tried to sketch. In some countries and at some times, the bourgeois feels simply geared, in all countries and at all times the feels discouraged. From so far as the individual businessman himself keeps to his schema of values and to the standards of the bourgeois world, he realize that, outside of very limited circle and even among the professional defenders of his group interests, they are the object of disapproval and contempt. It is rarely recognized how this paralyses even business action. But it should not be difficult to understand how seriously this factor paralyses class action, political and other. The bourgeoisie not only feels but is incapable of confronting the social powers that gather against it and cannot fight them by the means available from the standpoint of the bourgeois idea of democracy. That is why it has proved so easy to wrench from the bourgeoisie one after the other the legal devices that used to protect its interests and to legalize what, from the stand point of the bourgeois schema of things, is undoubtedly amount to attacks on the established order.

7.(N)

Das kann leicht kollidieren mit dem, was vorher über hostility und politics. ... wichtige Beobachtung ... Also soll ich nicht zum employer sprechen, der keine chance hat, oder Soziol. des Gerichtes : braucht unabhängige soziale Macht : darf nicht auf einer Klasse stehen.

8.(M)

But, so it might well be asked — in fact, so it is being asked, in naive bewilderment by many an industrialist who honestly feels he is doing his duty by all classes of society — why cannot capitalism come out of that trial with flying colors? Does not our own previous argument sufficiently indicate that it has plenty of utilitarian credentials to present? Can not a perfectly good case be made out for it? And those industrialists assuredly not fail to point out, that a sensible workman, in reviewing the balance sheet of his contract with, say one of the big steel or automobile concerns, might well come to the conclusion that, everything considered, he is not doing so badly and that the advantages of this bargain are not all one side. Yes — certainly, only all that is quite irrelevant. ... Those are rational

argument. They only appeal to economic reasons. They may meet the rational spearhead of criticism, but they does not meet the extrarational driving ever behind it. Once hence : utilitarian reason is [sine ictus] as a weapon, weak as a prime mover of human action. Very little experiences with men and their ways that they feel and behave should be suffice to show that it is not master over the passions and no substitute for the extrarational determinants of conduct. ... [O] p144

9.(M)

To crown it all, capitalist society, in addition to providing all the necessary elements for its own overthrow, also evolves an intellectual class able and willing to nurse them, to develop their possibilities, to make them articulate, and to help in organizing them, thus creating for itself another species of vested interest, the vested interest in social unrest. This phenomenon is so closely bound up with some of the most fundamental traits of bourgeois society that to the onlooker it acquires something of the inevitability of a geological process. Bourgeois society, with its (also inevitable) confidence in "intellectuality", could not have helped to produce that social type, nor to produce it in quantities which spelled for it unemployment and, perhaps, unemploymentability in the ordinary walk of bourgeois life, while at the same time the capitalist world, for reasons that should be clear by now, proved itself a very incompetant, and occasionally childish disciplinarian. But neither was it avoidable that bourgeois society, with it's characteristic belief in a kind of freedom that abandoned every one to his own devices, should have left the masses ideologically leaderless in the dreary desert of its cultural materialism, longing for something to believe and adore. That this something should be anti-bourgeois and that it should feed on resentment is as easy to understand as it is that the intellectual demiurge and such an opportunity should find each other and that the former should turn against the bourgeois camp from which as a rule he hails. ... Intellektuelle wird noch eine Rolle spielen und an einer Stelle eine etwas ausführlichere Theorie versucht.

10.(N)

To bring the intellectuals to heel. made by practically all european Governments, untill about the middle of the nineteenth century. ... über morality of Capitalism ... marshalling discontent — Katastrophe, wenn die Leute sich verständigen ...

11.(N)

Wilkes ...

Any such attempt runs up against some private fortresses that protect offenders against bourgeois mentality that is fundamentally amerce to ...

Die billigen Publikationen — der neue Charakter des collation Prozeß ... die schließlich völlige Freiheit und die Produktion der Intellektuellen ... kritisch von attitude ... wie Voltaire ... nicht mehr Religion ... Konsens und Institution ... freedom außer wo gegen

humors of honer. ...

Intellektuelle auch speached von Interessen, but their group Interesse tells dasselbe, was auch über politische world gesagt werden kann. ... a) oft wollen Arbeiter streiken, b) nicht können, weil populär support und defence ...condottiere der teaching ... for latter of it in long way ...

12.(N)

Can't und wan't? und unwishings and inability ist dasselbe. ... Journalists und literatures of all ranks und types ; teachers and reserchers of all ranks and types ; very much lawyers und some doctors und enforcers, supply those services in free lance or quasi prof. form. ... Remun. on average nicht hoch but when it lends und satisf. it gives. ... inadequ. training ... unemployable marshalling forces of discontent belief in Diskussion. ...

Christlichere und education — no standing ground has better of it. ... Educ. means supply — ask für all white color work.

Bourgeois mentality und institution und administrative structure framed by it. ... Freedom ... ununterdrückbar und means nobbling at foundations, das verstärkt durch Klassenlage und Klasseninteressen.

13.(N)

“Intellectuals” hail from all the corners of the social world. ... Their activities consist in fighting each other and in forming the spearheads of class interests not their own. ... have a higher education ... closely connected with the liberal profession and journalism ... wield the power of the spoken and the written words ... pecurialities of their speach and behavior : ① absense of direct responsibility for practical affairs, ② absense of the first hand knowlege ③ critical attitude, arising no less from their situation. ...

The origin of them ... Sophists in the ancient Greek ; next, also Monks in the medieval Monastery ; the third epoch, Humanists in the birth-period of capitalism — interpretation of the classic works and from the text critics to the criticism of a society ... Under the patronage of lords, nevertheless their critical attitudes grew together with flattery in some aspects. ... Since the mass had been borne by bourgeois and more the time of wealth and cheep books had opened, then they intended to make themselves to the creator of public opinion. ... The attitude “pens are stronger than swords”, Wilkes (18th century) was the typical. ... Capitalism failed to any oppression against them. ... In Orleans Louis Philippe regime the police could not round up them as abettors of strikers, for they were protected by the private fortresses of bourgeois. ... Such oppressions, after ages, can do only through swearing in them into allegiance for Bolschewiks or fascists government. ...

Today, in the date of the large scale newspaper concern, its managerial foundation have been still in hand of bourgeois, but nevertheless whereas there are the conjoined relations between the press-executives and intellectuals being yielded and growed. ... as the most important features of capitalist civilization, the expansion of educational apparatus, particular higher education. ... rapid increasing of graduate not coincident with demand ... not a few intellectuals are to be driven into unemployment or under-employment of substandard. ... however not able to work together with general workers, physically and mentally ... Among a dozen formally qualified by permission there is not one who can fill the job satisfactorily. ... Under jobs relatively inferior to their self-consciousness, they swell own's discontented and displeasing mind. ... Their resentments follow the moral disapproval of the capitalist order. ... It has become above itself through their devotion for Marxian-teaching. ... Under the labor movement and workers' politics, intellectuals, beginning to make crowd, have found opportunities to invade such politics — though never craved as leaders —, positively, to give stimulus, to verbalize the worker's right in giving theories and slogans, and even to let setting about the workers organization. ... Such radicalization suggests proletarian revolution. ... Non-intellectual workerleaders are conscious of an impassible gulf in them. ... being greatly resented ... Such leaders can scold away workers in the realistical treatment, but intellectuals can not do so. ... adulation and ingratiating, instigation staying behind and giving aid for the discontentful labor minority. ...

The largest receiver of intellectuals ... various public administrative and other facilities ... in particular educational institutions ... to creep into the increasing of public services ... originally products of the rationalistic and utilitarianic civilization, that is of bourgeois, but nevertheless, the policies opposite to capitalism. ... creation of hostile atmosphere and obstacles to capitalist engine action. ... as officers of the bureau — as subordinate or staff under the career —, as secrerary of politician ... and to take the duties upon themselves for education and to plant the rebellious mind against capitalism in bourgeois children.

(13. is shortly outlined, "The Sociology of the Intellectual" the book, Part II. Chapter 13, and placed here, by editor.)

14.(N)

atomosph. of hostility ... do not repeat — out of humor ... foregone conclusion ... etiquette condemn ... "put out count." ... Ich habe eigentlich nicht behauptet, daß so weitergehen soll — nur "Illustration". ... objections foreshadowed ... gesagt, daß 29 — 39 nichts dagegen beweist, also recovery schon erörtert. ... auf "politics", welche in comp. schon gewiesen p.3. ... Schonzeit ... created by Kapitalismus ... wo inequal. : habe es nämlich by Psychologie der modernen Politik. ... diese attitude to specul. und forecasting ... The trusted workman in 2 Kap. bei der social Psychologie schon angedeutet, daß die Sache

nicht so ist, d.h. daß workmans bargain nicht so schlecht. ...

15.(N)

Steinbeck riesig instructive. ... Und wie das ganz anders ist als Hauptmann's Webers (wann diese erscheinen?)

Kapitalismus does not produce intellectuals, but it overproduce by means of its own logic and thus creates for them a quasi-class position, der jeder, woher er auch kommt, mehr oder weniger unterliegt eine Lage und eine Interessenkonbination : here man die alles zu verstehen glaubt und keinen Wirkungskreis hat oder nur einen, den man verachtet! ... Muß doch was sagen über Intellektuellen und Sozialismus, am besten in II! (und dann — oder? in V ... Capitalism does not take hold of people. ... (?) ... Vergleich Representation in Euroup Br. ...

hysteria of security — nur Intellektuelle! ... To southern States decided was nicht möglich to deny on democr. Prinzip. ... selling devices ... nur daß viel schwerer zu kontrollieren ... to find out dieses und satisfactory ist, und not much harm if it take time. ... Fact ist people don't mind lying — und in passion simply see red. ... Für bolschewistische Zwecke genügt es oft — serves fitted einfach pro Russian zu sein. ...

Der Angreifer des Systems ist meist nicht professed Sozialist.

16.(N)

Oh poor bourgeois! ... You stupid lamb. ... Trying to buy off the hangman —buying off labor at home, appeasing Russia abroad. ... und Politiker hilft daran — diese Jagt nach Schweineerfolgen.

17.(N)

“Small bourgeois gone crazy.” ...

Selection from what? ... From that, what yield the kind of success, which is the socially important one in the given social set-up. ... Dictatorships fit into econ. indepth role of personality. ... Ich habe versprechen zu zeigen, ob Sozialismus kommt.

18.(N)

interessante Frage ... interessante Phänomen — innerhalb des Kapitalismus die oberen Schichten so ausgesagt, daß pro-Soviet Offenheit und pro-Russian Offenheit vielleicht nicht groß, aber die, welche so handeln sind eine Majorität. ... Wie die oberen Schichten leben. ... England lebt von Industrie. ... moreover — nicht Muschiks und deshalb sehr interessant, daß keine free Offenheit. ... entweder full empl. oder Freiheit ... Löhne n.s.w. und anch investment ... nur politische Entscheidung ...

Was in change of style of life, der so wichtig ist wie Motivation. ... schon Pflege von Arbeiterschaft nötig ... Motives of conserv. ... one of the many handicaps in England und policy über conservative police. ... Warum Lage mehr gedrückt als Steuern andeuten. ...

19.(M)

The atmosphere of hostility toward capitalism and capitalist interests ... much more satisfactorily than would any grievances — the factual basis of which is not nearly as strong as it is made to appear by all the people who live on them and which even if it were as strong as that, would not in itself suffice to produce a superstructure of discontent. Many things, great and small, from the deluge of questionnaires that are showered upon every capitalist concern to the organized clash of class, find thus their explanation. Among them are the attitudes of modern politicians and political parties and the spirit of modern legislation. ...

If we say that individuals and parties are exponents of class interest, we are at best emphasizing one-half of a truth. The other half, just as important if not more so, come into view when we consider that politics is a profession that evolves interests of its own — interests that may clash with as well as conform to the interests of the groups a man or party “represents”. Individual and party opinion is, more than to anything else, sensitive to those factors in the political situation that directly affect the career or the standing of the individual or party. Such a factor is the moral code of a time that exalts the cause of some groups and puts the cause of others tacitly out of court. ... From a social atmosphere that is hostile to the capitalist order of things, therefore, follows hostile legislation that on principle refuse to take account the bourgeois camp born himself. ...

20.(N)

Schon gesagt almost universal disapp. ... schon gesagt über wrenching auch daß covers with. ... policy Rückwirkung ... retarding ... taxes besonders : die dann wieder betont! in equ. Profit ... saving ... share the wealth ... 2 moralische Welten ... Regierung nicht mehr Ausschluß von Kapitalistinteressen — aber war es doch nie. ... Selbst Kapitalist does not stand for themselves, sondern. ...

That atmosphere of hostility provides the dominant note of modern politics and the apriori of modern legislation. ... selbst Konservative more and more (2 Gründe dafür) ... nur mehr Rückzugsgefechte. Zwischenstadium 1 ...

21.(M)

The atmosphere of hostility, through which the capitalist ship had being sailing for some time., and through which it will have to sail hence-forth untill it is dismantled. Many things, great or small, find their explanation within it's schema — the organized clash of classes and class-struggle slogan for instance : or the fact that propositions which are

or seem to be favorable to be the capitalist order or some particular capitalist interest are looked upon as scarcely decent ; or the way in which a revolution has been wrought in people's attitudes toward capitalism and a moral code has emerged that puts pro-capitalist attitude tacitly out of court; or to include a more humorous point, how the modern deluge of questionnaires fits into the picture. All that however could not be convincingly put before the reader without drawing in a sea of illustrative materials. ... We must go on and those are submitted as a line of a theory of that atmosphere of hostility. ...

22.(N)

Most pitiful of all the birds wander ist Historiker for the support of subordinate ...Pope sneer ; if you have a crime of persona, other people will sneer too and eventually believe that have a reason for sneering. ...

disorg. ... Einfluß des Intellektuellen ... 2 fach.

a) mit Arbeiter, b) mit employer selbst und dann bourgeois class ...league of women voters ...

23.(N)

a) Finally change has come to the capitalist stratum itself. ... wears away Motivation, forms of behavior

b) α) effects of loosing Funktion ... nur noch administr. und saving — aber nicht übertrieben ... Das wirkt nicht nur von außen, sondern auch von innen. ... und Position und neue Data ... salaried manager ...

β) schutzlos und frightend (discouraged) ... Das wirkt auf Stellung und Aktion ... produktive property — governed to fight for. ... evaporates (schon gesagt) durch Verlust der productive forces und atmosphere of hostility. ... und growth of hostile powers, denen selbst den Weg geeignet und die man nicht bekämpfen kann mit den Mitteln der bourgeois Demokratie (injunction u.s.w.). ... legalizing of attacks ... schutzlos auch international ... In jeder cases there are limits to the damage welche educ. can do. ...

γ) eigene Mentalität, attitudes — half converted themselves —, ideals und motives und will und conviction gives away. ...

c) das letztere ausführen ...

α) Familie und Kinder ... Frauen und Malthusianismus ... dynasty ; Versicherung ... individuelle security ...

β) Familienhaus in adopted und invested Reichtum ... source of worry and danger, nicht mehr von Ehre, und hinabgesteuern. ... billige Ware so gut, daß man teuer nicht braucht ; Hotel u.s.w. so verflattert auch consumers property. ... ideal nicht anerkannt ... lectured ... feminism : industrielle Funktion ... educated ... leads Formulierung ... stately home ...

d) Aber ob nach Sozialismus? wenn und wie? Methode? ... Noch nicht so weit!— und

dieses Problem wird uns begleiten. ... world revolution ... Socialpsych. Habitus der Gegenwart. ...

24.(M)(N)

The capitalism does not spare the attitudes and scheme of motivation of capitalist stratum itself. Considering the importance of that stratum, the product of a severely selective process, and the close relation of that scheme of motivation with the performance of the system, this point is perhaps the most important of all. It stands to reason that the behavior of the capitalist stratum is in any case bound to change in response the change in the economic and political environment. That could be so even if its scheme of motives or values remained entirely uneffected which of course it cannot. But in addition to reshaping it, the capitalist process directly attacks its very center, the family and family home. Before we look at the wreckage, it will be useful, even at the risk of repetition, to restate and develop the former argument. ...

We have seen that the entrepreneurial function is slowly but incessantly losing importance, and also how this is bound to affect the capitalist class. The administrative or managerial importance and the function of saving — which also decline in importance — are all that would eventually remain for a group. That, unlike the feudal warrior class, it ill equipped for the task of conquering — as a class — other lines of social leadership. Adaptation to this state of things, and to the facts of the largest scale bureaucratized business, would in itself suffice to produce different kinds of behavior that we may characterize by the type of salaried manager and various types of stockholder noticed before, kinds of behavior from which the full blooded rights of property having vanished already, the dogged will to keep one's own and to fight for it is vanishing too. ...

That will to fight and to hold on, it should be repeated, vanishes because it loses its scope and meaning. There is no sense, from the standpoint of individuals as well as from the standpoint of the class as a whole, to fight to the last ditch for such volatile things as individual positions which can not be left to one's sons or parcels of shares which mean abstract claim to control and returns of highly perishable nature. This has a most important consequence. The temporal horizon of the typical members of the capitalist class shrinks. He ceases to work for an indefinite future as so many of his predecessors did of old, and tends to look upon the affairs of "his" concern from a short run standpoint. ...
gewissenlos, nur eben andere Interesseneinstellung, more professionelle attit. ; freilich noch in
immer instances ; darf nicht übertrieben werden.

25.(M)(N)

The glamorous ambition, in particular, to found an industrial financial dynasty would, even if the family motive were left intact, have to die out merely by virtue of difficulty amounting to practical impossibility of satisfying it. This difficulty is of course greatly increased by that "defencelessness" and "hostility" analyzed before directly through inheritance taxes, indirectly through the paralysis that an almost universal disapproval of

its values spreads among a social stratum which is acutely aware of it. In consequence, we observe something very like a slow conversion of the industrial class to the creed of its enemies. That class not only lacks the opportunity of acting according to its previous schemes of values and the means for defending its interests, but those schemes of values themselves and motives for defending its interests tend to become atrophic. Capitalist volition is not only being threatened, it is also being devitalized. The bourgeois class not only cannot have what he wants, it is also on the way ceasing to want it. ...

It slowly loses faith in the typically bourgeois standards and, partly without knowing it, adopts values and slogans that are incompatible with them. It thus allows itself to be educated by its enemies and it even hand over to them the education of its sons and of the young in general. No doubt, occasionally some people pulls themselves together and try "to make a stand". But the weakness, both, of such attempt and of response they elicit, illustrates still better than the usual acquiescence what I wish convey. That is why it is so easy to wrench from bourgeoisie one protective device after the other, even in situation in which resistance does not seem impossible to the observer. ...

... Minimum of effect mit Maximum of discards, obgleich der Import of human Material contains plenty of explosive shift. ... Russel, Einstein? ...

26.(N)

Needless to point out, how this must affect the motive for making money and for fighting in the political area as for the possibility. Given those circumstances we shall expect to see, as it were, the question arising in the businessman's mind : "well, after all, why bother" which means both in passing ...

Let us observe, daß nicht nur Kapital outlay reduced sondern auch wie income outlay. ... Once more unrest style ; billige substit, u.s.w. und vorgehende Seite ... nochmal small producers work ...

Aber viel wichtigere Wirkung auf Motive und attitu. ist, as said before, die desire type of family : childlessness direkte Wirkung of Kapitalismus. ... Sombarts' theory ... duty nötig, weil die Befriedigung und Erfüllung nicht klar vorhergesehen. ... curse to himself und others ; Feminismus, why englische Suffragetten ... ferociousness ... Schwierigkeit eines bourgeois homes auch eine Ursache ... Kommt feminism, Multhusianism ; detached individual ...

27.(N)

Money making motive also wieder reckoned ? und temporal forever. ... modern man ... Situation ist also die : ich muß diese ganze Abteilung lesen und sehen, ob sie brauchbar ist und nichts zu repetition. ...

I must fall in die politics (auch taxation) und Rückwirkungen (über das Zwischenstudium

und über Ablehnung der Radikalen die Wirkungen zuzugeben) ... Ich muß das über das home vollenden, und dann wirksam über Disintegration der Familie reden, und dann abschließen — daß führt auf meine Formel, denn alles das macht der Kapitalismus. ... Wieso aber Sozialismus? wann und wie ... viel langsamer. ...

28.(N)

Nicht nur Produktion und nicht nur framework und social ideas, sondern auf private life. ... This works in two ways ; a) to anyone who looked at Familie home, the style of life of which it is the shaping center, rationally i.e. for whom it is not the only thing to aim at, it will look irrational. b) weil Kapitalismus provis. ...

Childlessness completely alters outlook. ... (?) ... Successful man does not answer anywhere. ... factory andere Seite, Rechnen andere Seite ... Childless home is but a bad hotel, childlessness macht Heim auch weniger desirable. ...

29.(N)

Achtgeben mit Kinderlosigkeit ... Lösung des Familienbandes darf nicht nur darauf basiert werden und Schwächung of hold on class Position nicht nur auf Lösung des Familienbandes. ... "System of duties" ...

30.(N)

Ökonomische Effi. of popul. kommt also vorher. ... aber via Motiv und Wertungsgangstimmung doch hier. ... Kapitalismus offers varieties. ... Kapitalismus auch direkt break down moral infits und develops Technik. ... duty, Glauben und dann einen anderen Glauben as moral disapproval shamefaced is one's right, military service. ...

Große Sache, doch kein bourgeois Phänomen. ... soziale responsibility — individuelle irresponsibility. Ein Grund für keine Kinder ist auch Abneigung to earn und go into busi. ... Home wird indapted und das wirkt auf Kinder zurück. ... monetary elements — keine größere fertility by größerem Wohlstand. ... poor time to find a family. ...

31.(N)

Wir haben hier also einen Grund der Retardation. ... mit dem home die Penaten. ... Familie sehr central. ... No sons to leave to. ... family Motive ... Weib und Kind ... ist nicht rational, für Dynastee zu arbeiten. ... Rationalization of private life ... nicht Wiederholung gegen III, wo ich doch auch von manager spreche, der nach Tätigkeit geht. ... Familie nicht anders in Bauern. ... Childlessness kommt via Rationalität von Kapitalismus. ...

32.(N)

Now das bleibt am besten so beim Bauer. ... Bei Arbeiter und small artisan nicht so

—, aber kein Problem ... homework fair allround. ... Family in our sense gleichgültig of clan. ... Filled life ist firm frame welche wenig variiert. ... Und das macht die Weiber fest, creates standards und attitudes of das moral habits und sentiments. ... Monogamous insoluble organized und standard house. ... Industrie beraubt die bourgeois Frau, aber ginge noch, wenn birth rate up, entry in Berufe. Bourgeois Frau ist arbeitslos. ...

Tragischarten Führer, unbalance, unbalancing community ... Incognito of Erziehung ... feat of adaptation wenn nur ein starker (?) erklären kann. ...

33.(M)

All those changes in attitude — or the facts of capitalist evolution that lie behind them — would rationally affect the bourgeois family, in particular the readiness of the bourgeois to undertake the responsibility of founding a family.* There is however not a simple cause-effect relation between the two but rather interaction. The same social process that affects the bourgeois family by creating a social atmosphere in which some of the ambitious typically associated with bourgeois family life become less desirable or more difficult to realize or both also affects it directly in ways that to a certain extent would by themselves suffice to produce new attitudes toward business and toward life. This aspect which may well be the more important of the two now calls for our attention.

*) Variation in this readiness are of course not faithfully rendered in the statistical marriage rate. For since marriage is a large concept which covers many different sociological patterns, the marriage rate might conceivably increase and marriage in the full sense implied by the idea of bourgeois family life completely disappear at the same time.

Economist have not always give it due to what really is a very obvious, viz, the dominant importance of the family and family home within the bourgeois world of the times of intact capitalism. The bourgeois family home — the town house and the country place — embodies characteristic scheme, and shapes a certain style of life. It is through its windows the bourgeois family looks upon social life — the general point of reference for its values, the symbol of its form of civilization. It is the central fact about its behavior.

The family motive is the driving power of capitalist engine. When we look more closely at the concept of self-interest as used by classic economists, we immediately realize that what it was supposed to do is not at all what could be expected from the self-interest of a detached individual. The type they realized was the man who anchors in the family no less than in the owned factory and whose soul is shaped by both. The first anchor is not in the least less essential than is the second and in particular the horizon that those economists talked about.

And the family motive implies wife and children (plural). Married life without children, especially married life that as a part of the plan excludes children, is not sufficient to produce the characteristic features of bourgeois behavior, such as the attitude of working for an indefinite future and all that means for long range planning, saving habits and

so on. Childless marriage in fact produce attitudes that do not differ materially from those of the detached individual. It changes the bourgeois outlook both on private and public life. Nothing, in particular, so effectively devitalizes the will to fight for long-run and for class interests, for the preservation and improvement of the sources of income as distinguished from the income itself that the individual expects to receive during his own lifetime. Of course, the other element in the change that come about in bourgeois psychology retain, independent importance as may be inferred from the fact that we observe it also in modern parents who frequently take a characteristically different view of their responsibility for the economic position of their children. But this does not impair the importance of the element now under discussion. Like the other, it is a product of the capitalist process.

The falling birth-rate is due not only to childlessness but still more to the restriction of families to one or two children which does not necessarily indicate any wrecking of the family motive — it might on the contrary indicate the presence of a particularly strong family motive — and not only to decreasing fertility in the bourgeois stratum but still more to the spread of the tendency, more or less, to all classes. Birth-rate, historically reproduction rate, its fall is wholly attributable to “the rationalization of every things in life” as one of the effects of capitalist evolution. It is nothing else but one of the results of rationalizations spreading to the sphere of private life. All the other factors which are usually advanced in explanation can be readily reduced to that one. We will distinguish the wish to have a smaller family from the ease with which that wish can be implemented.

The relation between incomes and birth-rate, economists and still more other types of students of this question seem to have treated it in a somewhat unconvincing manner. The classics uncritically accepted the view of Malthus that populations always tend to increase up to the limits set by available subsistence. It matters little whether, by inserting the necessary assumption, we reduce that proposition to irrelevance or, by refusing to do so, allow it to stand as a monument of foolishness. Nothing can, as a matter of fact, be more obvious than that a rising standard of life endangers, with some people in the Americo-European sphere as well as with some people without it, the wish to restrict their families.

Perhaps it is not quite satisfactory to say, as has been said by some, that increase in real income as such produces that result either automatically or by way of the rationalization and of the increased opportunities for forethought induced by it. This seems often to objections which we can avoid if instead we say that capitalist evolution both increases real incomes in all brackets and rationalizes private life. — the former process not necessarily being the cause, although it always is the companion, of the latter. The main advantage of what at first sight appears to be a very insignificant amendment consists in breaking that rigid relation which those authors hold obtains between (long run) increase

in income and birthrate, in substituting for it, a more flexible one which allows for many exceptions. For from our proposition it does not necessarily follow that those are entirely wrong who hold that improvement in economic conditions of a married couple or of soon arrived people contemplating marriage might be expected to increase birthrate in many cases especially if brought about by subsidizing parenthood. Observation of the behavior of young married couple in the "intellectual" group on the one hand and, since to the farmer and peasant child be a "subsidy", observation of the behavior of couples in the farmer or peasant class on the other hand, is conclusive on that point. It will be seen that those observations do not lend support to the Malthusian view but perfectly agree with the theory of rationalization.

Capitalist evolution, then, creates objective motives and subjective desires that make for the restriction of families. At the same time it renders to make to gratify such desires. This it does in two ways. First those desires run counter important traditional sentiments of a religious and moral nature which might have created very strong inhibitions. There once existed an established sense of duty in this respect, that was sanctioned by powerful social conventions. But there are just the kind of thing that capitalist rationality tends to undermine. It does away with conscientious samples. It turns social disapproval of childlessness into social disapproval of attempts to interfere with the self-government of individuals. Secondly, capitalist inventiveness and business spirit produced contraceptive devices of increasing efficiency that solved the problem which the strongest impulse of man would have put into the way of anti-progenitive desires, if there had been no other way of gratifying them than Malthus's moral restraint. This factor is so important that it has been called "the sole cause of the decline". (See Mr. Harrod's excellent article). In a sense it is. But it calls in turn for the explanation which the theory in question supplies.

For the bourgeois class and the bourgeois style of life the tendency under discussion is strengthened of other elements than those which I have adverted to already and which would in themselves suffice to account for it so far as the bourgeois stratum is concerned. The capitalist process, in a variety of ways, threatens the bourgeois style of life as embodied in the bourgeois family home.

34.(M)

Three additional comments ; will complete our arguments.

First, I have said that the new style of bourgeois life does not, as yet, offer any decisive cost advantage. But this refers only to the current or prime cost servicing the wants of private life. As to overhead, even the purely pecuniary advantage is obvious already. And in as much as the outlay on the most durable elements of homelife, especially house, the picture, part of the furniture, used to be financed from previous earnings, we may say that the need for accumulation of "consumer's capital" is drastically reduced by that process. This does not mean of course that demand for "consumer's capital" is at present, even

relatively, smaller than it was : the increasing demand for durable consumer's goods from small and medium incomes more than counter balances that effect. But it does not mean that, so far as the hedonist component in the pattern of acquisitive is concerned, the desirability for incomes beyond a certain level is reduced also. In order to satisfy himself of this, the readers need only to reanalyze the situation in a thoroughly practical spirit : the successful man or couple or the "society" man or couple who can pay for the best available accomodation in hotels, ships and train and the best available qualities of the objects of personal consumption and use will, things being what they are, as a rule have all they want with intensity for themselves. And it is easy to see that a budget framed on those line will be far below the requirement of a "senioral" style of life. ... the argument though formulated for the sake of concreteness ... Another motive to exert oneself indefinitely plus ultra — though one that probably never was of dominating imporance — goes overboard therewith.

There is a second aspect to this, (relative) reduction of consumer's capital expenditure in the upper stratum. I have dwelt before on the "evaporation" of that concrete — visible and touchable — form of industrial property which in the most advanced countries persists only in the agrarian sphere : the peasant's and farmer's holding are still left to show modern man what property and proprietors really one, but the type of the bourgeois who was a proprietor in that vital sense of the term is incidentally going to die out. In itself, this does not affect consumer's property and the behavioristic pattern associated with it : as far as that goes the family house and part of its contents might still remain for modern man to feel about, to aspire to, to fight for and to be moulded by. But now we see that, though partly indifferent ways, consumer's property and with it the bourgeois home owner's psychology is being atrophic just as effectively. Life loses its substance, on this as it does on the productive side and one important edge of our sense of concrete reality wears off and in consequence also our habit of taking the long range view. To realize consequences, only visualize the individual or childless couple that currently buys the services of everything it needs, floating as it were in space with anchors lost, everywhere hence nowhere at home.

The third consequence of our analysis is perhaps more important than any other. The institutional arrangement that, with most tribes belonging to the European races, became stereotyped after the definitive settlement of the lands they now inhabit, completely solved the problem of the relation between the sexes. Or rather, within that institutional framework and under the prevailing conditions no problem arose owing, on one hand, to the birthrate and, on the other hand, to the satisfactory division of labor that imposed itself. The same schema, though with some deviations, also worked smoothly in the mediaval towns much of which retained to the threshold of modern times, of a semi-agrarian character. The family-home was an important center of production and filled a large part of the functions that industry fills today. To run it was a definite vocation that called for all the energies of

the women that were not absorbed by child bearing. All the remnant of that arrangement we still behold in the sphere of the peasant and farmer in which accordingly no women's problem (Frauenfrage) exists. To some extent that is so even in the world of the artisan and small shopkeeper. It is not so with the modern industrial proletariat ; but work in the factory supplements mere housework which is moreover, if it has to be done without any helps, less likely to leave a void however unsatisfactory it may otherwise be. We shall therefore quit understand the typical attitude of socialist groups towards this problem, although that attitude must be unraveled from under a maze of conflicting tendencies and phraseologies. Many socialists are of course, nothing but bourgeois radicals and others import much of the ideology of bourgeois radicalism into their socialist world. These of course would in any case tend to be "feminist", even if that situation did not as it assuredly does, add another indictment to general case against capitalism. Also, socialist cannot afford to neglect so rich a source of political support. Nevertheless the average socialist leader or follower is not as a rule very enthusiastic about the cause of women. And this is not only due to the obvious difficulties that unfettered competition of women must raise in the labor market. Nor is it simply due to the fact that the socialist parties formed a bourgeois women's movement in possession which of course had to be sneered at. It is also due to the perception of the fact that the problem is typically a problem of the bourgeois stratum. ...

For the tragedy — and a real one as distinguished from the many fakes of our times that we are into the habit of exalting into tragedies — is in the bourgeois stratum only. Industrial development has robbed the bourgeois women of their calling and annihilated as it were their business, leaving nothing to home production except cleaning and cooking (and even these functions are being invaded of late), while the social conditions and the mentality created by that same industrial development, both, increased the surplus energies that previously had been absorbed by child bearing. (*) Empty lives pitiful frustration of physical as well as of affective impulse. The most tragic case of unemployment. The available opportunities for adaptive reaction fail to solve the problem, even where they do not tend to vanish. There is, for the top stratum especially, "society life" and a game played for points that created for the very purpose of playing for them. There is the desperate attempt, pathetic as well as truly device, to cling to tatter of home ideology and extol the remaining pots and pans into something that is worthwhile. There is finally invasion of the professions and the endeavor to create woman's profession. That of course is not hopeless. But for the moment and for a long time to come it promises nothing — but frustration and humiliation and chances that are inevitably smaller than those within the reach of the most atrocious chance of a man. This is the true poverty in plenty.

(*) A fourteenth century report I have once come across mentions the fact the family of the average knight in southern Germany lived "with many children and in poverty". I

remember another document stating that a certain castle, also in southern Germany, was inhabited by four noble families who together head well over a hundred children ... the function of child bearing by the upper strata women in old age. ...

35.(M)

For our subject, that disintegration of the most important piece of our institutional framework is primarily symptomatic. But it is also an important factor in our social and political situation. The lack of balance and composure that characterizes modern radicalism, hysterics of modern politics, both domestic and foreign, the hatred of anything that looks like deliberation or composure, the impatience with the long-run view of thing, the neurasthenic fidgeting of nations and individuals — all that not wholly yet to a considerable extent, is due to the facts that one half of the most civilized stratum of humanity is in a clearly pathological state of mind and body and, itself disorganized by privations and repressions, disorganizes the other half. Both do the best, no doubt, to “make a stand” and in order to do so more effectively they stunt their eyes to the realities of their fate. That does not present bourgeois society from anything in its socio-psychological roots. ... Das ist wichtig für ganze Kultur, aber besonders für Widerstandeskraft und Funktion der kapitalistischen Bourgeoisie.

PartIII Can Socialism Work?

(1) The Socialist Blueprint

III — (1) — 1~38, addition 1~6

(2) Comparative Superiorities of Socialism in Blueprint

III — (2) — 1~49

(3) Supplementary Passages to (1) and (2)

III — (3) — 1~29

(4) Human Elements in Socialist System

III — (4) — 1~37

(5) Supplementary Passages to (4)

III — (5) — 1~66

(6) Transitional Process — Socialization

III — (6) — 1~19

(7) Economic Balance-Sheet of Socialism

III — (7) — 1~4

(1) The Socialist Blueprint

III — (1) — 1~38 addition 1~6

1.(N)

ad. Third Essay : “Can Work“ … Econ. of Soc. … Nach einer Einleitung, die das of course mehr oder weniger paraphiert, kommt …

(1) Definition des Sozialismus (wichtig soc. for anderen um zu befreien) … Unterschied in Verteilung, Unterschied in Auslese … wo wesentlich Frage der Auslese. … Das alles muss umschreiben werden. — obgleich was daran ist, manche gehört besser in Forth Essay. …

(2) hier ist das Thema — zeigen daß nothing wrong with the logic (never mind practicability or comparison) … das demokratische Sparen ; Rolle des Zinses und Kapitalstruktur … Logik in Eco. — Administration Frage ergibt sich. … keine Absurditäten, daß Maximum … Barone, F. Taylor, Lange etc … Obgleich nicht so gemacht zu werden braucht, andere altern. …

(3) Thema ist : impracticability — und tatsächlich mehr daran. … Robbins und Hayek … Sparen : schwimmen mit und gegen Strom. … Aber practicability, wann? Das ist wichtige Entdeckung und zu betonen. Diese Frage schwer zu vermeiden, weil Konzentration sehr wichtig ist. … Vielleicht hier nur in abstracta. … Große Schwierigkeit ist von (3) zu trennen, z.B solchen Fragen wie malleability. …

(4) Comparative Efficiency … Also dafür ein Paar Noten! … Auch wieder Frage … oder gerade hier — wann. … Die attit., die jede braucht, was immer so ist, vorbereiten wie wenn Ungeheuerlichkeit wäre. … Hängt ab, inwieweit Maßendiziplin und long run policy machen : der Intellektuelle oder wer Lenin über wäre. … Was für Typus von Mensch, Control of prosecution : who runs it? … Könnte aus seiner Apparat mehr herausholen? … wäre das wieder ein Resultat? … Aber doch auch nicht sicher. …

(5) Probleme der Übergangswirtschaft — aber nur die sachlichen Probleme. … Hängt ab von Zeitpunkt. … prejud. aber effectiveness … Noch gar nicht … Je besser, je später ; je besser, je weniger. … Coffee Haus babble … infantilism of monopoly curve, wenn meine Großmutter radeln hätte. … Und der Intellektuelle in Kaffee Haus könnte es natürlich besser machen jeder step in zu viel Einbuße actions auch. …

2.(N)

“Unfortunately müssen wir aber zuerst definieren.” … Und ich meine nur zentralistische

Sozialismus. ... to exclude ... we want an authority von control in econ. aspect both in its production und its distrib. Aspects. ... Aber ich kann die Sache nicht so lassen : Verteilung muß doch hineinkommen : mere management of resouces könnte doch mit Privateigentum zusammengehen. ... Habe jetzt "Verteilung des resulting Products" hineingefügt ; ist nicht ganz richtig — zentrale Control braucht nicht zu entscheiden, was jeder einzelne zu konsumieren hat. ...

Verschwinden der konkurrenz — Auslese nicht vergessen ... als wie Sozialismus immer "möglicher." sind,. ... Ist aber noch nicht verschwinden.

3.(N)

Possibly I have not emphasized enough die Frage der categ. Differenzen zwischen socialist and commercial society und der Übertragung von Begriffen in ihnen fremde Welten. ... Dobb — Lerner controvercy u.s.w. ist vielleicht bei dem Produkt, wo ich sage, daß Zozialisten über Ähnlichkeit enttäuscht sein mögen. Dobb's emphasisung differences u.s.w. hat Recht in einer Sphäre vielleicht, aber nicht in der ökonomischen Rationalität. ...

Wenn man klar machen Wille der Menschheit, in was sie hineintritt, so ist etwas anderes wichtig — die Möglichkeit zu zeigen daß Kapitalismus zu Zuständen kommt, wo nicht viel Differenz macht, und daß diese Möglichkeit so ziemlich die günstige ist. ... Natürlich ist das unangenehm für den, der von Sozialisms nur sprechen kann mit dem smile der Seeligen und mit gefalteten Händen. ... Was alles der ungläubige Mann versteht. ... Debarring this ist auch sehr nötig — ist escapism. ...

4.(N)

Ob Blueprint überhaupt Berichte. ... Wastes in lower strata, und auch höheren. ... Oh yes — good. ... Concentration auf einfachere Aufgabe make for efficiency, wenn die limits der Aufgabe dagegen arbeitern. ... Other waste except those of indeter. ... daß in fettered Kapitalismus lawyers immer wichtiger werden. ... Blueprint should nicht be too efficient. ... Heat power even light sequences. ... composed grumble of bottleneck ... self-destruction ...

5.(N)

Brauchen ein Schlagwort für nonsoci-society : "commercial". ... vielleicht Anfangen : viele Leute sagen, daß Sozialismus unmöglich und impracticable ; daß kann 2 Dinge bedeuten. ... Oder vielleicht : case against soc. largely rests not on any Theorie. ... First we must satisfy ourselves. ...

6.(N)

Bourgeois culture in logi. indet. because it is again. ... reality in each case ... But the range of variation of historic cases is considerable and in every one of them we meet the question which of the phenomena observed may and may not be reasonably attributed to the specifically bourgeois element in it. I shall not attempt to deal with this range of problems, except incidentally. Now I will dismiss them with one remark.

7.(N)

When using the term “bourgeois elements”, I have not been thinking of personal elements, i.e. the individuals that form what might be termed the bourgeois class, but of the cultural elements of the bourgeois epoch, i.e. those attitudes, behaviorist patterns and achievement which in a Maxian sense may be traced to the bourgeois form of economic process. ... möglich diese Kultur zu verachten (ich tun es), aber wie in ersten Essay gesagt, nicht möglich den formidable extent (märchenhaft) to erkennen. ... Ist nun geraten ; Technologie nicht separat und nicht möglich, Medizin und Wissenschaft auszuschreiben, nicht nur weil Werk der Bourgeoisie, sondern weil rationales Geistes : rationale Fragestellung. ... und dann noch a)willen b)stellt Mittel bereit, das in II Essay. ... Spirit der Sozialismus möglich macht und Intellektuelle funktioniert fellowship for enemies. ... Hoffnung, kulturelle Kraft freizusetzen. ...

8.(N)

Könnte auch sagen : should be included into the blueprints. Aber das macht nur confusion. Wie jeder einsehen würde, wenn nicht interessiert, toward off Argument, daß erst revisionism und dann Marxismus. Aber warum das alles? Nicht — absolut notwendig als Ausgehen von hostile Tendenz. ... Rousseau does in fact thus build the road. Oder : ... more difficult distinction : Kapitalismus — object of attack u.s.w., gleichgültig of Selbstproduzent (wie wir gesehen haben). ...

Blueprint weicht nicht nur ab wie jeder blueprint, sondern schließt auch aus ob das Alterscheinung, oder Intellektuelles Product, oder wicked boys. ... cutting thought ...

9.(N)

Pigue, socialism versus Cap. ... Außerdem Material über Gewerkschaft und Partei (und Politik und Chancen) ...

10.(N)

Sozialismus ... Cameralist Buchhaltung ... Vergleich mit Pigue's Plan : 1 Frage wo? In England, 2 Frage : was heißt macht. ... konstruktiven Konservatismus ...

“getting” hold of youth — wir haben Gesellschaft gegen Vivisektion und nichts gegen experi. mit youth. ... Verbesserung der Rasse ... Bauern ... nationaliz. ... like und dislike of a civilization ... die failures und das große Einkommen ...

11.(N)

Nevertheless I repeat : It does not follow that the system this established by revolution could not work at all, nor even that civilization could not recover from all those cultural loses. ...

But this does not excuse those who dispose of difficulties and sufferings by a gibe at lack of courage. No courage is needed to discant on the glories before ignored mass or people hardly out of their house and to draw easily applause. If acad. teacher requires any courage, it is in

order to strut for sense and restraint and fight animal spiritus effervescent with nonsense and tendency to substitute ardor for study and ... shining eyes for brains. The true courage of man of action consists in breasting appetites of mob und the system in which we live call for this courage und nicht für andern. ...

12.(N)

Die "wirtschaftliche Unvernunft" unserer Zeit — Hayek ist common abet. — ist eben auch ohne object of analysis. Und soweit wie abfährt auf Theorie, ist diese Theorie wirklich nur "Willen der Meinung".

13. (M)(N)

ad(2) Thema : The first point to grasp that there is nothing wrong with the logic of such a plan, that is to say, thus plan does not contain any inherent absurdity — either contradictions (inconsistencies) or lack of necessary conditions (und complete). And is perfectly operational in the sense that methods can be indicated which will bring about a state satisfying those conditions. It is not like a man without a lung. This we shall first satisfy ourselves of not taking into account questions of practicability or efficiency or of its conditions, different from log, conditions, which will insure practicability or efficiency. ...

This very simple task today. For though it has been hold that socialist szstem are condemned on their logic, those although turn mainly on Wirtschaftsrechnung und Wirtschaftsplan, may be said to be now definitely given up. Barone, Taylar, Tisch, Lange, Lerner. ... Was heißt "unmöglich", was meint man mit unmöglich wie in Pareto, Bourgain, Miseses. ... [O] p172~173

We start with a fundamental difference. In commercial society, production — by this we also mean transport and merketing — and distribution — the formation of private incomes — go on currently within one of the same process. Production in the economic sense means nothing else but combining factors (marshalling factors into teams) into teams adapted to the purpose of turning out goods and services, in the end consumers goods and services. And this in turn means buying them and those purchases again is what creates the incomes in the expectation of the emergence of which firms decides to produce certain kinds and quantities of goods. That is to any commercial society, at least in the case typical for it, identifies the formation of money and real income with the pricing of productive services and product. ...

Was mit Spekulation u.s.w. ... Lange's Verteilung des Überschusses — aber ist das nötig? Meine Methode anders. ... What ist das? Ist may cost = price, notwendig und sufficient? ...

Warum auch noch das alles aufgebraucht? ... Pricing this services — Und pricing to supply und demand, und this wiederum to the incomes. ... pricing — ist also nur ein Process, der simultan. alles bestimmt. ... Sind die Unterschiede a)Verteilung b)Auslese c)Erbrecht (aber nicht notwendig ausgeschlossen). ...

14.(N)

Socialist society lacks such an automatic rule. ... nicht gut ... Hence the determination of relative shares in the social product becomes a distinct problem as extraeconomic one. For though consideration of, say, economic efficiency may enter into motives which shape the rules and though comrades might conceivably decide so to distribute the social product as to active maximum efficiency, the distribution would still be a datum — und wahrscheinlich moralisch consider. aber ist nicht das Wesen — und Arbeit nicht deshalb geleistet. ... [O]
p174

Never mind, was Gleichheit bedeutet bei verschiedenen Geschmacksrichtungen, ob Gleichheit Ungleichheit bedeutet und was zu tun, um verschiedene Ideale zu realize. We never mind, jedem nach needs und Fähigkeiten — das bringt übrigens zu Ausdruck, daß verschiedene Dinge sind —. ... Will to diese ideas simply assume daß jede Vollperson gleichviel bekommt in Einheit und zunächst, daß diese Einheit canceled wenn nicht innerhalb stated period auf Konsumgüter ausgegeben werden. ... Pigue ! ...

Dann Beweis in 2 Schritten, 1. exper. Produktion (though informed commonsense) ... wo verauktioniert (so das alles verarbeiten) ... 2. Das gibt Produktionsmittelwerte, die auszugleichen sind unter der Bedingung daß alle Produktionsmittel verwendet, und daraus resultieren Gleichgewichtswerte interessant, daß rationale Kosten, Lohn und Grundrente gibt ; depr. u.s.w.? ... underp.? saving ? ... labor notes ... Sodann Sparen gestattet. ... Frage des Zinses in Operation as distr. von Aufbau ; aber auch bei diesem nicht nötig ; Monomania ...

Maximum der Produktion und Satisf. (letztere höher of course). ... Was das alles bedeutet und nicht bedeutet : compet. ... Nur crudest Sozialisten dadurch widerlegt, die eine Art Schlaraffia oder stupid : ist ein besonderer duty, dringt aber leider überall ein. ... "The fact that only give all prop. of private want to labor." (Schwindel über Verteilung u.s.w.) ... Wenn alle ökonomischer Schranken und Vorsorgen voraussehen, haben die gleichen Wege und die Mittel in Hand und so sorglos plenty. ... Und diese Idee hat Einfluß! ... Und sneered werden widerlegt ; wonder diese Unehrllichkeit gesehen — dishonesty of honest belief. ... Die Idee, daß man nur wegzunehmen braucht, etwas unabhängig exist. ...

Das aber ist nur Logik Stationärer Prozesse, aber kann leicht ausgedehnt werden : Profit kommt da hinein. ... Aber muß nicht so gemacht werden : Arbeiter kann nur Lohn bekommen oder überhaupt alles ohne solche Erwähnungen. ... warum in Russland so leicht und keine komplizierte Berechnungen nötig. ...

Resultat : ist ja selbstverständlich daß die fundamentale Aufgabe der Güterproduktion und die Logik wirtschaftlichen Verhaltens desselbe ist — Crusoe

15.(N)

Robinson Crusoe ... perhaps signif., daß Marx darauf Wert liegt, so sehr er sonst den sozialen Charakter betont.

16.(N)

Cannot be said too early : Robinson feeding in a whiling a week is in logical perfection infinitely superior to any resource allocation in maximum of satisfaction. ...

17.(N)

“Buchhaltung wichtiger than even”, das Crusoe fällt zu betonen. ... fundamentale Diff. ... Dann Einkommen bestimmen und alles andere wechselweise ; zunächst Preise bestimmt mit andere Menge, aber diese noch zu bestimmen — und das heißt alloc. ...

We could produce mit diesem Produktionsmittel so viele Einheiten von diesem Gute, welche so viele Geldeinheitenwert sind und mindestens das notwendige, um andere Verwendung zu rechtfertigen. ...

Nur marginal adj. ... margi. Cost! ... “Money” in socialism (ähnlich wie bei price — generalized category) ...

zusammengestoßene Bilanzen ... Es würde Möglichkeit nicht nur bestritten, sondern Sozialisten selbst waren zweifelhaft darüber : Kautsky und andere legen Wert auf Anschluß an cap. Wertungen, aber das löst Problem nicht, obgleich praktisch wichtig. ...

18.(N)

Sozialismus führt zum gleichen Maximum of output wie Kapitalismus, aber das ist das wesentliche, daß Kapitalismus zu eben so viel führt unter station. Annahmen!

Fürchte, daß die Theorie nichts bedeutet als daß eben das Scheme ökonomischer Rationalität immer ein Maximum gibt. ...

auf Ezekiel kommt ... notebook on rel. shares ... dear of außer wages mit einer of product Lieferung ... ratio given directly ... Produktion-funktionen theory ...

19.(N)

Maximum condi. immer — und nur Bedingungen — was immer System für Effi. examines. ... Aber maximum Frage für jeden Augenblick ist ganz sekundär. ... Wir klären nur most trivial conditions (aber auch bei given amount wird manches anderes), da es sich um andere Dinge handelt. ... Given amount of bread verteilt, und selbst wenn man gegebene Produktionsorganisation nimmt. ... Ganze Frage turns on long run. ...

20.(N)

Wichtig, daß condi. of Industrie action herauswächst aus Kapitalismus cartels und

trusts u.s.w. ... schon erwähnt in (2) ... Also Gleich in a) justice, b) das ökonomische kommt nur in Betracht größeres Nutzenniveau. ... wo Webbs über Decline und das andere Buch : Plan für englischen Commonwealth! ...

21.(M)

... the obvious generalisation of the solution present indispensable difficulties? And if we ever arrive at that stage in which economic decision might be a matter of solving equations, can there be any doubt that the solution of the socialist equations will be technically much more comfortable a matter since many awkward time derivatives, lag relations and so on will be absent from them since those intrude mainly, though not wholly, because of oligopolistic situations (in the capitalism). ... Really I seem to be unfortunate. Before I had to confess that I found it difficult to understand how the logic of the socialist system could ever have been called question. And nor I have to make a similar confession. I simply do not understand, does the capitalist system work by solving equations? Is it not clear that the method of feeling by adjustments and rearrangements, the way toward the rational solution of the production problem which is the one employed in a commercial society. ...

22.(N)

Auslese und Verteilung ... maximum? compet. ... I am sure however that the reader will s. ... if cal. par — trivial ... if not meaningless ... Perf. compet. bedeutet 2 erlei ... prop. ist a method of selection ... Also bei compar. wieder Maximum — das triviale u.s.w. ... Everything else ist secondary ... improvement upon perf. comp et. ... a) Kostenrechnung b) Grenznutzen des Einkommen ...

23.(N)

Natur der Preise, Natur der Einkommen ... Grundrente in soz. Staat ... costs of transf. ... indices of signif. or allocat. ... nicht nur Arbeitskosten ... profits fulfill other payes — indices of exploit, weighted mit verschiedenen Einkommen ... implic, daß jede Industrie auszahlt, was sie einnimmt — das ist doch nicht notwendig so. ... in adopt of over. cost principle. ...

Natur of optimum ; wenn gesagt wird, daß es natürlich größer ist wegen Grenznutzen, so ist zweifelhaft. ... hier oder dann bei welfare? ... Auch schon von “technics” ... Habe jetzt nur gesagt : rich heritage und außerdem stationäre Frage, obgleich. ... Aber : “we shall see later on why nevertheless wichtig das progress” ... Leite und Methode müssen geformt sein. ... “saturation erreicht sein?” ... Das word noch nicht erwähnt.

24.(N)

Gegebene Einkommen, free choice, factors gegeben ; Nachfrage gegeben, und daher die Preise, $\rho m = \varepsilon$, wenn Gütermengen gegeben wären. ... Das wäre als wenn man bei gegebenen Produktions-funktionen nur eine Kombination und diese nur innerer Weise erzeugen

könnte ; klar, daß Majoritätsbeschluß nicht max. erzielen würde. ... Aber sowohl Art und Menge der Güter wie Produktionsweise bestimmt (gegebene Produktionsfunktionen), bestimmt, wenn Preis der Faktoren gegeben (ist Konkurrenz), die Faktorenwerte sind mehr $\pi q = \varepsilon$ Kosten Sinn? ... Jede Preise waren so eine, daß für jede homing Faktoren Qualität gleich, daß in Verhältnis der Grenzproduktivitäten equal per unit of "revenue", und diese Preise können adjust werden. ... \therefore wird überall. Preis = marg. cost machen und auch supply = demand. ... Nur eines von vielen oberen arrangements ... andere Schema — Crusoe econo. ... St Simon ...

25.(N)

It will be convenient, however, for the purpose to serve by the next step of our argument to disrupt those doubt and to assume, pour fixer les idées, that the economic care in our socialist state — let it be a state for a moment — be entrusted to Enrico Barones ministry of production which presents ist economic plan to the parliament — by all means — in much the same way, say, the chancellor of theexchequer presents his budget to the House of Commons, it will be a budget in fact, only a comprehensive one outside of which there would be no effort to "get a living". Enrico Barone and others — F. Taylar eigentlich mate nötig — have successfully disposed of the first of other two impossibilities held by pegan to rule out socialist realization.

Maximum Bedingungen und sogar viel klare ... every cost equal to price : Wert indices ... aber nur wenn teilbar ... der Trust wenn "compels". ...

1) das sicher nicht so gemacht wird und daß wenn anders, es besser sein könnte! (aber das wäre democr. Praxis, nicht democr. Ideal). und zwar auch aus rationalen Gründen. ... aber dann dazu 2 Dinge ...

2) erwähnen nicht rational über das Nichtsmachen (bei praktischer Erwähnung).

3) Sozialisten resent the implic. daß das sehr bourgeois ist, und manche Sozialisten haben ihm ungebührlich nachgegeben mit Freiheit und freier Konkurrenz (Lange) und sieht nicht, daß decay möglich ist, weil Leute nicht sparen wollen. ... Saving zu wenig ... Money u.s.w. : aber das macht nichts, wahr daß sich die Wirklichkeit assert. ... über Verteilung, welche auch nicht so sehr viel anders ist. ...

4) Auslese, hier oder später ... die Umwandlung der Natur ... tear wie über unbefleckte Empfangnis, nicht dümmer als darüber zu lachen ; zeigt nur, wie religiös das ist ; gewiß Befreiung auch der Kapitalisten. ...

5) Neue Natur nötig? (nein das wäre Praxis). ... sehr hohes moralisches Niveau? "wo would work." ... Intelligenz der Leistung? Das nur relevant für Güte der Resultate. ...

Und dann Lange, Zielsetzung u.s.w. ... Einwendung ist nicht verschiedene Geschmacksrichtung, noch auch ... wieviel Lebensfreude vernichtet! und Notwendigkeit of discipl. und discipl. sanction. ... Wo, vielleicht bei Bürokratie : Inferiorität of politic perform. ... Kulturargument — und well, we do quite rationally keep good gentleness in idleness, dont we? ... Und wenn ganz weit gewachsen, dann darauf hinweisen, daß no expl. —

es also ganz falsch ist "Befreiung" u.s.w. zu sprechen. ... aber dafür : absol. ideal ... Das aber nicht als Gründe für choice verlegt : there is no choice nur für was nun zu tun. ... Wo über kapitalistische Kultur : cancer, Kunst u.s.w.? Und das fast nur für "Massen" arbeitet. ...

26.(M)

This rule may be expressed by saying that each producing unit should produce what will "sell at a price" equal or, at any rate proportional to marginal cost. But there is some danger of confusion. It arises from the fact that the marginal cost carry a definite numerical meaning only with reference to a given lapse of time. When I calculate what it would cost me to produce an additional steel within the week or to run an additional train within it, I do not take account of the cost of those all factors which, exvisu of that one week, I have got, paid for, any way but only of the cost I must incur in order to add that steel or train, practically everything except raw materials is overhead for that single week, even salaries and most wages, and there is no point in refusing an order because it does not cover that part of my total costs. If I look upon the matter from standpoint of a month and still more, if I consider a year everything is different : I can avoid some costs by adapting my productive processes, which more and more cost elements leave the overhead category and enter marginal costs. Now marginal costs have in the theoretical literature acquired a association with the short-run viewpoint. ... [OO] p176 ~177

Faced with any sudden change of the situation, the manager of a socialist unit will of course also neglect those costs that now have become irrelevant matter of history, viz, all items that pertain to overhead defined with reference to the length of the period in question. But it rather obscures the logical principle which I wished to state and which, owing to the fact that in life things invariably deviate from expectation, can be seen in actual practice only when a productive unit is being planned or when a long range rearrangement of an existing unit is being considered. Then there is no overhead and on principle, everything enters into marginal cost, including depreciation. In working out the pure logic of socialist economy it is essential to keep this meaning of the term. In a fuller statement, it follows that in the case contemplated charging marginal cost will in fact be equivalent to charging average cost or as it should really read, marginal average cost equal to the average cost as it will be when an additional increment is being produced. In highly important papers, Prof. H. Hotelling has lent the weight of his authority the proposition that in order to maximize general welfare, all prices should be such as to cover marginal costs only and that overhead should be taken care of, say, by taxation. But the question arises : marginal costs per what time? And however we answer it, we cannot escape the conclusion that a society that would on principle neglect prospective overhead in calculating prospective outputs and prices — those outputs and prices that is which must be prospect if the investment is to be made — would not allocate resources rationally, i.e. would fail to attain the possible maximum of satisfaction of wants.

27.(M)(N)

The first thing to strike in any such schema is its similarity with the schema of the capitalist process. Yet no socialist needs to take offence at this nor any anti-socialist to hope that this prove anything for him. We shall indeed arrive at the conclusion that differences in economic results are, on balance, not likely to be as great as either party may profess to believe. But this conclusion rests on other analysis and cannot be based at what is merely a conceptual similarity. Cost calculation is a derivative of general rationality, and so pricing is if it is mean no more than it does in those schemata. Money is not the money of reality but a very rarefied thing to which we even might refuse that title. ... Primitive Irrtümer werden so widerlegt daß Zukunft versorgt sein will und daß das nur durch Arbeit geschehen und Entsagung — die dummsten Idyllen wirklich widerlegen. ... The essentials : Verteilung etwas anders als Produktion und kann beliebig geregelt werden nach Idealen. ... Auslese der Führer und plants und Produktionsformen sind anders, income heißt etwas ändern. ... Das und das Bild selbst muß wohl ausgeführt werden. ... [O] p182

But, second, this schema has particular affinity with a particular case — free and perfect competition. And the latter dices received a sort of anointment mit Sozialisten, so daß manche Sozialisten gehen so weit as to say that in der Zeit der Fortentwicklung Sozialismus einziger Weg to realize perfect competition. ... Einschränkung bez. Funktionär von big bus. ... der compet. Unternehmer und big bus ... Warum dieses Argument so populär? ... Rationales argum. für inequal. so weit nötig, um überdurchschnittliche Kraft zu pflegen. ... Hat aber nicht die Auslese der Führen und der plant durch andere Konkurrieren (oder das bei Frage ob “better”). ... [O] p183

Third, that is only one of many possible forms and also not necessarily the “best” and this can be seen precisely in the points which, for maximum — theorem or other reasons seem to particularly commend themselves to some (e.g. Lange). An example shows : wir haben angenommen daß nur Verteilungsprinzip von Parlament beschließen und formula rules how to act in response to comrades demand. Das was as to consumers goods und dann wieviel as compared with equipment den comrades überlassen und gerade darauf beruht das Maximum. Wenn das Parlament beschloß, so kann gezeigt werden wie das Max. geringer wäre ; ... Wer entscheidet “how” — die Bürokratie! der Sozialist! Assume decision on what to produce to be made by way of Act of parliament, ähnlich wie einzelne Posten in einen budget beschloßen werden — oder einzelnen dem Minister überlassen. Natürliche Frage, diese Majorität funktioniert ; aber kann einer der höhren Intelligenz mehr Einfluß haben und voraussehen was Lueten gefallen wird wenn adapted or daß does not care. Und einfach beschließt, was gut für die Leute und für die für Zukunft des Rasse und Staates : Milch, Hygiene, Wohnungen, Prohibition, Sport Theater, Literatur u.s.w.. Das ändert Rationalist, nicht nur Zentrum der Waltung und Entscheidung. ... anders

Maximum über time und den Augenblick wäre noch immer demokratisch — man darf nicht Demokratie und individuelle Freiheit vermischen — ; im besonderen wichtig, daß nach Lange Sparen wohl unreichend wäre. ... kann vorweggenommen werden — Gosplan ...

Why should not bother über soc. Wirtschaftsrechnung

28.(M)

... importance of those and similar cases has no doubt been exaggerated of late. But whatever their importance, socialist management would be evidently in a very favorable to cope with them and to reach full adaption (even if it is also be evidently reached by the commercial management) without many of those detour — more effectivelly as well as surely. Moreover all the difficulties arising out of the uncertainty about the reaction of complementary sectors of the economy would be, to say the least, considerably reduced. ...

This is why, when dealing with the first objection to the “practicability” of socialist economy, I have said that the solution of the equations which define the optimum state of the economic system, would in a socialist regime be a more comfortable and hopeful matter. For as soon as we try to take account of the difficulties glanced at, a host of first derivatives, lag relations, phenomena of “heredity” and such nasty things intrude in the system of those equation and completely destroy its simple classical lines.

But under conditions of imperfect competition, the very existence of unique state of perfect adaptation often becomes very doubtful even within the pure theories. For instance if two assumptions and with but unimportant exceptions, for every set of data there is a uniquely determined system of prices and quantities produced and consumed that satisfied the criterion of rationality, the reaction to any change in the situation is frequently such as to cause delay and loss in the process of establishing that system which in some cases may even not be reached at all. This may happen if reaction is prompt as well as if it is itself delayed. If all producers reach all at once to an increase in price, this may result in the quantity offered such that the price now falls below the level that would spell adaptation and reaction to this may again cause a still greater distance about it and so on. If producers do not reach at once, for instance because reaction involves time-consuming rearrangements in their plant, immediate situations arise that may in turn have to be reacted to in a manner which leads a way instead of towards perfect adaptation.

29.(M)

Achtgeben, daß ich keinen Fehler gemacht habe mit meiner Bemerkung über Notwendigkeit schnell abzuschreiben. Ist doch wahr, daß nicht abgeschrieben werden braucht. ... Das möglicherweise zu [3] — weitere als hotel im modernen Kapitalismus betrachtet wird — ... Kapitalismus ist jetzt Weltfortschritt — seiner größten Leistung. ... Sie compe. mit Fortschritt! ... no more creative destruction, sondern auch die incompe. ist ... anderseits : habe schon in e) darauf hingewiesen, daß die Aussichten verschiedenen,

ob die meine Behauptung für zukünftige gilt oder nur für heutigen. ...

(1) Squandering of natürliche resources in America

(2) Also Theorie, daß large scale capitalist der Kapitalerhaltung zum entscheidenden Moment machen ; und ein Tendenz von change of life gemacht

a) Tatsachen should dispose of that. ... über theories that bodies repel each other, daß stone trends to rise in water.

b) ex ante Gesicht und oderly advance ... hier zu schnell oder zu langsam ... und überhaupt unsere Theorie of what "slowing up gegen social Interesse?"

c) Sozialismus würde Pläne hinausschieben, wenn weitere Verbesserungen zu erwarten.

d) Privatfirmen werden nur einführen, wenn Kapital amortisiert oder wenn aber. total cost > aver. prime cost in existent plant. Das doch schädliche Resultat des Kapitalismus. Ist es richtig, daß any improvement available to introd. ohne Rücksicht auf value of cap. already invested, und daß "springt dann zu Resultat, daß maintenance of value of capital not". ... Compet. mit cost ded. Produktion, das ist of! ... Robbins, über road transport, "fee system" autotr. has to replace full value of cap. or fail (wenn produzieren mit bonds)! ... Und public gains durch price Reduktion nicht nur so viel.

e) Wann wird Konkurrenz kommen? Wird nicht die alte reduzieren, so daß der neue nicht hoffen kann to undersell. Frage ist also, ob der neue ein Rente hat nur deshalb, weil nun total cost geringer sein können ; wenn ja doch Furcht da, buying up Preise. ... Lange selbst in Soz. they run both ... Also wenn ave. total cost < ave. prime cost eingeführt, selbst wenn nur available to Firma, die das alte Kapital hat (und wohl auch Preise red.), wenn nicht so erst abschreiben (aber das vielleicht beschleunigt?), kann doch nicht richtigen sein, daß any improvement anzuführen würde — sonst Ersparnis of a cent ein Millionen Ausgaben rechtfertigen soweit ein Gewinn für Publikum zu machen wäre, wäre das doch ein cost adva., den die monopolistische Unternehmern selbst basieren können — Vorteile werden vielleicht nicht übermittelt (Lange, p129, revised IV). ... Und Tendenz zur Kapitalerhaltung, "even more powerful", wenn ownership of cap. getrennt von enterpr. Funktionen! ... Confess that I fail to understand : Frage ist, welche Neuerung abhängig von dem exist Konzept selbst ; wenn wir, um logischen Punkt klar zu machen, die unrealist. Annahme machen, daß life of new plant or age fix and gleichlang wie ebenso fix wie der alten, und noch unrealist. Annahme, daß mit beiden derselbe Strom produziert, und noch unrealist., daß dieser output so ist, daß alte discarded werden müßte, dann ist es doch so, daß, wenn present value of assets. Maximiert wird, die Neuerung eingeführt und die alte plant scrapped wird, wenn Summe des Gegenwartes der Strom der laufenden Kosten + Gegenwartwert der neuen plant am Ende der Abschreibungsperiode der alten > als Kosten der neueren plant ist ; wird also eingeführt, wenn in Sozialismus eingeführt würde, und gerade die Rücksicht auf Kapitalwert macht Einführung nötig und Rücksicht auf alte Wert spielt nie eine Rolle — das not enter. Daher, kann social waste of res., wengleich möglicherweise nicht gleiche Preise konzessionieren. Ist so in Diffusion, was mit ave. creation. ...

(3) Saving — as right as Ricardo ; populär view, daß Geld unter die Leute kommen, made respectable. ... Auch hier gleicher Sprung, daß “immer” es. ...

30.(M)

... the management does not realize this difference but immediately rearranges its process of production in such a way as to produce that greater output which will now satisfy the third item of its instructions. ...

31.(M)(N)

Those potential “profit” still fulfil their function indicating as they do in a uniquely determinate manner the direction and the extent of the reallocation of resources that it is now rational to carry out. Moreover in a socialist society this change can be coordinated with all other similar changes that may suggest themselves at the same time — it may be fitted in an orderly sequence of improvements and does not, as commercial society, impinge on the system as a disturbance, a cause of unemployment and depressions, almost as a catastrophe. Within the realm of the pure logic of mechanism, arguments on this line, can be impressive enough to make all of us end up with the Praxis ? und außerdem gehört es in Planung. ... Hinweis, daß Lange übersieht. ...

Wo $\text{Max Profit} = 0$? ... log. Möglichkeit einer Überlegenheit wie big bus (large Scale Industrie) über compet. ... Lange : loss of power to det. rate of acc. of cap. ... is price for living in a soc. society. ...

32(M)

of work that at the standard income attract fewer hands or brains than consumers demand requires. These Premiums would bear an obvious relation to differences in irksomeness and some relation to natural and acquired skill hence also the capitalistwages. We should in fact have a sort of labor market (editor), a most democratic — nothing is so democratic as a free market — though possibly rather inefficient price of machinery. That would change a lot in the working of our socialist system. But it would not affect determinateness while it would bring about the nationality of the allocation of resources still more clearly if anything. ...

33.(M)(N)

However, — Why should we stop at investment if we are going to make any exceptions at all. Why, in fact, do we not altogether jettison our schema? ... Höhere Menschheit produzieren? ... Wegen praktischen Maximum, weil er allein rationell ist? ... pens und beans ... Maximum, weil Theorie sagt daß Maximum ... Wenn wir Gründe suchen, den Gosplan anzufechten und why stop at it? ... Was Garantie, welche wahr ist, gleichgültig ob pens und beans, aber nicht alles ist so gleichgültig. ... Ich habe also Maximum Natur u.s.w. und dann Sinn dieser Familienähnlichkeit mit Kapitalismus und besonders compet.

und vielleicht nachher die anderen Möglichkeiten, die aber auch Kosten u.s.w. zeigt ...

34.(N)

Vorteile des Maximums —dann auch Maximum bei Gleichheit der Einkommens, wie also intelligent ist its rate, this arg. cut properties. ...

35.(M)(N)

Why then not jettison our blueprint altogether? why stop at the conditional exception which we have made above as to investment? ... If we are ready to accept a Gosplan for that, why not also everything else? ... Because of the maximum of satisfaction — the best way of allocat. — that, per analogium with competitive commercialism, our socialist regime is to realize? Only outright beefsteak socialism would be content with that? ... besser : yet the only practical reason that can be adduced for the blueprint ... vielleicht besser über Maximum, beefsteak socialism ... It is true, as has been pointed above, that no other method will go so far in taking account of the actual economic desires of individuals. The maximum is only façon de parler, another name for economic rationality which always consists in maximizing or minimizing certain quantities under given conditions. Sometimes eindeutig, mit unter nichts ; ...

Any socialist creed or regime that hold out a new promise, the vision of a new culture and a new humanity will almost certainly have to neglect the actual disires as they are at the moment. It may study them where, as for instance in the matter of choosing between peas and beans, there is no other consideration in sight. It would be different in the choice between milk and whisky, still more in the choice between loafing and housing. No virtue in desire in other forms. ... But this another matter. ... For us question arises. Since our motive to adopt the blueprint, nur theoretisch verstanden, was to prove logical consistency, whether socialism cases outside of it to be rational. Deshalb wichtig zu betonen, daß er noch mehr rationalisiert werden kann.— weil ein directing body that does evaluating and inducing. Crusoe economics so unjustly despised ... Wir hätten Bild und anders konstruieren können. ...

36.(N)

Auch Freiheit der Berufswahl und wie lange arbeiten : nicht einfach möglichst arg!... Sozialist hat Rechte zu profit (Abschluß an abuse!) ... nicht collid. mit dem, später unter Monopol gesagt, ... Aber viel davon dann bei compar.

37.(N)

Those Arguments loose of much their force. ... Kampf für immediate satisf. indiv. profits ... semi-criminal egging on huge joke ...

38.(M)(N)

What about the particular family likeness so often emphasized between the socialist

economy of the type we have been considering and the commercial economy of the perfectly competitive type? Is that really all however? We might almost speak of a school of socialist thought that tends to glorify perfect competition and to advocate socialism on the ground that in the modern world it offers the only method by which the results of competition can be attained and improved upon — a sort of escapist attitude that appeals precisely to competent economists in the socialist camp who see the weakness of Marxian and still more those of popular criticism and gladly embrace the opportunity to admit, whatever they feel should be admitted, for a case that no longer has and never again will have practical importance in the industrial field. It is moreover impossible to overlook the tactical advantage there is being able to tell the bourgeois economist of the old style that socialism will achieve what he has been wanting all along. ... aber doch wichtig und das anointment mit social oil.

The various forms of commercial economy will of course differ, among other things, in distance from socialist economies. Which of them comes nearest to resembling a socialist regime of the type envisaged depends upon the particular characteristics one chooses to stress. In one sense a capitalist economy controlled by a few huge concerns resembles it more than does any other variant of commercial economy. In the same sense, nothing is so unlike socialism as a perfectly competitive capitalism would be. Its distributive principle and its method of selecting the leaders of its units of control are sufficient to show this.

But essence of competitive capitalism, its breath of life is individual enterprise and pecuniary responsibility, the romance of individual success and failure, the identification of personal and market success — all of which is precisely what any type of socialism is intended to exclude. ... Aber das ist comp.! Und noch mehr wäre, was ich dann sagen wollte : daß im lebendigen Sinne freie Unternehmung bedeutet unter eigenen Verantwortung. ... viel verschiedener als big bus. ... Auslese und Verteilung ... Ähnlichkeit, kein hurt, aber auch wenig Vorteil ...

It is true that there is also a bloodless concept — the theorist's perfect competition — , from which everything has vanished except a few formal properties of pricing. And those do in fact display the resemblance that we miss in the life-like picture. A firm, that is an infinitesimal factor in the market of its products and means of production, cannot by its own action influence the prices of either but has to accept them as data of its action. It can be shown that, if this holds of all firm in all industries, prices and its reaction to these quantities of output will result which fulfill certain conditions that are also fulfilled by the prices and quantities of output in our blueprint of a socialist economy. But it takes a theorist to attach great importance to it, ... Lange schließt zuviel aus reiner Theorie. ...

Addition

1.(N)

Note on attempt to revive competitive conditions und über Standing for role of shareholder wo Sozialisten und Spießbürger so net zusammen arbeiten. Of course small Monopolization compel. still loss up to task.

2.(N)

Socialized industries ... to concert action ... how note daß das tatsächlich hinaus wächst aus Industrie ; Mechanisierung der Unternehmensfunktionen (vielleicht in (II)) ... pace making for socialism ... Planung in Washington ...

3.(N)

Problem nur bei new Investment, Zins im Prozeß zero — soll zero anstreben? ... In dieser Sinne bestimmt, aber mehr bestimmt, wenn goal gegeben. St. Simon, andere Sozialisten — nicht arbitrary oder doch nur Gegenstand — man muß das betonen, aber kommt das nicht in V. ...

4.(N)

Sozialisation of the central bank — dann in itself große economy man konnte glauben, daß useful to return daß wäre natürliche Mögliche : auf für Sparen ; aber really unlogisch, erst zu urteilen und dann nachzulaufen ist unlogisch heute! ...

5.(N)

Sehr natürlich zu Versuchen by bids zu Sozialisieren in a state of unprepared scheint das rational zu machen — creates Problem! Deutsche Sozialisierung Plan by Diskussion dazu reduziert : sehr careful not to interfere mit Leistung.

6.(N)

Soz III. Did I make sure das soc. adj. ... step by step nach das? ... Über charging to Kapitalismus ... die features of Entwicklungsphasen ... und entdecken in (3), daß die richtigen Entscheidungen optimal sind. ... But those decisions are optimal decisions fixing place elements optimally. ... State does not create. ...

(2) Comparative Superiorities of Socialism in Blueprint

III — (2) — 1~49

1.(N)

Beauty of Socialism — ungeheure kulturelle Kräfte freigesetzt, weil dieser Vergleich. ...
Lange Comp. ... kulturell impossible und was für Leute produziert, das wesentlich ist. ...

1) Sinn ... pro Kopf Produktion ... Ausgesehen : sagt nichts über efficiency oder comparative efficiency. ... Schwierigkeit von Vergleich zwischen Konkurrenz und Monopol. ... und relations in verschiedenen Stages ... Und nicht nur das, auch Vergleich mit Kapitalismus nicht möglich, wenn zu verschiedenen stages gehört. ... Vergleich kulturell u.s.w. ; Bewährung, welche Kapitalismus mit sich bringt ; Leute nicht abschafft. ... culture-achivement of Bourgeoisie. ...

2) Wir können Kapitalismus nicht discard wie etwas, daß nur aus Mangeln besteht, nach einfach blinde Hoffnungen teilen (obgleich Enttäuchung nicht viel macht). ... Und auch nicht einfach über capa. und unempl. und waste of comp. ; noch auch unempl. daß Kapitalismus
a) hebt Standard automatisch, b) stellt Mittel bereit. ...

3) Aber man kann gewiss dem Sozialismus eigene Kräfte schmälern oder Ersparungsmöglichkeiten. (Lawyer 30,000 gute Gehirne und das ist nicht viel!) ... Es ist gleichgültig, ob das various service to antisocial Interesse ist oder Verteidigung des Produktionsprozesses. ...

Resultat : Möglichkeit daß dort Umstände gleich denen, Sozialismus in long run weniger produziert. ... hier vielleicht Arugment über property, Problem der Bürokratie ... Das kollidiert mit II Essay. ... fehlen Privatier ... Accuml. aus größern Einkommen ist ein loss auch für Massen : das hat Entwicklung propelled ... Leisure class kaum eine merkliche Ersparung — besonders heute. ... Intelligenz einer Gesellschaft kann verändert werden ohne die Intelligenz eines einzelnen zu verändern ... Auslesenmethode in nächsten Essay (Socialism and Democracy) ... State does not create.

2.(N)

State which does not create. ... Andere Organisation, und unglücklicherweise das, nötig ist, runs counter to all prejudices. ... Difficulties mit deviations ... Kampf der localities ...

3.(N)

Staat kreiert nicht. ... Andererseits : die Erfolge des Staates und der Gemeinden als Produ. recht zweifelhaft, a) weil so gefordert : Kunden erzwungen, b) weil nicht pay. ... distorting facts to work up war feeling. ...

4(N)

Comparative Effi. Plan ...

A. Ob Sinn — ist doch notwendig zu verschiedenen Zeiten und compar. mit proves “wenn möglich wäre” ist lächerlich. ... außerdem ... Auseinanderliegendes und sehr verschieden Zusammengesetztes, auch verschiedene Geschmacksrichtungen nicht vergleichbar ... Wir beseitigen zunächst Kulturmoment — das entscheidend, und nehmen nicht an, daß neue Menschenheit produziert wird ; ... Capitalist und Menschentyps — und degraded, und in America importiert low grades. ... Man bedauert individual servants und nicht der Liebe in der sie. ... Nur wirtschaftlich beschränkt — also auf Nebensache nehmen als aver. long runs cons. exp. per head under sonst gleichen Verhältnissen. ... Was mit Verteilung?, beseitigen die Frage des Wenn? — eben dann, wenn praktische choice. ...

B. Brush a side nonsense über Waste, excess. cap — prod. für consumer, Monopol. ...

C. Aber tatsächliche Möglichkeiten gegen big bus. wie those gegen Konkurrenzwirtschaft ...

D. Dann die großen Vorteile ...

Wirtschaftliche Leistung ist bedeutsam nicht wegen ihres vital effects, sondern als Beteiligung! ... moderne radical ... able to alive ... Benthamists ... positive? a) immer 100 Jahre zurück (auch immer alte industrielle Faktum), b) immer konzentrierte auf das Unwesentliche able to concentr. ...

Von vornherein klar, daß nichts gesagt werden kann quantitative : bei gegebenen Möglichkeiten vielleicht überlegen ; aber die Entwicklung dieser Möglichkeiten ist eine andere Sache. Aber der econom. sollte doch gerecht ausrechnen, ob besser. ...

5.(M)

... remembering what has been said in the second essay, we must carefully attend to the double meaning of the term “capitalist reality”. We must not only distinguish between the different types of a capitalist economy that we have in mind when instituting comparison between theoretical blueprints — the roughest distinction of this kind would be between competitive and big-business capitalism —, but when speaking of realities as distinguished from blueprints, also draw another and much more difficult distinction. The capitalist process has always been, and present-day capitalism must obviously is, powerfully influenced by political action that was sometimes favorable and sometimes hostile to it, in most instances favorable in some and hostile in other respects. But whether favorable or hostile, political actions at all time enforced results that were clearly different from those that the capitalist engine would have produced in the absence of it .

6.(M)

Governmental subsidies, taxation protection, regulation afford illustratins. Now it may be argued that those political in very many instances grew logically out of the situations and social structures created by the capitalist process and that those effects ought to be looked upon as part and parcel of ist working and that there is no sense in trying to visualize a

“reality” that would fail to include them. All right . provided certain qualification be granted that have been set forth elsewhere, I have no fault to find with this argument. But in the name of all that makes for neat diagnosis we must still distinguish what remain distinguishable, if not independent phenomena. And when the most relevant comparison is with a peiriod like the present, in which attitudes and actions hostile to capitalism count for so much and explain so much of the way it functions, it is both our right and our duty to make clear in each instance whether we speak of the capitalist engine of production or of the speaks in its wheels. In this sense, though in no other we shall distinguish “free” and “fettered” capitalism.

Diese Seite also zu correl. mit II. Das ist wohl schlecht : 1) outworn maschine wäre bessere Analogie. ... Sozialisten machen es sich leicht, erst ruinieren, dann beklagen. ... 2) vielleicht ist das nur Unterscheidung zwischen blueprint und realities, die sich aus bus. world ergeben. ... Ist aber tatsächlich so daß Wirklichkeit noch anders enthält. ...

7.(N)

Vergleich ... entweder zwischen ideal und ideal oder zwischen rationeller und rationeller expected reality. ... In letzteren Falle ist injured und damaged oder ist das ein 3.Fall. ... Bei Vergleich auch die evils unterscheiden , welche relevant sind to capt. und die, welche es a) selbst beseitigt b) zur Beseitigung die Mittel und Mentalitäten schafft, Beispiel unempl. ... Kapitalismus — free und generous finance its enemies. ...

Ability runs in stocks — und das darf nicht übersehen die Tatsache, was übersehen bedeuten kann

8.(N)

Comparison with what fettered or unfettered. ... letzteres gerade so hypothetisch wie Sozialismus selbst. ... Wo exec. funktioniert und patted back und salary. ...

9.(N)

Ist aber wirklich fettered capit. richtiger Gegenpunkt? ... Denn, wenn natürlich gar nicht allowed to work, so ist Überlegenheit des Sozialismus selbst verständlich. ... Vielleicht daher lieber sagen : big business Capt., [der ja auch schon disappeared ist], und dann sagen : wenn so fettered und wenn gar nicht mehr moralisch verbindlich, so natürlich Überlegenheit klar. ...

“Lets get this straight : clergy man gets living.” ... Weintrust übrigbleiben able, so wie immer gewesen wäre 1820, 1870 , 1900 — proof, daß private bus. nicht entbehrt werden kann. ...

Sozialismus ist ein business und der jung mann will seine APIΣTEIO by short cost. ... of Bedeutung der Ausbeutung der Faktoren ... antisocial socialworker or observer ...

10.(N)

Private pro. in selection ist ein Maß von Erfolg in individual decision ohne consent anderer, ... Das ist doch bei freier Konkurrenz!! ... Comp. mit fettered und injured cap. ... aber andererseits nur das auch mit sozialpolitischen Leistungen. ...

11.(N)

Kommt schließlich hin auf eine Liste zu geben der Faktoren, die effic. erhalten. ... Aber vorher eine Menge Punkte, z. B. ideal—Realität, fettered — unfettered. ... Vielleicht einfach, wenn nur schafft Wert. ... Definition simply mit gleichen Leuten, Mitteln, technischen Möglichkeiten, wants to produce, over time, a such strata of real income. ... (Verteilung und welfare hier nicht nochmals, auch nicht Vergnügen der Sozi.) ...

12.(N)

Defin. of eff. dieselbe ... better eff. ist mehr eff. bei Comparison. ... (3) oder (4) enden — but does not look very democratic. ... Auch Gefahr des short run Gesichtspunkt und “state can take longer view” but will it. ... Ist actual reality der fettered und injured cap.? ... Gewiß, wenn ihr Intellektuelle Einfluß einschließt. ... Aber dann wäre zusagen, daß injury ein wichtiger Gesichtspunkt sind. ... same Leute und Technik : same or ... implied (andere Methoden möglich — gewiß) ... Wo in compet. System nicht besser prod. ... oligop. ... Vergleich auch andere Verteilung möglich. ...

13.(N)

bei “Vergleich” auch short run? ... Und gehört zu how und by whom? ... Aber gehört zu Demokratie! ... Vielleicht auch beginnen mit der Frage, ob compar. Sinn hat. ... Ist nur im Gebet des “Theoretikers” possible. ... Staatsproduktion jetzt vielleicht less efficient, aber hat even nicht die Gehirne, die der Sozialismus haben würde. ... Effic. des Arbeiteres macht nicht viel aus — alles hängt von kleiner Gruppe ab.. ...

14.(N)

Vergleich mit decaying und fettered Capitalism : die Meinungsverschiedenheit zwischen mir und Fr.. ...

Rubrum 1: auch manches zu tun ; auch zu coordin. mit 3 ... “try our hand here and there” ?!

Rubrum 2: so weit in Ordnung — aber betont, daß wir “später sehen werden”, nichts desto weniger wichtig ist, daß möglichst spät Kapitalismus ersetzt wird. ... satiated und approach stationärer state und dann passage über freie Konkurrenz. ... Wie sich soz. Maximum verhält zur Bourgeoisie , ist nicht ganz klar. ... Schon gesagt : soc. conditi. favor. für emergency of socialization hätten sein. ... Will economist on bureaucracy, aber andererseits : state creates nothing. ... Cartel Büro. ... Wo Überlegenheit of modern big business. ... Vorteil von Sozialismus anderer als der Vorteil von large over small scale ... Kleinere Unternehmung kann besser sein, wenn der Ausdruck die Seele eines guten Manness. ...

Rubrum 3: erste 6 Seiten vielleicht zu reorg. ... Aber wenn die Medici was erobern und diese Firma wieder unabhängig wird, kann sie nun nicht möglicherweise viel besser verwaltet werden als von Verwalter der Medici. ... Über Monopolization Cap. in II ... Da auch dies : wenn compet. möglich wäre, so wäre severe effi. ... aber ist even nicht möglich. ... compet. constitutionally incapable of accompl. those processes, daß Kapitalismus den Kapitalisten opfert — (insult) ... Was mit Restrikt tendencies inherent to Monopolization Cap.? ...

15.(N)

Also "Blemishes" und starke Punkt von Sozi. ... gute Idee, das anschließen an (2) and (3), ... I . obj. Vorteil aus dem technischen arrangement ... viel Arbeit erspart : Steuern, lawyers (wo hätte ich diese vorher?) ... ausschließen solche Phrasen : prod. für consumers ... auch nicht so viel Ersparnis der leisure class und hoch Einkommen (Frage der Einkommen zwischen 5 und 50,000). ...

Also wirklich etwas unter waste ; dann Monopol power, auch exec. cap. dabei. ... Wants of two kinds — hier vielleicht über release von großen Kulturkraft und über unempl. — : und unnötige Ausgeben, advert. und lawyers und Nichtausnützung as can. ... Man kann Kapitalismus nicht discard wie wenn obvious failure wäre. ... über qualitative Bedeutung kann man sehr verschiedener Ansicht sein. ... manche kompensierende Vorteil. ... Formidable show — Lösung der Probleme vielleicht in II Essay — und zu berücksichtigen nicht nur, was Kapitalismus automatisch hervorbringt, sondern wozu er Mittel und Wille bereitstellt. ... Wie in Kultur, nicht nur bus. und nicht nur Technologie, sondern auch Wissenschaft und Medizin. ...

II. Psychosis und das fällt zusammen — da ich nicht an große neue Kraft und große Begeisterung glaube — mit System immer villeicht injures. ... Der naive Glaube, daß alle mehr leading and helpful, hat aber was für sich. ... Wo die Orden und Titel, daß sehr wichtig ist in der bürokratischen Welt. ... In consequence, I would not trust wegen Auslese von der hier absehen. ... Aber sneer at title? ... Aber kann in transition kommen! ...

Aber what is for me two the scales. ... Aber sources of waste in Sozialismus. ... Bürocratie? ... Hängt ab of Erfahrung und Leistung überein. ... "But these are possibilities" — wo kommen das? Wenn es gleich nach ersten Absatz, so ist das ein Hier und Wieder ; aber man bekönnte Sagen : wenn dem gegenüber impressive Reality steht, so ist. ... Besonders wenn bis jetzt nicht nur was Kapitalismus schafft, sondern wozu Mittel und Willen bereitstellt. ... Unempl. : wenn nicht gelöst , so ist das etwas anders. ... Ist auch eine Möglichkeit. ...

16.(N)

Reform ist Aufsteigen , alle Bedingungen zu erfüllen, und Intellektuelle halten dasselben Interesse wie jetzt — hängt ab, welche Gewicht man dieser Tatsache und dem Intellektuellen gibt. ... "case for" can not rest on clear superiority, nur on "thwarted", "exploited" u.s.w. setting

free tremendous cultural forces. ... Planung of chem. industry ...

17.(N)

1) Also jetzt was Vergleich ist. ... freier Kapitalismus ... Konkurrenz — hier größt Überlegenheit ... der disappeared ... fettered und besteuert Kapitalismus ... muß also alle 3 Fälle behandeln? ... Never Scotie und Eastern Preussia irrational von ökonomischen Stand der Produktionsmaschinen ... Ist nicht daß man für Leute nicht sorgen könnte, sondern sie erhalten jede unrationelle Millionen ... schon über "Planung that wastes." ...

2) Und die Unterscheidung zwischen Möglichkeit und Ausnützen der Möglichkeit. ... here oder später ...

3) Ist wohl anders zu organisieren : schnell und flatt auf meine Definition der rel. effi. so ein Begriff wie Moore's? ... dann strong case ... Dann die Qualität und die Punkte, auf die man achtgeben muß ...

18.(N)

... setting free gewaltigen Kulturkraft ...
Second, from our discussion of what we may term the behaviorist problem of socialism. ...
Third, Dinge klarer, mehr Disziplin ... Wo Arbeitslosigkeit ... viewed nur als ein ineffi. ... Viel schlagkräftiger ist , gleich damit beginnen daß Dinge viel klarer und hence group action discipl. (zum T. füllt weg) und vielleicht andere Mittel der Disziplinen freilich : nicht farmer. ...

19.(N)

Uncertainly nicht alle ausgeschlossen ; sources of waste ... waste ... excess. comp. (shows) ... aber unrest und olig. ... Cap. a) nicht Wirklichkeitsvergleich, sondern injured Wirklichkeit mit Ideal ; b) Verbesserungen innerhalb kapitalistischen System, Arbeitslosigkeit — Bereitstellung der Mittel ... big bus. crisis by bus. governors which gurantees ... easier to visualize logic als hitches. ... Wer und Wie? ... Wenn in fullness ... Definition of effi. ... choice of Bedingungen ... how und by whom... evil busi. ... excluding satis. und dissatisf. ... Hat Frage überhaupt Sinn ... ideal — reality ... Access of means für das, was soz. countries to produce, kann sehr groß sein, wenn wir Einkommen gleichmachen auf low level. ... Aber dieser access kein Reingewinn, weil doch dafür gearbeitet wird. ...

20.(N)

Smith über Companies ... so der moderne Autor über Sozialismus (Oscar Lange? ... editor) nicht das zuletzt ... Kein Vorteil gelisten on the score of 2) Monopoly ... über Vergleich mit big bus. ... correctere Kostenrechnung?! ... 5) Unempl. ... auch nur soweit verursacht durch cutthroat und uncondi. unempl. ... z.T. nicht kapitalistisch, sondern durch interfer. mit working ... 4) Saving und mismanagement of accumulation und jetzt noch 6) Ersparung aus leisure class und more equal Einkommen. ... Gibt allerdings lawyer Ersparnis, vergleichen

was in Sozialismus abgesetzt werden muß ; rationelle Pflege wertvoller Kraft, wäre antisozial, das nicht zu tun. 3) Schutz der Kapitalwerte ... Das zuerst! 1) "other waste" ; other excess capacity (bei schneller Entwicklung in excess capacity) ... auch wohl im Sozialismus nicht leicht zu vermeiden. ...

[Produktion für Konsumtion. profit is a toll.] ... Wir brauchen solche Argument nicht — Konsument nie so gut bedient. ... Lange : Kapitalismus defends Kapital value by restriction und thereby destroy investment opportunity. ...

Aber, Bilanz nicht groß? — nein, man sagt besser : Möglichkeit großer Überlegenheit. ... Aber, so wird man sagen, daß beweise gar nichts : alles kommt darauf an, wie funktioniert. Wir wären alle Sozialisten, wenn wir glauben, daß Sozialismus ideal funktionieren würde. Und dann populäre Argumente ; Privateigentum ; Bürokratie. ... Motiv aus Spanne long viewed have große Bewunderung für Leute aller Länder, die ihre Pflicht tun trotz discour. by stupid politician at last. ... Der harte employer works for future. ... Und hier, eben dann das über Vergleich von Idee und Wirklichkeit, und ideal und Wirklichkeit. ... Populäre Irrtümer sind trivial und es ist embarrassing, sie zu widerlegen ; aber es ist nicht weniger embarr., die die Wahrheit in populären belief zu betonen. ... Vergleich mit fettered Kapitalismus of theoretischen plane vielleicht by change.

21.(N)

Kann be improved — wenn wir system behandeln würden wie wir es tun. ... So gebe es viele Dinge, aber jetzt eben nur, weil wirklich output unwahrscheinlich macht. ... Wenn Nachfrage elastisch, bedeutet Monopol nicht viel. Wenn unelastisch kann Artikel nicht sehr wichtig sein. ... shifting ... Wird meist behandelt, wie wenn Kompetition die Alternative wäre. ... discrim. ... Hätte 2 in size von Reign. ... accum. ... zu beurteilen , wer würde einen sozialistischen Staat finanzieren. ... Und beweist nicht, daß bei cost price billiger wäre und mehr produziert würde ...

22.(N)

End mit huge econo. überlegen wie big-bus. und A. Smith ... Theorie und Praxis of Sozialismus ... Now, what is true ist Selbst-Interesse, Bürokratie u.s.w. ... Wichtigkeit des engeren und well defined ends — Profit ... Jeder exploited als Produzent und served als Konsument. ... ad. Monopol : auch wenn due to good managed u.s.w. sind in a sense höhere Gewinne due to Monopolization situation — eben nicht in dem Sinne darauf ein Vorwurf ist. ... Lawyers nicht ihre Einkommen — sonst vorher erwähnt, sondern ability. ... Novelle über die Welgmund affair. ...

23.(N)

Adam Smith über Companies ... Sozialismus ... to be excluded ...

1) Waste durch lawyer und andere Tätigkeit, um Eigentumsrecht zu verteidigen — shade

over into Kampf der Unternehmung mit Staatsverwaltung und das wiederum in moral disaster des privaten Systems. ...

2) fantastic Investment und neue Dinge und Kapitalstörung ... englische Nachkriegs perform. und amerikanisch perform. of 1932 zählt nicht, weil mit Stolz Ursachen coexist. ...

24.(M)(N)

Therefore, it is impossible to doubt the possibility that a socialist economy might someday prove to be as superior to the economy of large scale business as the latter has proved to be to the economy of that type of medium-sized industry which roughly or wrongly we use in the habit of associating with a by-gone age of more or less perfect competition. This case is prima facie not weakened but strengthened if we take account of the socio-psychological end of the problem. ...

Wenn nicht waste in dem gewöhnlichen Sinn, so doch in einem anderen. ... Waste und antisocial effi. of monopoloid system sollte ich irgendwo konzentrieren! ...

Daß man nicht einfach die Verteilung einer gegebenen Menge von Brot betrachten darf, also noch running on existing apparatus, wo? ... Also war bei Beispiel, daß wird doch etwas sagen können? ... Und justice by definition of effi.? ... Wo Ersparung von war und leisure class?

25.(N)

Und compet. mit relevant size ... Bei comp. : comes off better ... Möglichkeit so superior wie big bus. ... Compet. Eigentum, Motiv ; Selbstverantwortung ... Wer Bürokratie kennt — wie gut big market ... T and T ... State have not Möglichkeit, Motive zu schaffen. ...

Die Staatunternehmung in kapitalischen System ... Ort für Trivialitäten ... 8 Stundentag wird zurückgegeben ... weniger nicht compet. mit health ... Das bringen a source of Kapitalismus, most peaceful und unpolitisch ... to a fault — want of deputy ... responsib, Motivation, Bürokratie ... State create nothing. ...

26.(N)

Wo everyone according to needs ... Wie das durchsetzen? ... Wichtig anzuknüpfen an Möglichkeit , höchste Leistung anzustreben u.s.w. ... Unterscheidung meiner Theorie von Lange ... Muß ich nicht ausführen, daß voucher nun nicht wertlos wird. ... Leute bekommen Rente. ... Nichts zu tun mit Praxis wider die Interest zahlen. ... Einkommen hat nicht wage-Charakter. ... Wage intrude in two ways ... Profit — selbst lenken Kredit. ... Was also mit Interest. ... muß zurückkommen auf money, price, income, demand. ... sterbende Qualität of labor ... keine direct, keine Berufswahl ... andere Möglichkeiten, a) unser Bild hätte anders konstruiert werden kann, b) andere Bild. ... Family likeness mit Kapitalismus, aber dadurch nur ich cruder ganz widerlegt compet. ...

27.(N)

State does not create. ... unempl. ... Mitreden der Arbeiter ... Der Punkt, daß Wirtschaft

eben nicht der Regierung — und also der Politik — untersteht und daß Freiheit eben darin liegt, daß der politische Apparat nicht alles beherrscht. ... Ausgehen von class ; hängt ab, wie gut oder schlecht gemacht ; stage of devel. wichtiger als Vorfrage der Möglichkeit. ... Ich überlasse das Plato. ... Zur possibility , da Sozialismus viel überlegener ist , aber kommt auf Auslese Motivation an. ...

Argum. von fettered Kapitalismus, der durch Steuern seine Dampfkraft verliert. ... In compar. in. intrustified or Konkurrenzkapitalismus, mit freien oder fettered — Vergleich mit welchem Kapitalismus. ... locational adv. — kann man hoffen, daß das einfach ein technisches Problem wäre oder würden die einzelnen Akteure sich rauchen. ... Will not love reader — refer to best performance. ... Plato ...

28.(M)

Also I will once more put off discussion of transitional difficulties — to be dealt with separately — and provisionally assume that they have been completely overcome, although it is of course admitted that they may shape — and distort — results for decades after the socialization. Within the boundaries set by these restrictions however we must visualize what socialist reality is likely to be — and not idealized picture of it — whenever we institute comparison with capitalist reality . We may of course compare a theoretical schema with another theoretical schema or else an ideally perfect socialism of some kind with an ideally perfect capitalism, but there is no sense — there may be a dishonest trick — in comparing the reality we know, with all its scars and blemishes duly underlined, to an ideal coolly assuming that , whereas capitalistic practice can never be anything else but untrue to its own design, socialistic practice could never be anything else but the perfect of its ideal. Yet this is precisely what most people do. It is no exaggeration to say that the belief of those socialists to whom superiority seems evident a priori, rests on nothing else. [O] p189

29.(M)

It is possible of course that one type of social organization may be more liable to deviate from its theoretical or its ideal picture than another. But this would have to be proved for every kind of deviation separately. And so far as such proof makes use of doctoral material, it would have to be borne in mind that in the case of capitalism we have a process of evolution before us the individual steps of which do not necessarily afford conclusive evidence as to its essential features. These can only be glanced for its long period trends ...

30.(M)

In the strict sense , no comparison is possible between the cultural world of commercial and of socialist society. Preference that usually does not rest on any attempt at comprehensive comparison is of course another matter. Nevertheless there are idealists or monomaniacs who find it easy to prefer or rule out the one or the other on the strength of some particular feature which they value to the exclusion of every thing else and which they expect socialism to display. If however we resolve so far as our understanding may reach to see all the facts of a civilization

in the light that is borne and and dies with it, we realize at once that every culture is a world onto itself and incommensurable with any other. This fact would in any case stand in the way of comparison. But in our case there is also what we have called the cultural indeterminateness of socialism. Whoever compares socialist to commercial culture or prefers the one to the other compares or prefers not socialism in general but only his own individual brand of it. [O] p197

This is why we shall confine our comparison to the economic field — hence to what I personally believe to be an aspect of but secondary importance. By doing so we do not escape those difficulties. Since the socialist engine of production may be constructed in many different ways, we only reduce them to more ...

31.(M)

For reasons that have been given above, I am not going to compare the cultural world of commercial and socialist society. But it should be observed that by restricting to the economic field we do not entirely get rid of the difficulties that induce us to do so. For socialism may bear almost as many economic faces as it may bear cultural ones : the economic efficiency of the socialist engine, whatever its potential merits and demerits, will largely depend on how well or ill the room and this in turn on who is to run it. This obvious point deserves more emphasis than it usually gets. Those socialist intellectuals who with engaging naivety take it for granted that this task will devolve upon them, not only display a confidence in their own abilities which not everybody will be able to share but take for granted what may well prove to be the most serious problem of all. But for a moment we shall follow their example, i.e., we shall continue to proceed on the assumption that all the experience will somehow be forthcoming that may be required in order to (turn possibilities into action) utilize the possibilities of the socialist engine to the full.

32.(M)

But quite independently of this error or trick, the hazards incident to comparison of realities with mental images must weigh heavily on conscience of anyone not entirely devoid of a sense of responsibility. ...

33.(M)(N)

More than anywhere else, also, it is here necessary to protest against argument by sneers and by reckless assertion and denial. Concerning the first, socialists have acquired a technique of evading many a commonsense conclusion by an ironical smile. Concerning the latter, it is particularly interesting to see that trained economists from both camps who do display some responsibility as long as this argument is under the disciplinary power of economic theory, give the reins to their fancy as soon as they leave the “exact” ground. Again this cuts both ways. There is little to choose between both friend and foes as to : irresponsibility, functions accounting to stupidity of arguments. ...

Arguing by sneers and assertions — intellectual hier frei von discipline der Ökonomie ...

exper. nötig und möglich ... illness ohne property und privacy ... sehr zweifelhaft —
immer sneer myself ...

34.(N)

ideal – real choice ... Vergleich zwischen actual und was geschätzt — ist das Operationale.
... Also die Analogie mit feudaler Verwaltung vorher. ... Was aber mit anderen Punkten über
prop.? Was ist ein militärischer Erfolg. ... nur 2 Eltern? ... in Beurteilung von
Bolschewismus nur Frage gestellt, was unter Tsarismus wäre. ... Wo die Wendung :
Abgesehen von Beurteilung, welche Sozialismus selbst bewirkt. ...

35.(M)

Even as thus restricted to the purely economic sphere, the problem of comparison will not
admit of a perfectly definite, let alone a quantitative, solution. For comparison to have any
meaning at all, the alternative to be compared must obviously both be referred to the same
point of time. Environmental conditions, including technological possibilities, number, type and
tastes of people and so on, will then be same, and these would at least not be any
insurmountable difficulties about the definition of comparative efficiency. We should call more
efficiency that arrangement which would permanently yield a richer stream of real income
than other.

36.(M)

It is true that this definition carries obvious meaning only for the case of a single kind and
quality of consumers goods that would have to be the same with alternatives. Since in reality
the income stream consists of an infinite variety of consumers goods which, unless socialism
reproduced exactly capitalist distribution of incomes, would be different with both alternatives,
it is not so obvious which income stream should be called the larger. But so long as the tastes of
people are assumed to be same, this difficulty can be handled by a method on which most
economists agree and which for purposes of consumption of wealth reduces the case of many
consumer's goods to the case of a single one. We may hence enjoy the simplicity of the latter
without fear of losing anything that would be essential for our purpose, and argue the former?
... break down if diffi. large — aber dann case clear ...

37.(M)(N)

It is also true that our criterion of relative efficiency does not necessarily tell us whether or
not people will be "better off" in a socialist society that they are or would be in any given state
of alternative arrangements. For we have said nothing about the relative amounts of effort
required of all people or any particular group of people — if e.g. people worked longer hours
in the socialist case, and groaned under it we should, if total real income produced were
permanently greater than in the commercial case, still have to call the socialist engine more
efficient in turning out real income. This seems to be all right ; but who does not like can avoid
this conclusion by making leisure a consumer's goods. Moreover, since socialist society would

discontinue the production of consumer's goods now supplying the wants of receivers of those incomes which would be abolished or reduced. ... Arbeitslosigkeit? Befriedigung Sozialist zu sein. ... clear, daß von stage abhängt, und nicht weniger klar, daß abhängt von how und who runs. ... Wo vergleichen prod. effi., which no doubt has in bearing on welfare — aber nicht welfare (happiness) selbst, z.B. Vergnügen in Sozialismus zu leben ; das reader überlassen. ...

38.(N)

Aber habe ich bei Comments (Maximum) nicht schon etwas gesagt. — soll ich da sagen : man kann kapitalistischer Kultur verachten, aber man kann nicht willkürlich ein Teil abschneiden, den man nicht verachtet und uncap. nennen! ... cultural achievement of bourgeoisie. ... Führt aber nie zu Werturteil? ... Of course no comparison necessarily für believer für den Superiorität oder Inf., an axiom and a moral certainty beforehand — nicht schon gesagt. ... But at least we have had various indications that bore upon the relative economic efficiency of the socialist engine. Sprach schon über mögliche Superiorität. The question is how far they will carry us. ...

No definite , let alone quantative solution can be expected. This we realize as soon as we remember that probable results greatly differ according to the stage of capitalist evolution in which the commonwealth turns socialist. We may overcome this obstacle by agreement to confine discussion to a stage characterized — with the exception of the agrarian sector — by fully developed large scale industry and to exclude the difficulties of transition that would still remain even at such a stage. ... Habe ich maturity definiert? ... Ist aber nicht exact! ... Auch weil alles abhängt von alt wie germinate. ...

39-1.(M)(N)

Certain outstanding differences between the socialist and the commercial economy, whose influenced on efficiency, though anything but clear as to quantative importance, is perfectly clear as to direction. We have emerged with the conclusion not only that rational employment of resources in a socialist society is possible, but even that there are methods which are open to it in order to attain such rationality may be expected to prove easier and surer to apply than those open in a commercial society. This, as far as it goes, in itself spells . possible superiority, economy of effort, avoidance of waste — socialist machine has to grope for the ideal balance no less than the commercial machine ; but it gropes for it in a brighter light and unhampered by many obstacles incident to lack of coordination of efforts. ...

Wo daß Kapitalismus nichts ist, das man einfach disorder könnte. ... nur theoretische Möglichkeit ... Vielleicht hier : Definition von eff. : jedenfalls nach Anführung der Schwierigkeiten ... remain to Überlegenheit von big bus. ... Vielleicht dann how und by whom, in welchem spirit, und short run ... can take the longer view ... Besser car funktioniert nicht immer besser ... Aber das ist schon halb gesagt in 1 Sektion und schließt schlecht an. ... Hier vielleicht, a) der Fehler ideal und reality zu vergleichen, b) welcher

Kapitalist reality in injured cap. ... Wo stage?

Nicht übersetzen a) ist tatsächlich nicht so wichtig, b) waste of soc. nicht zu übersehen. ... die unfair obje. to capt. ... Sneers mit dem Erfahrung und abil. absorbed und das stage so ist daß die Vorteile auch wirklich realisiert werden können. ...

39-2.(M)(N)

The reader only to go again over the argument presented before in order to convince himself. This fact of course particularly evident in all matters concerning fundamental industrial changes, the wastage and struggle of which socialist management could be to a considerable extent avoid and the ultimate results of which it could hence both more quickly visualize and more smoothly realize. But even apart from the problem of changes or "progress", rationality would reign in a socialist society in these cases, mainly, of oligopoly and bilateral monopoly, in which commercial society fails to produce a determinate result at all. ... Now indeterminateness and uncertainty in general and the indeterminateness and uncertainty to oligopolistic market strategy in particular are one of the most important sources of excess capacity and other lost effort : on the one hand, these uncertainties make it imperative for firms to construct reserve capacity ; on the other hand, they ...

rigid prices — exag. ... Auch Ausnützung bis zum Grenz, wenn whole units nichts ausgenützt würde, ... Wo : in dieser Liste fehlen gewisse Punkte : die immer im Vordergrunde stehen, two mistakes a) nicht sehen die Kompensationen und wieviel im Kapitalismus selbst korrigiert werden kann, der Mittel bereitstellt, b) Vergleich von capt. real. mit sozialistischer Ideologie. ... Eigentum? justice? größere Einkommensgleichheit? ... wo Bürokratie. ... Wo Vergleich mit fettered und impaired Kapitalismus, ... Ich riskiere, daß ich kein virtue sehe on Einkommensgleichheit. ... blemisches aber nicht so groß ; aus sehr viele Konsequenzen. ... korrigierbar innerhalb capt. — der Mittel bereitstellt ; ideal der eine, realit. der andere altern. — tatsächliche Erfolge des Kapitalismus. ... Und dann hier ; aber nur possibility ; Kommt darauf an, wie und by whom run ; Auslese...

40.(M)(N)

The difficulty just mentioned is along with others well illustrated by the inconclusive results of the effort of theorists to compare the efficiencies of competitive and large scale industry. In deference to prevalent humors and slogans, some of them have subsumed the latter under the heading of monopoly. Though in the overwhelming majority of cases this is technically incorrect, we shall for brevity's sake do the same, that is to say, we will compare the efficiency of a perfectly competitive industry with an industry so organized as to constitute in all respects a single unit of control — not a mere cartel or trade association. Now if a competitive industry without undergoing any other change were turned, say, legislative enactment into such a monopoly, it would indeed be easy to reel off the time-honored theories of competition and monopoly and to conclude that the industry

will in the latter case normally turn out a smaller output and set high prices than it would in the former — much fuller and much more precise results can be formulated but never mind. But what we are thinking of, when speaking of modern industrial “monopolies”, is not at all that kind of things. In cases so numerous as to deserve to be called typical these big units of control, involve methods of production or organization that are not only different from the methods competitive industry would use, but only open to big units, whose management moreover is likely to be abler than the competitive management are on the average. ...

These facts alone suffice to establish the possibility or even likelihood that their monopolistic outputs be greater and their monopolistic prices lower than the competitive outputs and competitive prices are or would be with the methods available for competitive industry. Further, such monopolies are so precarious and so regularly under the necessity of developing demand and of intruding into the domains of other commodities that neither their output nor their prices can as a rule answer to the monopolistic pattern at all. Therefore comparison of their performance with that which could be expected under competitive conditions breaks down completely even in these cases in which their choice between monopoly and competition is practicably possible. Mostly however it is not because technological or organizational conditions in most cases impose one or other, and then the very meaning of comparison becomes doubtful. ... antisocial exploit? ... running country for big bus. ... Schau auf avalanche of goods since big bus. prevail. (best and means!) ...

The lesson that follows from this for our subject is obvious, but I will use the opportunity to call attention another point. Readers will undoubtedly expect me to list in the first rank of the achievements to be expected from the socialist management propositions and must at the outset guard against a number of pitfalls that be set the road even to that less distant goal.

41.(N)

Keep your hair on — wonderful phrase. ... so far we have — this says nothing about comparative efficiency. ... Comparative evaluation of socialism and its alternatives is a matter of extrarational performance and beyond the jurisdiction of scientific analysis. ... Even comparison in the sense of simple juxtaposition of comparison of facts, tendencies and expectations is impossible if we mean to compare the cultural manifestations. ... Eugenik ... Auch deshalb nicht möglich, weil abhängig von how und by whom. ... stage ... ideal oder real ... logic und real ... wenn stationär ...

42.(N)

... oft Privateigentum nicht nur die Beste, sondern auch einzig mögliche Methode. ... steht voraus daß Titel hat. ... Unterscheiden zwischen Maschine und how well run. ...

ideals — ein Klasseninteresse ... Möglichkeit, daß die besten Leute ausschaltete. ... Ich habe again and again stressed the permanent importance of the extraeconomic aspects of socialism. ... Hence I have got to explain why, barring incidental remarks, I shall now confine myself to a discussion of comparative economic efficiency which, moreover, will be defined in a narrower sense. ... There are idealists or monomaniacs. ... Their ideal ... to compare civilizations ... über Maßstäbe der in II Essay benützten ... satisf. of living in soc. society ... soc. Brot ... efficiency per unit of employed res. ... effi. per unit of all res. ...

43.(N)

People at large might better off at a lower level of productive efficiency. ... But this, I think, perfectly good sense. ... I am talking about something that no doubt has some bearing on "welfare", but I am not talking about welfare itself. ... If I did, als soz. bread. ... nothing to say, ... Kanten difficult enough ... Auch das eine Frage, die vielleicht gelöst werden kann. ... Such permanent state as good as another. ... Sozialist Brote vergnügen, ob Leute happier or more content. ... gerechtere Verteilung ; Größerer Nutzen ... wirt mehr und mehr optimal. ...

44.(N)

Difference in leisure as a positive or passive consumer's goods, but not counting in satisfaction or disgust. Some people might derive from the mere fact that the bread they are eating is, respectively, socialist or commercial bread and the football they are playing, respectively, socialist or commercial football. ... Whenever the two sets of consumers goods are not identical. ... die Anecdote ... Was aber sehr wichtig ist. ... man how Produkt made goods ... mit anderen Einkommen cap. produce, dann sehen, ob das mehr oder weniger ist. ... Aber coming für manches mehr, anderes weniger and leisure. ...

45.(M)(N)

To return to the problem of the comparative economic efficiency of socialism in our sense. On the plane of possible achievement we are immediately able to make out a strong case. All we have to do is to retrace our steps and to look again at our argument about the logical determinateness and the practical workability of a socialist economy. That argument issued into the proposition that the purely economic problems of the socialistic plan of production present not more but less difficulties than the problems commercial managements are currently called upon to solve. ...

Vielleicht argument daß "easier" hier herübernehmen! not well put und to be straightened out : und zwar in Zusammenhang mit it. Doch einfach : wir sehen daß easier. Was aber heißt das? schneller und more surely Rationalität realize ; such Optimum eines Systems is capable of ; in particular uncertainty und besonders bei imperfect compet.. ... Freilich sind das Übergangserscheinungen. ... Comments on my Definition übrigens, sollten diese vielleicht Nachbar commen!! ...

Ebenso Überlegen, wie big bus. to Konkurrenz. ... Hat selbst Gleichgewicht wo keines in kapitalistischen Wirtschaft und viel schnell erreicht. ... Vergleich mit den 3 formendes Kapitalismus. ... Aber was heißt das und was heißt uncertainties, und das ist so für alle Vergleichobjekte, nor by Einbeziehung von Progress ; noch auch durch psych. soz. ... uncertainty und efficiency ... But what does this mean?

Granting for the sake of argument that there was a time in which perfect competition ruled in the industrial field and also the validity of the formal analogy, perviously noticed, between the working of the commercial and socialist systems, we have still to recognize that given the same level of ability and energy in the commercial and the socialist case, the socialist management will realize correct quantities and values much more surely and quickly. ... Das kann erste Versparung gennant werden, sektionale Interssen? ... A fortiori it will do so if it supplants an imperfectly competitive industrial world in which every firm has a precarious market of its own and is under the necessity of defending or extending it by strategic moves and counter moves. In such a world there are sometimes no theoretically determined values and quantities at all, in which cases socialist regime would introduce a determinateness that was previously completely absent. Even if however the capitalistic situation is determinate, the quantities and values fulfilling the maximum conditions can only be reached by means of a prolonged and costly struggle which our control board would be able to avoid entirely. But determinateness means rationality of results and any indeterminateness and any delay in reaching economically correct values and quantities means loss and subnormal performance. ... wie in Bezug auf Ausnützung? ... und auch change? ... This can be expressed als avoidance of waste. ... Ich maximum condi. statt equal. sage? ... uncertainty — denn in change ... Und dann das ist wesentlich, ich lege viel weniger Gewicht auf Notizen. ...

46.(M)(N)

Therefore, socialists can dispense with all the doubtful theories and all the doubtful asertions about facts on which they usually rely, and get rightfully claim that the socialist economy may someday prove as superior to the big business economy, as the latter has superior to the economy which many of us are in the habit of associating with a bygone age (real or imaginary) of more or less perfect competition. But the strongest of all the claims to superiority, the claim that may well turn out to the dicisive one, is still to come. ... Wir können parallel each populär claim by a better one. ... Selbst wenn log. inferioir, könnte er deshalb superior sein. Never daß Liberalismus das Wesen erkannte — aber nur so lange bourgeoisie herrschte — aber Cobden — Kapitalismus ; Liberalismus. ... error ...

Even if the private interests to which capitalism entrusts the economic fate of society always functioned in an ideally perfect way, that system would still be handicapped by t

he social and political consequences of the fact that it is not readily understandable to either people or economists. The economic nature of every element of the capitalist process is so wrapped in the paraphernalia of the mechanism of money making that. ... Und was Schatten und Gestalt ... Interesse (auch in soc. unrest) ... injured cap. ... social Funktion fulfilled by private Interesse ... Leisure class may nicht so wichtig sein. ... Die übrigen blemishes der big-bus. practice mögen nicht so wichtig sein. ... sektionale Interessengegensatz — 1) überhaupt 2) persent day 3) support ...

47.(N)

In Kapitalismus alle Kosten eingeschlossen, aber anderseits manche exist nicht : z.B. Arbeitskosten bei unempl. ... fällt indes auf etwas. ... Element would add in its new employment. This amount to saying that production is being carried, in all directions open the general directions of the society's environment, as far as and no further than it rationally can be. ... This proof leaves many question open, and is also on other counts not above criticism. But it suffices to establish the main point. A few comments will however useful. ...

First of our proof applies to a stationary process of economic life in which every thing repeats itself and nothing happens to upset the plan. But as far as our test goes the logic of socialism comes off not only as well as the logic of a commercial economy but better. For had it been my task to explain how economic rationality works out in commercial society, I should have had to advert to many difficulties about determinateness of values and quantities and hitches in the tendency to optimum performances even in the case of perfectly competitive patterns but especially in the many imperfectly competitive or non competitive ones, whereas some of these difficulties and hitches are absent from the socialist plan. ... exp., lags shutting unforecastible. ...

Take for instance the fact that the management of a concern must in commercial society acts on expectations, some of which are highly uncertain and in particular on expectations about the strategical moves, by which competitors will encounter each of its own moves. Evidently some at least of these uncertainties would be absent in socialist society while there would not be any such strategy at all — the industrial management may agree on an experimental argument, but the moves of such of them, actual and contemplated, should be known to, and concerted with, all the others. This is but one instance of a large class of cases but it suffices to show, whatever the properties of the possible optima which commercial and socialist siciety are respectively capable of realizing that the socialist optimum is not only much more nearly uniquely defined but that it is also much more likely to be approximated in practice than the commercial optimum. ... Hat zu tun mit Planung : das und auch die praktischen under "3" bulge out occasionally. ... possib. daß Maximum größer ... sehr schwer zu definieren — Mitarbeiter absent ; and moves und counter-moves abführen. ... und das schon bedeutet Ersparung von res. und effect. ...

48.(N)

Also selbst in rein ökonomischen definiert mit efficiency (aber nicht per man), habe ich nur Tatsachen, Faktoren u.s.w., die nach der einen oder anderen Richtung tendieren. Und in 2 Gruppen a) formal properties and b) "funktionelle", psychologisch und sozial Faktor nur roughly corresponding to a) and b) bei practicabilty. ... Und hier nature of one class of diff. illust. am Vergleich zwischen Monopol und freier Konkurrenz ; wie man Vergleich durchzuführen pflegt. ... Justice und Grenznutzenniveau ... Aber das wäre doch bei practicability zu machen. ...

We will proceed in two steps as we did in our discussion of the logical consistency and rational determinateness of a socialist economy. First we shall disregard the phenomena of industrial change such as the introduction and absorbtion of new technologies. But excepting these we now admit all kind of changes and disturbances acting in the economic process from within and from without, so that the plan of production has to be incessantly adopted, among the uncertainties, to ever changing situations.

We have seen not only that, as a matter both of logical principle and of practical possibility, a socialist economy would be able to carry out these current adaptations in a rational way, but also that it would be easier far for it to carry them out than it is for a commercial economy. The reason for this are, on the one hand, that adaptation of the socialist plan of production would be more direct and sure-footed whatever the uncertainties to be encountered and, on the other hand, that any given situation would ceteris paribus harbor fewer uncertainties for a socialist than it does for a commercial management. ...

49.(M)

The criterion of productive efficiency as defined seems to be relevant beyond the ground it covers directly. Anyway, if we do take our stand on this ground, what is that strong case for superiority of the socialist blueprint of which I spoke before? ... [O] p193

We have seen that in a socialist economy decisions on what and how to produce would be perfectly determinate even in these cases in which they are not determinate or not uniquely determinate in a capitalist society. We have further seen that in the cases in which both blueprints display theoretical determinate solutions of the economic problem, these solutions could be found more easily and arrived at more surely and quickly on the socialist than they are on the capitalist map. This also applies if comparison is with perfectly competitive capitalism. But it applies with added force if comparison is, as it must be, with a capitalism that is imperfectly competitive or monopolist. And though it applies also to the current problems of running the economic engine, it applies with added force to the problem incident to its improvement — the management of economic "progress". ... [O] p194

But this means much more than one would think at first sight. Those determinate solutions are “rational” or “optimal” from the standpoint of the deciding agency. Anything that smoothens or safeguards the road that leads to them is bound to economic human energy and material resources — to reduce the costs at which a given result is attained — and, unless the amounts so economized are completely wasted, to increase efficiency in one sense.

With respect to the competitive scheme, this superiority of the socialist plan reduces to what : we may term a higher plane of rationality. For example, the well-known waste that goes under the name of the “Hog cycle” is because producer’s decision do not take effect immediately but only after a lapse of time. ... In a planned economy the consequences of this would be avoided almost completely. And the example stands for an important class of phenomena. The point is that reactions of this type are quite rational so far as competitive rationality goes. They are inherent to the competitive blueprint, not deviations from it. They are not inherent to the socialist blueprint and could, in a socialist society, come about only as mistake.

With respect to imperfectly competitive or monopolist pattern, the socialist plan would economize all the human energy and material resources that in the capitalist world serves to meet the class of uncertainties mentioned at the end of the preceding section or, which only in part perhaps these uncertainties, the requirement of the market and strategy of the individual concerns. Capitalist patterns which — like the general case of bilateral monopoly — do not display a theoretically determinate norm at all, of course, drop out of the range of economic rationality altogether. Indeterminateness spells waste. In those cases the socialist arrangement not only as rational as or more rational than the commercial arrangement, but the first to introduce rationality where none existed before. We have noticed Professor von Mises argument to the effect that owing to be lack of the necessary data a socialist economy could not answer to the criterion of rationality. We are now using an analogous argument. Only it cut the other way.

The formula : socialist management could attain the economic goals desired by whoever is in the position to give effect to what be desired, at smaller cost or with loss of disturbance and loss also covers the processes incident to technological or organizational progress. We shall have to recognize presently that prima facie claim of this proposition to practical importance may have to be seriously modified by virtue of another type of consideration. But as long as we speak of blueprints, it is clear that many if not all of the features that make up the business cycles of capitalist society could be ironed out by the socialist management which need not incur all those — possibly more than compensating — disadvantages that must attend the “planning” of industrial evolution within the framework of capitalist attitude and institution. The socialist management could, as we may put it, steer the ship on a course that would approximate the long-run trend. It is perhaps not

necessary to elaborate the point.

I do not hold that this exhausts what may be adduced in support of the belief in the superiority of the socialist blueprint. I will myself mention two additional items. ... [O] p194~195

First, the structure of commercial society unavoidably produce, besides those antagonism between individuals and groups that we may reasonably take to be the common lot of mankind in any form of society, also other antagonism that are characteristic of it alone. Some of them will be touched upon later. But another type belongs here. The type to fit that provides part of the material for the activities of the legal profession. There would of course be lawyers and lawsuits in a socialist society, but there would no need for lawyers to act for concerns vs concerns and still less for lawyers to shield business interest from public authorities. It is entirely immaterial whether we call this service to sinister interests and vicious obstruction of the public good, or meritorious and necessary defence of the social process of production against vicious obstruction. In either case this function would be absent from the framework of centralist socialism. Now, the share in the national income that accrues to lawyer from rendering these service is negligible. Not negligible from the stand-point of productive efficiency is however another fact. There are perhaps five hundred brains to every million of the adult population. And a considerable part of these, which is now absorbed by such activities and cognate one, could be set free to serve more productive ends. ... [O] p198

Secondly, we have seen not only that among the causes of unemployment there are some which can not be properly charged to the blueprint of capitalism but also that these which must be judged in the light of the fact that capitalist engine provides means to take care of their effects. But it still remains true that the socialist blueprint is free from some of the latter. ... With respect to unemployment and the handling of it, socialist practice may under certain assumptions be expected to be superior to the capitalist practice also for reasons that have nothing to do with its blueprint. ... In particular most of unemployment incident to those fluctuations which in the capitalist world are due either to technological and organizational "progress" or else to the way in which the economic system reacts to any kind of disturbance could be avoided to the same extent as those fluctualtions themselves could. ... [O] p196

But I do hold that the argument from the determinateness or rationality of the socialist economic process is the decisive one within the realm of logical schemata or blue-prints and that all others, even those of them which are founded on something better than factual or analytical errors, are not decisive either because they are not sufficiently important in the great counter lines over time or because they stress factors that work, not only in a way. This applies in particular to those factors which the reader will be

most surprised to miss. Reasons in support of this opinion have been presented in the previous chapter and need not be repeated. But it will be well to add further comment on some of the more important heads.

While I have strongly stressed the difference the socialist arrangement would (potentially) make to the degree of rationality or in the approach to optimal values of the elements of the economic system, I have not stressed at all the difference it would make to the orientation of that rationality or, in other words, to the standpoint from which those values are optimal. That is as it should be. It is not the fact that industry is operated for private profit instead of in the public interest as far as that goes the profit economy whether perfect competitive or not may well be more efficient servant of the consumer than any socialist economy would be, but the difference though cognate fact the socialist management can attain a higher degree of rationality which constitutes the superiority of the socialist plan and also lends to the other argument most of such force as it has, *vis versa*, this is why those anti-socialist arguments remain inconclusive that try to base a case for capitalism either on theoretical consideration about efficiency of the profit economy or on factual demonstrations to the effect that given concerns are all and to all that can be reasonably asked from the standpoint to consumers or workmen.

In particular I believe that the argument about the prevalence of monopoloid practice is in part implied in the above argument about rationality and that it is weak as far as it is not so implied. To be sure, at first sight, it seems possible to make the case for the socialist blueprint center in the monopoloid features that are inseparable from the structure of largest scale industry. We seem entitled to say that here socialism may perform a miracle — work a non-competitive so as to make its function according to the principles of perfect competition. ... A miracle, I take it, is an event which we know a) to have happened b) to be impossible. Not surprising that socialists are attacked by this. ... But as we have seen there is, considering the nature and behavior of those industrial “monopolies” of the modern world, very little in it beyond what is covered by our argument. It should be remembered that this also applies to “monopolistic restrictions” of production and the incident excess capacity which turned out to be, in the main, little more than devices to insure “creative advance”.

The principle of rationality or of optimal values we have also expressed in terms of economics or of minimised waste. The reader may well wonder why I do not add other waste. Again the reason is that argument about them inconclusive, even where not mistaken, because these other waste are not without compensations, which it is impossible to be mentioned. It is usual for theorists to draw the capitalist and especially the competitive blueprint on the assumption that, within its limited range, management is ideally efficient. For certain purposes this is the obviously reasonable thing to do. But for other purposes it is not. There are deviations from what at any time professional opinion

considers to be ideal standard which should not be looked upon as deviations from the blueprint but as part and parcel of it. Two examples will illustrate the two most important classes of them.

1) Somewhere I have seen a textile concern, the plant and method of which seemed to me, if I may say so, the last word in backwardness. Heat poer, even light, arrangement of the production, handling of raw materials and machines, cost accounting were all as wrong as wrong can be. With some violence to logic I called the thing a compound of bottlenecks. To my surprise, I learned that it was the most successful concern of ist district, because of the genius the owner-manager had for design and for seeing commercial oppotunities. Now, such case are in a sense part of the logical schema of privately-managed industry within the range of one-man concerns, because that man will always be an organizer or engineer or salesman and so tend concentrate on what he does well, more or less neglecting other aspect of his task.

2) Capitalism is essentially a process of change. The more vigorous it is the more rapidly will it produce change. Man are very uniquely fitted for success in this race and there will always be large strata that lag behind. The firms in these strata need not be below standard in the sense here envisaged. But they often are just as the behavior of decaying men often is. This, too, is understandable and part of the blueprint. Quit apart from the fact therefore that I have yet to meet the consulting engineer or efficiency expert who does not find some fault in each and every concern he investigates, it is but natural to expert that a very considerable part of the firms existing at any given point of time will be subnomal efficiency in one way or another. It is no less natural to expect that there would be no less of them under a socialist authority that might have a standard worked out by the best experts available and be able to enforceit all round. But no major argument for the superiority of the socialist blueprint follows from that, because capitalism is not inefficient in dealing with the inefficient management or firm and because enforcement of any rigid standard — entailing as it must much meddling — might prove to be no unmixed blessing.

Thus the argument on which we have primarily based case for the superiority of the socialist blueprint seems to hold the field after all. But even if it were strictly the only tenable one, it would be quite enough. We need not now in order to convince ourselves that the efficiency in our sense of the socialist economy may — speaking of potentialities — be as much superior to that of big-business capitalism as the efficiency of big business capitalism is superior to that of the capitalism of which English industry around the middle of the nineteenth century was the prototype. And it is quite possible that some future time will look upon argument about the inferiority of the socialist plan as we look upon Adam Smith's arguments about the joint stock Company — which, also, were not simply false.

(3) Supplementary passages to (1) and (2)

III — (3) — 1 ~ 29

1.(N)

Daß bessere Theorie ein disservice leisten kann bei emphasizing außerdem und speziell point, wie überhaupt, was exact bewiesen werden kann. ... Und Ungleichheit — später ... auch Selbstverantwortung und prompte Entscheidung — später ...

2.(N)

Aber unter Vorteil doch noch Spekulation. ...

3.(N)

Auch andere Formen des Sozialismus hat immer gewißem Begriff, die auch quasi-cap. sind. ... advantages : compet. Kapitalismus! ... free und democratic ... Theorie : disapp. das genug oder hält fest an alter Theorie. ... gamble of anarchy und nonsense. ... nicht Verteilung und Auslese ... Produktion für Konsumtion ; just as far apart ... kein Führer in acting ...

4.(N)

Ersparnis der Kraft, die auf Verteidigung des einzelnen Interesses geht. ... nicht ganz natürlich : wenn der Staat groß, so gibt es sektionalle Interessen — wo ein Theater erreicht wird, wo eine Eisenbahn geht u.s.w. ... Und auf Verteidigung gegenüber der Politik und dem Staat. ... Einkommensteuer ; Jurisprudenz : der Staat in itself bedeutet waste in dieser Richtung. ... und der Kosten der Arbeitskämpfe.

malleability — aber vorher, ob nicht dieselben Leute sich anders verhalten werden ; führt das nicht auf Frage der Bedeutung des Privaten Motivs. ... Die Handlungen, to keep alive Profit, Veblen ; advertisment u.s.w. sehr übertrieben und eindeutig gesehen. ... aesth. Argument gegen advert. ...

5.(N)

A great many of those, who either do not turn to it or do not get on in it, are hopelessly below par. ... Proportion varies in verschiedenen Ländern. ... onto psychotherapy ... It may as well say at once that this point seems to me the decisive one and much more important than the socialist logic. ... Vergleiche doch "easier"?! ... Und ist wiederum indet. ... dann Vergleich mit Monopol, dann Definition of effi. ... Wo real case von ungeheuren gebundenen Kräften? Wo Auslese? ...

6.(N)

In II oder III, begegne ich der Schwierigkeit, daß gewisse Einwendungen gegen Kapitalismus, die kindisch sind, zugleich den Leuten selbstverständlich sind, wie z.B. : wird nicht für Konsumenten produziert, sondern für Profit ; of course wenn sein Profit erhoben wird, kann mehr produziert werden ; wenn technocracy — die aber etwas für sich hat! ... u.s.w. ... Diese Schwierigkeit is best real by acknowledging it — kann eben nicht elementare Ökonomie vortragen. ...

7.(N)

Zuerst orderly sequence, dann daß auch Kapitalismus coord. Apparat hat, und dann daß Sozialismus wirksamer — noch immer Aufschwung, aber Depression ist harvested. ...

If we talk about possibilities, always remembering that is doing so, we may be like fanatic lover, poet, “of imagination all compact”, the superiority of socialism because of anything still ...

8.(N)

Centralist socialism soll industrielle und local antag. ausschließen — aber das ist möglicherweise nur ein ideal. ... Das ist besser auszuführen, und da sind schon sachlich Probleme. ... Sage schon early in (2), daß nicht equal zu sein braucht, sondern verschiedene Formen auch schon Majorität vote. ...

Und dann gesagt ich, daß Produktionsmittel gegeben sind. ... Gesagt, daß demnach wichtig für Sozialismus daß dem stationären state approaches. ... merkwürdig, I stop mit big bus. und dieser Vergleich mit perf. compe.. ... Die primitiven Einwendungen — daß profit erspart wird und, ein toll ist. ... sind nicht Ersparungen von Kieg und leisure class und Anarchy. ... besser Rationalist — Einschluß von sozialen Faktoren ... unempl. ; waste ...

Marx hat schon from each nach ability to each nach wants ... Diese verschiedenen Sozialistischen beaten! Über Trotzky u.s.w. ...

9.(N)

Kolossale waste ... alle agencies of manage. Und das ist das bus. und die Ausbeutungsform of today und der bourgeois erste was create ... Toll on a bourgeois creator ... Nur positive Problem z.B. Preis — ganz einfach : hohe Preise werden anspornen und Richtung weisen und dann eben wird Produktion die Sache rentieren. ... Billige Milch durch tenure zeugen. ...

10.(N)

Materielle Lage und besonders unempl. spielt nicht die Rolle. ... Comparison als man glaubt ... Vergleich of mit compet. or trusted, free or injured, ideal oder policies. ... a fortiori no question ... malleability ... interessant, how private house killed. ... subnormal, the only fully social citizen ... attitude of colonial office ... Sir Edinton first people over

to tender mercies. ...

The only one who cannot wait ist Intellektuelle who want to run it. ...

11.(N)

Warum nicht einfach sagen as to maxim. der Befriedigung in equal. Sozialismus, daß das nichts bedeutet — außer für Befriedigung einer Gerechtigkeit : ideal —, weil gegebene Menge vorausgesetzt. ... Aber würde eben doch auch bleiben, daß gegebene Menge, was immer sie ist, mehr Nutzen schafft. ...

12.(N)

Delight chuckle wenn W.B.A striked und mob can not do wrong. ... over disorganiz., in which produce to organ. ... Perversion of radicalist to work und "duty" ... Work begins necessarily. unemployment und change. ... Beispiele davon ... Aber das gehört in Planung. ... kein union's Gut waiting list expla. the unempl. ... über econo. case for socialism. ... equality ; rechtere Versorgung in the long run. ... Dobbs' complaints über refinements ... You cannot be heir to Mogul und trade union official.

13.(N)

Wo gesagt, daß Verteilung und Auslese der wichtigsten Unterschied? ... Schon als ich sagte, daß compet. nicht so wichtig. ... Länge des Arbeitstages nach einem Maximumgesetz ... Das wäre. kapitalistische. ...

Wo ist die note, die die Wendung enthält : ever so intelligent ist rate at proper value das Argument von gleichen Grenznutzen. ... Vergleich der Maxima andere Sache, die hier nicht zu unternehmen ist — daher auch nicht über Gleichheit der Einkommensgrenznutzen. ... Und das zusammen mit Kostenrechnung ... kehren Lange ... Immerhin bedeutet darauf hin, daß kapitalistisches Maximum höher ist. ... Und Vergleichbarkeit des soz. und des kapitalistischen Maximums trotzdem hier order später bei Comp.

14.(N)

Von Interesse besonders leicht zu demonstrieren für rationalen Soz. ... oder das bei dem Punkt, der mir jetzt wie ein Vergleich aussieht. ... Labor nutzen könnten in der Menge sein wie Arbeit aber nicht ausgetauscht werden nach Arbeitsgehalt der Waren. ... Lange über kapitalistische Politik der Kapitalerhaltung wie Pigue darüber, daß state can take the long view, doch short run temptation. ...

15.(N)

Eine Bemerkung über Schutz der Kapitalwert ; avoid of loss und conserve of assets value — nämlich, daß Sozialismus das auch sehr wirksam tun könnte — ist hier nötig. ...

16.(N)

Sind meine Wastes nicht z.T. in Kapitel III? ... Rgidity : wo sage ich, daß rigidity auch eines der Dinge, mit dem Ökonomen davonlaufen. ... Schon untergebraucht conserving cap. values und vielleicht saving. ... Waste durch retarding progress. ... Not adequ. treated ich, nirgend Betrachtung konzentriert. ... Wir mit "two strides"? ... Reserve capacity für welfare, "to be noticed later". ... Presumption is not proof — kann auch immer due to besonders constance. ...

17.(N)

Natur des Maximums! ... Der Markt ist die ideal democr. Methode. ... Wesen von saving wäre klar in society. ... Ungleichheit — sozial und ökonomisch — bei gleiche Einkommen ... Preuss. Leutnant mit 30 \$ Gehalt, auch ohne eigene Vermögen, nicht gar so schlecht daran. ... sehr wichtiger Fall ...

18.(N)

Hier nur : owing to indeterminatenes, the cultural patern of our soc. ... But so far as we have not said anything conc.. ... Auch das indet. weil wichtiger how? and by whom. ... Das macht auch unmöglich, Monopol und Konkurrenz zu vergleichen — aber man kann etwas angeben ; here effi. of private. pro. ... Resultat : bestenfalls kann man Ähnliches erzielen. ... Auch wenn kein choice, doch Sinn zu fragen, ob nicht so funktionieren wird! ... Does not follows, daß kaum entdeckt wird selbst unsere Preis. ...

19.(N)

Wohl : aber die falschen Argumente sind es, welche ziehen! ... futility, triviality ... maxima by Comp. ... Aber schon gesagt, daß nur für Sozialismus maxima — long run. ...

20.(N)

Compar. wo does ? ...

a) Der Staat und Politiker kann precisely aber short-run temptation nicht widerstehen. ... b) merkwürdige perversion! Sparen verringert accum. und farsightedness wird zum Mangel. ...

If socialist only understand that there is a Problem of socialists quite distinct from that of socialism, daß für uns so repulsion ist, ist nicht soc. sondern Sozialisten! ...

21.(N)

Als vernünftige Leute sind wir nicht nur zur Kapitalismus to descend as just gainable of blemishes welche condemned at first sight — wie die Mentalität entstanden ist? ... Sondern wir können nicht umhin anzuerkennen daß selbst wenn wir von Medizin und Wissenschaft u.s.w. absehen — als product of cap. und seiner Gesellschaft und Rationalität — story an impressive one. ...

Hemmung ; food, clothing, housing problem and accessories gelöst in 150 Jahren ... Noch können wir von Waste sprechen — incident of overwhelmingly successful advance — oder overcap. nicht unnützlich. ... Noch Monopol ... Oder saving diminishing Kapital. ... alles das nur ein modest case, der in der kapitalistischer carrier korrigiert werden kann. ... Unempl. auch nicht, dann zu dem, was Kapitalist automatisch tut, muß addiert werden, wozu dann Mittel und Willen beistellt. ...

22.(N)

Also wo das mit Monopol — flott to sagen, daß, selbst wenn ausgenützt, nichts bewiesen wäre, aber daß nicht augenützt werden kann ... flott! ... Wir haben gesehen, daß progress toward equil. nicht nur möglich, sondern sogar und surer selbst in freier Konkurrenz ; aber besonders außerhalb derselben, wo in Kapitalismus eindeutiger Lösung sogar ganz fehlen, kann. Was aber bedeutet das? ... Eindeutigkeit bedeutet Rationalität und klareres und schnelleres Erreichen saving von Kraft und avoidance of loss : uncertainty ; das also ist wirklich Theorien der kapitalistische waste ; Wir brauchen nicht von Waste of compet. in gewöhnlichen Sinne zu sprechen (?), duplic. u.s.w. und in imperf. compet. of Restriktion, advertizing u.s.w. ... Aber gibt es nicht noch auch andere Ersparungen : leisure class ; höhere Zahlungen als notwendig wären etc. ... zweifelhaft ; aber dafür ; lawyers und all the Kräfte, die auf struting gehen. ...

23.(N)

Die uncert. kommt auch wieder in Betracht für praktische Ersparnisse. ... Ein Vorteil auch daß kein Einkommensteuer. ... Und besonders Vergleich mit damaged Kapitalismus, ... Saving reliance more appear in the true light (vgl. Lerner) ...

No chuckle ... No housing — if they do sieht jeder, was es bedeutet, Lange's social of crying in socialism — Erklärung aller Werte der Eltern aus ihrer Unsicherheit u.s.w. ... who sneers at it. who is not up to its standard. ...

24.(N)

Mögliche superiority kommt bei Comp. ... Hence not too much of this stuff here! ... Vorteil auch : Erholung prop. to consume? (Sweezy) ... Vorteil : daß bei Arbeiter Besprechung kein additional costs, daß alle Kosten eingeschlossen. ... refer — subsidies ... allow to earn profits and invest there. ...

25.(N)

unpopulär ... nicht Form., sondern ominous family likeness ... und nicht mehr demokratisch, sondern weniger a) Frage b) dann das gone. ...

26.(N)

200 corpor. owned nearly 50% of own-fin. corporate, wealth of country in 1931. ... eher 55% ... Aber railroad and utilities are darunter. ...

27.(N)

Should be included ... Darüber, daß man Kapitalismus nicht belasten darf mit allem, und in irgentwelchen stages passierte, in eben a historical growth — ugly factory blazing through night. ... Aber das in II ... Ist auch Frage, was in Kapitalismus geregelt werden kann. ... wichtig — blueprint nur für entsprechenden Entwicklungszustand. ... Also ich habe gesagt, daß Restriktion und pitfalls wenigstens ernst in blueprint. ... Idle rich kommen erst by effic. (aber contra : das Motiv betr.) ... Hohe inc. und effi. kommt auch später ... dann die wastrels. ...

28.(M)(N)

We consider the process of industrial change (“progress”). ... In capitalism new commodities, new technologies and improvements in the organization of production intrude by means of individual action and conquer by means of competition with the old commodities, technologies and forms of organization. These individual actions are not uncorelated of course. They have to justify themselves in the market of products and cost factors, and they must present their credentials in the money market whose mechanism tend to coordinate them. ... The socialist method would not simply mean replacing chaos by its opposite or doing something entirely different from what is done in a capitalist society. But it may be much more effective in coordinating plans of improvement and in fitting them all into an orderly sequence. +) This and the elimination of speculation and one class at least of errors would go far toward eliminating most of those phenomena of pros. and depr. avoiding losses and conserving cap. values.

+) orderly sequence, obgleich auch Kapitalismus ein coordin. appar. ... produce orderly sequences instead of the industrial evolution of capitalist reality. ...

29.(M)(N)

Even if all that were not so, now man not completely lacking in the sense of moral responsibility could ever have to look with anything but apprehension at the task of comparing an actual state of things with a mental image. ... Dann Frage, obgleich zwischan ideal und real, real und Konstruktion. ... Auch abgesehen davon, daß der Sozialist mit folded hands spricht in vision of paradise. ... Wenn ich das tun, vielleicht doch die anderen Vorteil zuerst. ... Dann possible so überlegen wie big bus. to compet., aber nur als possib. ... Was tut und wofür Mittel bereit stellen and Willen? ... Blemishes nicht so arg und compariert ... Jeder ein much more modest one ; nicht mehr als eine possibility — vielleicht nicht geringer als Überlegenheit of big business. ...

Aber disturbances viel geringer (snarling) ; in view of performance und Möglichkeit, verschiedene zu korrigieren ist nicht case for freely given up, nicht overwhelming besonders bei uncertainty who runs it and possibility of very much lower effic. ... But what does

that mean for practical compar.? ... Ist nur possib. — aber das ist schon sehr viel und ich will keineswegs recede. ...

It might well be doubted whether such a comparison can ever be made without volition of the canons of scientific influence. One might reply that, in the present state of our factual knowledge which grows by leaps and bounds, it is by no means chimerical to hope that in the near future we shall be able to figure out pretty closely what could and in the socialist state would be produced both with the existing industrial apparatus and with that apparatus as adapted to the new condition. The whole of the agrarian sector and a great part of the sectors of transportation, public utilities, manufacturing industry and trade are even now sufficiently explored to make it possible to draw blueprints that could not be far from the truth. Research does in fact thus build, the road that leads toward socialist planning. ... But in the struggle with the difficulty before us, it lends but feeble help. For the relevant question is not what, ex visu of a given point of time, a socialist management could do with given technological possibilities, a given productive apparatus, a given stocks of raw material and so on.— this is, for us, only little less uninteresting than the question what it could do with a given stock of consumer's goods — but what ...

(4) Human Elements in Socialist System

III — (4) — 1 ~ 37

1.(N)

Also Resultat daß Socialismus praktische Möglichkeit ist, was nichts heißt, ob besser arbeitet : well, how effective is it likely to be? Wie kann man eine solche Frage beantworten? Wie kann man methodisch rechtfertigen, über etwas zu sprechen, wovon man keine Erfahrung? — Astronomen tun das, und wir haben Erfahrungen — Armee, Minister, Wissenschaft. Mensch als eine Invariante? aber das doch vorher erledigt. ... effective — was heißt das? ... effective in leisure of satisf. of wants. ... rate of progress und Betätigungsfeld ... Wo cancer — in Übergangswirtschaft. ... Es ist aber keine Gefahr für Sozialismus, wenn er schlechter arbeitet ; Kapitalismus hat keine Vorteile, seine Leistungen(?). und doch, was sagen die Radikalen, daß die Industrie notor. anti-union ist. ...

Große Vorteile : die Durchsichtigkeit ; waste — schwierige Frage, volle Schwindel! ; aber viel beseigt ; Kämpfe wo, Besitzinterest, Steuern u.s.w. ; Arbeitslosigkeit ... was über Sabotage des Unternehmers genau soviel des Arbeiters. ... Wie mit Krieg? per contra : Bürokratie ... Argument für Privateigentum ; Ausscheidung durch Konkurrenz ... Und dann kann man wirklich nicht sagen, wo das net liegt : klar aber ...

1) viel hängt ab von "Reife" und von der Art, wie man die oberen Schichten behandelt, wo Attribute weiterer. ...

2) daß Unterschiede nicht so groß. ...

3) das führt dann hinüber zur Demokratie : von Disziplin, welche der Sozialist untergräbt ... und Auslese ... der bum — der Streiker ... Wo dann das keinen Sinn hat, von "Befreiung" zu sprechen oder von elimi. der Ausbeutung von Menschen durch Menschen. ... Individueller Fabrikleiter kommt zu Arbeiterfrau sagen : talk of bread or party congress. ... Bei Demokratie dann Auslese ... Warum besser und warum schlechter arbeitet. ... Verantwortung und was man to könnte, um efficiency zu erreichen — Auslese u.s.w. ... Vielleicht demokratisches Problem am Ende, nach statt vor "better funktionieren" ; aber dann muß die 1 Seite geändert werden! ... Über Nichtarbeitenwollen, über individuelle Vorteile des cacanny : selbst der Verbrecher hat Vorteil. ... Demokratie und individuelle Freiheit verschiedene Dinge. ... Ein Essay über Menschenökonomie? ...

2.(M)(N)

Nun sich die psychologischen Schwierigkeiten ergeben ; aber die psycholo. shaping doch schon in II. ... More than anywhere else it is here necessary to emphasize the point, which I shall never tire to press and recognition of which constitutes one of Marx's claims to being placed in a class by himself. The question we are about to discuss not only may but

must be answered differently for different historical situations and changes its nature in the course of time. To be workable, let alone successful, modern as distinguished from primitive socialism requires the previous realization of a definite socio-psychological — cultural and moral — pattern just as much as it requires the previous realization of definite economic pattern, both of which only fully matured capitalism can create. This is one of the reasons why there is little sense in advocating or fighting socialism in general and irrespective of historical situation, and why so little practical value attaches to inferences from that pure logic of socialist planning and even of its technical feasibility that we dealt with before. ... Lange hier? Vielleicht he takes it for granted daß er für Gegenwart argumentiert, aber dann wäre die maturity als zentrales Problem zu behandeln in a “case of soc.”. (II is Part II. Chap. 11~14 ... editor)

Nobody will deny that proposition when facing it. Many people forget it when arguing particular point. Many people underrate its importance for the socio-psychological sphere as well as the time that change in that sphere take in coming about. At the risk of the triviality and repetition, I will illustrate the point by the outstanding historical example. Feudalism was nothing else but a method of public administration. Holders of fief originally, aber auch später, und leicht to sehen das einzig Mögliche und das damals man hätte argumentieren können, daß es wesentlich ist, daß Herr Interesse hat finanzielles Interesse an Untertan ; hätte keine Sinn gehabt, moderne Verwaltung zu verlangen ; schließlich kommt eine Zeit, wo das keinem einfallen würde, aber dazwischen ist eine zweifelhafte Zeit, und diese macht das Problem ; this of course cut both ways. ... Privateigentum “nötig” aber nicht für immer. ... Was dann später kommt! psychisch kann Eigentum und absense of Eigentum. ... malady sein, illness! ... Hinweis auf II, “that souls must be fashioned!”. ... Now we have seen in II, daß tatsächlich ein solcher Prozeß in Ganzen — in Prinzip soc. serve. ... Wo das Problem behandeln, ob glaubt von Motiv zu sprechen statt von events, turning of reflex. ...

3(N)

Here dann die obige Anknüpfung an II Essay und sagen, daß Motivation, Lebensform und work steadily umgelegen wird — Schwierigkeit erscheint so groß nur wenn man eine vergangene Zeit bewertet als selbst noch die Gegenwart, ... Für detested Individualismus ist das typ. kapitalistische Motiv des Vermögengerwerbs in any case and abgesehen von Sozialismus viel geringer, besonders in gleichzeitig veränderter Lebensform, die in Hotel symbolisiert (aber das doch by nicht geringem Widerstand) ; property bedeute weniger und es bleibt any how nur prof. work — der versteht nicht, der nicht weiß, was product, produzieren bedeutet : in besonders in big bus.— und soz. Gewicht. ... Aber das Parteien überschätzen, was die einen das sozialartige Motiv, die anderen kapitalistische Infectionen nennen. ... Über kapitalistische Mentalität, welche infects. ...

Even so hardly malleab., sondern another an interm. case — formation und fixation

of habit. ... title and order ... andere Frage : wie Kultur beeinfl. 1. Leistung 2. Typus
 ... compar. ... wo Stellung zu arbeiten — putting on back : Herrenstand gone for good
 and ill. ... masterful atti. ... dann Argument über property ... a) Hat vorher vollen Sinn
 gehabt — Taktik des Sozialisten : sneer at what one cannot refuse. say, isolationist
 und sneer. ... b) bedeutet heute auch noch etwas, aber anders : Eigengestaltung und
 besondere Art von verantwortlichen Bedingungen der Entscheidung, Autonomie ; Probleme
 der Bürokratie. ... wo? ... Aber das hängt ab von arrangement ; vgl. Preußen ; ein
 vernünftiger Minister übernimmt Staatunternehmung sich selbst. ... dann Illustration
 durch feudales Amt, Privatisierung nach far time der Carol — contrast : achievement
 und failure ... Aber das vielleicht unter “Vergleich” oder presently unter Arbeitsbedingungen.
 ... Dann vielleicht to round off Arbeits- und Lebensbedingungen. ... 2er Katz (die ein
 wenig noch Besitz Interesse und (?)) ... a) Autorität der Kompetenz ... alte Typen, lawyer
 ... neue Typen, engineer, civil servant ... Autorität des Können braucht nicht geringer zu
 sein. ... Halte ich ängstlich an kapitalistischen Formen fest? ... b) und dann vielleicht
 was bedeutet prop. ; nicht notwendig mehr cardin. yokes. ... Gewicht und Freiheit der
 Entscheidung, stamp on pants? ... Diskussion, zuerst Religion und “Recht” immer wenn
 prop. wohl Funktion. ... c) Soc. may reduce radikale Haltung unter Maßen, das zur
 Efficiency nötig ist oder humiliate und disgust — aber das ist nicht wesentlich und, wenn
 nicht, so kommt wieder kaum vor malleabi. of fund. patterns in Betracht, sondern eher
 interm. case Formation of habit. ... (a) riesiger range of variation in der Zeit, (b) fixierte
 habit zur Gesundheit nötig : nicht mehr als das sagen und auf transition verweisen :
 food, privacy, gun, smoke, drink, sexuelle Gewohnheit — alles das nicht gesagt, weil
 Einschränkung nötig wäre, und das Wesentliche, die Familien attit., wie gesagt stirbt
 ohnehin. ... d) So wirkt der Typus in Sozialismus ; andere Frage : wie Sozialismus auf
 Leistung und Typus wirkt. ... e) Leisure class — und expropriated class — nur
 bemerken daß nicht so einfach ist. ... privilege aber erringen. ...

4.(N)

Wird gesagt, daß praktische unmöglich — Aufgabe zu groß und kompliziert ; if I get i
 t this means that socialism administratively unmöglich, daß er eine unmögliche admin.
 Aufgabe setzt und das boils down to two things a) too complic., würde eine devise Intelligenz
 erfordern (und dann würde von jedem zugegeben werden, daß Sozialismus nicht nur
 möglich, sondern auch besser, was aber später kommt), b) ein moralisches Niveau
 voraussetzt, das nicht da ist (im Kapitalismus kann der laggard shift, im Sozialismus
 noch immer malingering wie in einen Amt, aber nicht so leicht wie im heutigen Kapitalismus).
 ... aber wieder Reifezeit? ...

ad a+b) There is an error about all this which must be dispelled first of all. The
 administrative task to be faced is impossibly difficult if it is realized as one board, set
 alone one brain, performing all the operations (decisions) which are performed in the
 capitalist organization, now and surely the same condition as probleming now posit. the

mselves. This everyone would admit and only as these envisaged is that position understandable. But it is clearly inadmissible to posit the problem like this. If posited properly, it is readily seem to be not more but less difficult than that which faces the cap. control organi. as it is — total of managers of firms and banks or any central board in cap. society (gen. staff) we might imagine. ... ad a) Let us be practical and anschaulich. We use our idea and set nur “ministry” to work. Of course and this is important, we assume general social und cultural conditions necessary for an efficient civil service. The first task of selection or app. or election, but this later, now we assume die bürokratische Methode : Minister muß Majorität haben, aber er ernennt ; civil service spirit alles das später : denken wir an England.

Wieviel eigentlich Hiweis auf Bürokratie ; daß Staat nicht kreierte ; wahres Argument gegen Bürokratie und wahres Argument für Privatinitiative und privaten Eigentum. ... Eine Frage ist dann, wie weit is Kommando einer Armee. ... Dinge in der Hand behalten soll. ... Aber das ist nicht die einzige. ... a) Technik b) probation und stimulus, wie Man das beste aus jeden herausbringt und allem vorhandene Talent verwendet. ... einerseits das “Abteil”, andererseits das “street-cafe” ... “Bürokratie Sozialismus”, elective Methode — und elective judges oder elective generals in Athen — war nicht so schlecht trotz Sizil. erped. und Aigospotamoi, auch Marathon und Salamis und Perikles. ... here joke über Earl of Prinkipo ...

5.(N)

Then it is seen that the individual officer’s task in the individual plant is easier : many more things are settled for him — by orderly or automatic observation of superv. — than for cap. entrepreneur and he knows much more of the reactions of others, which can only be through the ministry (board at the ministry) : consumer’s reactions and how technique will work out still problems of course, but points that there are — in the most — no principal problem which are not also in cap. while others are absent or much most more easy by intacting (vielleicht Reaktion von anderen Firmen und Industrien). A besser man can do that? ...

Remains the board at the Ministry. It acts on data (reports) of firms and on certain symptoms which system is constructed to produce and whether it leads or merely controls and coordinates. This can be reduced to routine. Total “amount of task” less and facilitated by obviousness of data and machinery for coordination — “referent” für jede Industrie. Wie eine Armee — moderne Armee is not schwerer, sondern leichter zu handhaben als Armee Wallensteins (oder selbst Nap.), obgleich hier task what is : vielleicht wichtig zu unterscheiden zwischen task und Mittel ihrer Leistung... and these refer. meeting conference. ... und so gut stehender Plan — in fact largely automatisch und der Minister hat nur general leadership, inspiration. ... Only look at it in a practical spirit : the strength is these und nicht in their Theorie.

You sneer? all the suggestion daß so etwas "besser". Well das kommt später, but it is clear, daß it can work without breakdown if responsibly handled. ... coffee house ... To complete this argument, argument bezieht sich auf größere und größest Industrien, deren Vorhandensein really Bedingung ; but when? dem allgemeinen Vorhaben, so kann ein Sektor auch anders behandelt werden, und als Beispiel nehmen Agrikultur. Suppose, es wird entscheiden, daß Farmers would excluded — das schafft Gruppeninteressen, though ist nur sympatisch, weil so große Einleichterung — well farmers produce for calcul. prices — das sind wirklich Preise! — offered, welche devided von "prices" gotten (+ investment consid., if any into the price fixing) und Einkommen werden behandelt und Nachfrage taken account of wie andere. ... Und die sozialisierten? Eisenbahnen, Maschinenfabriken, Fertilizerfabriken und(?) u.s.w. werden calcul. bereitgestellt : nicht sehr viel mehr nötig als existing Maschinerie, ... Ob demokr. hängt ab, was man unter Dem. versteht oder Ochlocracy. ...

Zum Schluß : ich bin offenbar nicht unfriend für sozialistische plan, wengleich ich kapitalistische Kultur verstehe ; ist es dann ein Widerspruch, wenn ich gegen New Deal und Sozialisten bin wie unsere sind? ... Im Gegenteil, they spoil it und das New Deal ist frivol — sicher Verhinderung von Fortschritten, Zerstören von deriv. Sozialismus, allenfalls mit shipping up war. ... Ist das reaktionär? — of course weil man die Interessen. ... Jedenfalls sollte ich konstruktiv sein. ...

6.(N)

What about the impossible moral heights required to make system work, all that money and entrepren. effort without the stimulus of private reward and all that idealism of workmen working free from any compulsion and doing his duty which he understand and like from as free will as now he obey a traffic repeals — contri. to management by his democratic decision etc. ; no longer thwarted. ...

For this objection socialists themselves are largely responsible — fearful, jedoch vgl auch Shaw —. Right into the times of socialist or, at all events, transitional Bolschevist practice, they almost cynically wove the Russian idyll. Webb — Beispiel wie man nur siet, was man will : wie wenn das anders wäre in Kapitalismus! There will be that ideology of course and very sensible it will be to train people in it. Social service, jetzt! But we have only to clear our mind of cant in order to see that not more but less will be required in moral stamina than in capitalism. Cap. requires much more — auch more — responsibility, much more both self-reliance and self-restraint (vgl. "Pro. Ethik") und acceptance of results of own actions und die Mentalität, die für Zukunft arbeitet und das Wort hält wo nicht "nötig" ist : less morals as well as less brains are necessary to run socialism. ...

This to be seen : Arbeiter hat ganz dasselbe Motiv und dieselbe Pflicht which will be brought home to him much more effectively, weil α) keine Ausrede mehr und β) keine instig. to unsocial action und γ) wird Arbeit in vollen unpaidentyer vorgeschoben. Der leader will not have Möglichkeit des fantastic success in money ; keine privaten Reich und Dynastien und Familien position — but those decaying anyhow und allegemeine Einkommen aus privatiger standing instead of income, α) Ehre, β) kulturelle Leistungen der maneg. und professionellen group, braucht nicht so sehr zu definieren —. Arbeit des Beamten zur Funktion von Staaten übernommen und der Beamte hat vielleicht mehr Einfluß, über große resources, als Unternehmer — das ist ja Grund für enthus. — und wenn er weniger Motiv hat und weniger tut, was macht es?? ... Does not go bankrupt and a clear report can cover all the sins. ... Fortune will not be imported and not necessarily show up as such ... Moral subnomal creator? less diff. — weniger Ruhen. ...

7.(N)

Hier schon 2 Dinge vermischt : die einfachen Veränderungen von Motiven und außen B edingungen und change von nature, welche jetzt mehr in habits verlißt. ...

Capitalist evolution tends, as it were, to dry up this fundamental center of motivation. The individual become “detached”, that is to say, no longer feels and thinks of himself as an element in a family setting and as a link in the endless chain of generations, as a trustee of property handed down to him and to be handed down to his children. His whole attributes to life and its value and problems thereby undergoes a most significant change which asserts itself in practically all personal and business matters. As regards the latter the change is perhaps least observable in the behavior of the types that are instance by the lawyer and physician. ... Diese wollen immer schon so. ... all the more observable in owner-manager and executive. And new type emerges, represented by a certain class of civil servant and financiers. ... Who did that sort of things before — Aristocrat of **XV III** Jahrhu. ...

α) How all this need not spell change in fundamental patterns and yet goes very far. ... And all in direction of preparing socialism, making its working more and more possible. Auch wichtig, daß we weniger Güter accum. für persönlichen Gebrauch nötig. ... Und andere Mittel, um Arbeitsgelegenheit zu finden und power (Gewicht) — Ordnung. ... passing stamp on trousers und titles schon vorher gebraucht — was wird Theorie für contri.? ...

β) Wichtigkeit der Regsamkeit des change, wenn er nicht die Leute oder den Prozeß injure und weniger efficient machen soll ; und Bedeutung der vorhergehenden Entwicklung ; Erfolg von Sozialismus ganz verschieden, je nachdem auf welchen Zustand impinges. — und hier vielleicht, was vorher gesagt? Das nicht immer advocated werden kann. ... Und vielleicht hier über property ersparen. ...

Das eigentlich alles Formulierung für II Essay. ... Und wo hotel of capitalist house? ... material für II! ... switches off besser light. ...

8.(N)

Wie weit malleab. überhaupt nötig. ... Notwendigkeit sachmäßigen Übergangs ... Sozialismus begeistert uns nichts, aber schreckt uns auch nichts. ... Cap. shapes souls slowly but inexorably for socialism by changing Motives ; Snarling. ... z.T. α) durch working of System, β) durch die Steuern u.s.w., welche die von ihm evolvierte Mentalität mit sich bringt. ... Ist es also insisting on kapitalistischer Prize und refusal to work for cutting else? ... Notwendigkeit langsamen Übergangs ... Also α) die kapitalistische Entwicklung shape I in sich, II by policy welche created. ... Das aber auch ist Übergang und zwar z.T. durch andere conditioning. ... β) What is there to adap., who must be adapted, and to what. ... Und wieder Unterschied, ob von Idealtyp oder aktuellen Kapitalismus aus zu adapt. oder ein mehr inscrut. Wert. ...

Wo der moderne Typus des Unterstaatssekretär? ... Und daß des nicht für "einige-wenige Individualisten gild, sondern für Leute, die eben matter? ... Das ist nicht unbedeutend?! ... Wo die Ptolem.," Pentereme und das moderne Hotel? ... daß Kapitalismus die Kaufkraft gerade der unteren und mittleren Schichten erhöht. ...

9.(N)

We have seen in the preceding chapter Essay how capitalist evolution slowly but inexorably shapes things and souls for socialism. This it does, we remember, both directly by the mere effects of its own working and indirectly by the social and political atmosphere it creates and the policies that result there from. But in part at all events, the methods by which that change is brought about resemble in mere conditioning rather than any shaping that would involve malleability. The change mainly results from removing or atrophying some of the most important motives, prize, stimul., habit of life, attitudes to life characteristic of cap., especially those that anchor in the family, the family home and the family business.

1) correlate ... Bedeutung von prop. ... beacon lights of cap. ... Arbeitswilligkeit ... subordination ...

2) Die Mangel können all innerhalb des Kapitalismus beseitigt werden a. durch seine working, b. durch Mittel, die er bereit stellen.

3) Zurückkommen bei transit. ... Prop. Argumente stellen Möglichkeiten laufend richtig und Frage, inwieweit noch sind für diesem Zweck, anders zu formulieren. ... here moderner Mann ... Exec.,der elaborate Arbeit tut in office, ist schon halber socialist, der sich als det. Individuum füllt. ... Malleab. of body und soul ist Grundproblem — viel wichtiger als Theorie. ... Bei Arbeiter : Wille zu arbeiten und subordin. und wichtig, daß nicht mit

compa. kollidiert.

10.(N)

Concerning the reformation of souls that socialism is sometimes hold to presuppose, we can quickly dispose of one of the most popular arguments : if the antisocialist theorist is that in order to function the socialist system as here envisaged world require an impossible level of general morality — working from no other motive but a sense of social duty and that sort of things ; and what is to be done with the striker — the plain answer is that this is not so. In complete parallelsism with preceding argument of technical difficulties of running the socialist machine, we may admit that the considerations of the kind alluded are valid against some blatant crudities of socialist phraseology, but we have to recognize that the minimum fund of moral stamina, of energy as well as idealism, required of the comrade both the leader and led one would not only greater but that it would be small than the minimum fund of moral stamina required of the denizen of a commercial society. ... “Motive” also hier vielleicht über behavior, aber das ist anderes in einem Falle wie Russland. ...

Grund ist, daß almost ex def. personal element und personal Qualität geringere Rolle im bloßen Funktionieren spielt ... Was alles denied wie cap. aus Zeitungen bekommt. ... welfare, security, stupidity ... wichtig, darauf Zurückkommen bei Compar. : was für eine type of man — what is elegant : loosing teeth wenn nichts zu beißen... cocktail ... Gründe : a) kapitalistische Leben verlangt, wie mehr individuelle Intelligenz, so viel mehr much self-reliance character ; fight ; foresight. ... b) adherence to word, steadiness an adversity und all the virtues that go with. ... c) it auch generosity und duty und self-denial ; Versuchung und Abwendung von wirtschaftlichen care — ist dann Sozialismus. ... d) Many more things settled for comrade und mechnisiert für leader, keine scope für all diese Eigenschaften. ... Wie Maschinen labor saving, so ist mechanisierte Gesellschaft. ... And sticker — das aber kommt eigentlich später — can be dealt with, of es reasonable anzunehmen. ... That he would be dealt with or on the contrary allowed to infect million open question, welche später kommen — das Ersuchen der roten comrades und harshness. ... At any rate would be difficult to coddle him more than he is coddled now. ...

Wo ist da der Unterschied zwischen anderen Verhalten mit derselben Seele und Änderung der Seele? ... Malleability der Seele ... Sozi — spreche doch bei Adapt. davon. ...

11.(N)

Whatever the ethical level that may be necessary in order to make socialism work, we have certainly to face problems of adaptation to new conditions — problems incident to any reconditioning of human behavior — which cannot be disposed of mellifluous phrases that prove nothing except the semi-religious nature of socialist beliefs. In trying

to make headway on a road that does touch Damascus and may be traveled without assuming that socialism will miraculously remake our souls — once they are free from the bonds and prisons of capitalism — we hampered by the disconcertingly wide range of possibilities covered by the term “socialist form of life”. ... Adapt. kann schwieriger oder leichter sein, je nach wirkliche Inhalt ist oft übersehen. ... Muß immer wieder betont werden, daß Sozialismus, selbst wenn definiert wie wir es tun, eine Kultur nicht eindeutig bestimmt. ... Und außerdem die verschieden stage : einfach sagen “now” oder überhaupt gar nichts? ... Oder, direkt auf extent of adaptation und nur hinzufügen, daß wir unterscheiden können zwischen diff. Reaction unter diff. circumstances and malleabili. in change of those patterns — habits or more —, welche nur in time und mit Schmerzen und Schwierigkeiten zu ändern sind, obgleich Unterscheidung open to believer von verschiedenen Ständen!

12.(N)

But another problem comes into view behind that one. Whatever the required level of moral stamina may be, the socialist form of life differs sufficiently from others to raise a question of adaptation. This question can not be disposed by mellifluous phrases about the beauties of socialism the way of which will, on a day of Damascus, remake the soul of man. ... reformed humanity freed from prison suddenly ultimate und lovability ... Neither can it be answered with any exactness, the less so because, as will appear more clearly later on, the “socialist form of life” covers a disconcertingly wide range of variation. Nevertheless it does not seem hopeless to try to arrive at a commonsense conclusion. ... Wichtiges Problem ist, daß nicht harmful change of habit zur Katastrophe, hängt zusammen mit Wertung der bourgeois Leistung. a) tatsächliche Leistung b) Leistung, die sie by nature nie leisten kann. ...

13.(N)

For this purpose we will divide the question in two, although this division will be discovered to be somewhat artificial. Our like and dislike, impulses and motives, schemes of values or, if you prefer, our patterns of reaction may remain what they are and still a required change in behavior may be brought about, with or without psychic lessons, by conditioning them differently — by placing us in a new social environment that offers new stimuli. and does not offer some of the old ones. Or these patterns of reaction themselves may change or be made to change. Only attempts in the latter direction involve the problem which we shall dubb Malleability of Human Nature. Owing to the obvious difficulties this malleability presents we shall first see how far we get without it ... Aber ist das also shaping habit? ...

14.(N)

Sinn der Arbeit, Sinn von ökonomische achievement — stick in the mud. ... Lange’s goal so perfectly shapes daß “mere fact of living” in a Sinne of satsf. ... Bei privat prop.

— wie disktiert : willig Wünschenswert. ... Und hier a) als Element der psych. Hygiene, b) in seiner Bedeutung als center of moter. ... wichtig auch durch killing off haunting : spielerische Befriedigung ...

15.(M)(N)

Who would have to be adapted and to what? Again we are entitled to the simplification which consists in leaving the sphere of the farmer or peasant untouched in the same sense as before — that is to say, framework of his private life and many things about the management of his holding. Also, it has suggest before that the ministry might, without prejudice to the socialist principles of the commonwealth, facilitate its administrative task by, refraining from complete destruction of the retailers and artisans world! Those shops would of course be not much more than branch offices of the socialized industries but as such might continue to exist in a semi-autonomous state that, for most of them, would not greatly differ from their present state. ...

Neither need the mass of skilled and unskilled workman and clerks find their lot and their task very much changed. The work to be done would not differ substantially. The attitude toward work, as we shall see later, many reasonably be expected to improve. Those who doubt that the mass will not go on working in the absence of capitalist compulsions underrate both the amount of “sense of duty” that even today enters into the psychic prerequisites of any work and the amount of “compulsion” which even a high “democratic” socialism would be perfectly able to apply. ... “healthier outlook” ... Wille zu arbeiten ohne Stimulus of getting a living nach needs — soc. themselves to blame for what then appears als difficulty. ... Socialisierungskommision ... Hinweis auf comparison ...

16.(M)(N)

And those who doubt the possibility of securing in a socialist community, the necessary amount of discipline or subordination must similarly overrate the amount of discipline that exists now — it is the arrangement of the productive process, the conveyancer and so on, that disciplines the modern workmen and not his supervisors who are frightened of him — and the loss of disciplines which can possibly result from transition into socialism. ... psychological? Willigkeit? ... rudiment ... Das is Vergleich mit fettered cap. — kann nicht verhindern daß smaller driver auf bus. ... We shall in the next chapter discuss the principle which arise here. Meanwhile it is enough to notice that lack of authority is no part of the socialist scheme of things. Nor have I found that serious socialists are more avoidable about this point, whenever they face the practical question — as some European-Socialist groups had to in 1919. — no to mention Bolschewists ... And are not in the Sunday school mood. For instance, I have met but two or three who would have been prepared to apply the elective principle to foreman and all that ranks above them, and even those volunteered — I did not suggest it — the proviso that election

would “of course” not be by those workmen whom the foreman and so on in question were to lead or supervise — but by some other, especially lawyer, groups.

When the workman leaves the shop, they would return to a home that would hardly differ much, in the respects relevant to the problem in hand, from the home he returns to now. And he would or could fill his leisure hours in much the same way. Hence the only difference socialism would make to him is job security at the some sacrifice of freedom of choice. Of course the common-wealth may impose further changes in behavior in order to attain particular ends. And these may indeed raise additional problems of adaptation. But then this would be a question of those particular ends and not socialism as such. ...

17.(N)

So far we are driven to the conclusion that socialism will not or, in any case, need not require any major adaptations of behavior at all. ... then, i.e. für vast majority of people ... It follows a fortune that it will not require malleability — change in fundamental pattern of human nature — a) für diese Leute selbst b) für Gesamtheit (make their works) ... This is not so in the remaining case — I will shock the reader’s feeling by calling it the case of people cannot individually. ... a) feeling of threatened und insulted, b) reduced below filling of function, c) their habits bent ... 3 Typen, oder nur 2, und nicht jeder Dr oder Lawyer — can do more than apply was er gelehrt hat. ... über Natur und Wichtigkeit des Problems ... Vielleicht hier und dann sagen daß was das bedeutet : make a diff. ... bourgeoisie Lebensform ... riesige Differenzen, aber Übergang contin. : aber foreman may want den skilled workman in his small way. ...

Lebensform (Hotel) ... Aber alles daß kommt doch unter heading of reduced resistance to socialism. ... dann noch eine remark über leisure class. ... Was ist sie? Der Mann z.B. der sein Vermögen verwaltet. ... daß trug die wissenschaftliches Leistung ... auch können allied sein kapitalistische bourgeoisie ... Solche. : professionell — aber includes semi-professionell — show für masses nothing to fear : freiwillig alles bestellt! ... Exercises für gewisse Berufe — army, sports of son and heirs (nicht der Leute selbst) ... besonders landed Aristokratie ... Über digging up unendliche kulturelle Möglichkeiten! ... Tacit ass., daß wer nicht aufsteigt, keine Opponenten hat und daß riesiges Mengen von Leuten in diesem Falle wäre Aufstieg ohne weiteres möglich. ...

Es bleibt dann die Oberschicht Frage. Wie wichtig diese Gruppe, Sozialgruppe nicht funktionieren in type of lawyer (protect social process of production — oder verteidigt viciously antisocial Interesse — das ist ganz gleich). ... Dr and engin. have 3 Dinge, a) work und Stellung much the same, b) Ekel von coddling Unterwerke — aber das ist coddling socialism, c) Reduktion of standard unter maß compet. mit full efficiency— das natürlich viel höher 50~100,000\$, aber Abzüge net spendable service für den Mann, der

nicht mehr sorgen will und für old age to sorgen braucht, kann leicht provided werden.
...

18.(M)

It has moreover another aspect. Among the reasons why the “supernormals” are likely to insist on preferential treatment as a condition of functioning, there is one that is merely their affair and nobody else. In most cases supernormal performance means concentration and strain, the effects of which can in the long run be withstood only in superior living conditions. To that extent, insistence on such conditions is no more than insistence on being allowed to keep fit for one’s task. As a matter of economic rationality a socialistic society has as much motive to take account of this as it has to tend a valuable machine more carefully than a less valuable one. This would, of course, mean economic privilege in the sense in which a race horse or prize bull are the grateful recipients of privileges which it would be both impossible and irrational to bestow on every horse or every head of cattle. It is not necessary to speculate about the necessary extent of those privilege, which is moreover variable within fairly wide limits. All that matters to us is that the functioning of the economic engine of socialism need not be impaired by difficulties of this class. Even if we attribute to them the fullest possible weight that can possibly be claimed for them. But it must be emphasized again that we are dealing only with what a socialist society might do and that what it will do is quite another matter. ...

It is easy to see that a very similar result will emerge from a discussion of the second group of factors that may be associated with the phraseology about the “master’s eye”. The relation between efficient production and the freedom to decide on one’s own responsibility is far from being so obvious as liberals of the old school have always believed it to be. To begin with it is a matter of relative quality of the personnel of private industry and the personnel of the directing agencies which the socialist comonwealth is likely to employ. At least for those countries in which private business attracted the best brains, cases can easily be vidualized in which socialist management might turn hopelessly inferior for this reason alone. That is why I have insisted so strongly on the necessity for socialism to secure the willing cooperation of the strata whom I believe to be the product of very rigorous process of selection. Yet the question is not wholly one of quality, as we know from our discussion of the potentialies inherent in the socialist blue print. At this turn of our way the problem of the bureaucratization of economic life emerges in its proper light. I have to confess that I can visualize socialist management only as a huge and all embracing apparatus and as nothing else. Every other alternative I can conceive would spell failure and breakdwon. But surely this should not terrify anyone who looks at the bureaucracies of industrial giants, recognizes how inevitable they are and observes the considerable measure of success with which they have avoided most of the features which people think particularly objectionable in the working of a bureaucracy.

...

19.(M)

To argue today against bureaucratization and to extol the virtues of the individual responsibility of the owner-manager of 1850 is hardly much more to the point than it would be to deplore the democratic management of modern armies and to advocate that they should be broken up into small groups each commanded by a tribal chieftain. Responsibility in the sense of having to pay for one's mistakes with one's own money is going anyhow — though not so quickly or completely as wishful thinking would have it — and the responsibility that exists in the large scale company could undoubtedly be reproduced in the socialist organization.

Recognition of the inevitability of a thing does not, of course, dispose of the problem that thing raises. What then is the difficulty about the functioning of the individual brain in the bureaucratic barrack? It is not, not primarily at least the absence of pecuniary self-interest. So far as that plaint goes, it could be remedied in ways that I have alluded to above. Much more important is another element. The government office as we know it undeniably has a depressing effect on some of the most active minds. The genius Loci resents and systematically rejects ideas. Even if it does not resent or reject them, they pass through many hands whose owners offer criticism and it is likely to die on its way or to reach port in a distorted form. Where committees are in command, many a good man ceases to identify himself with any definite piece of work unless, which is precisely the case of committees in successful business concerns, the committee is nothing but a cloak for the decision of a strong man. Balked of his potentialities for initiative the individual mind gives up and retires itself into an attitude of negative criticism and a dislike of commitments. There is a lack of zest and joy about cooperative decision which tend to make it a matter of indifference for people who if identified with a task would fight to the last ditch for their opinions. This is so in every work of life and one of the main reasons why courts of justice, universities, research councils and so on do not function as they could be expected to function from the human material at their command.

... [O] p207

20.(M)

But all that is so only because the matters to be dealt with are not matters of life and death. Matters which are felt to be important are as a rule — there are many exceptions — handed over to one man. As a rule at least armies are not commanded by committees. And in a socialist society the management of production would be a matter of life and death. The bureaucracy of the capitalist state affords inefficiency. The socialist bureaucracy could not. I am, however, far from being satisfied with this comfort. For this reason I do not believe in socialist success before the pace of economic progress quiets down. I have mentioned before certain advantages the socialist management would have in

rationalizing and planning the base of progress, but if this be done by bureaucratic methods the advantage might well be dearly bought. Not long ago I perused an excellent report issued by a government agency, the able and conscientious authors of which tried to establish that there are now no new possibilities before capitalist enterprise and that in fact all the great things in the industrial field have been done. That is exactly the conclusion which we might have expected competent government officials to arrive at. They might as well have published their report under the title : “Proof that Capitalist Enterprise is necessary if Industrial Progress is to Continue”.

Few subjects are so infected by prejudice and phraseology as this one is. The two parties to the contest — the “old Liberals” and the “etatists” — both have maneuvered themselves into position which it is impossible to defend rationally and which can be understood only if the blinding affects of group interest is taken into account. For the old liberal, the state is by nature inefficient, corrupt, almost ridiculous — its functioning an inexhaustible source of standard jokes. But recognition of the absurd length to which old Liberals have sometimes gone should not prevent us from giving due weight to the historical case they can make out and to the elements of truth their argument contains even *ex visu* the present time. Thus, the English and French bureaucracies of the eighteenth century fully deserved the comments that were passed on them by the average English and French economist of the nineteenth. And one of the most current slogans, viz. that “the State does not create anything” is, in the economic field, not simply false : even where governments have “created” economic apparatus, they mostly did so in the wake of individual enterprise and in an environment of capitalistic evolution, in which the better part of the work was done for them by complementary individual enterprise (steel, locomotives, safety device and so on). The argument is however inconclusive because bureaucracies were not intended for the handling of business and hence quite naturally developed methods and attitudes that were but ill adapted to that task : it does not follow that, if the management of production developed upon them, they would not develop other methods and attitudes. ... For the etatist — whether Prussian Junker or modern American radical — is amusing to observe, how similar their phraseologies are whenever the authority of the State is in question — the State is enthroned on a golden cloud from which wisdom and jobs rain blissfully upon this torrid earth of capitalism. This attitude is of course not a bit less absurd than that of the old Liberal was. However, it promises well for the future : if the radical is going to stand for his state as other people did for theirs, social discipline will stand a better chance of surviving in socialism than one might expect from his talk.

21.(M)

There remains the problem of the groups that are not unnaturally looked upon as the victims of the socialist arrangement — the problem of the “upper” or “leading” stratum. A case for capitalism vs socialism can, quite apart from the merits or demerits of

blueprints, be based on the quality of that stratum and on its actual achievement. Vice versa a failure of socialism to adapt it and to harness it into the service of the socialist plan might spell failure of the plan itself. The quality is relevant because it is obviously the product of precisely that method of social selection which any kind of socialism is bound to do away with. The achievement is relevant because it is obviously connected with a sublime effective scheme of prizes and penalties, of rewards and responsibilities, that is a specific feature of capitalism. ... The typical answer popular socialist phraseology has to offer is to deny the importance of this element of the case. ... According to hallowed phraseology which very many nonsocialists have been trained to believe in, that stratum consists of nothing but overfed beasts of prey whose presence in their position is explicable only on chance and remorselessness and whose "function" is to withhold from the working and consuming mass the product of their toil — beasts of prey that, moreover, bungle their own game by incapacity and, to add a modern touch, by their habit of saving the greater part of their loot thus produce depression. From the standpoint of those who use it, this is a most useful argument : it invariably draws cheers as many a politician has by now found out to his profit ; it is balm for the inferiority complexes of many an intellectual who disire from it a most comfortable explanation of the fact that he is not where those people are : and by implication it recommends him for thier job. ... Unfortunately it is wrong. ... [OO] p204

Superior quality for the human material in that upper stratum can be proved from the nature and efficiency of the process that recruits its element. The proof, it is true, only refers to a mode in the sense of statistical theory and is compatible with a considerable percentage of exceptions. It also refers to families rather than to individual who, taken by themselves, as a rule start their race differently handicapped. Here its outline can only be indicated : We first show that within each class position there is an upward and downward motion of human molecules the fact of which are best explained by the hypothesis that innate differences in aptitudes or ability or "personal force" are its primary movers ; then we show that these same differences also accounts for movements across the boundary lines of social classes. ... But the people in the upper stratum are a national asset of possibly decisive important not only by virtue of what they are but also by virtue of what they do. The economic civilization of capitalism — i.e. a record of achievement which it is easy to criticize and to improve when once it is accomplished or ex vidu of any given moment of its century-long career, but which could hardly have been accomplished, given the historical conditions of that career, within any other arrangement — and much besides is largely their work or else the result of oppotunities created by them. ... [O] p205

This is of course a truism when interpreted in the sense that they happened to preside over the work of the capitalist process. But I mean more than that. If fifty thousand well-chosen families had in this country been exterminated in 1890, their place could not

have been filled just as well by another fifty thousand and economic development would have been impeded for decades. That is to say the actual development was not only controlled or administrated but largely created by them. This follows from the above argument about selection together with an argument with which the Second chapter (Part ... editor) has made us familiar about that nature of the task and the way by which it was attacked. ... Though considerations of this type are decisive against many particular patterns, ideals and phrases of socialism, no argument against socialism as such follows from this. Socialist society need not forego the values, economic and other, that in the capitalist order are contingent upon the facts we have just glanced at. Selection will no doubt constitute one of its major problems. But methods are available for its solution that might conceivably be even more effective than is the “natural” social selection of capitalist society in combining the population for talent and inserting it into the right places with a minimum loss of time and force. There is of course plenty of room for differences of opinion as to limitations. However it would be as unjust to say that socialism has no means to select rationally as it would be to say that there is no — or an irrational — mechanism of selection in the commercial world. ...

22.(M)

Much more difficult is it to answer the doubts whether the supernormal stocks can be expected to function after the schema of prizes and penalties has been removed that makes them function under capitalist conditions. We may first dispose of the function of capital formation. This we do not do by charging, as some current theories do, that private thrift — saving and accumulation — as a matter of fact serves that purpose, nor by holding that voluntary by comrades, such as we saw could be possible in a socialist society would serve that purpose just as well, but simply by pointing to a fact. Russian experience is not doubt inconclusive on many points. But it is conclusive on this.

A sacrifice of “abstinence” has in Russia been imposed on all strata of society as no capitalist system could ever have enforced — all capitalist possibilities in this direction have thus been outstripped by a socialist government both in the sense that a huge surplus has been extorted from which to save and in the sense that most of it has been allocated to end that can fully mature only in a distant future. It is true that such heroic efforts can not be expected to be the general practice. It is also true that our experience with governmental action does not lend much support to the slogan : “the State can take the longer view” — as a matter of fact the politician invariably take the shortest view imaginable and it might well be argued that in the modern world it is the industrial family only that take care of long run interests of society. But that world is the world of capitalism and democracy.

... [O] p210

23.(M)

By this we have already settled part of the questions that center around the factor of

motivation — around the stimul. of action. ... In order to deal with what remains of it we must do another act of justice to that master's eye and to those geese that lay the golden eggs. These were, I take it, intended to convey three things : a relation between performance and economic reward ; a relation between efficiency of production and the freedom to decide under one's own responsibility ; and a relation between efficiency of production and the authority vested in the leading man. None of these are as ridiculous as they are sometimes held to be.

24.(M)

Whether or not it is a possible thing to do, it would be unsafe thing to reply mainly on the hope that the motives of the type envisaged might be replaced by purely altruistic or, more generally, idealistic ones, I have no wish to deny that a completely disinterested sense of duty is an important factor in any social world, our own included. But first we cannot afford to disregard the connection that subsists between the operation of altruistic motives and good will : a man who, according to his idea of the fitness of things, feels insulted or inadequately appreciated by his environment, will tend to drift into a resistive attitude of hostility or self-defence. These idea may be modified, no doubt but I do not care to speculate about the extent to which they can. ... Secondly I feel bound to state that so far as I can remember I have never, not in a single instance, met a man, however, high minded, where altruism or sense of duty worked within the ordinary current of professional life or even within his customary nonprofessional activities, in complete independence of his interest — no doctor or lawyer or clergyman or teacher or politician or civil servant or labor leader or reformer or whatever you please, not even a secretary of a benevolent society or chairman of some "league" or discussion group. In all and even the best cases, the element of personal interest was clearly ascertainable by means of obvious tests, in most cases it was pathetically obvious — though not always to the observed person. ... [O] p207

What we refer to as a disinterested person, a single minded servant of the public good as understood by him, is a man who does not press his personal interest to a degree we feel to be offensive and who recognizes those of others. This fact, too, may be modifiable and to some extent we actually can expect that, relieving the individual of economic cares and removing the lure of capitalist gains, will modify it. Nevertheless it cannot be simply brushed aside by talk about the pest of capitalism that infecting the souls distorts their "natural" disposition. For it is easy to see that the attitudes which underlie that fact are more deeply rooted than the capitalist system. Thus for, I think, the antisocialist scores. But, again, he only scores against the attitudes and argument of some socialists and not against socialism itself. Individual egotisms and in particular the individual egotism of the supernormal will have to be taken account of and dealt with rationally if the socialist system is to function. ...

Dealing rationally with the problem of individual egotisms implies, among other things, conciliating them : but it is perfectly possible to do this at very little expense to the rest of the community and without violating the principles which constitute socialism as defined — though not without violating the principle of some particular socialism. Let us get this straight.

25.(M)

At least recognition of success of successful performance, but more often social prestige of a more substantial kind is a “reward” which is likely to be insisted on and denial of which is likely to paralyze the working of the engine. The reason for expecting this is that the attitude of mind which make performance conditional to this type of return arises from the logic of life within any social group.

In capitalist society this recognition or prestige carries a strongly economic connotation both because pecuniary gain is, according to the standards of capitalist society, the typical index of successful performance, and because the paraphernalia of social prestige that from the individual environment — especially that most subtle of all economic good : Social Distance — must be brought. This prestige or distinction value of private wealth is and always has been very generally recognized. John St. Mill who was no wizard in foresight or insight saw that. And it is clear that among the incentives to supernormal performance this is the one which accounts for the attitude that cannot bear the idea of restriction being put on individual gain — for the craving forever plus ultra. ... Now the considerations submitted in the second Essay have taught that capitalist evolution itself tends to weaken that motives — especially so far as it transcends the individual and embraces his family. If Social Distance can be attained group-wise in the exclusive hotel, club or liner, then the castle, the stately urban establishment or the yacht lose in comparative advantage (“club principle”). If castle, big town house and yacht are increasingly more expensive and difficult to run and in fact display a tendency toward developing into nuisances, why, people will gradually cease to wish for them. If taxation, public disapproval and the loosening of the family tie render the foundation of an industrial dynasty impossible or less desired another motor force ceases to act. If wealth is not admired but sneered at, it may pro tanto be negatively evaluated even by its owner. Thus, by virtue of the working of the capitalist engine itself and of the psychology it produces, capitalist mentality is even now in the act of crumbling and will if the pear is allowed time to ripe crumble at a still greater rate in the future. Socialism will hence require not nearly as great a revaluation of the values of life in the upper stratum as it would have done at the time when the possibility of founding a miniature economic empire for descendants to inherit was the most normal of all capitalist motive and the marshall’s baton in the knapsack of many modest soldiery in the capitalist march. [O] p208

Moreover if socialist society should consider it rational to satisfy the privilege motive,

it is in as favorable position in order to do so as the old monarchies were. If supernormal performance be rewarded by the privilege that the performers — and nobody else — be allowed to stick a penny stamp on their trousers, this would go far to meet the case. It would be completely wrong to call this either an appeal to man's irrational nature or a non-economic reward. For the stamp impress all the comrades sufficiently to induce them to behave with special consideration to men that wear it, the advantage to the wearer would be a highly "rational" one, as those Americans will bear out who are in the habit of button holding the rosette of their legion of honor before they meet the French customs officer. And the rich man of today spends a large part of his money in order to secure precisely what our illustration is intended to stand for.

26.(M)

The desire of personally enjoying all the "good thing of life" in the best quality still remains. It would of course not be at all irrational to deny satisfaction of this class in order to comply with the precepts of some ethical ideal. But economic rationality presumably dictates policies of conciliation also in this case at least if our — possibly vitiated — commonsense and Russian experience is a guide. It is not, I think, impossible to figure out a plausible scale of industrial budgets that would adequately take account of this point at various levels of leadership or supernormality of performance. The result would of course shock a certain type of socialist (or rather petty bourgeois) Pharisees but it would not be formidable otherwise. It may be well to add in view of that Phrisaism that devices are ready at hand to placate it which have emerged in the capitalist world and been greatly developed in Russia. A scale of spendable incomes approaching symptomatically 100,000 dollars of present purchasing power may be more than sufficiently, and need not absorb more than a few percent of the national total. Essentially they amount to a combination of payment in kind with a liberal provision for what is supposed to be expenses for proper discharging of certain duties. In most countries the higher ranks of the civil service are no doubt very modestly paid, often irrationally so and the great political offices mostly carry decorously small money salaries. But at least in many cases, the use of admiralty and other yachts, special provision for service on international commissions or in the headquarters of an army and so on. It is not always so hard as it might seem to live on four hundred roubles a month. ... Like it or not, the question is important. ... [O] p209 ~ 210

27.(M)

We cannot plead that modern taxation of income and inheritances reduces the "idle rich" problem to quantitative insignificance. For this taxation is itself the expression of a mentality that denies to the leisure class any function, economic or cultural, and is but the forerunner of complete elimination : the coming socialism simply has asserted itself in this field already. We must put the question for the hypothetical case of a substantially intact capitalism. Now this intact capitalism, as we know, harbored a very important

non-capitalist element the uppermost stratum of which was conspicuous in le monde qui s'amuse. It's relative share in the national income must have been considerable in all European countries at least as late the middle of the nineteenth century. It is difficult to say what this share would be now in the absence of that taxation — which of course cut into its sources — and in the presence of policies favorable or at least not hostile to it. England is the only country for which an attempt at estimating it could possibly be made. However in the United States this problem does not exist.

But in the purely capitalistic sectors of society — or in a society that as a whole conforms to the blueprint of capitalism — the expenditure by the leisure class on consumer's goods for their own use is absolutely and relatively much smaller than observers think who overlook the fact that it is largely concentrated in certain very conspicuous spots and who are in the habit of including in the idle rich every business or professional man on holiday or after office hours. Since, moreover, the idle rich in such a society consist mainly of dependents and descendants of supernormally successful business and professional men, the argument, so far as it is an argument about economics at a given level of productive efficiency, would also have to take account of the link that in the economic world propelled by bourgeois motivation exists between performance conducive to the efficiency of the economic engine and idle comfort of those dependents and descendants and so on. ... If we went into the matter which really would involve the detailed study of individual milieus, such phenomena would have to be considered as for instance the very considerable amount of scientific and literary production that in England flowed from the economically idle, not to mention political service whose outstanding quality had much to do with independence. ... And there are many other items which would irritate readers of radical propensity still more. But even the England radical would not be what he is, without the formative influence of the "gentleman of independent means". ... I do not wish to waste any more space on a set of well-worn and trite but unfortunately true considerations. Again the very nature of the net economy, socialism might harvest on this heading, is an insuperable bar to its exact estimate. But those considerations do show that it would be absurd to put it anywhere near the sum total of incomes from sources other than contractual payment for personal service. ... For this country I would put it at well below one percent of the national income. ...

That follows from the fact that in 1929, which year was exceptionally unfavorable for the purpose of substantiating the above assertion, the total expenditure from incomes of 50,000 dollars and over on the consumption receivers can not have been more and may well have been less than 3.5 percent of national income. Based on figures from Moulton, Leven and Warburton, America's Capacity to Consume, saving, taxes, charities assumed to seem to total 15 percent. Taxes at the 1929 level were considered as compatible with "intact" capitalism so that their deduction was not barred by the consideration at the beginning of the preceding paragraph. Now those 3.5 percent include all the higher

business and professional incomes, and it is not unreasonable to draw the conclusion in the text. ... Somewhat complex : ich meine net a) ob effi. zu impair, das ist möglich, aber auch wenn diese Ausgabe zu den Kosten gehört (der working class), die nur dem Kapitalismus eigen sind, so beweist sind das noch nicht daß innerhalb der kapitalistischen Voraussetzungen wertlos, b) net — ohne das dem Sozialismus andere Ausgaben erwachen. ... Andererseits : Bezahlungen, die höher als nötig und welche der workman of Co Incorp. ersparen könnte : Charakter von retaining fee auch für manager, Tenure, und prof. aber fraglich, ob höher als “Pflege” erfordert. ...

The case improves somewhat if we assume, as we shall hence-forth do, that socialism is to be embraced at a stage in which the family motive that provides the link between the idle rich and economic performance — I do not of course attach any weight to their “function” as spenders — shall have wholly or almost wholly vanished. However, though even then not a great deal will be gained from suppression of the income of the idle rich, more can be expected, now and especially if we make an analogous assumption as to the stage, from a general reduction — such as has already been initiated by taxation — of all high incomes. Because there can not be any doubt that under modern, and still more under future, conditions the services of their receivers can be secured at less expense. Without reducing efficiency, the total net saving, on idle and active rich combined, might then well amount to as much as two or three percent of total national income. ... Most socialists and bourgeois radicals will be surprised at what to them will seem an extremely modest figure. It is due to the proviso about conserving efficiency and, in connection with that, to what to the same socialists will seem an unduly generous definition of high incomes — \$ 50,000 and above gross, that is including saving, taxes, charities etc., —. Two additional comments should however be added. ... There is not necessarily a special case for differentiating, in the income of a businessman, between income from property and that part which is called “earned”. An example will illustrate. If, by the work of his hands, a man reclaims a piece of land, the return he will thereafter receives, is a “return on an appliance made by man”, a quasirent. But if the improvement be permanent, the return will become undistinguishable from rent proper and hence constitute what looks like the very incarnation of the idea of unearned income whereas in reality it is a form of wages if we define wages as return to personal exertion. More generally : effort may be undergone in response to a prospective return which may but need not necessarily vest the garb of wages. ... Again, we talk of efficiency as measured by the long term development of output, we must not forget that a reduction of earnings may increase output and hence efficiency. To illustrate by an example outside of the range considered : if American universities reduced the salaries of the more highly paid professors, some of these might be induced to write (still) more textbooks and to do (still) more outside lecturing. If those inestimable blessing the public is deprived by the level of those salaries, a tragic loss not necessarily compensated by a greater amount of original research and by the better quality of the teaching done at that level.

28.(M)

What about the relation that is hold to submit between the efficiency of the economic engine and the authority over employees which, by means of the institutions of private property and “free” contract, commercial society vests in employer? Again, this is not simply a question of a privilege conferred upon “Haves” in order to enable them to exploit “Havenot” and destined to disappear with socialization as promptly as would the ownership in ruins. Behind the private interest immediately concerned is an obvious social interest. Opinion may fairly differ as to how far, in a given situation, the latter is actually served by the former and as to the extent of “functionless” hardship which the method of entrusting the social interest to the self-interest of employers inflicts on the underdog. But historically there cannot by any difference of opinion either as to the existence of that social interest or as to the general effectiveness of that method which moreover, during the epoch of intact capitalism in particular, evidently was the only possible one. Hence our question divides up into two. Well that social interest persists in the socialist environment? If so, can the socialist plan supply the required amount of authority whatever that may be? ... Authority means many thing. We will therefore replace the term by two others, which are complementary to the particular meaning that is relevant to our discussion, discipline and subordination. ... [O] p210 ~ 211

29.(M)

To return to our definition. It will be noticed that oneness of authority — vielleicht zuerst Zentralplan — has been stressed. This is not intended to imply anything about structure of that authority. Its duties and powers may vary widely. It may elective or not, function through committees or individuals be more like a ministry or more like a court of justice or more like parliament. There even may be an executive and a distinct supervising body, a sort of cours des comptes. Something will have to be said about this later on, but for the concept it is irrelevant. But if there are more control bodies than one, they must form a unit in the sense that cooperate to bring about, by arbitrum or according to formal rules, a decision binding for society as a whole, about what and how to produce, how to allocate those productive resources which are capable of serving more than one purpose, how to dispose the resulting product. This does not exclude some latitude being granted to subordinate agents, agencies or even a measure of self-government of subgroups. But it does exclude guild socialism or syndicalism etc., and the wholly different problems they arise : a comprehensive social plan worked out by somebody, hence a central, at least coordinating, organ is essential for that socialism of which I am speaking, and incidentally, to its working.

30.(N)

On the other hand, I have not stressed public ownership of natural resources and plants and equipments. The point may not be very important but it should, for the sake of

clearness, not be overlooked. First, the term ownership or any of its more technical substitutes, is denizen of non-socialist world, ... Das führt dann aus Mechanismen, die verdächtig kapitalistisch ausgehen. Aber das macht nichts : in ein perfect light society works towards socialism ; aber außer von Ziele ; contra Lange ; außerdem gewisse rules of Wirtschaft ja allgemein logisch ; Wirtschaftmatrix der Logik. ... Was Unterschied : Auslese ; Verteilung des Ertrags ; Ziele : Unterschied in Methode? ... Privateigentum blemish irresponsibility und hält den Schreuer fern. Privateigentum means daß man has to pay for one's mistake.

31.(M)

Of course no more than a popular error to believe that in all those cases or particularly in the case of workmen the balance of bargaining power is always or necessarily in his favor. Also appraisal of exploitation of workmen, especially the exploitation in the earlier stages of capitalist evolution that is so shocking to the feelings of later periods must take account of the fact that it was an incident of a struggle for quick progress — of a sort of capitalist Gosplan — as well as the provider of the conditions for further expansion of the industrial apparatus and for rise in the standard of life of the masses that eventually ensued. The social function that was thus fulfilled — however brutally or ineptly — will also have to be fulfilled in a socialist society. But we need not trouble ourselves about it, because it will be fulfilled automatically — in the case of the non-human resources simply by their allocation according to the blueprint, e.g. through the mechanism I have outlined when discussing the “logical possibility” of the socialist plant ; as regard human resources, by such allocation plus the cultural ideas of the society permitting a policy of differential inducements, for the question what society can get out of a given comrade would not loose its meaning in the socialist arrangement if economic rationality is to prevail in it. The apparent paradox that the exploitation as widely understood includes what amount to a social function, a fundamental service to society and that socialism will continue to exploit human being, will disappear on very little reflection. Besides, what any decent man wants more than anything else is precisely to be exploited to the full of his capacity.

32.(M)

Discipline is to designate the fashioning of individual behavior by action of some social agent other than the individual himself. What may be called self-discipline therefore comes on only to the extent to which it is a habit resulting from training, i.e. past subjection to discipline. But what may be called group-discipline or the self-discipline of a social group is always included in our general definition. For if a group, consisting for instance of the workman in a factory, by its opinion and attitude exerts pressure on each individual member to conform to its standards, we have still a “social agent” other than the individual himself. It will however be convenient to distinguish this group-discipline from discipline enforced by an individual (even if elected) — or by a body other than

the whole group or by another group — which is what we will mean by authoritarian discipline. Subordination, the product of discipline, divides up into subordination as to decision (obeying orders) and subordination as to standards (effective acceptance of supervision or criticism).

Since self-discipline is an essential condition of survival in any natural and social environment, and group-discipline obvious by a major factor to rely on in any, but especially in a socialist society, a problem only arises with respect to authoritarian discipline. Again, we meet that frame of mind which insists on spoiling the case for socialism by foolishly idealizing it and trying to make it a substitute for the Christian heaven — the Christian heaven, because some other heavens have to be instituted with attendants ; even the Christian heaven would really have to be searched for “symptoms of a possible exploitation of angels”. But the absurd picture of the masses arriving by means of intelligent discussion — when resting from pleasant games — at decision which they then arise to carry out in joyful emulation should not blind us to certain facts and inferences from the facts that lend support to favorable expectations in a more reasonable form : first, we are comparing the socialist alternative with capitalist patterns from which authoritarian discipline is rapidly vanishing ; second there actually are reasons to expect that the self-discipline and group-discipline of mass will play a greater role in a socialist community than they do under the conditions of modern capitalism ; third, if self-disciplined and group-discipline should prove inadequate, the socialist management would be in a much better position to cope with the resulting difficulties than capitalist management ever can be under present conditions. Very little reflection will suffice to establish those three points. [O] p212 ~ 213

33.(M)

The importance of the role of authoritarian discipline for the functioning of the capitalist system has often been greatly underrated, sometimes, especially in the case of economists of Benthamite persuasion, completely overlooked. It is neither enlightened comprehension of the superlative excellencies of commercial society nor entirely the rational appraisal of the advantages accruing to him, nor simply — important though that was — pleasure and pride in good workmanship, that made him discharge his duties in the factory, but the “instinctive” readiness to obey, to subordinate himself as to decisions and as to standards, which he inherited from the discipline he had gone through under the fist of feudal predecessor of his bourgeois master. To this master he transferred part of the respect — by no means all of it — that he (in all normal cases) unquestioningly bore to the feudal lord, and this made things a lot easier than they would have been if he had felt himself as a social equal entering into a contract for specific purposes.

[O] p215

This advantage the industrial bourgeoisie in part forfeited by accepting equality in the

political sphere and by telling the laborers — or allowing intellectuals to tell them — that they were just as valuable citizens as anyone else, which also did away with more brutal methods of maintaining discipline. But for a time, enough remained of that “authority” and of the means of safeguarding it to veil the gradual but incessant change that inevitably broke up both and to constitute what most people will regard as the typically capitalist method. Its efficiency was in about equal measure due to the possibility of using dismissal as a punishment — little though the idea of freely contracting parties agrees with this element of the case — and to the strength of the motive, amounting to compulsion, to use it promptly. What strikes us as abuse of it is really an essential element of it. For in anything associated with the concept of power in human relations — whether in international relations, in the relations of classes, groups, or individuals — the possibility of abuse is part and parcel of effective use, and inseparable from it : power that is so hedged in by guarantees that it can never be abused, is not power at all.

34.(M)

Now all this is going — much of it has already gone. The following sentences summing up and recall part of that argument once more. Gone, first of all, is that prestige that made the workman “look up” to his employer and accept the latter’s authority as matter of course. Along with that prestige, the moral support of the community has been withdrawn even where it has not turned into its opposite — of which one symptom is the changed attitude of government toward labor struggles : the change from unquestioning support of employer’s authority via neutrality to an attitude that condones and even encourages infractions of discipline on the theory that there is no social interest behind the business interest that is the immediate object of attack. Gone or almost gone, in the second place, is the sanction of that is characteristic of the capitalist method, the threat of dismissal : the handle of the tool has by now been as framed that it will cut the hand that attempts to use it.

Gone finally is the manager’s will to fight. Feeling himself to be unsupported and having himself lost faith in his course, he tends to give up. This is particularly true for a type of executive in big concerns that is himself acquiring employee psychology. He has his salary and his contract. For the shareholders he cares less than nothing. He knows that any claim to the effect that he is defending a social interest would not even arouse wrath but only hilarity. He also knows that if he gives in promptly he will be patted on the back and commended as a truly progressive and enlightened man. Why should he fight if he can just as well get to nice? In this respect it is highly significant that such fighting spirit as managements have shown in this country during the last years proceeded from concerns (vide the automobile and steel industry), in which an individual or family interest was still strong or at least not completely atrophic. General speaking, what is usually called the vested interests shows the white feather. In places of them the vested

interests in social unrest comes to the fore. The logical outcome of this, the limiting case of completely fettered capitalism, must be that capitalism eventually cease to function at all. Then of course the superiority of socialism would become a truism. But even before this communication, at least in the realm of possibilities can be expected from the adoption of the socialist form of organization, may well be the restoration of social discipline.

35.(M)

What are the reasons to expect that workman's self-discipline and group discipline will in a socialist community play a greater role than they play now? The one is that the socialist order would command the moral allegiance that is more and more completely refused to capitalism. The other is that in socialist society the nature of economic process becomes much more understandable to all than it ever can be in capitalist society. These factors shade off into each other. But they will stand out better if we try to separate them. [O] p215

There is hardly any need for elaborate proof that moral allegiance will tend to increase both self-discipline and group-discipline. The workman's moral allegiance to the system within which he works will obviously tend to give him a healthier attitude to his duties than he can possibly have under a system he disapproves of. Still more important is another result of socialization that may confidently be expected. The workman's disapproval of the capitalist system is largely a product of the influences to which he is exposed. He disapproves because he is told to do so. His loyalty and his natural joy in good performance is being systematically talked out of him. His whole outlook on life and work is spoiled by the class-struggle complex. In socialism, this complex will to some extent automatically disappear and so will, along with other vested interests, the vested interest in social unrest.

Things will be further smoothened by the fact that in the socialist order economic phenomena show their faces with unmistakable clearness whereas in the capitalist order these faces are covered by the mask of the private-profit interest. We may think less of the horrors and follies that socialists hold are actually perpetrated behind that mask but we cannot deny the importance of the mask itself. Thus, in a socialist nobody could possibly doubt that what a nation get out of international trade is the imports and that the exports are the sacrifices which must be undergone in order to procure the imports whereas in commercial society this commonsense view is as a rule completely hidden from the man in the street who therefore cheerfully support policies that are to his disadvantage. ... And whatever else the socialist management may bungle, it certainly will not pay any premium to anybody for the express purpose of inducing him not produce . Nobody will be able to get away with nonsense about saving. For beyond the matter in hand, economic policy will therefore be rationalized and some of the worst sources of waste avoided simply because the economic significance of measures and processes will be patent to

every comrade. But among other things, every comrades will realize the true significance of resistiveness at work and especially of strikes. It does not matter in the least that he will not on that account expost condemn the strikes of the capitalist period provided he comes to the conclusion that strikes would “now” be nothing else but antisocial attacks upon the nations welfare. If he struck all the same, he would do so with a bad conscience and meet public disapproval. There would no longer be, in particular, any well meaning bourgeois of both sexes who think it frightfully exciting to applaud strikers and strike-leaders because, you know, one’s got to be social-minded and then, of course, you simply cannot allow big business to run the country, you just have to stand for the underprivileged and it’s a huge joke any way ...

36.(M)

We have made progress towards establishing our third point which was that the socialist management will be perfectly able to cope with the situation if self-discipline and group-discipline should prove inadequate. Presumably, they would. For in as much as, in part at least, they may be the result of training by authoritarian discipline, it would not be safe to conclude from the argument just presented, that the latter can be dispensed with together. Moreover, considering the role instigation from outside plays in any mass-wise infractions of discipline, we cannot disregard the fact that stirring up trouble will in a socialist society still mean a career or short-cut to a career and may still be expected as the natural reaction of individuals displeased with their position in the organism or with things in general. Also, it can not be assumed that there will be no conflict of sectional — geographical and industrial — interests to work on : on the contrary these might be just as serious they are now. ... If we compare with a mentality that accepts seeking of cap. sectionalism without thinking of political means, they might occasionally be worse ; wie Rauch in Boom. ... Even non-sectional interests might still divide opinions — for instance the interest in immediate enjoyment might well clash with the interest in the welfare of future generations, and we cannot be so sure that this will not evolve an attitude toward the managing group closely similar to the present attitude of labor and of the public in genral towards what they conceive to be the policy of big business. The only merit I claim for my exposition is that it takes account of these facts and possibilities instead of answering them in a sea of unalloyed ethical glory. ... Last but not least, we must remember the bearing on our problem of what I have called the cultural indeterminateness of socialism. Excepting the one issue of private vs social management of production, all the great issues of national life will be still with us. There is in fact no reason to believe that men will cease to fight over all the things that matter most to the human heart. Our previous argument establishes not more than that, in important respects, there will be less willingness to exploit them.

But the point is that there will also be less scope for what may be expected to remain of both. A public that no longer takes delight in the game of baiting capitalist interests

and every insertion of spokes into the wheels of economic life is less likely to countenance what it will readily recognize as semicriminal practice. Intellectuals who as a group would no longer be hostile to the existing order on principle and many of whom would be satisfied, will not, silently or actively, help the activities of those of them who would still use such "cause" as there are for purposes of attack — perhaps the socialist system may also be expected to produce a smaller number of intellectuals or, at any rate, to break up their group interest, Much support that is at present denied would therefore be shifted to a government what stood for social discipline.

37.(M)

The social management thereby be enable to deal with, say, a strike much as a modern government is allowed to deal with a mutiny in the army. Short of this, however, it would be in a position to use all the tools of authoritarian discipline that are at present theoretically available, but in fact cannot be used. In the room of the threat of dismissal there would be the threat of withholding sustenance from individuals that will not do their duty. The latter would be much more effective than the former, not only because it would not be weakened by the presence of other employment opportunities but also because it can be applied to any degree that may seem rational whereas in modern capitalism, public opinion disapproving of the disciplinary power of one party to labor contract over the other, it must be dismissal or nothing. Moreover they would be many less drastic methods which a capitalist management cannot use at all or not use effectively because of its lack of moral authority. The analogy with army discipline will illustrate what is meant. Mere admonition could have an effect which it could never now.

That is not all however. The socialist management may not only have the tool of authoritarian discipline and the power to use them, but it may also have sufficient motive to use them. In modern capitalism, the government's attitude to the economic process is the result of two factors that together tend to produce deadlocks : on the one hand according to the structural idea of the social world of bourgeois capitalism, successful operation of the engine of production is not yet, normally and as a matter of principle, a government responsibility ; on the other hand, according to the structural idea of a future social world, government is there to guide and to control that engine. In consequence, governments acquire exactly that attitude towards "business" which, within those activities that are unquestioningly recognized as governmental, is typical of the political opposition — helping, no doubt, in national emergencies and in task of national importance but, on principle, criticizing, checking, attacking. ... Now that could not so in socialism. The ministry of production would be responsible for the functioning of the engine and look upon it as its own. To be sure that responsibility could be political only and good tactics would possibly cover many a miscarriage. Nevertheless "opposition interest" would be eliminated, and a strong motive for successful operation would be substituted for it. Economic necessities would no longer be a laughing matter. Attempts to paralyse operations

would, normally, amount to crossing the managing group's wire. And it could reasonably be expected to react to this and, if need be, to put its foot down. Normal men who normally ask nothing better than to do their duty would be protected. The intellectual who tried to set them against their work would play a risky game.

(5) Supplementary Pasages to (4)

III— (5) — 1 ~ 66

1.(N)

Sozialismus hätte keinen Sinn gehabt aus beiden Gründen in 1850, und es wirt dauern bis was ich sage ganz wahr ist und chacen immer besser für Sozialismus being fiktionslos (nicht kollid. mit transition, wo ich sage, daß immer leichter wird). ... Since Vergleich m it bestimmter Sit. seien muß, nehme ich nur fetted Kapitalismus und als Zeit 1950 (Ende des condi.) — present circumstances wenn settled down und wenn forces actually visible fully worked out — in Westeuropa und Amerika oder mehr allgemein. ...

Aber ganz allgemein kann man sagen, daß — abgesehen von Übergängen — gar nicht so groß (exclude agrarian Sektor). ... Die große Ersparnis, welche möglicherweise für sich allein entsprechend sein könnte : z.T. wäre das schon jetzt, aber as soon as als kein moral allegiance aus dem Grunde in der Dir. gebilligt. ... Kein support für existing standards und disintegration, so ist das einziges Mittel. ... Hinweis auf II, wo über Sozialisierung der Seelen! ... liable to Dir. ... liable to social catastrophes ... Stamp on pants ...

2.(N)

Sozialismus III ...

Einfach : big business capitalism not just the present but such as it may be expected to be when present tendencies still better work out. ... Und soll ich fettered cap. Samennehmer. ... In “fetter” in Soz. II einzuführen — aber dann dort Frage of fetter natürlich growth? ... Oder in 2 steps : Kapitalismus mit seine Psychologie aber ohne fetter? ; Kapitalismus in fetters. ... Überlegenheit des Kapitalismus kann bassiert werden auf. : Eigentumsinteresse und Verantwortung. ... Das uniquely effective Schema von rewards und responsibility ; das ist wahr, aber in seiner Zeit! ist impaired. ... Selection commt in IV? ...

3 Punkte : Qualität der Gehirne, Bedingungen der Fertigkeit, Motivation — able Amerikaner went to bus. ... “blind und leer” — und wenn Gestaltung so leicht zu korrigieren in der Übergangsaktion, kann man von Freiheit Gebrauch machen. ...

3.(N)

Look at the good boy, den Gott belohnt! ... Goose, welche golden Eier legt, das wichtig für ... Ideal vs Wirklichkeit ... Look at a Kapitalismus, wo ein Genie mit forethought und Enthaltbarkeit und idealer Rationalität neues schafft unter eigener Verantwortung — keine Abweichung von Rationalität außer Generosität — ... Und a Kapitalismus, wo ein semi-criminal, die Gesellschaft blackmailed durch dirty tricks standing in a way of Prozeß

oppressing workmen und consumers alike. ... Und both could be und should still be Kapitalismus. ... Und ebenso bei Sozialismus, so daß ...

4.(N)

Erregen mit was? ... Idealtyp Kapitalismus oder tatsächlich ... No reconditioning of workman und farmer nötig braucht, nur be allowed to take Energie atti. ... Vielleicht wenn andere Zweke zu erreichen, daß dann taking chances, aber is nicht nötig. ... healthier atti. see später ; und subordination, wo work — wo ist sie heute — conveyer-frightened ... Und auch große Masse der works u.s.w. much as now, und selbst kleine Geschäftsmann. ... Das wichtig in transition. ... How shall I put it, ob Kontroverse zu haben, die nicht durchgeführt werden kann, moreover nicht ganz compet. ... small Minorität, von deren Bedeutung man höhe Meinung haben muß. ... equilitari. — Verteilung unequal to Investment ... properly hier oder bei Analogie mit middle age? ... daß house, privacy ... Psychologie of management und responsib. ... Produktion ; Auslese ... property ; adapt. of workers, clerks, leaders ... Historiker thinks he knows, what better critic that a picture ist, und econ. oder econ. Jaurnalist what business ist. ...

Innnerhalb des Sozialismus noch Kampf um Lebensform. ... tremendous range of vari. und großenteils due to educ. training, habit ; cond. want of discrimination ... Aber oft change nicht nötig, Ficken kann sehr billig sein. ... Aber change kann a) injure b) reduce effi. ... hunting ... range in food ... smoking ... soziale Verkehr ; still more seine äußeren Formen at the bottom of much. ... Wichtigkeit des Sex Element — wichtig rational to i mplement — erbitten von Literatur. ...

5.(N)

On the one hand, then, we see that in any country that allows the capitalist machine to work a situation will eventually emerge in which the psychic adaptation required in order to make socialism work smoothly, will not be anything like as great as some critics believe who ... on the otherhand historical and personal observation shows that the range within which adaptation is possible without injury to efficiency or even serious hardship is very great ... nicht kollidieren mit “Can Survive”? ...

6.(N)

Für Effi. ist wichtig. ... design ...

a) Art der Sozialismus — kann ganz verschieden, obgleich alles “Sozialismus”, b) how run, c) by whom run ... Adapt. to Funktionen α) uneconom. condi., β) malleabi. ... Profit Motive ... Eigentum, Bürokratie — und Funktionieren der Untersekretär ; der moderne Typus ... seine salary in soc. relation und reproves ...

Watson, let him produce Goethe von economic parents, 20~30 Jahre warten — Warum nicht favor man die soci. as his earlier zerstört? ...diff. conditioning andere Kultur ... Familie u.s.w. ... Familien in screen ... compari. so wenig möglich wie zwischen Konkurrenz

und Monopol. ... conditions ganz anders und keineswegs sinnvolle Kulturwesen und Type of Mentalität und of man. ... Soul must be functioned. ... Soc. aber läßt das in Dunkeln, und läßt it be undersstand, daß socialism zerte Gap als eben und daß on what he sneer at. ... Wofür wear mehr moral stamina. ...

7.(N)

Spezieller Fall — kann natürlich Kubus sein oder das am Ende sehr ähnliche Resultat bei anderen 2 Momenten. ...

Wert der Entscheidung auf eigene resp. (2 Dinge : Schärfe des Motives und Freiheit) ist very real : hängt aber ganz ab rel. Qualität des Entscheidungen und das auch noch so in big bus. ... wichtig : narrow Aufgabe ... exploit in Funktion ... Das ist das eine für 2 Momente und das andere ist Überwachung. Das habe ich doch schon gehabt. ...Argument gild nur für diesen Mann und nicht so für den immer zu unterscheiden die role of administrative decision. ... Wichtigkeit daß nicht so große Entwicklung. ... State does not create. ... Das Wesen der Dinge klaren — auch des strikers. ... healthier attitu., allegiance und excuses wegen ... Intellektuellen nicht mehr speakes in wheel und take in delight. ... Niemand sagt mehr dem Arbeiter, daß Arbeit ein Unrecht ist und subordin. entwürdigend. ... Das entscheidende besonders bei fettered cap., der nicht mehr zu befehlen und zu disziplinieren wagt — Yes, only is das sehr demokratisch. ...

8.(N)

Case gegen Sozialismus rests not on any theoretiker's principle, but on distrust of people who would have to run it und on practical considerations. ... Danger to Sozialismus are the Sozialists speaking soc. idea u.s.w. ... Und Qustion is who is to run it. ... Unglücklicherweise — um Ökonom. zu sein, braucht man Nachdenken und Erfahrung, und nicht shining eyes — ungracious thing to say, I know. ... Aber ist gefährlich, der Politiker erkennt, daß die useful pawns sind. ...

9.(N)

Practicals ... Noch immer unter Voraussetzung, daß rest. ... Unübersichtlichkeit ... Aber andere Obje. daß die Leistung des Ganzen unendlich kompliziert und schwierig und superhuman Fähigkeit, und daß die Einführung in den Orgnismus und daß willige Arbeiten in ihm eine unmögliche Höhe der Intelligenz und moral verlangt. (verlangt weniger Intelligenz, weil Dinge klarer von Führer und Geführten und weil kein Schachspiel mit Gegnern und Konkurrenzen zu spielen ist.) ... Aber mit striker? ...

α) This is not so. ... Problem ganz einfach : z.B. Agrarsektor mit Eisenbahn, elec. Maschinen und fertilizer und Institution, und schließlich der Kampf der Interessen hier wie anderswo : aber das ist ja jetzt! wenn wir praktisch sprechen ; Landwirtschaft lebt überall auf Kosten anderer Leute. ... Widerstände? Aber z.B. its capitalism which destroyed the home! Aber das alles nur möglich in der Reife der Zeit. ... und hier malleability?

(in langen Perioden?) ... Große Sache ist scholatisch, so z.B. das rationelle Schema angehängt an die "big Einwendung". ...

β) Aber dann doch hier? (oder bei "better" ?) ... Die Frage der malleability ; vorher ob nicht dieselben Leute in anderen Milieu anders funktionieren. ... right to wear a postal stamp struck on his pants. ... Ist sehr wertvoll. ... Goethe nicht nur moral. ...

10.(N)

Moralität ... moral education ... half building of whole thing ... polihistor. of past ... But the fired action? ... only be long worktime als nicht nötig ... inversion of labor movement, welche falsified wird und zwar besonders radical. ... Wurzellos ... irresponsibility ... unempl. ... Unempl. auch wegen training, a) unemployable Strömen hin, b) Was ist des End : more than share ... all the educ. he can be induced to want. ...

11.(N)

Reward of labor ist joy in doing it well, and the distortion ist nicht eine neue moralische Welt, sondern gerade so schädlich für neue und für alte : Erziehen zu Stand der individuelle "Interesse". ... "Bürokrat" : ich wundert mich immer, warum die Leute so gut arbeiten in ihrer Sisyhus toil. ... embarrassment über sand und gold und goose und golden eggs. ... Soc. takes adm. ... a) sneer, b) admit — aber selbstverständlich ... anderer trick ... adm. everything für compul. Und für 19 Jahrhundert ... unempl. und excess. cap. ... geringer temporär und normal ... progressive auch alle to be unbelievably narrow. ... Das 2 ist daß immer 100 Jahre behind. Was das 3? ... Wo über Disziplinierung der Massen und andere attitude to work. ... Wo über Weite of Argumente aus der Intellektuellen — ob sie weniger agi. werden in Sozialismus. ...

12.(N)

Masters eye ... golden goose ... instead of sneers ... Howl at each other like Schekespear's Knights which is precisely what a gentleman does not do. (Gentleman and lady nur mehr für laboratories, Abschaffung durch Verallgemeinerung.) ... stamp on pants ... Noch andere justice für andere Argument ... shall argue nur possibilties. ... Praktikerspoin
...

Der Sozialismus ... sentimental – Demokrat ... selben Leute, habits, andere Kultur ... Max Adler — nicht nur speaking to electorate sondern auch show merit ... electing managers by workmen? ... Demokratie muß erst beseitigt sein! ... said above, daß Sozialismus can conceivably be more peaceful, runs? not irrational for warlike mentality.

13.(N)

All that can be set against is come under the heading motive — hier daß viel davon weggefallen und daß das nur gild für Vollreife und Ersetzung durch Vorteile, die nicht d urch Einkommen gehen, und praktische Vorteile von stamp on pants?. ... organs. inhib.
...

Maschine macht nicht notwendig die Leute besser dank Ökonomie. ... Also daß Profitmotive und Eigentum nicht notwendig und an Bedeutung abnimmt schon bei practicability, wo darauf hinzuweisen, daß noch etwas : hier dann hinzuweisen ist, was eigentlich besteht und das auch Auslese ist (Erbschaft). ... Auslese und die Leute (aber dann hier diese ganze Frage kollidiert mit 2. Essay und hier was später über Sozialisierungskommission gesagt.) ... Möglichkeit, das Motive zu erzetzen ... kultureller Gesichtspunkt für Freiheit. ... Aber wo saving energy : lawyers ... Einkommensteuer ... Aber was besonders für fettered und injured cap. sinnvoel, vielleicht getrennt zu handeln. ...

14.(N)

Die sentimentale humanitarianism des Sozialismus : Sozialismus darf nicht eigenschwindelt werden. ... Man ist not grateful for softness. ... Administrative mismanagement : z.B. War Einkäufe u.s.w. — das wesentlich ist, daß sich niemand identifiziert? ...

15.(N)

Adaptation — don't loose line of argument which is parallel to that about farmers und labores und part of argument über ethical level ; Abwertung der Wert und Veränderung des Schema of motivation und Fertigung of stratum or people forming it unter anderen Bedingungen. ...

Später über foolish socialism. ... Selection — conser. of fit ; combining for talent und fitting it into optional places. ... schwerer die andere Frage : Scheme of motivation u.s.w. ... here ...

1) Proudhons le summe du Essay III ... schon verändert ; aims nicht mehr möglich — d ynastische aiming private Reich ...

2) another justice to injure ... success, recognition of Arbeitsmöglichkeit ; stamp on pants ... commrade valet, Pflege darüber durchschnittlich wertvollen Arbeitskraft. ...

Aber Bürokratie und davon econom. ... und Verantwortung und supervision ... committees ... aber nur spezieller Fall ... davon deviation (localities für groups) ...

16.(N)

Wissen sie, daß ihnen — quite sincerely — dishonesty und persönliche Interessen vorgeworfen werden? ... diese false pretences ... Socialists do not realize the moral difficulty. ... Und how their argument strike the other side. Auch nicht, daß es keine "other side" gibt. ... how insincere they look. ... und daß, während sie in Feuer einer moral rap anklagen, sie sehr zweifelhaft anschauen. ... Versuchen eben ein Monopol zu haben. ... Aber das ist nicht so : anti-socialist just as sincere. ...

Why discipline? ... Wertlosigkeit der Zustimmung und freie Zustimmung auch heute nicht — see prohibition. ... Hunger Revolt ist ein besonderes Phänomen. ... Policy of taking up all group. ...

17.(N)

Wie alles leichter wäre in Sozialismus — auch das Privatleben : wie man Dinge arrangieren könnte, ich meine “cluster of houses”, in denen die Leute sich gegenseitig Dienste leisten und alles so arrangiert werden könnte, daß man auch Ruhe hat! ... Besonders in dem Privathaus von heute, das so eine source of trouble ist und an dem man nur festhält aus Gewohnheit, aus “idealen Gründen”, an die niemand glaubt. ... Das Privatleben in einem Zustande, wo moralisch-kulturelle Ideen und Lebensformen kollidieren, ist half spoiled, a) by daily Unannehmlichkeiten, b) by undefensive activities (Einkommensteuer, andere Steuern u.s.w.) ...

Aber übrigens : Sozialismus und Nicht-Sozialismus sind mehr die wahren Gegensätze : Gegensatz ist zwischen der Gesellschaft des consumer man (und 18th century ideas) und der neuen Gesellschaft, die immer deutlicher sich ankündigt : Ich bin getrennt von Hayek nicht weniger als von Lerner. ... Roosevelt's 4 freedoms möglich in prison ... freedom ideal des Sklaven ...

18.(N)

Wo die Leute zufrieden sein? vgl. Pauls knock ... The day of the lord come out — they fall on sleep. ... keine privaten Reiche und Dynastien und Familien ... zur Funktion und Stimulus ... kulturelle conditions, moderne Verwaltung in Mittelalter ... Das ist why soc. nicht allgemeine Kennung, der immer verteidigt und verglichen werden könnte. ... No sense in doing so. ... Auch little sense in inference from that. ... Arguing by sneers ... Auch wieder 2 Punkte : Stimulus des Unternehmer, Einfügen der Arbeiter : Pflicht zu tun. ...

19.(N)

In ein perfect light, society works towards socialism ; aber außer von Zielen ; contra Lange, außerdem gewisse rules of Wirtschaft ja allgemein logisch ; Wirtschaft — matrix der Logik. ... Was Unterschied : Auslese, Verteilung des Ertrage ; Ziel ; Unterschied in Methode? ...

20.(M)

It has moreover another aspect. Among the reasons we have to expect that the “supernormals” will insist on preferential treatment as a condition of functioning, there is one that is not merely their affair and nobody else's : inserting on such treatment, they would insisting on being allowed to keep fit for their work. In the most cases supernormally valuable performance requires not only “the gift” but also concentration and exhausting work which can be successfully preserved with within superior living conditions. ...

21.(N)

here auch möglicherweise die Frage der competence, ... what useful fools they are! ...

Ich sollte eigentlich vielleicht schon da von Ungleichheit sprechen? ... Ungleichheit zwischen bourgeoisie und unteren Klassen und innerhalb der bourgeoisie. ...

22.(N)

Wieviel abil. nötig! ... Soc. make light of that amount ; wichtig, daß die Industriellen keinen guten talker. ... 1) ökonomisch chosen, 2) adapt. — gehört eigentlich zu Übergang ; wohl aber Fragen der discipl. u.s.w.? ... und Idealismus ... 3) Bedingungen für Effiz : das gehört zu psychologischer Seite!! ...

23.(N)

If soc. fight sub. nom. — drunken driver — it does not follow that they would to do so if they run the short. ... question of wisdom und question of sincerity don't zu zustören. ...

24.(N)

Die Formulierung der Aufgabe, welche ich noch vor mir habe ; zuerst zu zeigen, daß eine besondere Frage ist (weil nicht qualitativ). ... Stratum seated to its task. ... Unterschied zwischen election und performance ... Aber exposes to Einwendung, daß nicht mehr so, wenn die leaders Montmorencys würden. ... "two strata" ... Argument, daß hoher Nutzen nicht die besten brains vorbringen könnte. ...

25.(N)

Klar, daß Katastrophe — wenn present alt. fortgesetzt würde — aber eben das ist nicht nötig. ... Wenn election und nicht Disziplin, so Zusammenbruch. ... Unser Bild daher nicht nur das eines speziellen Sozialismus, sondern auch sehr zweifelhaft in seinem Zusammenhang mit Demokratie. ... "can be" — immer nur can. ... Noch kein transition. ... a) Haltung good will, b) habits, welche pressure bedeuten. ... sehr pleasure für Sozialisten und politicians. ... Nobody passes to give orders. ... Workman total daß work in inquiry. ... rationeller like race horse or prize bull ... social assets ... upper stratum more effective im Sozialismus. ... question of valuable stocks ... habits und rational change ... und dort ausführen über smoking u.s.w. ... Schon gesagt, daß eine Art der Veränderung eliminierung ist. ... Aber schon gesagt, was getan würde. ...

26.(N)

Auslese — Qualifikationslisten ... locale-und Gruppen-Interessen nicht ganz ausgeschlossen! darauf hingewiesen in III/1 ... Und zurückkommen dazu bei Comp. (will be examined) ...

Diese geogr. u.s.w. Schwierigkeiten zeigen, daß manches institutionell nicht nur dem Kapitalismus inhäriert. ... Aber können ausgeschlossen werden durch gleichen Einkommen überall. ... Habe aber auch angenommen, daß Autonomie der einzelnen Industrie genau rationell "bold Hypothesis". ... Habe schon mangers of individual Industries. ... Und da dann über wie die Dinge in einem "Trust" sind. ... Aber doch Profit so einfach und die

manager show leader fool who ought to retire. ... Rossbach ... vergl. 18 Jahrhundert nicht (?) in Sinne von zu geringer Disziplin. ... Oder das ist Demokratie? ...

Bei Motiven auch französische Republik shooting generals und Stalin shooting managers. ... Stahanov proves, daß kann moral Reformation — Arbeiter und Begeisterung. ...

27.(N)

Inequality of incomes ... Über Ungleichheit einmal? und dann wahrscheinlich nicht hier — meine Idee, daß höhere Einkommen retaining fees sind ; und dann natürlich Versorge für Alter und Kinder und dann kapitalisches Millionen bleibt 50,000 dollars actual Kaufkraft und vieles davon hidden. ... Das will differ widely, besonders hidden Diffenzieren, aber Sozialisten disagree very much ; Gustav Stefan geht besonders (in Kaufkraft) well over 10,000 dollars ; Sozi. etwas unsicher darüber : roundly jeder besonders zu seinem Einkommen ; in "Exper." in nach und da und deren Äußerungen, aber der trick mit Naturalia, denn schon der moderne Staat lehrt den trick auf Sozialist leaders ; besides what are Privatausgaben? ... Repräsentation!. Wenn der Kommissor das hat, so hat er genug. ...

28.(N)

Would be irrational to devote care as much as it would be to tell ground equally. ... But the point is daß this is perfectly possible without violating the principle which constitute socialism. ... Verdecken durch in nature device. ... Club principle : nicht mehr nötig die Häuser stately assurance. ... Das ist doch schon modification. ... Mastering durch lack of authority looses Interesse. ... Wir sind gewohnt, daß als irrational zu betrachten econ. value of Auszeichnung würde sonst viel kosten. ...

29.(N)

Versuch Sozialismus zu classif. : Zusammenbrüche Sozialisten entstehen! Das wäre Klassifizierung nach Günde. ... Klassifizierung nach stages, nach Ideen, nach Leuten, von den ausgeht. ... Recipe : say isolationists sneer. ... Old woman pacif. — was der sozialistische Stand war. ... Die Disziplin Wirkung des Bezahlens für eigene Fehler gehört, aber zu Diskussion of merits of property, wo auch sneer über obviously wichtige Dinge, welche dann schwer vertreten sind. ... Weniger Sparen würde in Sozialismus mehr eff. haben. ... Das ist richtig. ... weniger Verlust ... Zum Vergeleich gehört vielleicht auch Ungleichheit. ... Jedenfalls, die Theorie, daß in Kapitalismus saving Kapitalbildung hindert und daß freie Berufswahl möglicherweise waste beduetet. Aber in heutigen Kapitalismus ja auch. ... Schweden und sein Sozialismus und seine Unübertragbarkeit! ... wanting spending Problem ...

30.(N)

Die Ungleichheit zwischen Führer und Geführten ist dieselbe und die Masse hat in dieser Beziehung nichts voraus dem Sozialismus. Was will man denn? Soziales Gewicht

haben, qualifizierte Arbeit tun, gestalten das können nur wenige ; und es ist doch Schwindel to sagen, daß einer das heute nicht kann, wenn arm — ist Schwindel in Politik und selbst in bus. ... Allerdings : die sozialistische Auslese wirkt schneller und rein persönlich — aber das macht keinen Unterschied im Wesen und ist kein netto Vorteil. ... Und die demokratische Führung ist "kontrollieren" — aber auch das nicht bedeutet. ... stamp on pants ...

31.(N)

Eine Funktion to exploit factures. ... Capit. ist behindcased und disapproved. ... punishment ... über election of directors, entweder im Übergang oder in V Essay. ...

32(N)

Bei Comp : vorher gesagt, daß Gleichungen leichter zu lösen. ... 3 steps : stat. process bei compet, stat. process bei dist., change? ... Was aus formaler Theorie folgt ... auch hier administrating existing apparatus. ...

Hinweis auf spirit of compet. — Soci. ... Hinweis bei transition ... in comparison über committee work und councils (Hinweis auf Wissenschaft und Politik) vs bürokratisches Arbeiten (ministrial System, die sections chefs) ...

Die Frage ist nur zum Teil eine Frage individueller Arbeit als team work, und von pecuniary orientation vs non pecu. und responsibility — diese auch jetzt doch und das nur zum Teile Fragen persönlicher pecu. Motiv — ist auch Unwissenheit der Aufgabe. ... big bus ... persönliche Element nicht ausgeschlossen ist. ... andere Frage wieder, wenn mit Demokratie ernst gemacht und alle dareinreden! ... Performance of success und failure ... Auslese dann bei Demokaratie? ... Wie Interesse des Konsuments wahrgenommen?

33.(M)

Let us note that there is no reason to believe that this will be either better or worse in a socialist organization of society. The doctor or engineer who means to fill the cup of his ambition by means of success as a doctor or engineer will be a distinct type of man and have a distinct pattern of interests ; the doctor or engineer who means to work or reform the institution of his country would still be another type and have another pattern of interests. ... Second, students of political organization have always felt doubt concerning the administrative efficiency of democracy in large and complex societies in particular, it has been argued ...

34.(N)

How a committee works — kann bedeuten, daß alle dareinreden und der Fachmann nichts tun kann, aber daß er tut was er will und die anderen Reden lassen go on talking. ... (sorry commrades) ... I'll just excuse myself for an hour in order to settle the thing. ...

This seems to dispose of the much-discussed question of the malleability of the social nature of man. But stop, it is does not. In fact it is clear that our conclusion, to be trustworthy, does suppose that human nature has moulded by capitalism already. Bureaucratic work is not possible to everyman and always and everywhere. It requires adaptation — a sufficient number of people must have that attitude to life and work, understand and like what bureaucratic work means. ... (difficulty in America) ... And if the brains that matter were all passionately revolved to fight socialism as they would have been 50 years ago, and if in particular the family motivation (the private sphere based on econ. "independence") of the bourgeoisie were intact, things would perhaps not work — that is why Bolshevism killed them off. ... So question arises all the same. ... It is really two questions : behavior can, without disposition to value being altered, be changed by being differently conditioned. ... Same man, without family property interests, will behave differently ; auch views und damit values however themselves can be changed. (Courts ; patriotism ; great curves — I thought to be dishonored and not went to trying to sin that he was beaten on the Dirnes) —. Noch andere Beispiel, national sentiment macht das leichter — wichtiges Moment! For mere workability, no further change nötig! Und their disposition to value (und schemes of values, standards u.s.w. aus diesem Grunde) can change. ... Anmerkung : 1) Nicht gesagt daß Sozialisten und Antisozialisten hier in gleicher Weise sich mit den Keulen ihrer preconceptions behäpfen und kein Argument Sinn hat, 2) das wichtig daß alles das Zeit braucht viel abhängt von Manner, 3) daß es also nur question ist of further change. ... Lehren daraus! Könnte konstruktiv werden! Je langsamer um so besser, vielleicht um Schluß!

Wo über inequality ... und hier nur über Bürokratie und Privatinitiative und Eigentum, ... loss for field or cover or teaching. ... Sozialismus destroys many moral values. ... Daran schließt sich dann 1. of besser 2 inwieweit demokratisch. ...

35.(N)

Gods and Angels ... Aber man hat gar keine Garantie, daß die Möglichkeiten ausnützt und hat doch andere Deviation. ... Überlegenheit des Kapitalismus kann bassiert werden ; auf Schärfe der Motive und Sphäre und auf größere Leichtigkeit, das Ideal zu erreichen und auf bessere Qualität der Leute who run — kann direkt gezeugt werden durch selection. ... überhaupt Selection ... Schwierigkeiten machen nur die demokratischen Phraseologien. ... Auch idle rich Arbeiter!! ... Was ist das mit meine smoking? ... Change of diet can deadly — hier kann historisches Studium gar nicht mehr ausgeschaltet werden — noch auch mit der Einführung. ... Die Schwierigkeit der Einführung doch später kommen.

36.(N)

Everyone measures opportunity by how he gets on — like lover poet fool of ing all

econ. pact. ... and we are all that. ... never recognize das ... und plays his little game ... simply not the brain. ... Let us get this thought. ...

Upper strata must be satisfied wie andere auch. ... aber Möglichkeit gegeben (durch Übername der Funktion des saving u.s.w.) ... große Sache in felicitous ... übrigens Einwendungen daß nur in Kapitalismus so (z.B. weil für Leben gesorgt und er mehr nicht bekommt daß das nicht ruhig sieht man, wenn man die Gründe Anschauung).

37.(N)

Jetzt here was easier. ... a) ökonomische Politik und attitude der Gesamtheit zu Sparen u.s.w., b) allegiance und das macht Disziplin besser und healthier att. to work. ... die oberen Schichten ... Wert ... Sparenfunktion hängt ab, of good will — here ist Bolschewism beweisend. ... highlight 3 Fälle ... “can be” — immer nur “Can”. ... und denn fettered case ... ; loosen in 2 respect ...

Leader kann freier sein im Sozialismus, aber Bürokratie ... balance mit adaptation ... naive belief ... withholding what is state. ...

38.(N)

unsere Committees ... Sache klären : no nonsense would be heard about saving, being disaster und schlecht in need of stimulation. ... Hier oder in IV über Wahl der Fabrikleiter u.s.w. ...

39(N)

Look at it, wäre practical way. ... Look at Sparen ... Reserve cap. auch in Sozialismus nötig. ...

40.(N)

Saving vielleicht bei 3? oder doch schon vorher — als ein restriktiver effect? ... Ricardo's profit? ...

41.(N)

Habe ich schon etwas gesagt über Methode to raise means for improvement und Notwendigkeit of funds. ...

42.(N)

Soz. III Disziplin ... nötig in Kapitalismus ; wie weit nötig in Sozialismus : z.T. von group action, nicht nur wegen subnormal, sondern auch einfach, um concerted action zu erzielen ; kann nicht jeder produzieren wie er will und kann nicht einfach überzeugt werden. ... Selbstdisziplin ist gelernt. ... Aber gibt einen Grund, warum weniger “Disziplin” nötig (in Sozialismus ... editor) ...

But gone, mere allegiance, hostile, erlaubt (slow down), niemand disapproves und even instigates rested Interesse ist unrest, setting man gegen work ; bleibt nichts wie eigene

Interesse, besonders in fettered Kapitalismus : power to use power to abuse. ... Und Sozialismus kann restore und in besser position als "Kapitalist", der tained man, Ausbeuter. ...

43.(N)

Finally, there is the relation that is hold to subsist between efficient operation of the economic engine and the authority over employees that commercial society vests in the managers of business concerns. The only kind of authority we are going to consider is efficiently indicated by the corresponding terms, subordination or discipline. ... Method charaktesiert : immediately für Privatinteresse. ... eine scharfe Diff. ... selfdiscipline — unterscheiden von inducement discipline by opnion ist nötig ; aber verschieden viel. ... Also wirklich nicht power to exploit? Antwort : wer nicht arbeitet, wird nicht essen — aber nicht so einfach — wer wirklich nicht will, rückt nicht ein. ... Klar, daß verschiedene plans sehr verschieden amount of discipline require. ...

44.(N)

Aber das nicht nur bei Arbeiter, There is another point, wholly to adv. und der possibly entscheident sein kann, sachlich klarer in Sozialismus. ... hier auch etwas Autorität. ... Das bedeutet den größten und vielleicht entscheidenden Vorteil. ... a) Politik, b) Urteil über behavior, c) zu bessere Disziplin der Arbeitern und Intellektuellen. ... Now, saying for not much ... no destroying of going in work. ... healthier attitude ... no support for strikes. ...

Aber viel größer adv. ... Dann, das sozialististische Gemeinwesen wird cet. par. solche knowledge haben, aber viele mehr Autorität den Mann zu formen. paternal system von der Unternehmer. ...

Autorität und Disziplin ... und das ist entscheidend in fettered Kapitlismus : strikes u.s.w. moral disapproval und allegiance preventing from work. ... vielleicht einziges Mittel, Disziplin zu restore ... auch eine Formen der Revolution. ...

Über Demokratie und rule des Intelektuellen, aber nicht collid. mit 5. ... obere Schichten
1) vgl. II, 2) fetters und taxes, 3) Mechanisierung ... nur "possibilities" ... special case ...

45.(N)

Group discipl. ... Ist also eigentlich außerhalb des kapitalistischen Schemes. ... Effectiveness rest on inducement. ... Interessant, daß nicht in der kapitalistischen blueprint. ... subordi. as to decision — obey order —, subordi. as to standard of work — supervision and criticism — ... Schwierigkeit daß was Selbstdisziplin ist, ist z.T. Resultat von training. ... das bei Efficiency ... contract implying subordination ... Neither contract in general nor special inducements enough piece work. ... strongly neglected ... recognition of superiority ... Wenn einer nicht arbeiten will, so kriegt er nichts zu essen. ... Nur chances, und nicht sehr populär für family likeness in an objectional sense ; und demokratisch? ... deviations? ... Note über exploit. ... restoring discipline — größer Vorteil ... striker im Sozialismus visibly

attacks society. ... Wie ein militärische Sabotuer oder Deserteur ... strike anecdote, reason — Klarheit, allegiance, healthier attitude to work ... degree to undermined, ob wir das like or not.

46.(N)

Notwendigkeit anderer discipl. Mittel, wenn nicht in diesem u.s.w. ... Gegen discipline a) Rousseau's stress b) Interesse des Agitators. ... Sozialismus verlangt weniger moral. und Intelligenz. ... Stamina ... Vor malleab. kommt anderes Verhalten unter anderen Umständen.

47.(N)

Discipline und abuses ... Master's eye, two Sachen : exploitation und discipline ... running to extremes ... Attitudes : nichts anders kann als class Interesse — ohne jede glance. ... Does not create glorif. und running down class struggle. ... No in Sozialismus ... aber Notwendigkeit der Disziplin, auch Direktor. ...

48.(N)

self discipline ... and we distinguish self discipline (dann Offenheit dann) ... enforcing obedience ... fact daß so anders nötig. ... exploitation and discipline ...

49.(N)

busi. der Disziplin — teaching ... 2 division ... In Kapitalismus guidance and discipline nötig und arrangement wirksam — Entgegnung, daß im Sozialismus nicht nötig, here? ... reply ... training ... aber Gegensatz ... but gone ... größer Vorteil ...

50.(N)

inadequ. training — here noch besser ... Verstöße : Schweinehirt ... praktische Kritik ... Persons, Types, Classes, Institution ... Criticism implied for Art u.s.w., aber spreading von einem Text. ...

51.(N)

Immediate Interesse des Arbeiters seems accused. ... Econ. of discipline ; understanding für allegiance ... im Grenzfall Überlegenheit selbsverständlich ... und der Intellektuellen ... motive — power ... explo. — discipline ... joy in work, healthy attitude to work. Do you want it. ... good not fighting strikes ... Ist das System. ... Greatest service of Sozialismus ist restore discipline — but can it? ... well ... Das ist selbst und group discipline. ... Alleg. (knowledge) leads to self discipline und self discipline dann supports Energie wo noch wichtig was good, heute nicht machen kann. ... Und wenn das improv. advocated, so does not follows, daß wir den intellektuellen Frau. ...

52.(N)

Sollte ich nicht zu dem Resultat kommen, daß Sozialismus — freilich kollidiert das

mit Wirkung der Einsicht. ... Argument in sofern für Sozialismus mehr Disziplin braucht — wenn keine Disziplin nötig, ipso facto, wenn Disziplin nötig, so wird sie auch erleichtert. ... Mehr Gesamtdisziplin nötig, aber weniger "Disz." needed, aber disciplining factor fällt weg. ... Necess. for discipline follows group action und Ökonomie und persistence of diversif. Interesse und anderes (local ; saving). ... up-lifting socialism ...

53.(N)

Nicht zu viel ... talk about exploiting ... accusing each other of Sabotage ... the price act of injuring the production process ... keine foreman Autorität und die wohlmeinden Berichte über Disziplin ... liab. to der ...

Fast alles gebilligt, was schädigt, wenn der most immediately injured eine große Firma ist. ... capitalist Interesse ... kein support von public authority ...

Working up workman to a prophet. ... A sneer of duty ... delight in tax-thief ... And does not take any pride in good work. ... strengthen social duty ...

54.(N)

Discipline too far gone ... Pflicht Gegenstand von sneer und alles nimmt Partei für Sabotaur und freut sich der spotty buying of big bus. ...

55.(N)

Good support of strikes. ... spoiling pleasure of work. ... daß ein soziales Interesse hinter privaten Interesse ...

56.(N)

Discipline restore strike. ... Und vielleicht disorga. durch gentleness — schließlich weiß keiner, was er will. ... attitude zur Arbeit ... spoiled equalitarian ... Practice taught to look upon work as a grievance. ...

57.(N)

The authority that commercial society rests in industrial management means the function of guiding, supervising, disciplining the human material in their concerns. ...

Here the function of discipline und das power to use implies power to abuse bei anderer Decision des irrational Gehorchens ... Ökonomie der Discipline ... Das noch schwieriger ... Dann andere decision : Motive and power ... dann historische Belegung, dann wie zu tun und vergleicht sich das mit Kapitalismus — und ist gone moderne und besonders fettered Kapitalismus. ... Autokrat gone, foreman empl. weis, daß endless trouble, während wenn er nach gibt. ... Company official, patted on back, vested Interesse in social unrest. ...

Social discipline only Socialism can restore. ... Und das führt auf den Vorteil der Potenz, der größte ist von allen a) Verständnis, b) Interesse der Leute (Intellektuelle und labor

leaders). ... Anyhow wird nicht borne with ... strikes ... class struggle ...

58.(N)

Sozialismus : ideal von watching to play, daß jeder aus freier Einsicht und Willen seine Aufgabe erfüllt ohne daß irgendwer ihn dazu anhält und obeying traffic lights. ...

Beweis, daß das nicht so ist, von der Saussure nötige Anforderung ist auf model man gepaßt, but it is not only a question of the subnormal — it is a question of the working day. ... Again : Disziplin nötig in Kapitalismus — was Grund zu glauben, das auch in Sozialismus. ... was ist Disziplin? ... obey orders und to work als Eigenimplus? oder Eigenleistung? ... und bourgeois, die selbst nicht glauben (III), und editors of Wallstreet, die Sozialisten sind. ...

Zuerst : ist nötig in Kapitalismus ; Herrenkultur ... aber wieviel Disziplin nötig im Wirtschaftsleben : wir sehen das inducement möglicherweise ... (?). ... in any alloc. “pressure” locale und Gruppeninteressen werden bestehen und dieselben Konsumenten haben. Both is gone — hier nur necessity, reduced nec. und was übrigbleibt mehr Selbstdisziplin. Aber ist das Resultat der Erziehung und Konsequenzen at teaching. ...

59.(N)

Penalties for all in Kapitalismus. ... Watch at play und reason. ...Argument nicht daß der normale Mann nicht bereit wäre zu tun, was er für fair Anforderung hält, noch auch der semi-criminal. ... Well-handled group diszipliniert sich selbst, sondern leadership und Erziehung. ... Ordnung selbst unter Gutwilligen nötig, selbst in einem club. ... guiding society ... driving ... mere orders oder auch supervision und discipline ... Autorität und exploit. ... provision dafür in any society ...

Authority is power to exploit und power to discipline. ... Motive and power ... Privatinteresse und power itself ... sympathy for underdog ... Phrasen über Menschenwürde und free will. ... Bergmann's Argument für Sozialismus, dann besonders gegen moderner Kapitalismus und gegen fettered Kapitalismus. ... Any action, die nicht einfach momentane Reaktion, repairs discipline.

60.(N)

Driving exploiting ... Wo gignentlich Intellektuelle und Sozialismus. ...

61.(N)

Democratic planning — I should not stress the attitu. — daß man demokratisch entscheiden kann, die Gemeinschaft auszubeuten, würde ich nicht bezweifeln. ...

62.(N)

Granting daß Maschinen adequ. werden in working, noch immer abhängen von

circumstances, diese konnten den Mechanismus exonerate von Vorwurf unbefriedigten Arbeiters, aber auch ihm allen Verdienst nehmen : kann sein daß adequate to make the best, so können doch exception Umstände vorhanden gewesen sein, welche nur temporär available so daß Leistung histor., unique. ... könnte sein, daß nicht die gute Maschine, sondern (temporären) Umstände, under denen sie arbeitete, die Sache erklären. ... "attrib. to free trade" ... Freiheit, Rep. neue Länder ... Aber diese Bedingungen eben noch gegeben! ...

Im Sinne von general allegiance gibt es nur Demokratie außer pathologischen Fällen. ... Setzung Freiheit, Motivation ... Ich beschließe do 13 VI even mich auf Sozialismus as best I can zu konzentrieren und von I Kapitel zu beginnen ; hier mit Arbeit auf diesem Gebiet bis 1. VII ; aber soll nicht heißen, daß ich nicht irgend wo anders weiterarbeiten kann wenn ich will! ... Und Gefühle, wie wenn ich damit weder weiter könnte noch wollte! ...

63.(N)

Dann historische Berichtigung ... Autorität by example u.s.w. ... Das kann nicht influence those whose ideal that is not handed it, aber econ. Rationalität und Funktionieren of Maschine. ... Motive und facility ... Teacher ceases to work wenn find parent. ...

Power und abuse ... große loss ... Wenn jedes "Unrecht" verhindert werden kann, ist die Maschine clipped. ... Psy. punishment, other punishment, threat of dismissal ... Pride und joy in doing work well — pride in my home. ... break down psychic health. ... It is cruel to workman. ...

Sneering at standard is ein Symptom of horror struggle. What are the standards of life?

64.(N)

Is wie desertion und weapon of dismissal viel effektiever. ... gangster Methode nicht disappear. ... As far as not enough the very same elements or public Offenheit, their product make it easier to yield the tools of another discipline. ... Change of good attitude ... Auch zu Intellektuelle speaking in which nur Möglichkeit — deviations — local Interesse, trouble der geo., aber entscheidender Vorteil. ... alle Regierungen wetteifern miteinander irresponsible prattle — unpopulär — demokratische Enge. ... Wesen : Lange's Argument für das. ...

65.(N)

Liability to deviation doch auch im Sozialismus : Bürokratie ; rivalism zwischen local und Industrien — oder agreement zwischen ihnen ... Rauch ins Gesicht ... Localities — dagegen nur ein Zentralismus mit anderem Zentralismus ... Anecdote ...

66.(N)

The "official class" ... Staat does not create. ... Unsicherheit ... Wo kein Gleichgewicht in terms of waste. ... Comrades of red army — Staat der Agitation ... Kein talk über

Zerstören des Kapitals ... sektionale Interessengegensätze ...

(6) Transitional Process — Socialization —

III — (6) — 1 ~ 19

1.(N)

Transitional problems heißen 2erlei ; Politik in der Period der transition und Politik wenn transition gemacht wird — Politik nach der Revolution ... Also (5) ... wichtige Direction für spätere Korrektur! ...

1 die Fälle der Vollreife ... auch on Swedische socialism ...

2 die Fälle der Unreife ; zunächst Schilderung der Sit. ; dann Inflation und vielleicht Red Army. ... half a dozen murders a year ... und dann Sozialisierung, ausgehen von prinzipieller Frage über on stroke, und auch hier noch sorgfältig eigene Details ; Notwendigkeit besonders Massenregeln und Organisationen ; Soviet ... Soviet form ... die einzige Mögliche ... , Red army ; beim one stroke polit. und other Moment scharf unterscheiden. ...

3. Also wenn in Reife : gibt Kritik, aber sind nicht quantitativ bestimmt, how much resistance, how large scale Industrie. ... Und mit dieser Frage kombinieren die Frage der courage und responsibility. ...

4. Aber kann nichts geschehen — ja Übergangspolitik vor adopting Sozialismus, transition und transitional policy in anderen Sinne ; braucht nicht intended zu sein als transition towards Sozialismus : die größten Schritte gemacht ohne Ziele zu wollen : Deutschland Etatismus ; Carnegie (Eindringen in klein Handel) lehrt ein stratum und eine Welt und schaffen zugleich eine von Sozialismus benützbare Organisation : look welcher Unterschied niedriger, für Karl X I von Schweden, Privateigentum eben nur ein Mittel, das die Zeit gab. ... Diskutiert in englischen Fällen, bei den besonders zu betonen den Unterschied, den die fetterers und injuring machen : die ja z.T. vom Sozialisten so intended with : Aufgaben gestellt, die an sich möglich, aber nicht in der geforderten Art möglich sind ; an sich ist keine gute Politik ; aber ist Tatsache. ... Das Fettschwein ; von Sozialisten anerkannt (der Eifer, der bedenklich ist, aber guter Ökonm.) ...

Anm ...

a) Wenn in einem Unreifezustand, also ohne daß sich vorher selbst vorbereitet hat Sozialismus beschlossen wird und einen good mit Sozialisierung besonderes Programm in Power kommt — wenn Wahlen so besser nicht! —, dann muß auch wirklich Sozialisierung werden und zwar auf einmal : Situation erfordert das und ist dann der real. safest course ; und hier gibt es eigentlich nichts anders als keeping up things as much as possible und Army u.s.w. aber verschiedene Gruppen von Problemen aufzuzählen. ... Riesige Aufgabe der Organisation und Disziplin ohne Delirium. ... Muß irgendetwas geben, daß wie Democratic aussieht — Arbeiterräte u.s.w. — während in Reife nicht nötig ist. ...

b) Meine Aussage ... Ich leugne nicht, daß "möglich" — um so besser α) je später β) je weniger demokratisch ... freedom. ...

c) Sozialismus ist Totalitarismus. ...

2.(N)

Transitional : schon gesagt, daß Problem adaptab. ... importance of saving energies (Intellektuelle) ... Transitional Problem eigentlich schon vorher gelöst. ... Auch in welcher Atmosphäre und ob sonst alle in Ordnung ... Das eben ist das trag. Dilemma für jede vorzeitige Sozialisierung. ... Wesentlich : in welchem Stadium? ... phys. clin. u.s.w. ... more than any other problems — abhängig von "stage". ... im Grenzfalle hardly any.

Eine andere Seite sieht man, wenn man Gegenwart als transit. betrachtet. ... Ganze Problem ist in Weiterarbeiten eines Systems, von dem man noch abhängig ist. ... Willigkeit zu exprop. und zu coop. ... langsam und schnell transi. ... exprop. und Entwertung des Geldes ... Verstaatlichung u.s.w. : eben nicht populär ; Besteuerung ... Langfristige Ablösungsrenten ... Literatur, see Lange. ...

Über agrarischen Sektor, retail trade, artisans ... Großes Problem liegt in Ungeduld. ... Was ist fully matured cap.? ... Nicht nur kontrovers ist, auch tatsächlich kein bestimmter Zeitpunkt, vor welchem nicht möglich und nach welchem glücklicherweise möglich. ... Transition in England ...

3.(N)

Transition aber nun sich psychologischen Schwierigkeiten erheben. ... More than anywhere else muß hier gesagt werden, daß Bedingungen nötig sind ... Soz. ist sicher mehr möglich, weder administrative-technisch, noch psychologisch ; und anderen Fällen so clearly inferior, daß kaum zu diskutieren ; deshalb so wichtig, Falle der Zeit zu betonen. ... Und deshalb so weniger Sinn in abstrakter Theorie. ... mittelalterl. Verwaltung — gewiß Profit nötig und gewiß nicht abgestorben. ... Staat does not create. ... (Und Sozi. Kommen.) ... sehr wichtig zu betonen, daß ganz unbeschimmt, was ökonomischer und kultureller Soz. sein wird. ...

Streiker ... confirmation der oberen Funktionen und Gruppen aus soz. duty oder Vergnügen. ... Wir werden sehen daß in der Tat heal this frame of mind möglich. ... Familie und Erotik ... snarling of doing tied to cost — dont konw wills and I amend if I bother. ... Schon den modernen man von undersecretary type ; die Spezialisten — in Steuer, resouce u.s.w., semiscientific. ...

4.(N)(M)

All along we have to keep in mind that practically every proposition about socialist society is relative to a given stage of development of its capitalist predecessor which not

only affords the most obvious standard of comparison but also has to provide everyone of the economic, administrative and sociopsychological conditions on which workability and success of the socialist arrangement depend. But within the precincts of the transitional problems this relativeity counts for most everything. ... Problem ist, daß nie definitive time, das immer möglicher. und Vergleich mit fettered cap. ... when und how, und eine Beziehung zwischen beiden. ... Criteria of maturity to discuss, aber kommen vielleicht in II und in Zusammenhang mit politischer Methode in IV : dont collid. — z.B. das killing off kommt dann! Wo das Bolschewismus nicht das wahre. ...

Transition would always raise a problem *suigeneris*. Even if it were to occur in a economy so saturated with capital that the rate of interest permanently converged toward zero, so concentrated that not more than a dozen of huge concerns entirely controlled the whole of industry, so mechanized that every thing would be a matter of bureaucratic automation, so rationalized that there would be no family home left — even then capitalism would not of itself turn into socialism, but would have to be turned into it by special political action. And we surely can not visualize such an action without at same time perceiving resistances and other difficulties. But neither would be serious, let alone insurmountable. Concerning resistance, we remember that socialism would still socialism if, either as a temporary expediency or a permanent policy, it spared the farmers or peasants, perhaps also some of those types of non-farming business that are small — this respect as well as others. ... Das besonders, daß kein notwendiger loss durch resistance und other diffi. ... Das ist dann the one by the argument. ... real courage — Aristotle —, the real courage that matters no convey needed. ...

5.(N)

Socialists are pleased to style this as couraged — socialists nicht für den Schwächling harsch — während doch keine courage nötig ist, um das in common work und armchaire zu verkünden. ... If courage enter, it is because its needed to say the oppositie. ...

6.(N)(M)

The legislative action necessary in order to “introduce” socialism also would be a relatively simple matter. No insuperable difficulties would be countered in the delimitation of the sectors if any in which it is decided to continue private property and management and in the regulation of their relation to the socialized industry. Concerning the later it would be sufficient to prohibit the foundation of new firms, to compel those of the existing ones who have not yet done so to adopt the corporate form — they would be few if any —, to transfer the stocks of all of them to the ministry of production, the expropriated individual owners — not corporations — receiving, as suggested above, for every share a claim — a sort of bond without per value — to the annuity determined by the commonwealth. If the law impose an upper limit to private incomes, and if from the procedure we have in mind income higher than that limit should emerge, the surplus

would be confiscated by — the last remnant — an income tax. ... Ja, aber eine Wiederholung ... am besten mit einem Schlag ... nicht Wiederholung ... From socialism of this type it may without absurdity be hoped that it would realize all the possibilities of superior in our sense that we have come across and that it would minimize destruction of cultural values. The danger of economic breakdown would also be minimized and so would the much more serious danger of one of those moral breakdowns which it is usual to glorify as revolutions. ... vielleicht später vgl. ... Und hier kommt second by of Argument. ... Sozialist von dieser Überzeugung : was soll er tun? Act nach Rat von Marx über Freihandel! Aber noch etwas anders, aber das kommt später und wenn ein sneer so nur einmal ...

But it is obvious how completely this favorable prognosis rests first on a set of very comprehensive conditions of “maturity” that can result only from the slow working of secular forces and second on a number of assumptions which are to be sure related to those conditions, as to the methods both of effecting the transition and of operating the established system. No such prognosis is possible when those conditions are not fulfilled and the use of those methods is not to be expected. ... How much this is the work of secular forces, largely. ... Das natürlich ist nur ein Nachteil für sozialistische Savonarolaes. ... Kann Sozialist nichts anders tun? ...

7.(N)(M)

But at this point we face that difficulty which has been foreshadowed in the preceding Essay (chapter). As been pointed out there, it may maintained that since, by virtue of the logic of its own development, capitalism paves the way for successful socialism, the latter becomes more and more possible as time goes on : it is clear that a socialist experiment would now not be nearly so widely foolish as it would have been, say, 1890. This however is all that we can aver with any confidence. ... nicht ohne injury und danger of chaos und loss of cultural value. ... nicht demokratisch — elim. — Rußland ... oder nicht mit einem Schlag ... intoxication ; attract injured Kapitalismus ... Diskussion nur für England ... Vollsozialisierung wäre keine Katastrophe! ...

Clear impossibility shades off into doubtful and then into clear possibility, and this again into increasingly favorable chance of success by slow degrees, and there are no clear dividing lines between them. Even if there were no interests and no wasteful thinking, even if it were not a fact that to some people any suggestion to the effect that “the time has not yet come” will under almost any circumstances be synonymous with moral obliquity and vicious prevarication whereas to other people any suggestion to the effect that it has come, will always be synonymous with sacrilege, agreement on a diagnosis that cannot be divorced from decision or refusal to perform a serious operation would still be as difficult to attain as agreement is between the type of doctor who always calls for the surgeon’s knife and the type of doctor who never admits that the case warrants

its use. ... Courage — favorit! ... True courage for resp. man to breast the brutal fury and for Intellektuell the obloquy of his irresponsible sneers. ... Schon begreiflich, daß der Sozialist suspicious ist und bourgeois auch : every socialist rightly feels that he is socialist in being suspicious daß er nicht Sozialist ist, daß der andere Sozialisten gerade so justified ist Argumenten zu mißtrauen, die mit persönlichen Interessen zusammenhängen which proceed from personal Interessen just as much though not more als die bourgeoisie. ...

8.(N)

Fast alles geht zu Arbeiter und schon ist Gleichheit so groß, daß selbst Arbeiterinteresse schädigt, weil efficiency von engineer und physician leidet. ... Trotzdem alte Phrasen wiederholt und standards, welche wesentlich für Funktionieren, werden missachtet. ...

9.(N)

Reuter's Auffassung von trade union ... Ja. — und warum nicht Arbeiterklasse organisiert zur Produktion von leaders, kein leichtes Tun in Kapitalismus übernehmen. ...

10.(N)

Have I handled progress mit genügender Sorgfalt und besonders betont, daß trotzdem nötig, daß schon vorher viel Progreß achieved. ... Und nicht nur, weil das auch eine Sozialist. Erziehung der Seelen bedeutet!

11.(N)

short run reach-station ...

1) Und vielleicht gleich am Anfang, wo ich sage, daß das nicht so gut, how well funktioniert — daß das unlösbar ist. ...

2) Und über Frage, who runs und how kann. Ich doch etwas sagen, weil Wahrscheinlichkeit, daß in richtiger Hand zu verschiedenen Zeiten verschiedenen — Auch injures der kapitalistischen alternative verschieden! ...

3) unreife Vollsozialisierung ist das gruppen-klassen Interesse des Sozialisten. ... und zwar gerade des unemployed Intellektuellen ... nicht des trade union offer, noch auch des ernstesten Parteimannes. ... Reformer of type who set up to standards, aber über den Intellektuellen nicht so oft — z.B. nicht auch noch bei Compar. ...

12.(N)

ungewisse Sachen klar gesehen! ... Aber wäre es "wahr" im welchem Sinne. ... Aber in einer Beziehung Vorteil : über Leute gleichschalten ... individuelle Interessen snarling at cash beseitigen ...

II dann : a) Übergang : keine Majorität u.s.w. ... Untersuchung wäre nötig. ... b) Operat : geht das? ... Stalin wäre nicht so weit ; langfristige Politik ... Commitee von Krata ... Die Leute, die von etwas überzeugt sind, z.B. Eugenik ... Und neue attit. zu Arbeit und victory u.s.w. ... Müssen die Menge zwingen.

13.(N)

Diese Eugenik-Geschichte, und Sozialismus könnte das eher, wenn nicht diese individuelle Freiheitsidee. ... Und die Möglichkeit, auf Maximum der Leistung oder eine objektive kulturelle Idee, sollte nicht so nebenbar behandelt werden, sondern durch Ausfüllung der Stelle in 1 section. ... Aber ist ja schon anderswo (beim Maximum erwähnt) ...

14.(N)

Mildness to cap. interests dann nicht mehr möglich ; überhaupt inwieweit dieselbe und inwieweit andere Methode? ... Oder um Secondlagen of argument hervorzuheben, that we will consider. ... Vielleicht diese mit Absatz such prognosis possible. ... in the case on the other end of the scale which we define as Sit., in welcher Sozialisierungsversuch mehr ist als bloßer phantastischer Putsch, der nicht gelingen kann ; wo es möglich ist, Macht zugreifen , aber wo alles sonst immature. ... Wo Revolution möglich, aber sonst nichts. ... Das wird besonders der Fall in Fällen der Zusammenbrüche und Verwirrungen — äußere Niederlage, temporäre paralysis der Organe des soziaistischen Staates.

Vielleicht besser : it is in this case that the real problem of transition arise or, which is same thing, that the resistance to be encountered and the task to be accomplished become matters of serious concern. In fact, the amount of resistance and the difficulty of the task are in themselves a measure of the degree of immaturity of economic and social conditions, as is the impossibility, to be discussed in the next chapter (essay), of carrying one-stroke socialisation in the truely democratic way. The very caution and gentleness, which economic rationality seems to prescribe for dealing with capitalist interests in a situation in which they are still filling a function that no other agency could fill as effectively, become impossible, and revolution in its full and sanguinary sense almost unavoidable, because classes, who fill a social function and whose vitality is therefore not or not sufficiently impaired, do not submit without a struggle to what they consider vicious aggression. Knowledge of this fact and a suspicion that they are not unlikely to meet the fate of Karl Liebknecht and Rosa Luxemburg will then drive the attacking socialists into violent courses beyond any original intention ; They may then behave with criminal ferocity toward people whom they soon work themselves up into looking upon as ferocious criminals. ... Besser! und Bedrohte bedrohen u.s.w. ...

The Russian case is in most respects peculioar and hence affords little scope for generalization. ...

15.(N)

“Drive” gegenüber widespread. ... Aus practice — who is to be picked out? ... radikalisieren sich und discover several sacrifice ... less trite or new ... Aber diese Radikalismus old und eigentlich kann break.

16.(M)

But neither violence nor sadism solves any problem except possibly the one of how to get into the saddle politically and to overcome the ordinary form of resistance. ... Suppose this to be accomplished : all the centers of administrative decision — ministries and so on — and of political volition and influence — the bureaus of the nonsocialist parties, newspaper offices, radio systems and so on — are conquered ; all individuals able and willing to fight and to assemble a following are safely lodged in prisons or in the other world ; the administrative personnel, purged of the more courages objection, is rendering unwilling service and is quickly diluted by drafts from cafes. The bourgeois managers of industry are shocking in their shoes as bourgeois always will. ...

Let us grant two additional boons to the new leaders, for if dont there is nothing to discuss : labor organizations, while obeying orders shall be strong enough to prevent the orgy of disorganization and to back up the new government when it fixed upon the left wing or, if that has broken loose already, on the members of the new leftist party which cannot fail to emerge ; and will assume that the government be successful in securing at least neutrality of farmers and peasants, let us say, by leaving them more or less alone — failing this we should have to assume that the countryside is everywhere people by Russian peasants. ...

The central board has been set up. What is it to do except to complain about subotage if everything is not as perfect as it obviously ought to be and to call for additional powers in order to deal with bourgeois conspirations and wreakers? ...

17.(N)

Breaks through horror at affairs and wanton destruction. ... complete disregard auch von econ. Sit. ... schnelle Produktion ... discipline of work für worker und his european peers. ... Aber Hoffnung ist gerichtet auf so großen Erfolg, daß jeder zufrieden. ... Exporthoffnung selbst aktivieren. ...

18.(N)

... the only one in which capitalist industry can function, by the supervising commissars and by humor of both their workmen and the public. To satisfy himself of this the reader need only visualize that atmosphere, in which excepting complete stoppage these could be no greater crime than success. Under such circumstances socialization may well be the only means of making industry work at all. This there is here also, as is the first case, a case for on stroke socialization but for entirely differences. ... Und losses könnten viel größer sein und besonders Gefahr für regine bei gradualism, Lange stinmt zu, aber diskutiert ohne time dimension, sieht nicht daß die Lösung keine Alternative ist, sondern so in einem Fall sondern so in einem andern. ...

But this argument completely covers only the case of large scale of industries plus, perhaps, that of sectors which can be easily moulded into large scale units of control. It does not completely cover all the ground between the agrarian sphere which have excluded and large scale industries On that ground, mainly consisting of small or medium sized business, the control could presumably maneuver as expediency might dictate and in particular advance and retire according to changing considerations of expediency as Lenin did. This would still be “full” socialization within our meaning of the term. ... nicht viel Garantie nötig? ... Mongols? sneer at “Nep” — wer nicht derselben Ansicht, ist ein traitor bourgeois und saboteur ... Psychotechnik of Nep. ...

Außerdem one stroke viel größere Stoßkraft und polit. appeal ; das ist sehr wichtig, weil slightest display of weakness fatal sein kann. ... Das in Entscheidung könnte ähnlich wie in Falle der Sozialisierung in der Reifzeit, Central board arriving at a plan mutatis mutandis wie in der theoretischen Diskussion gezeigt und adjusting, und auf der anderen Seite Soviets die einzig mögliche Form, brauchen nicht mehr zu bedeuten als in der Armee die Soldatenräte. ... Diese Armee in diesem Falle wesentlich — Trozky's saying significant ; visits by comrades und making use of weakness wenn Reaktion gegen delirium wäre, visits of comrades from the red army — das wäre zunächst die transitional policy. ... Adjustment und schon die Aufgabe überhaupt das System zu sterben ob ludicrous Niederbruch sehr viel schwieriger und das may well auf unbestimmte Zukunft abfärben ; desperate task calling for determin. wann wird das also möglich? But notice, auch hier sage ich nicht, daß “unmöglich” ist ; can work no doubt transit. problem Lösung ever since mechanisierte Großenindustrie entstand. ... Und wird immer möglicher : case shades off into one of Sozi. in maturity. ... Now when? Dies Frage so entstellt durch interest und temperament. ... Wir haben unterscheidende Funktion innerhalb Natur, shaping Natur und dazwischen habits. ... Diese werden hier wichtig — ein Entzug von Alkohol kann sehr ernst wirken habits fixed in the short run.

19.(N)

Good God to be “serious” ... Comrades of red army driving Stoßen ... All this however carries us beyond the mere prognosis that self-discipline and group discipline are likely to be stronger in a socialist society than they are in the stage of fettered capitalism. They may well prove inadequate, nevertheless. but it is easy to see that we have already made some progress towards establishing our last thesis which is that socialist management will be in a much better position to wield the weapons of authoritarian discipline, should that be necessary, than any capitalist management is at present. A community that does no longer take delight in seeing businessmen baffled will no longer counterance semicriminal practice and look with different eyes on those people who set the workmen on to it. We may, I think, also expect that there will be less of them for both intellectuals and leaders from labor's own ranks — may be in general sympathy with the new regime and turn to other, even opposite activities. But we need not, I believe we cannot, take

it granted that there will be no trouble of the kind with which authoritarian discipline is required to cope. The reason for this becomes obvious as soon as we glance at some of the inducement. ...

In particular it will no longer be possible stir trouble for the sake of them ; blowing system und dann Anekdote. ... Noch immer career oder shortcut und noch immer Fragen : z.B. of Zukunft oder momentary enjoyment auch sektionale Differenzen — local und industriell und hier vielleicht der große trouble? ... Also weapon ... Aber der einzelne Mann viel mehr in Handel und Organisation less powerful Stand und Machtmittel der Regierung — möglich und motiv — mutineer ; cannot afford to take lightly wie heutige Regierungen, die die Stellung von Opposition haben. ... withholding Nerv. ...

(7) Economic Balance-Sheet of Socialism

III — (7) — 1~4

1.(N)

Abermals das ökonomische Bilanz des Sozialismus — ob klein oder groß — nicht sehr anders. ... Unsere Urteil, Bilanz sind vorteilhaft — wir können nicht bulls sein and we have plenty of time. ... Herrengesellschaft : die Gesellschaft charakterisierte by word Lord. ... Ich believe, daß mehr Talent in der durchschnittlichen Gesellschafts office als in Ministerium. ... Das ist nicht richtig? ...

2.(N)

Possibility of as much superiority ... Ersparung von leisure class, waste of (imper.) compet. ... Und dann vielleicht, aber das ist es eben, daß alle possib. für Wirklichkeiten genommen werden und damit realit. of cap. vergleichen. ... This case is prima facie not weakened but strengthened by taking account of the socio-psychol. side of the problem. ... Strongest of all argument has always seen to me the one that turns on understandability. ... Aber dazu kommt jetzt auch Friktion of a system, welche not commands more support und das niemand mag. ... Das ist aber nur so, Gegensatz zu anderen, bei vollreifen Kapitalismus. ...

Economic phenomena understandable und show their true face. ... Kann alles umgekehrt sein : der fähige Mann kann discovered und disposed sein. ...

α) Freihandel für Produktion ; saving ...

β) Einsicht, daß Intessenkämpfe antisocial ... auch das gehört zu moral support : people worried of crime wenn gegen Kapitalismus (strike, sabotage, picketing ; local Vorteile. ... Kann nicht daran gezweifelt werden, daß Produktion für Konsumtion ist für alle. ... healthier att.

γ) Intellekuellen wird die Sache nicht so leicht gemacht — würden vielleicht nicht wollen, und ihnen vielleicht erlaubt sein. ... Aber jedenfalls würde weniger effect haben. ... Welche Bedeutung das hat, hängt davon ab, wie man vested Interesse in social unrest einschließt. ... Nicht mehr Individualismus, das ja nur für etwas als moral support. ...

Aber nicht völliges Gegenteil : hängt ab wer runs. ... Dry cart—moteor car : cut both ways. ... Aber obgleich Sozialismus für Krieg ist, die in seinem Interesse, doch vielleicht ultimately nicht gehört da waste? ... Und zur Erhaltung der leisure? ... Es folgt nicht, daß wenn trade union ist, so auch den über den Sozialismus. ... Eine Theorie des Eigentums ... zuerst "Rest.", denn expediency ist eine Verwaltungsmethode. ... Kapitalismus und An-oder Einwendung ...

3.(N)

Compris. für compar. ... Vor allem fehlt bei III(4) eine kräftige Seite über den größten Vorteil. ... Angenommen also, daß ich meine "List" beginn mit Hinweis, was unter Theorie und practicability gesagt — manche Energiesparungen (Ersparungen an moral effort). ... Möglicherweise von zweifelhafter Menschenheitswert, Maschine bedeutete nicht notwendig eine Fortschritt in Menschentyps! daß blemisches nicht notwendig so sehr groß und nicht ohne Kompensation, und daß man ihm credit muß — abgesehen von Kulturleistung — mit dem, wofür er Mittel, olgleich oft nicht rationell möglich, und politischen Willen bereitstelle, wäre so fortzufahren. ... Aber der größte (wenngleich auch nur "möglich") Vorteil, der vielleicht turns loss into gain, ist Schutz gegen injury des Prozeßes von außen (polit. Sphäre). ...

Also Liste besteht aus, aber die Liste bezieht sich doch nur auf efficiency — was hat da justice zu tun ...

1) nicht aus justice und Gleichheit (auch nicht von opport.) und welfare ... certainly make for effect ...

2) nicht so sehr aus Ersparung für Luxusproduktion : und von waste ...

3) wiederholender Hinweis auf Vorteil der Logik und Bestimmtheit und Möglichkeit, Fortschritt zu planen ; hier monopol., oligop. und prod. für cons. ...

4) struggle, obstruction, waste, keeper loss, daß kommt von Politik ...

α) von Irrtümern und Klassenpolitik ... klarere Einsicht paying for not production ... Freihandel — niemand kann heute für Freihandel sein. ... accm. Silber Billion ... "sometimes" schließen internationale Arbeitsteilung aus ... aber mit Farmer whole anders. ...

β) zweifelhaft, ab Sozialismus Rüstungen erspart. ...

γ) besondere Einstellung des Arbeiters, ... anti-pol, Natur des strikers ... Disziplin als Möglichkeit bei moralischer Zustimmung zum System disappear. ...

δ) der Intellektuelle und seine chucle ... Wie groß die Bedeutung und ob aufhören würden ; Interesse bleibt. ...

Note ...

Saving und investment : 2 Fragen ... die kapitalistischer Fehler und die Fehler des kapitalistischen Systems ... hier also Pol. ... Wo leisure class ... Was mit nicht-kapitalistischer leisure class? ... Betonen, daß Vergleiche mit fettered und injured cap., das aber auch in letzten Punkt der Transition kommt. ... Es muß die practicab. ... besser mit comp. kolligiert werden. ... Wo stamp on pants? ... hier sagen : geringere eff. as to motive und accum. ... Zeit, die Schwierigkeit correl!! ... Wo temptation to short run? ... State can take long view. ... Disgust mit Resolution des Fortschrittes heute begreiflich — aber daß Economen das nicht sehen und nicht 50 Jahre überblicken können, ist ein Scandal. ...

4.(N)(M)

a gain in efficiency ... more than enough perhaps, to compensate for the sources of losses that might be opened up. ... This is not necessarily all. But any steps beyond that pr

ogram would have to justify itself by special, mostly, non-economic reasons — the armament or key industries, movies, shipbuilding, trade in foodstuffs are possible instances. And it is, at any rate, enough to digest for quite a time to come, enough also for a responsible socialist, if he gets so much done, to bless his work and accept the concessions that it would at the same time be rational to make outside of the nationalized sector. If he also insist on nationalizing land — leaving, I suppose, the farmer's status as it is — i.e. on transferring to the state all ground rent and royalties, I have no objection to make as an economist. ... [OO] p231~232

Frage, ob hier nicht noch :

- 1) daß nicht verallgemeinert werden kann,
- 2) daß Schwierigkeiten erhöht mit Arbeitern u.s.w. und niemandem sehr viele bringt but could work besser als alles Bedrohen,
- 3) daß also 2 Möglichkeiten — aber keine davon ist, "Sozialist" meint : würde ihn nicht freuen — in time fullness und Schritt für Schritt Konsequenzen ziehen, sehr wichtig, daß keine geballte Faust.

Part IV Socialism and Democracy

(1) Various Patterns in Socialism and Democracy

IV — (1) — 1 ~ 9

(2) The Will to the Power surrounding Socialism

IV — (2) — 1 ~ 16

(3) Miscellaneous Passages about the Concept of Democracy

IV — (3) — 1 ~ 44

(4) Two Theories to reason with the Democracy — from the Representative Theory to the Selective Theory —

IV — (4) — 1 ~ 18

(5) Conditions of Democratic Success

IV — (5) — 1 ~ 5

(6) Distortions in the Front of Transition

IV — (6) — 1 — a, b, c, d
2 — a, b

(7) “Socialism and Democracy” in the Transitional Period

IV — (7) — 1 ~ 10

(8) Conclusion : Socialism and Democracy

IV — (8) — 1 ~ 8

(1) Various Patterns in Socialism and Democracy

IV — (1) — 1 ~ 9

1.(M)

Whoever like both socialism and democracy will tend to enhance the value of the features he attributes to his type of socialism by associating them whenever it seems possible with the value of democracy. He will say, that socialism is essentially democratic because it runs the economic engine for “the benefit of all”. This however only serves to confuse issues. Nor should be argued that socialism and democracy are necessarily wedded by virtue of economic equality. For socialism is not necessarily equalitarian and inequality of incomes is not in itself a bar to democratic method of government.

The only theory that has ever been put forth in order to prove that there cannot be genuine democracy outside of a socialist order rests on the proposition that the roots of the social and particular of the political power of individuals and groups are essentially economic. To point the same thing more crudely but also concretely, according to the theory the control over agglomeration of capital is at the bottom of both the ability to exploit labor and the ability to impose the will of the “capitalist class” on the management of the political affairs of the community — that will being oriented, of course, as the class interests of capitalists and hence serving the purpose of increasing of the facilities for further exploitation, at home and abroad. (… see I Marx ; but … außerdem “das Thema der polt. Machtlosigkeit der kapitalistischen Klasse … ?”) The political power of the capitalist class thus turn out to be but a particular forms of their general economic power. American readers will feel little difficulty in illustrating this for himself by examples of boss rule, of pressure groups, of personal corruption of legislators and public officers and so on. It follows that the elimination of private control would ipso facto eliminate positions of individual and groupwise power and leave the people free to do what they like with their political power.

This at least is a rational argument and hence greatly superior to all the confused talk about the subject that goes on independently of it. Only, it is wrong.

2.(M)

We have been, first, that as a matter of fact the political power of either entrepreneurs or capitalists is not in general anything like as great as it appears to be to many observers, especially as regards control of the popular vote and as regards the influence exerted by the “capitalist” press. The obstacle to democratic government that socialization would remove might well be smaller than that socialism may insert. It is more important however that, as we have also seen — in our discussion of Marxian sociology —, the source of

individual and groupwise political power cannot be defined in economic terms. The economic element merely lends, in some historical patterns, particular colors and techniques to what fundamentally reduces to the much more general phenomenon of leadership. Individuals and groups would in the socialist order have to acquire their undemocratic power — if indeed it is undemocratic — by different means but it does not follow that no such positions would exist. The political boss in particular preys upon every interest within his reach and though he invariably finds it to his interest to give in return, some value to his victims, it is not so very clear that his relation to the disbursing capitalist is really that of an agent to his principal. Boss sociology is more realistically based on the conditions prevailing in communities that are disorganized by rapid growth and the influx of a large number of individuals that have lost their rational and moral bearings and many of whom are of a somewhat rough calibre by nature. For such conditions there may be bosses and boss rule — and all the phenomenon of which boss rule is representative — in a socialist not less than in a capitalist order of things. It is naive to think that bosses would have nothing to feed on once the evil spirits of capitalism were vanished.

The larger claim made by orthodox socialism must therefore be dismissed. But even as regards the modest claim — the claim of socialism to a place among the democratic movements of our epoch — neither socialists nor non socialists could today be as positive as they have been.

3.(M)

There is, in the first place, the great socialist commonwealth which is ruled by a party in a minority and does not offer any chance to any other. And the representatives of that party listened to reports and unanimously passed resolutions without anything resembling what we should call a discussion. They round up by voting — as officially stated — that “the Russian people (?), in unconditionally devotion to the party of Lenin-Stalin and to the great leader, accepts the program of the grand works which has been sketched in the report of comrade Stalin, and that” “our bolshevik party enters, under the leadership of the genius of the great Stalin, upon a new phase of development.” That, and single-candidate elections, complimented by demonstration trial und G.P.U. method, may no doubt constitute “the most perfect democracy in the world”. ... Yet in essence and principle at least, that commonwealth is a socialist one, and so were the short-lived creations of that type of which Bavaria and especially Hungary were the scenes. ... Now there are no doubt socialist groups which to this day consistently keep to what in this country is meant by Democratic Ideals : they include for instance the majority of English socialists, the socialist parties in Belgium, Netherlands and the Nordic countries, the American party led Mr. Norman Thomas and many German groups in exile. From their standpoint as well as from the standpoint of the observer it is tempting to deny that the Russian system constitutes “true” socialism and to hold that, in this respect at least, it is an aberration. But what does “true” socialism mean except “the

socialism which we like"? ... [OO] p237~238

There are, in the second place, many worthy men who are intelligent enough to see that issue but who are nevertheless grimly resolved to stand by democratic socialism or socialist democracy.

In order to justify their refusal to admit that the two constituents of what to them is a sacred unity can be divorced and might even prove mutually exclusive, they fall lock upon an argument that has by now become familiar to every American : nothing so democratic, of course, as fully fledged socialism will be but meanwhile, in this imperfect world of ours where our souls and institutions are permeated by the poison capitalism, it may be permissible, even necessary, to pave the road towards that perfect democracy by means that are somewhat less than democratic and may even include an occasional dose of force and terror. ... The admirable opportunity it affords for evading all responsibility for democratic procedure : whoever uses it thereby jettisons the safeguards required by democratic procedure precisely at those junctures which, according to democratic doctrine, call for them more than any others and thereby takes a risk that nobody takes with respect to anything he means to stand for unconditionally ... used also by socialists the Blanquist type ... idea of the socialist revolution centered in the "action of a few resolute men" ... implied in the views of Lenin ...

4.(M)

On the one hand, those socialist groups that have consistently upheld the democratic faith never had either the chance or the motive for professing any other. ... always turned against syndicalists ... Most of them were satisfied with the results that advance on democratic lines promised to yield. It is easy to visualize what would have happened to socialist parties of, say, England and Sweden, if they had displayed serious symptoms of antidemocratic propensities. They felt that they were steadily growing in power and that responsible office was slowly coming in sight. ... In Germany socialists facing a strong and hostile state. and having to rely for protection on bourgeois sympathies and on the power of trade unions that were at best semisocialists were still less free to deviate from the democratic creed. [O] p238

On the other hand, the few test cases that are available are not very convincing. The great social democratic party of Germany in 1918 decided for democracy and, as a proof of democratic faith, even put down the communists with ruthless energy. But the party split, or to be more correct failed in the attempt to heal the split. The majority lost heavily on its left wing and the seceding dissenters have more, and not less, claims to the badge of socialism than those who stayed. Many of the latter moreover, though submitting to party discipline, disapproved and many of those who approved did so merely on the ground that, from the summer of 1919 at least, chances of succeeding in more radical — in this case antidemocratic — courses had become negligible and that, in particular, leftist policy in Berlin would have meant serious danger of secession

in the Rheinland and the countries south of the Main River even if it had not immediately met smashing defeat. Finally, to the majority or, at all event, to the trade union element in it, democracy gave everything they really cared for, including political power. They had, it is true, to share it with the centralist (Catholic) party. The bargain was satisfactory to both. Presently the socialists did indeed become vociferously democratic. That however was when an opposition partly associated with non-democratic creeds began to rise gainst them. ... [O] p239

5.(M)

I am not going to blame German social democrats for the sense of responsibility they displayed or even for the complacency with which they settled down in the comfortable armchairs of officialism. The second is a common human failing, the first is entirely to their honor and was both a part and the prerequisite of a considerable achievement. Now of course nobody talks about achievement but only of failure : the vanquished always have a bad press. It is natural that the men and groups that stepped into the place of the socialists do not have any eulogies to offer for the regime of their predecessors. I suppose it is also natural that the socialist themselves, the members of the German party as well as all non-German socialists of the same creed, now compete with each other in professing derogatory comment. If natural, however, both types of criticism are eminently unjust. It is not only that critics are being wise after the event and, in the case of foreigners, almost always inadequately informed and quite unable to understand that situation and its difficulties. ... This, I am sorry to say, also applies to Mr. Norman Thomas's criticism. ... The decade from 1918 to 1928, during which the social democratic party may be said to have been the dominant factor in German politics, merits careful and sympathetic study. Such study would reveal anything but failure and the ultimate defeat is such more accounted for by its difficulties — or impossibilities — inherent in the data of the socialists did or did not do. If their experiences more ever to be repeated, the only hope for success would be in again steering the same or closely similar course. Personally, I should not even feel justified in blaming them for what to me seem the obvious blemishes and mistakes of their regime. For if we consider their temptations the thing to ponder at is that there were not more of them. ... Of course, if the reader and I got together at cocktails, we should be able to draft what would have been the ideal program for them. For we are such superior persons — perfect foresight also being among our minor accomplishment — that no conceivable juncture could have prevented our complete success. But we cannot ask that the German Social Democate should have risen to our height. They were just ordinary human beings. ... [O] p239

6.(M)

The Austrian case might be cited as an importance for adherence to the democratic faith. Well, in a sense, the Austrian socialists did adhere to it in 1918 and 1919 when that was not yet, as it seem afterwards becomes, a matter of self defence. But during

the few months when monopolization of power seemed within their reach, whereas majorities were not, the position of many of them was certainly not unequivocal. At that time Fritz Adler referred to the majority principle as the fetishism of the “vagaries of arithmetics” (Zufall der Arithmetik) and many others shrugged their shoulders at democratic rules of procedure. Yet those men mere regular party members and not communists when bolschevism ruled in Hungary, the question of the course to choose become burning. Nobody can have followed the discussions of that epoch without realizing that the sense of the party was not badly rendered by the formula : “we do not particularly relish the prospect of having to go left (=adopt soviet methods). It is too risky. But if go we must then we shall all of us go.” This appraisal both of the country’s general situation and of the party danger was eminently reasonable. ... that is, they saw the dangers of attempt at bolschevism in a country conditioned as Austria was practicably at the mercy of foreign military missions and frowned by ... But urgent loyalty to democratic principles was not conspicuous in either. Conversion to them undoubtedly came. But, to many the leaders, it did not come from repentance but in consequence of the Hungarian counter revolution.

[O] p239~240

7.(M)

Please do not think that I am accusing socialists of insincerity or that I wish to hold them up to scorn either as bad democrats or as unprincipled schemers and opportunists. I fully believes in spite of the childish Machiavellism in which some of their prophets indulge, that fundamentally most of them always as sincere as any other man. Besides, I do not believe in “insincerity in social strife” for people always come to believe what they want to believe and what they incessantly profess. And as regards democracy socialists are presumably not more opportunists than the rest of us : they are simply espouse democracy if, as and when, it serves their ideals and not otherwise. Lest readers should be shocked and think so immoral a view worthy only of the most callous of practitioners, we will at once make the experiment. [O] p240

8.(M)

Do you define democracy by the principle that the will of the majority of grown up citizens should prevail? Well, what if that majority wished to have heretics burned at the stake? Would we uphold such a democracy? I am not trying to tease. The case is by no means fantastic.

It is a simple matter of historical interpretation. As tradition has it, Nero burned Christians and Jews partly in order to appease the public wrath directed against himself, i.e. in order to do a popular thing, i.e. to fulfill, for once what he sensed to be the will of the people. Suetonious, obviously expressing public opinion, records the measure to his credit. Nor is it possible to deny that the persecution of protestants under Phillip II was in Spain — not of course in the Netherlands — throughly approved by the majority of the population and that this fact was precisely one of the motives, though neither the

only nor the most important one, why Phillip II embarked upon this course. ... [O] p241

Or take the persecution of witches and wizards. This was not forced upon people by priests or princes. The Chathoric church, as both discussions and measures in the thirteenth century clearly show, greatly disliked the matter and reluctantly yielded to the will of the people, trying hard for two hundred years to restrict punishment to spitual penalties. Princes and governments disliked it still more and, as soon as they felt that they were strong enough and that the belief in witchcraft had grown weak enough, i.e. in the eighteenth century, they lost no time in surpressing persecutions. In Austria for instance, the Empress Maria Theresia (1740—1780) took line that is very characteristic of the state of things : there were individuals, she proclaimed, who thought themselves witches without having the powers of witchcraft — these were to be shut up, not however in prisons but in lunatic asylums ; there were others who fraudulently pretended to have such powers — these were to be punished, not however for witchcraft but as any other swindlers ; and finally, there were real witches and wizards, of course, but all such cases were to be reserved for the personal judgement of the Empress. Why did that great ruler, who certainly did not lack courage, choose so devious a way in order to attain so simple an object? Simply because felt that here she was fighting the genuine will of the people and doing a very unpopular thing. ... [O] p241~242

Finally, to choose an example which has some bearing on modern issues, antisemitism always has been, in most nations in which there was any considerable number of Jews, among the most deep-seated volitions of people. On the continent of Europe, both the Chathoric church and the princes in general tried to shelter them, and the latter in the end emancipated them, but the will of the people was the other way almost all along. That is why politicians so often resort to antiseamitic slogans and policies. They are sure to appeal to the masses and in fact have produced, in the last sixty years, some of the most striking political successes. Whatever the reason why one may condemn those policies the democratic argument — provided democracy be defined as above — can never be among them.

I grant : we may still be “absolute” democrats in the sense of holding that the democratic principle is morally binding under any circumstances and has to be uphold regardless of consequences. And we may still, in good logic, say : “let witches be burned, dissenters, Jews and what-not be prosecuted through centuries, the will of the people must be done.” Yes, we may. But a much more natural thing to do in such cases, is to speak of a rabble instead of the people, to hate and to fight it as the most stupid and brutal of tyrants and to refuse to surrender to it our moral and cultural ideas. But then we are pro tanto, surrendering our allegiance to democracy — at least in the sense now provisionally adopted — and doing exactly what socialists do for whom capitalist practice is not less repulsive than the burning of heretics, witch hunting and the persecution of Jews are to the mentality of capitalist society.

Incidentally we thus have gained a point which will still prove to be of basic importance in an argument that is to follow. Many of us, who would not have it said that they are for democracy only so far as democracy does what they are prepared to accept and who would at the same time refuse to uphold democracy if it does what they abhor, are inclined to seek comfort in the reflection that such outrages never proceed from the “true” will of the people, that the people are fundamentally wise and kind — though sinister interests or tyrants may temporally mislead them — and eventually always amenable to reason and humanity. But then, unless this is merely another way of expressing the very thing which it is desired to deny — viz., that democracy has no claim to our allegiance unless it behaves as does what we consider wise and kind — we are no longer speaking of democracy simply, the concept of which does not imply anything about the psycho of masses and the way it functions : we are introducing extraneous and highly controversial matter. Belief in those additional propositions is not doubt historically associated with democracy ; but it is subject to proof or disproof by cold analysis and no question of ethical principle. There should be no teleology about it.

9.(M)

Several bodies representing American opinions have of late professed their allegiance to democracy not as a means but as an end in itself. These professions are usually motivated in a way which together with the circumstances that prompt them enables us to make perfectly good sense of them. The motives given include, for instance, freedom of conscience and discussion, free elections, freedom to shape men’s life. And even if not expressly stated, the implication is that fascism of all types is to be fought in reason and out reason and that, in particular, no compromise to be made (though, it must be add in the light of history, occational alliance may be formed) with groups that advocate “temporary” or “transitional” deviations from democratic practice. All right. But the correct way to formulate what it is obviously intended to convey is that under the conditions of this time and country strict adherence to the principles of democracy seems the best or only way to serve those ends which for the sponcers of those resolutions are the truly “ultimate” ones and to ward off those dangers. The very wording of those resolutions refutes their claim that democracy is an ultimate end, i.e. a value that does not derive from “higher” ones.

Whatever else it is or is not, democracy is certainly an institutional device or political method incapable of determining per se and for all times and places what will happen within its framework — what ideal will be realized, what crimes will be perpetrated. Hence it is difficult, although, as we have seen above, not impossible to conceive that it ever could be an “ultimate value” to anyone. All the easier is it conceive that in one way or another, but differently in different environments, it will affect what for everyone of us are ultimate values. That distinction — we might designate it as a distinction between organizational forms and cultural contents — is afterall obvious. The very fact,

however, that such an obvious point required elaboration shows that we cannot stop at my attempt to clarify the attitude of parties to democratic procedure. If we wish to understand how socialism and democracy are related to each other or what their relations is likely to be in practice, we must probe more deeply into democratic ideology and machinery — into the meaning of democracy which some of us find so much easier to admire than to define. ... In the light of our results we shall then try to interpret Marxian Doctrine on the subject.

(2) The Will to the Power surrounding Socialism

IV — (2) — 1 ~ 16

1.(N)

Habe schon gesagt, daß Sozialismus can be, in logical ground, also nichts auf Frage hinaus : Can be democratic und welchen Sinne? ... Habe schon transitional argument. ... die extraneous matter ... multiple leadership ... Will of good but embodied in Demokratie (Granville) ... Test of belief in freedom of the thought — why Arkansas keine Demokratie — ... advocating pressure of jew? ...

Dem. procedure setzt voraus, a) nicht zu große Gegensätze und viel common ground, b) with agreement in Methode and manners. ... Aber Kapitalismus also becomes incomp. mit Demokratie!! ... : the complex society of today. ...

Russel und Forthinghaus ... Bright democr. treulich ... wo Bright one of those thinkers that mistake sand for rock. ...

2.(M)(N)

Well, what is democracy? ... Whatever we mean to stand for unconditionally, we try to raise to ethical dignity⁽⁺⁾ implying, if possible, a claim to universal allegiance and a-limine exclusion, in the name of common decency, of any other view. On the one hand, this will in general force us to associate that something, whatever it is, with the maximum number of ethical values that are likely to call forth support. On the otherhand, we shall be naturally unwilling to commit our ideal to specifications that do not qualify for ideal and savor of historic relativity. ...

(+) aber ist doch eigentlich ethical Dignität — mild u.s.w. ...

3.(N)

Braucht doch nicht Bolschewist zu sein — ist doch genug. wenn für Democrats trial : wenn der Bolschewismus seinen fellow-travelers findet, braucht er nicht mehr. ... Rationale of constit. Monarchy ... Ethical principle in Demokratie gerade als Methode — gentleness, nicht vergewaltigen —. ... und öfter ist replacing an unsuccessful government, behält good for the people. ... Forthinghaus ethics betont responsibility als ethische Prinzip. ... Tatsachen aber nicht one for me. ... ist Geschichte — wo funktioniert, und außerdem gild in gleicher Weise! ...

Would not help us to adopt Standpunkt jener, die sie zu moral principle machen. ... mehr was in einzelnen Falle Bedeutung hat, Russell, die Amerikaner Bright, Mazzini. ... Aber nicht, wenn man Aristotol konsultiert. ... auch nicht in Wortbedeutungen —

Sochwierigkeiten können so gezeigt werden. ... 48 democracy ... Don't be afraid of relativism! Modern man has to accept it. ... Does not mean half-heartedness or compromise. ... What people really mean by fighting — und das schon verwendet — for or against it, particular kräftiges Ziele or ideals, which in particular historical situations it is believed to safeguard or achieve wenn they fight und die for democr. ... ethical principle — historical relativity ... what “we” want. ... Liberty, group Freiheit und individual Freiheit ... “Lot” ist more democratic als Wahl. ...

4.(N)

1) kein will of people als such, 2) real will of individual — aber mit vielen Qualifizierungen. Idee darf nicht Werkzeug anderer Zwecke seien — aber das sind die “hohen” Zwecke. ... We are thrown back on Individualismus und group-wise volition und anderen resultiert. ...

5.(M)(N)

Real can be only individual and group-wise volition. But third, if we base the case for democracy on those, we run up against some palpable facts that bar the way.

1) Though always psychological or socio-psychological realities, those volition are very often indefinite. Political issues outside the immediate volition do not appeal to the individual or group as the daily interest and duties immediately felt. Quite ready to bargain away and be educated. Is a process of advertising as well understood in the case of consumers behavior? Or appeal really only when too late and fait accomplis. Now what rule of the people is this people will what they are told to? Autonomous and created will. ... Wo specialist rule und classe dirigiste? ... democratic show und wearing ... ideal on cloud ...

2) Even if perfectly definite and strongly and watchfully held and uninterfered, it does not follow that any of the know methods of producing synthetically what will bear interpretation as a resultant of individual components, there is no guarantee that this resultant will correspond to what anybody really want — even what the majority wants. ... Poincare's ideal, aber das rechte voll ... Wo eigentlich Bürokratie, professionelle Politiker, Partei, Intellektuelle ... pressure group ... Billigung des Resultat und Billigung der Methode, verschiedene Dinge — wichtig dieser Gegensatz zwischen Volkswillen und Willen des Volks. ... And it is easy to visualize circumstances in which what most people will more effectively secured by non-democratic method. To establish this we need not confine ourselves to cases of successful paternal absolutism. Napoleon I hardly comes within this category. But was above to that later to engen Bolschewism, und wenn anders kam, so war das due to failure, die gewiß etwas mit dieser Methode zu tun hatte ausgeführt. Spezieller Grund dafür : Leute, wegen ihrer unmittelbaren Interessen und ihre Gruppe, durch Handeln auf einzige Hand nichts erreichen könnte als Schaden für eigene Interessen und eingespannt in Partei können oft : Beispiel workman. Hitler und Mussolini : was Leute wollen, oft mehr erreicht durch Methoden, die jeden zwingen, politisch zu handeln. Freilich auch Gegenteil — aber auch bei Demokratie ; yes selbst

trade union workman! (Blum) ; weniger Bauer. ... dann Fakten der Massenpsychologie ... Wie ist äußere Politik möglich? ... eben nirgends demokratisch ... Role of Minoritäts, Prädident timber, Methoden der sozialen Auslese ...

6.(N)

Also wenn Interesse der besonderen Gruppe oder des ideals es erfordert, democracy too easily jettisoned (as bourgeois delusion) als das wesentliche sein könnte. ... the relevance of the observation that the test of a belief is seriously interfered with by absence of choice. ... Das also nicht nur Wiederholungsgefahren mit III, sondern separat in der termed Wähler nachfolgen "digression". ... gewiß dann ehrlich geglaubt. ... Resultat : eben so Demokratie wie andere Demokrat inquisition. ...

7.(N)

Resultat so : Marxian teaching in its original form, finally did not meet the real problem face to face and it is for this reason only that it can be proudly displayed both to the bourgeois and the erring bolschewist brother. Like almost all the socialist of that time, Marx came from bourgeois democracy — had democracy in his intellectual and moral blood. It was for him axiomatic as other 18th century ideas were and he had no motive to question it in the sphere of analysis and, with his eye for political reality, every motive not to declare it a bourgeois illusion. ... on the other hand : Eroberung der politischen Macht nicht notwendig in democri. Weg ; "Diktatur der Prolet." ... Seine Diktatur ist nicht dict. einer privil. Minorität. Dict. here und nicht am Schluß des Arguments. ... Moreover he believed that the very logic of the economic process would of necessity turn the vast majority of people into socialist so that realization of socialism would in fact arise about by virtue of the will of an overwhelming majority and hence in a way which it would not be obviously absurd to call democratic. ... Aber hier ganz entscheidender Punkt. ... He did not visualize the act as, say, an orderly Constitutional Amend ; Revol., force, terror even might be necessary but only to overcome the resistance of a few waked die hands (obstructionists) and their hired henchmen, quite insignificant in number and social function, whom obsolete institution put into the position of hiring thugs. His coercion was thus the coersion of a minority only, and excluding the hireling, a very small one and not only that but one signalized disqualified by special characteristics.

8.(N)

Wäre es nicht Muß der Leute gegen a few Ausbeuter? ... Nur wohin ...

- a) die Frage, ob das so ist — ob Sozialismus interessenmässig eine Majorität — außer wenn Interessen nach bestimmten Idealen definiert werden. ...
- b) Fragen, wer gewartigt wird : Majorität oder Minorität. ...
- c) Diktatur des ... über das Prolet. ...
- d) Entweder Majorität oder Minorität, nur Querköpfe — Standesvertretung, über Genossen nur permissible ...

e) Wenn das wahre Demokratie ist, end up mit real question ... aber glaubt eben daß Gleichheit. ...

Demokratie, die nicht für Sozialismus, ist eben nicht wahr! Eine bessere Logik! Ist eben Gegenstand für Erkenntnis und eines Ideals. ... ob antique und skilled Arbeiter daran besser, aber ist eine Frage, die wir jetzt nicht debattieren, aber ist eine Frage, über die verschiedene Meinung möglich sind. ... Wo Gleichheit und Freiheit. ...

9.(N)

Even, we must be protested against the implications of the words dictatorship and class war which socialists very much before the strata the use by which they so much disapprove. Dictatorship was in his orders l'idee only a slip due to his yielding to the temptation of literary effect. Does not mean more than that other interests should not count much more than gr. happiness of gr. member or everyone to count for one, Bentham with some spoil. ... Collisionsgefahr mit Sätzen nach der "digression". ... Even class war refers to attitude to classes each other, is not thought of as military conquest of a resisting majority, Engels' tactical studies notwithstanding. ... What he would have said in present sit. ist gar nicht sicher ; ob er gesagt hätte — bourgeois illusion? ...

10.(N)

He (Marx ... editor) probably did not think of possibility to have access to power ohne Majorität — wie könnte das waffenlose Prole. — would have thought the question futile and irritating produced by hairsplitting caviler. ... Comm. Manifest. sicher "revol." und nicht betont "legality" aber ... Und das ist Sünde auch noch von Kautzky und von prewar neomarxists, obgleich Hilferding's Entdeckung, daß nicht von selbst zusammenbricht, sicher der Auftakt für heikle Diskussion war. ... Vielleicht jetzt so : there is however a diff. even about this which we must digress to investigate. In England wichtiger Gesetz nicht repassed wenn zu kleine Majorität und resignation. See next page! but then perhaps better not to mention the disqualified minority on the preceding pages. ...

Schon das gibt uns einen Moment : wie consent und force zusammen möglich sind!! ... Und Marx tut sogar, was sonst nicht gelingt — erklärt wirklich, wie so eine overwhelming Majorität zustande kommt. Aber später sagen, wie dieser Wille entsteht? ... Diese Ganze passt nicht zum Text. ...

11.(N)

Begriff "disqual." minority — dann Diktatur des Prole. nicht unmittelbar vorher, sondern vor forcing : nur zu sagen, was bei Marx bedeutet. ... This makes all the difference. An attempt to enforce the surrender, regardless of its will, of a minority (let alone majority) whose social vitality is as yet unimpaired, is one thing : an attempt to enforce the surrender of an atrophic minority merely hängt on virtue of the inertia of social institutions,

is quite different thing : commonsense tells us that meaning as well as chance of success differ fundamentally in both cases. From this standpoint a synthesis becomes possible of consent und compulsion which is no mere compromise between fundamentally irreconcilable elements but has a sound meaning of its own. Of course it is very difficult to apply in practice : some people will always hold, other people will never admit that a given minority is disqualified in the sense defined. But this does not affect the principle : we have nevertheless get hold of a rational solution of the conflict which distants the minds not only of modern socialists but of non-socialists democrats.

12.(M)

In order to show this and also in order to guard a very natural misunderstanding, let we take an aeroplane and “hop off” to France not to modern France but to the France twelfth century. We observe — disregarding certain elements, especially the towns — a feudal organization. The feudal lord and their henchmen form a minority of population. But we readily understand that in the circumstances of time and country no other organization of society could be a practical success and that any attempt to do away with it would end in chaos in whole destruction of cultural values and even in danger of injury the survival interest of that society. ... Now let us choose another plane, one which flies between New York and Paris of 1789. We observe another social structure. But they are readily seen to be no longer necessary wheels of the social engine which on the contrary could work more efficiently without them. ... hence alighting from our plane, we have no difficulty in realizing that abolition of privileges which had become functionless dead word is now a completely different matter. It was, in historical facts, substantially seemed by convent on the famous night of the forth of August. But if it had not been or if in spite of that convent there had been sectional resistance, compulsion would look to us in a differnt light. I have chosen a favorable example. It suffices that our distinction between enforcing the surrender of “vital” and enforcing the surrender of “disqualified” minorities is not otiose or practically futile. Nor is it merely a matter of our subjective preferences. The point to grasp is our recognition of the vitality of a minority group or of the functions such a group fills in a particular national organism — I cannot stay to show why the two will as a rule coincide — is entirely independent of whether or not we sympathized with group or approve of those functions. Being modern men or women and flying the Stars and Stripes from our plane we should probably like the feudal stratum that we recognized as vital just as little as we should the bathroom arrangements of twelfth century France. And if we traveled to France of 1792 or 1793, we might appreciate those cultural value whose carrier the persecuted aristocratic stratum continued to be and hate from the bottom of our hearts — I for me should — the stupid phrases, the sanguinary brutality, the moral squalor incident to the method by which the institutional deadwood was being eliminated. But neither class of feelings nor personal value-judgements is relevant to our criterion which turns on a question of fact and not on a question of valuation.

13.(M)

In our everyday life and in our thoughts on social subjects we are in habit of adopting exactly the opposite criterion. We take our stand on our personal or group-wise valuations and recognize or disqualify other group or interests or ideals precisely according to whether or not we schematize with or hate them. Whenever some of value is of sufficient moment to us and whenever we hold it with sufficient zest, as at certain junctures we hold religious convictions or at other junctures certain substitutes for them, the other fellow walks in darkness and this darkness, however widely spread, must not be allowed to prevail over the light.

For the socialist — as far any “ist”, in fact, prohibitionist or other — the non-socialist is not simply in error but also in sin : this is the test of any belief which lays claim to absolute truth and knows no argument outside of the propaganda for and the exposition of the true faith. This attitude is one of the outstanding facts of our time as with varying connotations it has been one of the outstanding facts of all times ; it practically much more important than the one we have adopted above, we shall keep it steadily in view. Just now however I have mere to advert to the danger of confusion between the two, a danger which is particular great if we speak of a vital minority as “justified” by a social “function” and of an atrophic one as disqualified by the absence of it. But it should be clear that our criterion of disqualification can only apply to minorities : it supplies a condition which democratic practice requires for deviating from the principle of government by consent and without which it is no part of that practice to override the will of minorities. The other criterion has no reference to whether dissenters are in a majority or in a minority and no place in the theory of democratic practice : on the contrary, it supplies a condition for attitudes and decisions which are, and at all times have been, among the chief sources of antidemocratic tendencies.

14.(M)

We thus glean another preliminary contribution to an analysis of democracy. A third one may also be linked with our interpretation of the Marxian doctrine. That overwhelming majority itself, ... Marx — rightly or wrongly — visualized them and whose revolutionary action would eventually realize socialism. ... was to consent or rather passionately to insist on the change from its own undulated volition. No doubt party pedagogies would be necessary to work volition in to polish. ...

But they would not create it. The idea that preaching of the goal would create the will to socialism is not Marx but typical for the socialist schools which Marx dubbed “utopian”. According to him, genuine volition of the masses would of necessary emerge at the right time as the reflux of objective conditions that would atrophy any other volition, and it would be as little suggest to them as their class consciousness was.

It stands to reason that there is something in this which is absolutely essential to all democratic theory or practice. Whatever that will of the people may be which democratic doctrine accepts as the cornerstone of its structure, it must exist as an independent reality, independent in particular from the action of the political organs or agents it is to control. Not only all dignity and all emotional value but even all meaning would evidently go out of the democratic ideal, if that will were manufactured, in particular, if it were manufactured by those political agents themselves. ... Now, there cannot be any doubt that it can and often is manufactured by professional politicians or by groups that are formed to espouse an interest or ideal. In such cases the spirit of democracy is lost, however carefully its forms may be observed. And we must always distinguish them from the genuine cases. For this purpose we will introduce two self-explanatory terms : we shall consider it essential for democratic decision to derive from and embody autonomous volition ; We shall call non-democratic a decision that reflects created volition. ... The difficulty of carrying out this distinction in practice, is again readily admitted. ... multiple leadership and compet. leadership ...

15.(M)

Even about this, however, there is a difficulty which we must now digress to notice. It will stand out more tellingly if we consider it not in abstracts but in concrete setting by England parliamentary practice. As a rule England governments resigned or dissolved not only when actually defeated but also when their majorities fall below a margin which, though elastic and a matter of the Cabinet's judgement was yet, at any given point of time, a very factor in the political situation. ... For whenever a government that was thus insufficiently supported, was allowed to stay in office, it behaved, and was treated by the opposition, exactly like a government in a majority which sometimes was also accorded qualified support on certain understanding about what it would do or not. Similarly, a government supported by small majority rarely opened up major controversial issues and if it did, this was looked upon as something very like political misconduct. Major measures involving large questions of interests or principles were proposed and carried either by at least tacit agreement with the opposition or part of the opposition — such as old age pensions or tariff reform — or else after sweeping victories at the polls and by the resulting large majorities. If majorities were not large or if they ceased to be so at the second reading of a major measure, this measure was as rule not proceeded with and either dropped or shelved.

Why so if the will of the majority is law? Close observation of the half dozen or so of standard cases will, I think, convince you that this question cannot adequately be answered by consideration of tacit commonsense. Of course, a cabinet that decides to go on with a margin of a few votes will expose itself to the danger of humiliating defeats in the conduct of current business. Still more will it have to risk party values, if it attempt legislation of a controversial nature when support is already inadequate independently of it This is

true, but it is not the essential points. There have been many prime ministers who were quite willing to take their love in their hands and to fight against very heavy odds. Sometimes they even succeeded as e.g. Disraeli did in the sixties. But the point is that they and both their followers and opponents looked upon such a proceeding as improper. Everybody felt that great issues should not be decided by victories cleverly snatched by a neck. Parliament and the nation ought to more thoroughly persuaded first. And if attacks on the House of Lords were not more successful. this was precisely due to the fact that what we may term the theory of it's function came to be increasingly based on that very consideration which appealed even to people who were on principle most violently opposed to that institution.

16.(M)

Now this attitude is very significant. It means not less than the principle that the will of minorities should not, in a democratic community, be unconditionally overridden on the will of the majority unconditionally prevails — but only if that minority, besides being simply a minority, presents also other characteristics, for instance if it is small, if it is felt to represent a single interest without importance to the rest of the community, if what it want is morally disapproved of and so on. Whoever puts this attitude into practice, votes each time want of confidence in the abstract majority principle. At the back of it is, on the one hand, the belief that there is a right and a wrong answer to every political question which it is possible to formulate in a simple and trustworthy fashion ; and on the other hand, the belief that the overwhelming majority of the people can be made to see it and to act upon being the “common good” by means of a straightforward process of rational persuasion. Impossible not see the derivation of these beliefs from the rational (and explored) psychology and sociology of the Enlightenment, roughly the seventeenth and eighteenth centuries. Equally impossible not see that practicable application of those beliefs can successfully work only under very special circumstances. Presently we shall have to face the consequence of this, do not let us forget two shining truth : right or wrong as to the underlying theory of political behavior that ideal was certainly the most human — and humane — one of all, also the one that took the most generous view of human nature ; and possible or impossible as a general canon of political structure and action, it actually almost worked at least in our modern country, England, and under the particular conditions of, roughly, the nineteenth century. ... wo common good ... wo aber die Sozialisierung ; immer Demokratie — nie Demokratie ... Volkswille nicht abstrakt ...

To return my digression has made it clear, I hope, why I have emphasized so much the peculiar quality of the minority which in Marx's vision would be swept away, by force if need be, in the great revolution from which the socialist phoenix was to rise. If my interpretation be correct, anyone, who wishes, can establish his claim to being considered as true a democrat as he was a socialist, patron saint, then not of all socialist creeds

today, but of the social-democratic one only. Myself, I do not go so far — I don't insist on my interpretation —. Loci can be found in some of his writings, especially in his correspondence, which will no doubt bear a different interpretation, and I suspect, though I still prefer my own, that Marx would, if he lives now, have made the discovery that democracy a bourgeois illusion. I suspect this for a very simple — because, in a sense it would be true. But I do not care : what Marx did think or would have thought is not very important. Important is that where it tallied with practical possibilities, socialist have jettisoned democracy.

(3) Miscellaneous Passages about the Concept of Democracy

IV — (3) — 1 ~ 44

1.(N)

geschichtlicher Überblick über soc. politics nur bis Bernstein geführt. ... Schwierigkeit to link this up mit Demokratie. ... Das democratic Thema wird so zu einen bloßen Intermezzo in weiten Kompass sozialistischer Möglichkeiten und prospect of Sozialismus. ... All parts, auch Marx, kann unter diesem Gesichtspunkt gebracht werden. ... In diesem Zusammenhang werden Nietzsche und neomerkantil u.s.w. wichtig. ... andere Dinge : war, Religion, for policy u.s.w. ... führt demokratische Methode zu Sozialismus? ...

Der Ökonom., der individueller Verantwortung mißtraut, kann doch nicht Demokrat sein : kann doch nicht Demokrat mißtrauen Leuten, welche ihre razor blade nicht rationell nutzen können. ...

2.(N)

Wo war mein Kopf, als ich tac. am 9.1. verließ? ... kein war booms — res! ... Und wo die Notice über Sozialismus, die dem waste und wollen? ... und democr. is eine Methode, das schließt aus, daß ideal ist. ...

3.(N)

Vielleicht eine auch ganz gute Wendung : doch fraglich wäre selbst Sozialismus, der democr. arrived at Lehre ist, es auffordern kann, alle Lehren und Rücksichten zu dulden. ... Freilich : wenn diese Dinge tot sind. ...

Can then ever be a socialist majority and this a democratic way to socialism? (Haben wir das aber nicht schon in III gesehen.) ... Oh, yes, a) greater victory, b) ready in the fullness of time — our own argument proves this possibility. ...

4.(N)

Discussion on democracy ... Welche Fragen wir gruppieren können um Problem der

Demokratie. ... Dafür aber nötig, etwas genauer zu sehen ... Das nicht ultimate value sein kann. ... eventuell nach den Aussichten diskutiert. ... Polit. Demokratie in a sense — mit freedom — will perish mit Kapitalismus — as compet. perished. ... Wo a) über claim, daß nur sozialistische Demokratie does es, b) und Übergang ... Freedom and democracy, nicht daß ... easier to adherence than to define ... nicht nur rule ... sondern government, Schwierigkeiten, daß die Leute display — das ist, weil nicht Demokratie...

Wertdefinition würde uns helfen. (?) see Russell ... aber wichtige Tatsache daß Theorie für einen bestimmten Begriff entwickelt. ΚΡΑΤΟΣ (kratoz ... editor) delegation ... Repräsentation transfer ... sowohl ΚΡΑΤΟΣ wie people ... will of ... artif. definiert! ... ursprüngliche Theorie, das edele Volk. ... “the people” wir sehen daran Einstellung der revolutionären Bourgeoisie unhaltbar ; aber wieso möglich zu halten ... Andere Theorie ... still dann Sozialismus ... In einem Sinne immer Demokratie, in einem anderen ist good for and by. ... For what “people” (Majorität) think their Interesse to be. ... Methode to appoint supervisor, recall the leader. ... Bernstein : was herausgekommen wäre. ...

5.(N)

Dem. ist ein mehr oder weniger kein scharfer Typus. Fundamentale : no rule possible if Organismus as a whole turns against rules. ... abgesehen von Monarchie und Aristokratie verliert nun Dem alles distinctive. ...

6.(N)

Instances overstated ... they would not necessarily be absent in Socialism in the case, in which es an Verstehen fehlt. Also some disappear in investigation, though climbing about it is fashion. ... Finally pathological genius that apparently cannot take care of itself is quite often success. Rousseaunian hat not much reason to complain. ... Let off sentimental romance about this — talk about underprivileged —.

7.(N)

Demokratie ... vielfache leadership? ... mehr Parteien?... Kritik? ... Das ist auch in Soviet? ... Andererseits ist Demokratie die Forderung daß Leute nicht anderen Zwecken dienen wollen : und in diesem Sinne wirklich individualistisch — kapitalistisch! ...

8.(N)

Leute verstehen verschiedens, weil verschiedene Resultate verschiedener demokratischer Prozesse denken, relatively part of world order ; aber das kommt von Zielen mit denen associ. ; könnte ich dann sagen : how far also Methode ideal sein kann, als einzige würdige Methode, ob Rücksicht auf andere Ziele werden wir sehen. ... Aber schon hier klar, daß nur historisch sein kann, weil a) Resultate nicht dieselben nach Art der Leute, Struktur u.s.w., b) nicht immer möglich — das auch ohne Definition zu sehen. ... Wenn wir für above ideal erklären, so nur, daß ich meine für dieses Land und Zeit. ...

Witch-hunting u.s.w. vielleicht später, wo das gute, edle Volk gezeigt, aber zunächst lasse ich Sach wie ist. ...

Dann kommt andere Theorie. ... Dann kommen Bedingungen des functions und der Satz, daß ineffi. vorliegt mit Bezug auf Dinge, für Demokratie nicht geeignet. ... Und dann das nicht möglich in straff organisierter Staat — Sozialismus und Demokratie —, auch die claims und Übergänge? ... Und andere Ideenströme? ... Wo über democracy und freedom. ... dem. und war, dem und Religion ... Wo anderer Gedankenstrom in democrazia. ...

9.(N)

Self-det. of people : einige Schranken klar : eine kleine Gruppe kann so "debut", daß sie ein man aus einem großen Organismus macht. ... z.T. ist das nur so, weil Staat nicht erliegen wollte und daher so organisiert wurde, daß er in der Tat dafür geeignet : phrase, state create nothing, ist meaningless, immer ist das ein Individuum — und das kann auch in citizen. ...

Aber was liegt dem zugrunde? Ist es so? why should it be so? ... Ist das nur bourgeois Erfindung — oder ist etwas to it — Motive oder was? ... Dieser in Amerikaner ist 60, daß ihr Land als Ganzes einen Sinn hat. ... Das natürlich leicht für conditions der kleine Staaten, because they did not case for those Greeks-Organization. ... Kapitalismus löst Probleme und jetzt das Wohnungsproblem. ... Warum das so schwer ist — weil nicht in Fabrik Versuch geht. ... Der trade union Sekretär der seinen ersten strike hat Stand des Professional ; wie ein Interesse ; Interesse des Arbeiterführers und Interesse der Arbeiter. ...

10.(N)

Wo eigentlich über claim der Sozialisten, daß Sozialismus die einzig wahre Demokratie? ... Was ist da gemeint? ... Was Wirtschaftsdemokratie? ... Wirtschaft im Interesse aller? ... oder Leistung demokratisiert — politische Besetzung. ... Oder einfach Druck weggenommen, der Leuten es unmöglich macht, wahrhaft demokratisch sich zu verhalten. ... möglicherweise in Essay III! oder III von IV ...

Arbeiter in Luxusindustrie ist ein seller of its products — und wengleich der Sozialismus entspricht, daß er für Arbeiter prduzieren würde, so ist nicht sicher, ob er b esser daran wäre. ... Schwindel mit class consciousness in? ...

11.(N)

Keine Selektion für Gleichheit ... zuviel nur gewöhnlich und zuviel Rationalismus ... die 2 neuen Begriffe ... soziale Psychologie, klassen Psychol., primitive thinking, infantilism, dann über Majorität — diese und andere Fragen auch vielleicht mit neuem Begriff in meiner Theorie. ... andere Annahme ... Rationalismus in einem anderen Sinne ...

That does not necessarily mean, of course, that the phenomenon itself which we refer to the term will of the people is non-existent. There is such a thing, distinct from the will

of the state, which is in turn the product of interaction of poli. ... Das würde diese Selektion nicht haben. ...

Erstes requirement — not to shy at any facts. ... second, well let us get generally over threat : threat tyrants pretended to rule for the people, außer maladieste type. ... discover and dictatorship ... : Caesar ... Napoleon ...

Theorie des autonomen Willens — erklärt nur Zigarett. ... Individualismus und group will, wichtig links, aber nicht letzte Daten. ... teaching und Information ... only means to work them up ... We only discover daß Argument cuts against any democracy. ... Individuellewille und Gruppenwille und Volkswille ... und das 3th ist will of state. ... Markiert itself as an ideal ...

12.(N)

controlled Eco. — controlled Thinking ... Aber obgleich Sozialismus does not imply Democracy, neither does it imply begrifflich non-democracy, aber praktisch ...

13.(N)

eigentlich immer oder nie Demokratie ... die amerikanische phrase : leader ... Sozialismus ist als große Bürokratie zu denken. ... Daß der Arbeiter nicht aufsteigen kann — wie viele Stalins gibt es dann? ... Klassenidee ...

14.(N)

On aristocr. Wahl

- 1) Das Ganze besonders wichtig (und nicht, wie ich sagte, uninteressant) ; had seine Vorteil. ...
- 2) results in the past und present (Besetzung von bus. executives) ...
- 3) für Zukunft vielleicht sehr wichtig (Bolschev.) ...
- 4) Aber ist often thwarting of Dem. ...

15.(N)

Aristokratische Wahl geht über in appointment. ...

- a) Appointment hervorheben daß nötig ist und beweist daß demokratische Methode nicht 100 percent durchführbar, ...
- b) helps greatly to make democr. work, ...
- c) Democr. may spoil it (refined form of spoil system : prop. Aufteilung auf Anschauungen. ...)
- d) Was mit compet. exami. (all right as far as go und können, in Erfahrungshände test more than a body of knowledge ... andere "test") ... In a exam. paper ist Kultur und Persönlichkeit. ...

16.(N)

Justice ... lib.und equality of individual opp. ... Freiheit, die erkämpft werden muß. ...

Keine Majorität zu erwarten in absehbarer Zeit außer snached ... Resign. : aber nicht so schlimm. ... und Hoffnung, daß wirklich der Tag kommt, wo so eine Majorität besteht, die besonders bourgeoisie einschließt und wie dann operate — diese auch see III Essay, und wir sehen, eben, warum um so besser je weniger dem., aber kein Wesengegensatz? ... Und wenn nicht effi., so macht nichts, wenn in fullness of time. ... Wer Sozialismus jetzet will, muß nicht Demokrat sein (Rechtfertigung von Stalin). ... Aber wenn will created — heißt nicht mehr als jeder Tyrann relates region wenn er sich sicher fühlt. ...

17.(N)

The democratic lists are without exception characterized by limitations of popular rule, which have had at best to do so. ... Socialism und Socialist ... the real issue — ob Menschheit einen Stand macht gegen both —. ... Das sind die heikelen Thema. ... Hitler und Stalin haben Erfolg, weil sie die letzten Wahrheiten erkennen. ... Diktatur über Prolet. in III oder IV. Marx disfigured by phrases from the people's hobby. ... Aber es bleibt das creed und wer den hat, kann sagen : soc. are in sin schon deshalb, weil für sie nicht der essentielle Punkt ist und schon in diesem Sinne kann soc. nicht dem. sein !!, weil Gegensatz möglich und hence etwas anders wichtiger für ihn. ...

18.(N)

Gettysburg adress in ...

“Our fathers brought forth on this cont. a new nation conceived in Liberty und dedicated to the Profession daß all men are created equal.” ... “We highly resolve that government of the people, by the people, for the people, shall not perish from the earth.” ...

Decl. of indep. 4 July 76. sets out with so vague proposition, and equal means nothing — self-evident that all men are created equal ; that they are endowed by their creator with unalienable rights. — But to secure those rights, put are in the total among men deserving their just powers from the constit. of government ; dann aber in form of good becomes destruction of these ends, it is the right of the people to alter or abolish it. —, that economy there are life, let und pursuit of happiness. ... Dieser erste Satz nur formal preamble to specif. wrong, und auch diese nicht für Historiker account, rhetoric und sentimental but capable of embodiment in familiar habit of action. ...

19.(N)

Rousseau's teaching nur used to give of idealism und attraction of Omninös to practical of conduct. ...

1773, 2 letters in Berlin Gasette(?) by Samuel Adams — spricht schon von States und urged for a Congress to draw up Bill of Rights. Address mit Ambassador in England... Here are oppressors to be force : far from indep. States (das grew out of Stamp Act). A tea affair culminating Dec. 1673 ; bending the tear would betray unhuman thirst for blood — tea was worst of player und alles out of conciliatory measure. ...

Contin. Congress of 79 verlangt exemption from Gen. ... Authority of Parliament on three grounds. a) immutable laws of human nature, b) Br. Constit., c) Colonial churches. ... sacred rights of mankind, they are inherent und inderfeasible ; Blackstone (Sir William 1723~80 ... editor) ; absol. rights — life, liberty, property und als Folge, Life, Liberty und pursuit of happiness, ... (?). ... thousand political rights nicht kulturelle sondern Parliamen. legislation i.e. Konstitution i.e. Common law. ... Colonies virtually representative in Parliament, sagt die Engländer. ... Welcher Schwindel dieser Satz, daß prop. cannot be taken ob convent. given persönlich oder “by representative” of owner. ...

20.(N)

Über civil war ... weiter ad amerikanische Indep. ... Selbst wenn europäische Allianz gegen England und alle militärischen Schwierigkeiten überwinden werden wären ; so hätte man die colonies doch nicht dauernd beherrschen können : man hätte around occupation gehabt und das hätte übergehen können in peaceful admi. accepted by colonists ; wollte eben nicht in Westen behindert sein, wollen nicht anderen Zwecken dienen. ...

Wanted to sever und waren ja deshalb ausgewandert. ... Hätte verschiedene Ideale entwickelt und in der Tat zum großen Teil England War precisely, um englische rule los zu sein. ... Materielle Interessen nicht so klar aber eben die form to union sind allgemein die anderen Schätzungen. ... No major end or interest was served for Americans by the membership in the Empire as things then stood and as soon as they had stabl. themselves. ... Very little in moral und social bonds und so ganz natürlich ; freilich sagen sie nicht, daß a) brauchten grievances und “right” b) liebten in den Phrasen der Zeit, aber das bedeutet nicht viel und ist eine conciding. ... Das die Theorie services ...

21.(N)

In 1775 had Sinn, demokratisch zu sein innerhalb England of George III und was die Amerikaner nicht liked, they called injustice. ... tatsächlich wie Hohepriester ... Ausgeben : democr. nicht scharf umrißen ist immer, und nie ein matter of Methode und degree, in welcher – zu welchen “the great mass” direktiven Einfluß hat. ... “For them dem. is not a means.” ... Wenn pointed out that is, wo über Freiheit? Wo über justice? ... Nimmt viel von Interesse — no choice. ... Wo choice und Demokratie herauskommt, assoc. more obvious als cases not clearly superior ; Sozialismus kann nicht verurteilt werden. ... keine Majorität ... Der Sozialismus des demokratischen Überganges möglich, aber wird sehr gut wirksam. ... Appointment ... ergänzt und improves democracy, die immer genötigt ist, ihr eines Prinzip abzustumpfen. ...

Dem. und Kapitalismus haben historischen Zusammenhang. ... wirklich? ... (?)Rupublik ... aber auch log. ... Brufspolitiker! ... Heutige Kommunisten sophisticated and trivial. — wenn Leute shows und streiten why they dont cost more. ... Freiheit zu sagen, zu denken, zu schreiben, was man will ; wird das in Sozialismus sein : im Kapitalismus ist

möglich, aber für die Möglichkeit in Sozialismus würde ich eher auf Führungshand eines Mannes vertrauen, der bescheidener sich mit seines Sekretärs. ...

22.(N)

Warum nicht früher : democr. grown up. ist norm. state of world. ... "Auslese", factualization and grown up Kratein in Auslese durch compe. for vote oder compe. appointment. ... und Kontrolle und consent ... Democr. als pol. viele Disziplin. ... Über die Js code, Vol 1 ; p15 Goal und Methode! ... p 244 ein innere Grundsatz nur von Monopol und compet. in politic. power? ... über Definition Waltheimers, 270 Seits ... sehr wichtig ... "caricature" p273 — only its reality ... Aber viel wichtiger, ob dem. "Good" überhaupt möglich ist. ... Sollte diskutieren, was bedeutet es für Leser darüber zu urteilen. ... Können nicht sagen, wo von sie reden außer daß es wesentlich ist, was gut und schlecht. ...

Ist power und numer. strength in dem. synonym? ... Wie steht Demokratie zur Überwertigkeit einer kleinen Minorität — wesentliche Momente der Überwertigkeit roughly in der Auslese etwa 10 %. ... Good by consent wird auch anderes erreicht, well dann ist even dem, doch ein Mittel. ...

Freedom of press — vote "rightly" and "justly", i.e. wo bourg. will. ... diese Behauptung von der kapitalistischen Press. ... Was ist struktueller ander 277 : nicht gegen kann, sondern gegen injustice. ... U.S. und Frankreich ganz verschieden. ... unreal 277—8! in Opposition to the rule of others. ... remedy gegen injustice ... andererseits for funeral. ... Wenn es auf "injustice" ankommen, dann gerade nicht auf Demokratie — Monarchie, "enlightened" rate of people and kommt zu central idea of justice and reason, welchen andere nur means. ... Polit. and social democr., was heißt das anders, daß politische Methoden nicht überall anwendbar. ... Wert shift 283. ... Das zu diskutieren bei constitution and bei performance. ... Strukturelle Autonomie of individuelle particip. in decisions voting freely from convictions. ...

Auslesentheorie macht selbst voting from interest strukturell sinnvoll : man muß die Leute — und so setzen sich Interessen durch : das is real his democr. und braucht auch nicht "Gleichwertigkeit". ...

Ravage of variation ... America dann auch die neuen Elemente und ein amerikanische Typus. ... zum Schluss, recht vernünftig über frontier preiod 283, implied, daß die kein ideal sondern circumstances, aber nach Schlluß die fronticer strain ja — Democratic works gr. strain whatever real problem. "real democr. records more three freedom" ... three attitudes p283 ... Mob als court of justice!! Mob cannot do wrong. ... alone digress of dem. System. ... Es ist Faschismus. ... eigentlich über public opinion. ... democr. und harmony ... democracy und division of powers. ... hierarchical Struktur und individuelle points 281 ... Und gehen dann schon die interfer. hinein, und dann kommen all die

schönen Dinge 279—80, und essence ist dann attitu. to life — sehr schön, aber nicht Demokratie, slight of hand. ... open individualism ... fair play ...

1) justice, 2) Autonomie des Individualismus, 3) equality, 4) liberty — laissez fair, 5) freedom — to toleriert aber nicht harming ... aber diese (2)~(4)) sein, secondary to 1). ...

23.(N)

Unter Demokratie nicht vergessen. ...

- 1) daß state versuchen, den Willen der Leute zuführen und zu verfälschen ; ... see Frauen voters leage und das Argument, daß sonst Gewicht verloren wird — mehr will auch Hitler nicht. ...
- 2) Russell verstand unter Demokratie einfach Gegensatz zu Monarchie und an intriguing court. ... multiple leadership, competitive leadership ...
- 3) wichtig für Jeffersonian dem. ist nicht nur soziale Struktur von damals — changing meaning of American “people” —, sondern auch thech. : sailing boat, kein Telegraph, kein Radio. ...
- 4) 2 Schritt : a) gibt keinen Volkswillen, b) der Wille der Einzelnen muß als distinct fact vorhanden sein! ... Das ist auch wichtig im Zusammenhang mit leadership und multiple leadership. ...

Wie gut gemeint und recht geführt diese lächerlichen Fragen auf Einwendungsbogen sind. ... Und diese Phrasen aus unamerican activities. ... Und wichtig ist, daß Demokraten eben nicht nach ihren Prinzipien handeln. ... Intellektuelle in II oder V? ... Interventionismus in V? ...

24.(N)

Und so ist es auch bei War, Staat, non-Interventionismus und allen anderen Dingen. ... Altweiberpazif. ist jetzt der, der Pazif. in dem Sinne, in welchem es der Sozialismus immer war. ... Und das “Geschäftsinteresse” ist für Frieden! ... hier oder in III ... Demokratie ist eine Methode schon gesagt. ...

25.(N)

1) Religion ... christi. Blut ... Call der Gemeinde. ... universal priesthood ... 2) second flattering phrase ... 3) far off ideal oder selbst entgegengesetzter Tatbestand? ... amerikanische Indep. ... hier vielleicht Sezession? ... Und Lord John Russell. ... 4) oft Bedingungen für individual will und ein desired popular will annähernd gegen : Schweiz. ... ruhige Umstände, ruhige Leute ... am schlimmsten bei großen Entscheidungen : hinterher frei — Sezession und world war — ... Wo die South? vgl. mit Consti. ...

26.(N)

Sense of property und being tied to a place. ... Florence — a house there are staying in a Hotel. ... Auslese ... der Führer, aber a) eine fundamentale Schwäche bleibt, b) case then rest on virtues ... Führerauslese ohne das ... Wichtig ist das gewisse Probleme : settlement of Aufgabe. ... Unemployment leicht zu lösen sind in vielen Fällen. ... Was Leute wollen, ist Freiheit to men und protected von Folgen mit Disziplin. ... Inquisition muß andere rules haben als publicity. — Bedeutung der publicity und Demokratie ...

Democr. ist rule of politician und, daß heißt, eben eine Methode der Auswahl der rulers. ... Jeder kann sich als ruler offerieren, was das schon ausgemacht in the face of demokratische parties! ... Und kann daran nicht anders gehindert als durch zugelassene Mittel. ... Über propaganda ist immer was der andere sagt. ... Aber einfach good, daß jeder billigen muß, ist Voraussetzung für einfachen will. ... Wenn das nicht, so kein Wille, sondern complete Structure of group action mit Resultate, die keiner Wille und die auch nicht conspira. sind. ... Und das bleibt auch bei Neuerungen Theorie. ... A country never means or wants anything. Gar kein Dignität von was immer für ein Prinzip aus, und ganz divined von Revolution. ...

27.(N)

1) In dieser Sektion ist also einfach adapt. zu betrachten wie sie wäre in moderner Wert, zu unterscheiden von adapt. (maladies de la personalite) to moderne condition of life (Rousseau pull at nerves). ...

2) Und dann achtgeben bei leaders, bez. ihrer sullenness, wenn Diktatur des Intellektuellen daß das nicht kollidiert mit Übergang! ... Und muß nicht der Arbeiter adapt. werden to loss of freedom? ... [daß von freedom und dem, nie mehr gesprochen wird, als wenn im Begriff sind, to vanish ist nicht erstaunlich, ebenso von insecurity, wenn viel mehr secure "job security"] ...

3) ist zweifelhaft, ob diese Sektion nicht besser to be scrapped und section divided up into 2 and 4. ...

28.(N)

nicht Majorität, nicht Minorität — consent ... Und dieser immer zu erreichen und immer gut. ... Das nicht immer gut ist zu zeigen, wenn ich sage, daß auch you nicht absolute für Demokratie sind, oder nur aus metaphysische 18 Jafrehundert mehr den Güte in die Theorie : die guten Leute tyrannisiert und getrogen von Fürchten und Priestern, oder dann exploit. ... Manufacturer will anführen. ...

Lest you should think, I am holding up Sozialisten to scorn als opprt. ... Will ich sagen, daß praktisch ... und too you. ... Wie steht das zu general allegiance to System. ... Schluß von I, zu diesem Zweck müssen wir uns Demokratie mehr anschauen. ... Zuerst, im Anschluß um Stellung Marx und Nachfolger, den Begriff des kreierten Wille einführen — und den gibt es überhaupt immer. ... Oder das in II und vorher comming common

good? ... über Kratein ... Und in I nur noch, daß Demokratie für all Mittel ist. ...

Lest you should think — wie N. Thomas — Sozialisten halten zu Demokratie wie Religion. ... Wille und Auslese ... daß sind 2 Dinge, deren Verhältnis noch nicht feststeht. ... kreierte Wille führt Sache schon logisch aber abs. ... Wo “Sozialismus on defensive”? in V (soz. polit.?) ... Wo auch Intellektuelle u.s.w. ... Wo eigentlich Klassenkampf ...

29.(N)

ad : Nicht-Majorität! — consent! ... um so enger als Landesgrenzen arbitrary. ... Besonders böse ist Verwaltung von sectional minorities — civil war ; middle west —, wo es sich um complete communities handelt und Majorität verfälscht wird — bedeutet hier einfach, daß ein größeres Gemeinwesen ein kleineres verwaltet. ... Also in der Hauptsache benutzt. ... Wichtig : mich besser mit Schlagwort auseinandersetzen, daß nur ökonomische Gleichheit wirklich Demokratie bestehen kann. ...

Theorie ist daß Wurzel aller Macht ökonom. ist — und das ist falsch. ... Aber auch Fakten falsch : was sind sie : local manager oder lawyer in ihr payday NY absentee Machthaber! ... Argument, mit dessen Hilfe die kapitalistische Freiheit nicht anerkannt wird. ... Wäre das auch in Sozialismus möglich? Oder kann heißen : daß nur sie. ... boss rule ... Und wie viele Phrasen und Wunschträume in der Behauptung sind, daß Sozialismus so demokratisch ist, oft gemeint, daß Maschine für alle arbeitet! ... Oder für Konsumenten! Oder daß niemand zu erfreuen braucht. Aber etwas daran!! ...

30.(N)

Consent muß sein, die Leute, die verfolgt sind, einschließen. Wie wirkt sich das bei den Juden aus? ... Und bei sozialistischen Reformen? ... Aber sind nicht Glieder des Demos. ... Was also wird auf major. princ? ... Die kleine Minorität, die so überwertig ist. ... Proportion von Unterwertigen! ... ratification ... initiative ... Die überwertige Minorität ist berücksichtigen und es gibt leading man, aber dürfen nicht zuviel sein. ... free vote und autonomic vote nötig. ... Das plus Kontrolle. ... Und Consent ist far from perfect und zwar schon im reinen Fall. ... Und trotz Kontrolle können leader z.B. Sit. schaffen, in dem Krieg unvermeidlich ist. ...

Führerauslesentheorie hat auch folgenden Vorteil. ... greatly improved — No longer necessary to receipt prop. impossible to be behind as virgin birth. ...

a) daß morons — und daß nicht nur pathol. und nicht nur stupidity, sondern auch Künstler — mitentscheiden sollen, nicht mehr so absurd : auch in allegiance ist nötig. ...

b) das moralische Prinzip (immer mehr als weight), daß auch die negro waitress eingeschlossen sein sollen, wegen des brutalierender Effects des Ausschlusses auf andere. ... (Argument über Todesstrafe und körperliche Tüchtigung.) ...

c) nicht jeder fully prinzipiell akzeptiert, sondern nur alleg. der Leute, die folly haben. ...

- d) hat mehr Sinn zu sagen, daß Leute entscheiden sollen, wie sie regieren wollen, als Entscheidung von issues. "such a good fellow", "drink coffee" ... host of repres. Bodies ...
- e) äußere Politik der dem. ist drifting. (world war) ...
- f) aber ich glaube, daß da noch etwas fehlt. ... aber autonom Wille ... but it still requires und sehr oft sind es besser reali.. ...
- g) Proporz ...

Democr. und self-assertion — ist das mehr möglich als in Monarchie? ... nicht klar zu differenzieren democr. ... democra. Technick in elect. nicht die issues zu sehen. ... Und wenn das Aberration ist, so darf man nicht vergessen, daß der aberrance Kapitalismus auch was zu bieten hat — würde er schlechtes Auto produzieren order Verelendung, so wäre das anders. ... the opposition ... Wo dictatorship und democracy ... Proporz ; Referendum, plebiscite wie Amerika, dabei true will und Minoritätsrechte sichert. ...

31.(N)

Not forcing Minorität, sondern nur "Querköpfe" ist eben wie für alle Leute : Demokratie not "means" nur solange demokratisch wie alle anderen. ... Zu Demokratie, gehört belief in reasonableness und persuasive power of reason. ... respect for will ... Hätte Entsagung bedeutet — das führt auf fundamentale Schwierigkeit. ... Die Entdeckung daß kein notwendiger Zusammenhang, doch eigentlich später — obgleich schon gesagt. ... Defining feature does not display. ... Ich gehe also in I—I die Marxist stelle ganz auf und weise nur auf die spätere Diskussion darüber hin! ... Aber dann auch alles über Consent und Compulsion!! ... Influence, Information, Propaganda ... People do not want to serve purpose not themselves. ... Würde Marx nicht vielleicht entdeckt haben, daß Demokratie ein bourgeois Ideal ist. ...

32.(N)

Marx ... It was out of the question for him to accept so important an article of the bourgeois faith as it stand. ... That would have uncovered a most inconveniently large expanse of common ground. ... But we have seen in the preceeding part that he knew how to meet this difficulty by boldly alarming that only socialist democracy was true democracy and that bourgeois democracy was no democracy still. ...

33.(N)

Die Regierung, die Wirtschaft managed, muß ähnliche Autorität haben wie Unternehmer. ... Was für Malheur außenpolitisch daher kommt, das ihm innerpolitische landed muß. ... Democr. Sozialismus in Sinne von heaven ist seine illusion. ...

34.(N)

Unmöglichkeit, wo große Differenzen. ... Wo Majorität framework mißbilligend. ... Man darf — ebenso wenig als Kapitalismus — der Demokratie ihre Entwicklungsstufen

vorwerfen, aber parliamentary good ist eben nur eine Form konstitutioneller Monarchie.
... Ist Demokratie of politician? ... democratic process ...

35.(N)

Dann was Demokratie ist. ... Demokratie ist compe. leadership, aber a) als Prinzip, nicht nur Tatsache, b) nach gewissen Regeln, wie Konkurrenz in der wirtschaftlichen Sphäre je nach. ... Und hat nur das zu tun mit Freiheit ... Vergaß Proporz zu erwähnen. ... Über amerikanische Revolution : konkretes Ziel, aber mit wider idealism und Omen. ... grossly exagg. Rationalität. ... practical approv. to creative will ... 2 Dinge vielleicht : autonomer Wille ... qualifizierte majority ... non-autonomer kreierten Wille ... 2 Dinge : gewisse Dinge realized University-Theorie ... Amerikanen wollen französische Hilfen wie die Engländer jetzt amerikanische wollen. ...

36.(N)

Proporz in Encycl. ...

Jede trace of operation ... ought to be represented ... That and nothing else is clear.
... Aber though transf. vote ; in England keine Partei dictated obgleich darauf herauskommt ; große constit. ; führt zu teamwork und Maschinendiktat ; andere Methode voting für Parteilisten, deren order nicht geändert werden kann. ... Aber was nutzt das, wenn man hinzufügen muß, daß Demokratie defeats itself, wenn fully carried out und only works if maimed. ... Und schlechter wird, je logischer durchgeführt — und das ist ja nicht zu verwundern. ...

Dem. ist langsam und expost und braucht Ruhe. ... Wo Freiheit, Gleichheit, justice (ist immer "justice" to ...) ; und wo das tenet, daß soc. die reine und wahre Demokratie gibt. ...

37.(N)

Wo gut Funktion : Switzerland, kleines Glück, ... starke mittelere Klasse nicht viel Probleme ; schweizer Hotelindustrie gibt dem Bauer viel direkte und indirekte Vorteil.
... Er liefert, seine Mäde bringt dort hohen Lohn, viele schweizer Hotels grew out of villige i nns. ... Nordische Staaten — Niederlande. ...

38.(N)

Also doch erwähnen, daß keine connotation? ... Kein hair restored adverti. ... Lies like politician? what there is done? ... good by lying? ... Und über Info. ; "wir dürfen nicht zu geben" ; der Politiker kannt oft the issues gerade nicht — um nicht die Flanke der Attack darzubieten —. ... distortion ... Ein war wäre nicht democr. ... Altweiberpassif.
... People wird Mob (das schon unter I). ...

Wie überhaupt Wiederholung gefährlich ist, wo ich über fehlende Connotation sprache ; substit. unserer eigenen Welt noch gerade dort genannt. ... free vote in diesem Sinne, des Verstehens des Person, einfach nicht möglich. ...

39.(N)

Democr. Info. erzeugt diese schließlich excitement und bull fight atmosphere. ...

Wo über Freiheit ; subgroup Freiheit nur in mittelalterliche Technologielehren gesichert.
... You never know what you are fighting for. ... Cut your descendants so. ... What were
lies men fighting for Jolly boat — for Amerikan Freedom. ...

40.(N)

Here, daß überragende Bedeutung einer kleinen Minorität von Überwertigen völlig
verkannt. ... Gewiß commonwealth — aber könnte man nicht daraus schließen, daß
ökonomische Gleichheit das produzieren würde? ...

41.(N)

Note ...

1) Zweifel noch immer, ob die dictatorial Methode nicht besser zuerst kommt. ... Hängt
davon ab, ob ich mehr über sie oder andere zu sagen habe. ... Auch Diktatur über das
Prolet. ist nötig, denn dieses ist nicht mehr vorbereitet und reif als andere strata. Und
sogar besonders unreif, weil Deorganisation durch Agitation, die fast jede Arbeit und
Arbeiterordnung zu einen Unrecht gemacht hat. ... Auch Illusion über efficiency. ...

2) Unsere Theorie der Demokratie hilft uns ; hier besonders nützlich. Sie nimmt der Theorie
des demokratischen Sozialismus ihre Absurditäten ab : nicht einfacher autonomeren Wille
und weiß Einsicht nötig und Volk, die Produktion lenken zu seinen Zwecken, no longer
thwarted u.s.w. [Brauchen die Sache nicht selbst zu machen.] ... Phraseologie über device
der specialists ... Man kann viel eher sehen wie gemacht — und praktische Probleme
werden konkreten und leichter lösbar. Aber entscheiden viel kleiner sowohl in möglichen
kulturellen und wirtschaftlichen Resultaten als auch in der Art, wie die Dinge gemacht
werden. ...

42.(N)

Viele Wiederholungsgefahr in der Vorhergehen (schon in I viel gesagt davon) ... Upshot,
das erarbeitet werden muß? Daß der Menschenheit nicht durch fooling mit institutionelle
framework geholfen wird, was nur dem flapper gezeugt. ... Dann aber mit upshot enden :
ist eine Möglichkeit ; ein weiteres Argument für restraint zu weiterlaufen lassen, Revolution
das real Mittel der incompetence : woran ist die Reife zu kennen? ...

Ist Argument für sozialdemokratische Parteien ganz abgesehen davon, daß ein Versuch
to snatch victory leicht in Materialismus ausschlagen kann ; aber ist nicht jene Demokratie,
die Freiheit der Familie und Persönlichkeit bedeutet — die ist wirklich geknüpft an
Kapitalismus order, wenn man will, eine bourgeois Illusion. ... Aber wie konnte ich nur
übersehen, daß der Geist des Gemeinwesen in capitalism, subj : Kultur — Voraussetzung
der Demokratie ; daß obj : richtiger — wenn Sozialismus nicht mehr Problem — führt
obj : Kultur! ... Das, was man liebt an Demokratie, sind die Ausschreitungen. ... Bedeutung

der Tatsache, daß there are people indep. of Maschinen und large part of rational life going on whatever Staatsmaschine tritt. ... Democr. ; declines? recule? ... Wenn ja, dann eben, weil Kapitalismus declines. ...

43.(M)

But if you go on to say that such things are not the “true” will of the people that the people is fundamentally wise and kind — and only smiled occasionally — and always come to reason eventually, you are indeed professing a belief that historically associated with democracy but you are introducing further assumption not logically inherent in the concept of democracy. ... You are not any more positing your ethical ideal — which you are always free to do — but asserting things about human nature in politics — which are amenable to proof and disproof by the cold facts. ...And there should be no theology about them. ... Rousseau ... If you say, you dont mean either, but simply democratic governments will under the circumstances of this time and country realize what you conceive to be the results that seem most desirable to you, I am all with you of course. But then I agree with you, for you imply that democracy as such would not all cases command your allegiance. — and you cannot reproach friends who are not in the same case. ...

44.(M)

Precisely because of this it might be objected that I ought to have found room in the definition of democracy for control of measures as well as for selection of men. But to exactly that extent to which that control is real and effective it is like the requirements that the voting be free and that campaigning, organizing, discussing be unimpeded, implied in the notion of selection by competition for voters which in turn implies the power of parliament to “dismiss” a government — this is Gladstonian Doctorine — and the power of the electorate to dismiss a parliament. ...

(4) Two Theories to reason with the Democracy
— from the Representative Theory to the Selective Theory —

IV — (4) — 1 ~ 18

1.(N)(M)

“Ich sage”: Jews must be protected both for their sake of the coursing brutalizing effect und deshalb democr. restraint. ... wichtig Proporz anzuführen mit : this can be seen best oder real test in Proporz und Antisemitismus. ... Majoritäts — single-candidate system saves democr. by threatening it. ... Selbst in demokratischen Soz. muß Regierung stärker sein als Kapitalismus, weil mehr davon hängt. ...

W. K. Clifford, the English mathematician and philosopher, said somewhere that there are subjects in which it is difficult to make out not only what other people mean but also what one means oneself. To democracy this applies with vengeance, as soon as we divorce it from the particular interests or ideals which it is in each case believed to safeguard or to achieve and which are what in most case people really mean to die for or fight against when they die for or fight against democracy. ... Die Leute wissen selbst nicht, was sie darunter verstehen sollen und zu Maximum von Zustimmung wollen fall in ways wie Priest spricht justice und freedom. ... Oder from Literatur unserer Zeit! ... Also das doch eingeschoben und doch wiederum nicht ausgeführt! ... Form of self-education — compensation in Anpreisen of Amer. Brand als einzig Richtige für alle Werte und Zeiten! ...

Little help could be derived from looking up old Aristotle, who used the term to designate a type of what he considered as a aberration from the well-ordered common-wealth. Nor can we expect much profit from analysing the word which may mean as many different things as there are possible definitions of the Kratein, the “ruling” and definition of the demos, the “people”, that is to do the “ruling”. ...

2.(M)(N)

But it is perhaps not superfluous to advert at once to some of the difficulties that look behind those terms. Owing to the arbitrariness entering into the concept of the demos, democracy is compatible not only with slavery and any state intermediate between strict slavery and full freedom — the latter including recognition of membership in the political demos or the populus in the Roman sense —, but also with exclusion, by the will of the majority of full privileged citizen, any part of the population, such as women, minor, members of certain religious or racial groups and so on. ... Plebs : das nächste ausgeschlossen stratum — ostracism — das gibt nicht nur historisch ; Demokratien can take such decision any moment and circumstances are possible in which the dem. form of good

offers less protection to such minorities than non-democratic world. ... In this sense only was it possible for Lord John (late Earl) Russell, the head of an administration suggestively dubbed the dukery, to speak of the England of the first half of nineteenth century as a democracy. A democracy that on principle includes every grown up inhabitant that is supposed to be in a normal state of mental health and allows every one to count for one and nobody for more than one is this seen to be a special case. ...

Much more important difficulties surround the Kratin. Here we must first of all defend democracy against its own official theory which is a survival of the time of Rousseau and palpably wrong in its most important tenets. If there were not another that can be substituted for it, democracy would be nothing but an explored error. ... Aber wir können, um Sache nicht zu komplizieren, einfach sagen : democr. ist in dieser Richtung erreicht wenn kein stratum ausgeschlossen (Idioten) democracy des allgemeinen, gleichen, geheimen Wahlrecht, obgleich das nur Spezialfall ist. ... Ich glaube aber, ich könnte hier nur viel deutlicher darlegen : von general appr. or allegiance, daß die zur Entscheidung von policies und Administrationen, und dann noch weitere Unsicherheit hereinkommt durch duly Repres. mit denen alles machen kann, und dann komme die official Theorie : people rule themselves or what is subord. to the same thought ; have a will dir of common good which they see und realize wenn taught (informed) and allowed to vote freely, which is all that necessary um Weisheit, voice of God, und justice und Freiheit zu realize. ... Und all issues admit of good and bad solution. ...

3.(M)(N)

There is first no common good, which people (=every normal person that has attained the age of reason — that people and only people can be trusted to realize —) would or could rationally discern and try to realize by common effect. There are emergencies in which the overwhelming majority does see but one goal. But in the ordinary course of things it is clear, not only that individuals and groups as a matter of fact do not simple mindedly strive for the welfare of all but, which is much more important, that there is no such common good or general welfare to strive for because from each individual or group-wise standpoint that common good will in general be a different one. ... ineditable diff. der ultimate values. ...

There is second no such thing as a general will which could be directed toward any definite goal — government by the people, outside of small and primitive groups, does not carry any natural meaning. Representation and delegation must come in. With representation and delegation however you can do everything and whatever you do is essentially arbitrary. The will of the people can in this way easily frittered down to a general allegiance to the form of government in that sense there is, except temporarily no nondemocratic form of government, for no government can stand for a considerable time that does not command that kind of allegiance. ... Das wäre also schon vorher

zu erwähnen by Kratin. ... Man in dark room black cat that is not there. ... plebiscite in Nap III ... "America in War" ... Englisches Beispiel mit Parlament : Leute machen sich geltend, aber nur ausnahmsweise und fast immer post fashion. ...

But third, having lost the common good and the definite criteria which the idea of common good was held to supply, we also loose the servicable will of the people that could be so easily "represent". Of course, I do not mean to deny that there are phenomena to which that term may appropriately be applied. The will of the people may be construed in many ways. But that glamorous entity that commands the democratic allegiance, that something which is always definite, and which claims ethical dignity and besides which nothing else need be recognized as essentially "just good" — that is irretrievably lost as soon as people do not want the same thing, the one that is sanctioned by utilitarian "reason". ...

4.(M)(N)

... of a whole native to utilitarianism. That the utilitarian fathers of democratic doctrine could have failed to see this, is due to the circumstance, to be again emphasized in a different context that none of them, with the somewhat doubtful exception of the younger Mill, seriously considered substantial change in the bourgeois framework of society. ...

Glamour gone ist ein Resultat, daß niemand will keine Moralsanktion. ... Weil Inhalt verloren ; wo Weisheit des Volkes und Tugend? ... Rationalismus überschätzt, true sanction of majority is daß aber das richtige realisiert. ... implies daß Minorität errs ... Und wo every one to count for one. ... Christian element ... Also ohne diesen Inhalt gibt es nicht diese Volkswillen und nicht diese Sanktion dafür. ... Aber dann überhaupt kein individuellen Willen und keinen Volkswillen. ...

Graham Walles — Bryce ... Und die Leute hören das gern? ... Was heißt es, daß alle Menschen born equal, der Mann, der keinen post office desk sein kann, soll gleiches Recht haben in dividing über freedom. ... Selber Interesse, where does that come in? ... Daß das erste : but — eine Religion. ... saving world by Demokratie. ... eine Menge generöse Gefühl daran geknüpft und auch. ... Zusammenhang mit Chritentum, dann gegen Monarchie. ... alle man born equal, good by people not necessary good for people. ... Was mit Kapitalismus zu tun hat. ...

Nicht school und "fascist", sondern applying repeat daß man ja zu kämpfen vergibt. ... Ruhige must push! ... Graham Walles, shamefaced admittance of aberrations — ob das wesentlich ist. ... Und doch hier Liberty justiced! ... Kann war und no intervention. ... People are such a matter not reasonable wie die hohe Priesterattitude. ... Der erste, der das zugibt und essential — attack auf slogans und toils des Intellektuellen, der ja nur für people spricht.

5.(M)(N)

How is it possible that such obvious and essential facts can have escaped notice, except by way of shamefaced recognition of aberration? ... Essay to explain! ...wichtig : der volle ist nicht nötig, wenn konkrete Frage so gelöst, daß ist auch so beim Sozialismus! ... Oft wird Demokratie even nicht erst genommen ist ein absolute ideal oder nur spezieller Punkt — Russell. ...

Ist, even Rousseau philosophy. Knowledge and outlook of eighteenth century brought to bear progressivism — forsooth. Those, there is a radiant common good that everyone can discover, who is not perverted. Humanity — curious attitude, ganzunannehmbar für positive Geist — has only heard though history and deviated from natural state. And these, there is the volonte generale command allegiance from anyone who not perverted — Bentham, ein Christentumersatz. ... And obwohl Gleichheit und Weise und Gut und fundamentaler Gleichen vortritt und nur gefesselt von sinister Mächten. ... Wieviel davon der Sozialismus hat! ... Educate and let vote forcibly — and all struggle and suffering at an end. ... Wenigstens das für Rousseau zu sagen, daß er nicht output maximieren wolle und wenig hielt von Kultur! ... Ja — und das in die offizielle Theorie aber ja unhaltbar ... In England funktioniert, weil von Aristokratie germed und das ist nichts als Phraseology. ...

II Second explanation : we are all of us rational and reasonable if at all only within the narrow precinct of our daily work, where we are on our matter truly responsible and know our ground, — outside we are less than that! ... ranting fools talks to people on the world questions! ... Social questions : Arbeiter oft noch vernünftiger, und eine eter. foolishness is naive substituting under Verwertungen — wir haben gesehen, daß viel Begeisterung aus dieser Quelle kommt. ... just our little bit ideal! ... Ist das also Erklärung der Dem. but durch sustit. von goals, welche wohl mehr die Dem. in individuellen Fall realize? ...

III Third explanation : “Ausgehen und unbewußtes Festhalten” von Fällen der approximation groß genug, um absurd nicht hervortreten zu lassen. I think some political scientists still survival who begin with Arbeiter und “direct democracy” — die freilich genug Aberr. hat —. Das ist nicht entscheidender Punkt : autonomer Wille ist das entscheidend und wirklich in der Bauern Republik — u.s. Schweiz — geht es. ... Hier wirklich sort by consent, nicht by majority. ...

Auch in Amerika. Was wollte man : los England, welches nach der Theorie handelte, daß Kolonien dazu da, um ausgebeutet zu werden ; nicht ganz richtig — tat auch etwas für sie, z.B. verteidigt sie ; und das nahm in der phrasiol. der Zeit die Form an los von “king” und Monarchien überhaupt ; und im übrigen ; daß gab es die Farmeren und die

Händlaren shrewd ; rather primitive outlook ; Problem einfach : Bund wenig Funktion, Staat wenig Funktion, simple problems of local good — some religion und andere Schwierigkeiten ; Shay's rebellion —. Und heartly dislike of England und absorb in Kämpfe um Milionen da geht es. ... Und daran hält man in der Erinnerung fest und brings unconsciously to bear on organism wo social Gegensatz of Farmer—Industrie ; Industrie—Masse feverpours orientiert an anderen Dingen (Beard). ... Leute, die nichts kennen als how to take it out on dictators, aufmachen mit "U.S. in War". — steuerlos on trouble sea. ... Satisf. gerade von Gruppen und Minoritäten, die oft keineswegs real des allgemeinen Wählers ausmachen. ...

Refine der lies? ... Jahr und Zahl ; Zeitungen und radio working up in War ; Lincoln's Saying — Reformen wie sie zur politischen Notwendigkeit werden : dadurch daß jede strategy Position bekommt ; antialcole schon. ... Aber nicht demokratisch ; primaries. ... Also "consent", nicht Majorität, ist here zu betonen. ...

Ganz anderes Beispiel : Frankreich der III. Republick : ging nicht gut, aber Bürokratie und keine so großen Gegensatz ... 1971—1900 (nach Orleans w.s.w.) überwunden theirs. ...

6.(N)

They were — and hence we may infer that they are also in countries in which it would spell suicide to try it and in which hence they have not decided for it — quite ready to do violence not only to "disqualified" minorities but to any monorities, and not only to the minorities but majorities just as well. The phraseology of this is highly instructive. Of course, that would not real violence. ... Like the Catholic church (and many other Christian communities) burned heretics in order to protect them and absolute truth, so ...

No think sought to think in their Interesse : ist eine Frage und kein Axiom. Pause whether das ist so, und viele falsche Behauptungen enter into that, nicht mit log. notwendig aber tatsächlich. Der Bauern ist ein Kulturwert von autonomer Bedeutung. ... Selbst kulturell u.s.w. kann jede Ansicht nur gehalten werden. ... Wenn sozialistischer Ideal schon vorher als absolute angenommen ist, aber jedes andere auch! ... Bringen zur Geltung und verteidigen a) den wahren Willen b) den Willen, den Leute haben sollten und würden. Das aber ist natürlich die Theorie aller Regierung und ist apprec. an absolute truth und shooting, daß heißt, ihnen, die den Willen nicht haben, in sin sind : fährt das auf Creation Course auch? ... Dem. heißt prevailing des wirklichen (actual) Willens. ...

Begriff des kreierte Willens — Wo? ... Ist Demokratie als expedient der anderen oder daß Demokratie keinen Inhalt connotiert und können arise Entschluß zu zeigen, daß nicht etwa gerade Sozialisten so wirkend Proporz? meine Auslese! ... Und dann wie immer das

sein mag, democracy as a means und nur so für andere? — wenn den wirklich essent. Zielen nützt democracy als end möglich, aber look was das bedeutet. ... “Wir müßun jetzt näher analysieren” ist der Schluß. ...

Democracy worst — ja 18 Jahrhundert Judenverfolgung in Deutschland. ... witchcraft ... burning heretics ... enlightened monarch ... Oh yes, bad just now ... I want to get to trans. talks rel. to Liberty und Equality. ... Was heißt das? if opportunist? ... Die 2 Fragen : in Demokratie, der Volkswille shall prevail, sind sie für die Erden der heretics? und welche Wahl zwischen Demokratie die verbannt, und enl. Monarch, der protect? ... Vielleicht doch Demokratie — ja dann absolute oder Eugenik ... We agree to differ — i ch bin ganz für Sozialisten! ...

Democr. Sozialismus ist nicht mehr germs sondern species, und das ist Faktum. ... Vielleicht besser zuerst, das nicht end. ...

7.(N)

Doctorine now found to be improved. ... not out for debarking? ... But argument und position can be improved — much must be sacrificed, aber sie bleibt in sonst : nicht Repräsentation sondern Auslesenmethode (+ Control) ; die aber dann nur allgemein ist oder Entscheidung ganz großen issues ; ... Das ist dann kein good by idiot und man kann sagen, daß allegiance nötig ist von jedem. ... Autonomer Wille noch immer nötig — oder heraufarbeiten durch Maschine, da dann auch ebenso nötig Willenübereinstimmung ; dann kein Argument, daß herauskommt, was niemand will. Dann zugegeben, daß rein good by the people. ... Heißt also Aufgeben der Repräsentation. ... Look at however what it means : über Auslesenmethoden, über performance von Cleon höheren. ... Und gerade Majorität betonen — gegen Proporz ; look what das mean : starke Regierung gerade nicht Spiegel der Leute — fool at all time — (und auswärtige Politik). ... Außere Politik : democr. Control darin! nicht einmal Kabinett weiß! ... Moment der dignity ... Und hat — das ist sogar der tiefeste Grund — keine connotation, insbesondere die der “Freiheit”. ... [Und noch immer nötig, daß nicht zuviel geschieht, nicht zuviel anvertraut : bus. of Nation darf da nicht bus. of good sein!] ... Was nun? Performance? ... Anti-democr. Strömungen z.B. even daraus Gefühl daß Demokratie können nichts realisiert. ... besonders schon bourgeoisie Demokratie. ...

Was für ein Mann? Der Mann, der uns schlechter verkommt, ist vielleicht der Einzige, der vor kurzem kneedeep in dirt giving viel his rule. ... What kind of man? ... ist leadership und Minorität in dem. wie sonst zu tun den job und der competition. ... Besetzung der leadership ist das nostrium daß bleibt, und das ist entscheidender Punkt. ... Dazu vergleichen : 1) mit non-dem. election i.e. election by a limited body not itself democr., 2) Besetzung durch Erfolg : Reise in prof. und in bus. Selection, 3) appointment by constit. gesetzt, 4) Los — das ist demokratisch. ... Demo. verwickelt ihren Erfolg to a

combin. Ja aber dann kommt Control und Entscheiden der idiots. Los— gehört das nicht performance. ... Verteidigung! immerhin : Eigenschaft, die zum Erfolg führt, nicht die größte Erfüllung garantiert — ganz so wie bei Kapitalismus — und Interesse einanders. ...

Bestehen Zusammenhänge zwischen Dem. und Verfall kommt hinaus auf richtiges, in jedem Fall verschiedenes, Mass der Zügelanstellung ... Wo Kabinett? Und dann Berufspolitiker, Maschine, Partei, pressure group, Intellektuelle, Bürokratie. ...

8.(M)(N)

Fortunately however we need not leave it at that. ... Setzt voraus daß entsprechender Sitz — Good by lying u.s.w. — ... Another theory is available which takes more realistically account of the facts of democracy and at the same time salvages much of what most adherents of democratic methods mean when they expose the cause. ... Wohl professional politi.? party? pressure group? ... boss? ... Bürokratie? ... liab. und justice ... That theory cannot of course make of democracy an extract of all that seems sublime to the individual democrat or give us more than the rationale of a method of producing political decisions that are and remain intermediate. But it does remove the implications bundled up in the phrase of degeneration in democrazia. ...

This we may achieve by stressing the notion of delegation by the electorate at expense of representation of the electorate. In the third essay we have seen that the former lacks precise meaning in any case and that a parliament is more fittingly described as an organ of the state. Let us now turn out representation bag and baggage, i.e. both the representation theory itself and all the eighteenth-century associations and boldly over that the object of the electoral vote body in a democracy is not primarily to represent the electorate but to install a government. Or in other words, differentia specifica of democracy consists in the assignment of political office by the method of competition for popular vote. Various clarifications are however necessary. ... Parliamentary democracy and konstitutionelle democracy, sehr wichtiger Unterschied : civil world does not end in channel und it Frage der Stellung der Bürokratie. ... selbst über militärische Bürokratie ... muß Meinung revidiert werden ... garrisoning the moon ... for the sake brevity I shall mainly confine them to the office of the supreme leader — let us call him, portfolio, prime minister.

1) There seems, first, to be a difficulty in the case of what in Europe to be called the constitutional monarchy of which today Japan affords the only important instance and in which the monarch appoints most public officers — all in fact except the head of self governing bodies such as towns and, in some cases, provincial authorities — without necessary reference to any public vote. ...

2) In the democracies of Europe, the prime minister is not as a rule — there are or have been exceptions — technically elected by parliament. This does not matter however

because as I need not stay to show actual practice, in fact amounts to that in any normal case — let us think in illustration of the French practice of having a vote of confidence on every incoming administrations. But neither is the prime minister elected by the citizens themselves and only in the rare cases of men of exceptional popular appeal — such as Palmerston or Gladstone — can it be said that what the voters primarily votes for is the rule of a given individual. ... In the usual case the intervention of parliament make a real difference in methods and results. Nevertheless since the main function of parliament is production of a government whose lead it is going to follow and since that government can always appeal to the “country”, it will be seem how this arrangement enters in fact though not in legal theory, into our formula.

3) In the United States, the prime minister is directly elected. The electoral college is merely a formality. But this seems to create a difficulty for the theory submitted because Congress, obviously not having much to do with the setting up of a government, must have hence another primary function. That is not so however. His position has been shaped by theories — particularly by eighteenth-century theories of contre balance of des pouvoirs, not, like that of his English colleague, by the logic of things political. This logic asserted itself however and the result is a complex tissue of cooperation and interference which defies simple formulation. That prime minister and his cabinet share their functions with congressional committee and influential congressmen. so that, to a certain extent, congress, too, governs and even administratives. But then it governs and administrates, which is still less mere representation than what the English parliament does — it is significant that in congressional declarations it is the policy “of congress” that receives the emphasis. In other words, the governments where according to our theory it is the subject of democracy to produce by competitive election, is in this country more difficult to locate and more indifferently diffused than elsewhere but peculiarities of American constitution which account for that do not militate against that theory but only serve to underline its main proposition.

9.(M)(N)

That mentality for which the civilized world is bound by Pacific coast and the English channel pays less attention to what in Europe has been called the constitutional monarchy — the only however important case that still survives is that of Japan —than it deserves. ... I have no choice but to do the same and mention the case merely because it presents the only chance that I can see for the representative theory to score a point. ... whereas in the case of parliamentary government it was not necessary even to mention the fact that, say, in England the government is formally appointed by monarch since the latter in all normal cases as a matter of course accepts the leader of the parliamentary majority for prime minister. Appointment by the monarch is of the essence of the process that produces a government in a constitutional monarchy which therefore does not come within our definition of democracy, however perfectly it may implement the “true will of

the people". Among the motives of the monarch's choice an expectation that a given individual will better than others get along with parliament or "politicians" in general would mostly play some role and occasionally the decisive one. This however does not affect the principle nor alter the fact that even in the latter cases the prime minister owes his appointment to his monarch and does not typically rise by acquiring ascendancy over parliament of which he need not be a member. Even in this case the prime minister is only accepted or approved but not accorded by parliament and he is never its leader. The members of his cabinet although as a rule appointed at the suggestion of the prime minister much as they are in a parliamentary monarchy are in principle and typically strangers to political life and specialists in their department of public administration. Hence parliament reality is in the constitutional monarchy what it everywhere was originally : a body from the government apparatus : "checking", supervisory and, in the limiting case controlling it, assenting to or barring legislative proposals that typically emanate from the government, though taking the initiative in exceptional cases. That body is still correctly described (see Essay III) as a representation of the people. But there is not a commonsense meaning to the phrase which express its real function, instead of hidden it, though terms such as control or supervision would be preferable. ... Was also bedeutet repräsentative "good"? Für Psychologie der Sache ist die Anekdote gut, daß Gladstone almost as offended by any referring to his ministerial activities as his having "in politics" as if I had said that he had been in the whole sale trade.

The only important instance of this kind that still survive is that of Japan. But if we look at what it really amount to, we shall realize at once that this fact does not deprive it of general importance. The monarch, a group of elder statesmen and the like are real factors sui generis in shaping political decisions that in some circumstances do and in others do not exert an influence which most of would approve. But the essential difference between the constitutional and parliamentary or democratic form of government is in the relative position with regard to political issues and current administration of the non-specialist politician and the specialist (civil and military) bureaucrat. Viewed like this, the arrangement is by no means not out of court for the future, least of all for a socialist future. For us of course the case is important only because with particular clearness it shows up the limits of what we will call the selective theory of democracy, it remains true that the selective function becomes common in parliamentary democracy, but the function of parliament in a constitutional monarchy is in principle the only one, does not lapse and assert itself also against a parliamentary — made government. ... struggle for power, game of power. ...

Jahr unmöglich zu viel ; side Japan immer distortion, außerdem : ist doch Prinzip des Politikers, die issues nicht zu kennen zwar gerade um demokratische Wahlen zu ausmachen (nicht eigentlich free trade in 1932, auch nicht Geld). ...

10.(N)

die Verteilung des Wertes der selected people ... kneedeep in dirt. — should be “done going”. ... As far as we are rational beings who went to apply reason and not phrases to all social world around us, our position with regard to the phenomena of democracy is much improved by selctive theory. It may be well to elaborate the major points. ...

It is no longer necessary to make the impossible assumption that the action of representative bodies expresses the considered opinions of the electorate about all the major issues of the moment. Instead we can content ourselves with the much more plausible assumption that voters decide for and against parties and men whom in a general (and none too rational) way they prefer to the available alternatives. ... Doctorine will now find to be much disappeared. ... ready to submit alles to reason who want truth. ... How long Rationalist und Intelligenz überschätzt Byzantinismus? ... Gefahr des overlaging mit Partei. ... land sliding ... Observe aber das wird alles more genuine einschließen. ... issues enter und Ratio auch ... good fellow, sincere und respectable, kann etwas daran sein, balancing mit Partei allegiance u.s.w. ... sick of thing : saving wastefull ... Submit to leader nicht mehr ein Areopagus — disputing byzantinism. ... Das ist Unterschied zwischen Theorie und philosph. ... Keineswegs immer überlegen, auch nicht immer dort, wo möglich. ... Und noch immer keine connotation insbesondere keine oppressive sein. ... Noch immer nicht efficient : pr. minister in parliament. ... antidemo. tendenziös — ineffi. ... Aber hat nichts zu tun mit Freiheit und Gerechtigkeit und nichts obviously however effect in all times and places. ...

11.(M)(N)

As regards plausibility of assumptions and tenability of propositions, if at some sacrifice of idealistic glamor, the doctorine of democracy now find itself much improved. It may be well to elaborate a few major point.

(a) We no longer need to make the impossible assumption which is so obviously contrary to fact the representative bodies or governments constituted by them express the considered opinions of the electorate about all the issues of the moment. Instead we can rest content with the much more acceptable assumption that people decide who rule them — i.e. for the parties and men whom in a general and non too rational way they prefer to the available alternatives. The commonsense virtues of this should be obvious.

(b) Observe however that this theory does not exclude voting on issues or real role of issues in almost any elections. I do not deny e.g. that the English electorate in 1852 substantially voted on free trade vs protection. Nor deny the contribution of the Gladstonian licencing legislation to the Liberal defeat in 1873 — I certainly admit that a man normally knows pretty definitely whether or not he want a drink. I do not hold that the old ideology of democracy in general and the representative theory in particular are

nothing but tissues of deception. I even admit that there exist people who actually arrive at their vote by a highly rational and complicated process of evaluating and balancing the policies they expect a party or candidate to pursue. Perhaps they are numerous in the United States. ... Außerdem die Monomania, die nichts kennen als ein issue : utilities, money, profit. ... within but ten years, I have myself come across as many as two ... The superiority of the selective theory precisely consist in that, besides being able to take account of many facts which escape the representative theory, it includes all the facts on which the latter rests, and it does so precisely to the extent to which they are facts and not mere idealistic postulates. At the same time the selective theory enable us to put each element of the democratic process in its right place : the voter's judgement of issues, e.g. is much more realistically placed, if looked upon as one of many possible factors that decide electorate or parliament to support certain men in preference to others ("he will keep us out of war", for instance) than if a straight-line relation be constructed to connect that judgement directly with parliamentary or governmental action. ... Meaning of phrase : finding what people want and taking them there (aber das ist Prinzip in der Verwaltung und vielleicht by NAP zu erwähnen). ... Can dismiss a good weil nicht in war geht und ein anderes weil in war goes, aber sollte keine Fussnoten geben! ... But still more important is another consequence implied by the selective theory : it admits the element of voter's judgement on issues by the door of ratification rather than by the door of a rational appraisal of programs. By ratification we mean favorable reaction of representative bodies and electorates to what they believe to be the results of the politics of the government that they put into power. That diagnosis of results will no doubt be frequently erroneous. The Egyptian government is said to become more popular each time the Nile rises properly so as to fill its fertilizing functions and less popular whenever the Nile fails to do so. Still the analytic task before the man in the street is easier in case of an ex-post assertion of his authority than in the case of an exante appraisal, and it is much more realistic to suppose that he will be able, afterwar, to wring his hand than that he will, at the outbreak of it, rationally refrain from ringing the bells. Moreover, we can in this way bring it all these terribly frequesnt cases in which the elector had no idea to what he was committing himself — what his reticent chosen ones could do.

(c) No longer need we blush at the sneer that democracy means government by morons. For even a moron who has no mandate to give or only a foolish one and who has no rational opinion to represent may still enter into that amount to a contract of subjection qualified by reservation of the right to turn the ruler out if he does not like him. Again the selctive theory requires him to accomplish and us to believe much less than the representative theory requires. Moreover, although it seems to down-right absurd to hold either because moron's opinion are just as good as anybody elses or because of moral grounds moron's opinions and interests ought be attended to, that moron's — and I include very much more in that concept than alienist would — should have a voice in the affairs of the nation, it seems to one much less absurd to argue that any government

will be at a disadvantage of which does not command support from all the likes and that is this sense even the moron's allegiance is a factor relevant to governmental efficiency. ... andere Gründe : brutalizeng effect ...

(d) No longer is the doctrine of democracy open to the reproach that it carried of 1750 or so, as it undoubtedly does when based upon the representative theory. All the phrases about "natural equality" and "every one that bears of human face can go overboard and the fundamental fact of human sociology, leadership comes into its own. The prime minister is now as much lost in theory as he always was in practice who counts noses in cabinet and who defers to parliament or the electorate in any other sense than is implied in telling them : "This is menu ; if you do not like it, take an another cook". As soon as this point is realized, the action of representative bodies and government and in particular the normal distribution of initiative between them are seen in a much truer light. The enormous inequality in the weights carried by individuals in the process by which issues are shaped and decided in a democracy then stand out as it should and would do so all the better if there were space to develop the argument beyond the simplified case of the leadership by a single prime minister into a theory of the hierarchy of leaders. ... selective Process itself ... leadership und Darwin verliert viel von ist distinction. ...

Das macht further improvement in realistic direction : leader imposes himself. ... gild Theorie des Funktionärs und Parliament ; Disraeli ; nie "Gewalt" als leader der conserv. ; gild Theorie der prof. politician, boss, party. ... erklärt reticence und das, was geschiet, besonders in unserer Politik, den Wähler nicht vorgelegt wird. ...

(e) Finally, the selective theory provides a rationale that is otherwise lacking for the majority principle. We have seen that it is far reaching measures, especially measures of social reconstruction, to be taken in response to the will of a majority of a representative body or even of the electorate and if the will of minority be unconditionally overridden, all that has ever been claimed for democracy will be as good as lost. There is in fact no argument except one derived from the absence of a more rational criterion for such an unconditional privilege for fifty one and such an unconditional enslavement of forty nine percent. We have recognized this by own theory of the disqualified minority and may add (repeat) that barring this case democratic practice does not typically override minorities, in particular minorities which form a complete social organism but carries measures that are believed to be of fundamental importance by consent. This principle can be exemplified by English practice according to which a measure that is being seriously fought and secures but a small majority at the second reading is as a rule not proceed with at all or allowed to be killed or emasculated in committee. The large privileges allowed to the opposition and the forbearance shown even to filibustering point in this same direction. ... The exceptions are numerous but probant regulariser ... And major deviations — the outstanding one was American civil war — are likely produce national

catastrophies.

What then is the meaning of “rule by majority” and the value to any party of having majority? Well, it seemed to me that we get a much more rational answer if we apply the selective theory and take our stand on the proposition that the primary object of voting is to install a government by providing a parliamentary following for a leader of one of the parties. This meets the objection against unconditional majority rule because it does not necessarily imply overriding of the minority as to issues. The government’s primary function is to conduct the current affairs of the nation and lead it in an emergency. But unless supported by a “qualified majority” — of which no about a “big” majority is but a very imperfect substitute — the prime minister will in general be neither able nor willing to open severely controversial issues.

Let us note in passing how this bears on proportional representation which has such an irresistible attraction for people with a bent toward misplaced ingenuity. If representative bodies are to represent, this case for it seems unanswerable. But if their primary function is to constitute a government, then governmental efficiency, the restraining effect of electoral compromise, the strength and stability of parties, the exclusion of “follies” and so on become legitimate, and the case for proportional interpretation is pro tanto weakened. It should be however observed how dangerous a line of argument this is to take for anyone who believes in democracy in the more popular sense. He may delight in the exclusion of communists and fascists which the system of election by simple majorities at the present time entails in many democratic countries. He may congratulate himself on the access of strength and elbow-room this may give to democratic governments and on the consequent increase of the chance of their survival. But these advantages are gained at the expense of depriving many people of their influence on installing and dismissing. And though there may be case for that it can hardly be called a democratic case.

Wishing strengthening democracy by thwarting it is much akin to a view sometimes observable in admiring appraisal of English nineteenth century practice, viz. the argument that democracy functions excellently if substantially run by an aristocracy. I have no quarrel with either. In fact I do believe that democracy is for some of its most conspicuous historical successes indebted to the incompleteness with which its principles have been carried into practice. But the whole enthusiast who gets argued against proportional representation should realize how most of his creed he subconsciously distrusts.

12.(M)(N)

Und dann noch vielleicht auch in nächsten Step — über Minoritätenrecht — Referendum, Opposition u.s.w. könnten schließlich auch kommen! ... Precisely because of this it might be held that I ought to have found room in the above definition of democracy for control as well as selection. My defence is not only that control is implied to exactly the right, i.e. realistic extent. For parliament can cashier as well as make prime ministers : the turn of phrase that “parliament dismisses cabinets” is sanctioned by high authority

— it has e.g. be used by Gladstone. And the main motive for parliamentary majorities to refuse to follow the prime minister's lead and one of the main reasons why the popular vote should turn against majorities that support a given prime minister is disagreement on some major issue. The mechanism is not a theorist's constructions but in very many cases clearly observable as for instance in the notable cases of the first Gladstone administration in 1873 and of the second Disraeli administration in 1880. Perfect control of a parliament over an administration and perfect control of the electorate over a parliament are indeed theorist's constructions which completely leave out of account the essential part of the political engine — all that centers in the element of leadership and attribute to parliament. ... Theorie of repräsentative body, Theorie of Opposition, Theorie of filibuster ... Repres. body is selective body. ... flimsy tissue of deception adorable ... want a drink or not ; selbst da ... Wollen die Leute von der Theorie nicht nur so weit berücksichtigen als real meaning to it. ... kommt doch gleich! ... Soweit real angenommen von gleicher Theorie ; no part of intention to hold daß gar nichts daran — flimsy tissue of deception —, das ist eben auch falsch, ganz so wie die attitude as die Albernheit zeigt, salbungsvolle Töne und über real working clear — obscure. ...

13.(M)(N)

Nicht nur of richtiger Mann, auch ob arbeiten kann. [Das erklärt auch Phänomen wie z.B. handling in 20er Jahren]. ... It will, I think, be admitted that the selective theory fits of democracy much better than the representative theory does ; but also that it's success in salvaging propositions implied in the old democratic creed, though substantial, is imperfect. This is indeed obvious from the preceding discussion in which phrases such as "less absurd", "more plausible", "more nearly tenable" have recurred with omnibus frequency. In particular we still need autonomous volition of electors — we now had better speak of autonomous Choice — and we still do not find it in any cases of machine-made politicians ; where autonomy of choice may fairly be assumed, it is frequently lacking in that minimum of rationality which we must still require, although most disconcerting motives expressed by voters — such as : "he is such a good (I even have heard good looking fellow", "he lead a respectable life and does not smoke", "he is sincere" and so on — may veil impressions that would also bear less doubtful formation ; the morons, especially accessible as they are to a certain class of political arts, will still carry more weight than some of us would like ; in important cases , the method of ruling by ratification, while the only available one, unavoidable functions with a lag that may be of fateful importance ; and for these and other similarly evident reasons we have still not entirely got rid of the requirement of "quiet time", "reasonable people" and "absence of issues that concern the whole fabric of society". ... Leaders select themselves aber electers decide whom to accept. ... Wo 1) Civil war, 2) daß die Leute so langsam sich klar werden. ... über Radio und Telegraph ... Essential is Respekt für Wille. ... doch nicht — wenn self-imposed! ... Disraeli heute nie gewählt! ... und altes Ideal verloren. ... Wo fool, all people, all the time. ... Obgleich auch das improve durch leadership, leader

imposing himself, aber das schon vorher und dann noch später. ... Noch immer kein connot. of bestimmten Idealen, obgleich eine suggestion of absence of oppression. ... Wertdasein! ... Noch anders? außer Politik! ... Leute brauchen Zeit : deshalb radio u.s.w. keineswegs gut für dem.. ...

14.(M)(N)

Dem. is ineff. in 2 Beziehungen a) im Durchsetzen des Volkswillens, b) in der Entscheidung und Verwaltung of nat. affairs. ... Such as it is however this effectiveness of ratification as a method of control is what comparative judgement on democracy must mainly turn on, so far as it does not turn on the effectiveness of competitive elections as a method of electing leaders — or, if we remember what has been said about on the role of candidates in the process of elections, of accepting them. As regards the latter the question whether the methods of competitive election is more likely than others to “pick the right men” must be distinguished from the question whether it is more likely than others so to shape his motive and possibility as to make him “function well” when he elected. It is immediately evident not only that answers to both questions must be relative to historical conditions but also that neither can unconditionary be answered in favor of democracy under any conditions. ... Besser : hold on to the principle that leaders impose themselves ... Besser : what kind of man and how the position be occupied will effect his Motives und possibility. ... Allegiance allein ist etwas schon. ... game for points ...

So clear is this, in fact, outside of the United States and British Empire — so far as England herself is concerned it is doubtful whether her voice ought to count in a general discussion because her was and is a very special case — the case of democracy never went without very serious challenge. And our epoch that so obviously draws away at least from the original ideal has produced criticism which often goes beyond reasonable bounds and must hence recriticized. ... It is quite ture that the right man od democracy is the right candidate and that the aptitudes which make the successful administrator or the successful manager of the nation’s affairs — in some respects , too obvious to mention, it is unlikely that the two class of aptitudes be found in the same man. ... Das muß unterscheiden werden lieber Unterscheidung zwischen right man and guter Erfüllung. ... Adverse verdict passed on democracy on this ground, habitually overlooks three very relevant circumstances.

First, success at the polls implies popular support. Such support is not matter of indifference to effective government. Hence success at the polls, even if won through the most doubtful oratory — or else reticence — by the most negligible personality, would still provide one of the requirements for effective government.

Second, however, only a small minority of cases will the doubtful oratory of a negligible personality be enough to send up a man into the position of supreme command. In general, even mere oratory reveals, owes its effects to, a personality. And can the man who, wading kneedeep in dirt, works his way up through the machine must be “some guy” after all. To that extent the antidemocratic slogan that democracy send up the

prancing driveler must be revised.

Third, the democratic method of selection must be appraised in relation to its alternatives. We need not bother about selection by lot. Nor we stay to discuss nondemocratic election of which the most outstanding instances the election of the Pope, because this method owes the indubitable success — it had and has in many instances — among others. We might mention the selecting of the leading men of modern largist-scale industry — by small controlling group — precisely to the fact that the requirements the leader to be chosen is fulfill are much more narrowly defined than they ever can be in the case of general national leadership. Even so there is an Italian proverb which runs as follows : “who enter the conclave as the future pope will leave it as a cardinal” — well expressing the popular impression that the man whom the voice of the church singles out leadership has not as a rule the best chance. But an element of this method also enters into democratic procedure : whether formally existing or not the leading man has in general to be accepted by the leading coterie or caucus of his party.

Wo Auslesenmethode und Sozialisten sahen in 1919 ein, daß Führer von Plants nicht von diesen Arbeitern gewählt werden dürfen. ... Sehr wichtig in democr. (obgleich auch anderer Fall) wo immer feste Organisation ; selbst starker Mann muß zuerst diese erobern. ... elect. than choosen zwischen verschiedenen stellen cand. oder ratifies viele Möglichkeiten. ... Kann nicht vorkommen, daß nur Gewalt höher niemand ist. ... Das ist Grund, warum wir nicht sep. zu diskutieren brauchen. ... Aber vielleicht für Sozialismus! ... Dann elect. of dictator ohne control? ... nicht so verschieden! shade off ... App. auch in Democracy immer nötig ; kommt auf appointing group an. ... Universität ist oft verdorben in dem. ... business — artist — lawyer : ergibt richt man. ... gesellschaftsüberlegen gerade weil er nicht allgemeine Interessen in Betracht zieht. ...

15.(M)(N)

Playing for points ... immer sitzen in parlam. ... Rücksicht auf Partei und ratif. ist ein restraint which cuts both ways. ...

It is also true that the particular position into which democracy pleases its leader may seriously hinder him — and the whole group of more or less leading people so far as they owe their position to election or to their ability to command support in a representative body — in fulfilling the tasks of his office and that the arrangement can be readily visualized which leave him much more free to fulfill them. Take the case of an English premier and his subordinates. That little band reminds one of the picture of the Israelites building a wall round some city with their left hands while their right hands held drawn swords. Not only have those ministers as a rule to be present at every parliamentary meeting, to pilot their measures, to defend their policies and head counterattacks which pretty exhausting business, but they will not keep their majority for long if they are not prepared to listen to every follower in parliament and every group of followers outside of it, to practice the time and nerve consuming art of the tea room, to adress meeting all over the country and so on. ... Deshalb ist Motiv und Möglichkeit of short run policy.

... Reform ist Mitarbeiter aus geschossen, Mitarbeiter einzig oder Mitarbeiter shading off.
... Das macht es schwer, von prof. zu sprechen und besonders assoc. kausal. ... Aber das hat doch einen Vorteil : caressing the issue. ... Außerdem hat das Wirkung. ...

No wonder if the observer discovers, with melancholy amusement, in the behavior of the leading man, some of the very traits which the wholesale democrat is in the habit of making the bulk of his jokes about kings and other hereditary magnate : for instance that they ignore everything that cannot be boiled down to a memo of half a dozen pages, and that the most successful democratic leaders are those who do not attempt to do any work or master any subject at all but keep their nervous force for parliamentary battle or for the gesture of leadership — sheeply launching at times, at his own incompetence. So it may occasionally seem as if less thought, energy, ability were invested in managing the affairs of a nation than is currently invested in managing those of the average department store. ... Und dann perform. : but such general argu. loses much. Deshalb auch compar. nicht möglich. ... Und vitiate Urteil, weil eben assoc. mit gewissen Dingen. ... assoc. kausal ... The very atmosphere of daily struggle with their own country men — neither with problems nor with enemies of the country — tends for the leaders to make the play for the points on the political chessboard and remove everything else from their mind. ... dissolves issues — denationalisiert. ...

16.(M)(N)

Ineff. of dem. — how can an English minister do his duty? ...

Nor is this all. For the leaders — let us go on calling them the Cabinet — the atmosphere of the daily struggle, not with problems or enemies of the nation but with their own countrymen and the necessity of securing quick and frequent ratification of their actions tend to make the play for points in the political game an end itself and everything also a function of it. Space will not allow to show how completely this change true colors of every issue and how difficult it is in such an atmosphere to steer any rational course, even for the most highminded man. But two things are obvious. First, that necessity of securing quick ratification almost excludes long run aspect of issues and measures from the leader's mind or range. In a modern democracy, short run views and short run policies are likely prevail. All the fundamental problems are long run problems however. They cannot be rationally solved by either drifting or explosion. Second, the sinister importance of that atmosphere of partisan struggle is, even eventful epochs expected, nowhere so great as it is in the field of foreign policy because nowhere else action inspired by electoral or parliamentary tactics is so fraught with danger of disaster that is both purposeless and irremediable. To the end of my days I shall remember the tragic spectacle of the twenties, when practically everybody vaguely felt sub-terraneously brewing, practically everybody roughly knew these flames could have been put out but everybody shrugged his shoulders to turn to the more pressing trivialities on which the fate of his government depended. ... Über foreign policy eigentlich auch schon gesprochen bei rat.. ... Und das ist rational der rule für democr. to be peaceful stay home not bother.

... Und "Volk" gibt kein support einziger Mann, dessen Verhalten compatible. ... Aber der Demokrat glaubt, daß alles schöne bei ihm und Regierung Motive hat, während in anderen Formen die Leute defining unter tyranny "I am aware, daß man das Gegenteil glaubt". ... Und gerade das ist, was erzwungen wird. ... foreign policy serving end of home politics ... The last man qualified to play that game of patience is the one who prays. ... Wie kam England — und das except favorable — in Crimian, in World war. ... In äußerer Politik wird requirements incompr. ... Frankreich? ... in denying all that. ... But the most tragic point is daß nicht in individueller Fehler war sondern nicht anders geht! ... Kann auch sonst passieren — aber hängt zusammen mit dem. Methode. ...

17.(M)(N)

But arguments of this class lose much of their weight as soon as we realize that many of historical patterns exclude the democratic method while others make it the only possible one and still others enforce intermediate arrangement. In the nature of things the junctures must be rare in which the notion of — real choice between democratic and nondemocratic methods — presenting itself to a people can have any meaning at all. This fact also interferes with any rational appraisal of the historic performance of democracy. Moreover exponent and opponent of democratic doctrine both commit the analytic sin that consists in uncritically accepting association as proof of causal relation.

Look at that famous instance of aristocratic criticism of democratic policies and politics which has been handed down to us from post-Periclean times. The Greek writers of that period were mostly what today we should call reactionary, that is, they sympathized with and wrote for a group of well to-do, semiaristocratic people who hated and despised both the men and measures that according to them ruined Athenian Commonwealth. But the modern student cannot accept the verdict. To begin with the structure of Athenian empire was based upon naval predominance and so top-heavy that only uninterrupted military success could have insured its survival for any length of time. Such structure come down, democracy or nondemocracy. Moreover, the earlier popular leaders, Cleon in particular, the pet aversion of the aristocracy, were anything but lacking in imperialist ardor or in ability to plan and to lead. We get an entirely wrong picture if we only think of the failure of the Sicilian expedition and Aigos potamoi. That democracy manfully accepted the national situation as it was and manfully fought against overwhelming odds.

It is hardly safe to attribute the ultimate failure with which democracy was associated to democracy as a cause, let alone the cause. But neither is it safe to attribute the melancholy end of the reign of Louis XIV causally to the absence of democracy with which it was associated. And in the case of the United States it is pretty evidently that democracy is more adequately looked upon as one of the consequence of environmental conditions than as one of the propelling forces of the national development. These are to be sure other cases in which causal importance of political organization can be asserted with more confidence. But within this class of cases importances of results that the average

observer of today would approve of are not obviously more frequent among democracies than they are among nondemocratic patterns.

18.(M)

The consequence must be faced that the case for democracy can never be based on its absolute and obvious superiority for all time and places — in the sense, say, in which absolute and obvious superiority can be asserted for modern method of dentistry as compared any early ones — if its case must in each instance stand on conditions of the individual pattern under considerations and on the results it may be expected to produce under these conditions. There is no sense in trying to “sell” democracy or a particular brand of it, all over the world. We are forced to admit at least as a possibility that patterns may emerge in the future in which nondemocratic forms of organization will be more effective in securing the ends on which our hearts may be set. Hence once more, we cannot condemn socialist only because they renounce the democratic ideal or display what seem to some us inadequate ardor in expressing it.

There remains that semireligious belief which raises democracy — though sometimes the slogan only — into the realm of ideals. But this means removing it from the subject of rational discussion. Every one has the right to do so of course and instead of discussing, to wave the flag. He may, beside love it rationally — I do not say irrationally —, love it with the love which he love the hill and streams of his home country, because it is part of himself, because it means “we”. Socialist who refuse to do so will from the standpoint undoubtedly be in sin. But no socialist to whom socialism is the supreme ideal can ever be a democrat in this sense.

The democratic list, the English case in particular, without exception display characteristic limitation of popular rule which may have had as much to do with success as the popular. One word about the relation between democracy and degeneration. What is degeneration? Well, as to factual content degeneration is exactly the same thing as progress, for the only fact designated by both is change. If we like the change, we call it progress, if we dont like it, we call it degeneration. That is entirely a matter of taste. — if I have in my mind the ideal of Tiger in all the glory of uninhibited ferocity, then if the Tiger becomes gentle in captivity, he had degenerated ; if I happen to hold an ideal of gentleness, then he has progressed. But suppose I have a social ideal composed values such as glory, victory, vitality, lordliness. Then any loss of national aggressiveness or even of assertiveness of groups within the nation will be degeneration for me. And since, as a matter of history, such a loss of aggressiveness or assertiveness may easily be associated with a tendency toward democracy, — though it need not be —, Democracy may acquire an association of with degeneration. But that is all.

(5) Conditions of Democratic Success

IV — (5) — 1 ~ 5

1.(M)

By “working successfully” of the democratic method I mean that the democratic process reproduces itself steadily without creating situations in which nondemocratic method are resorted to : and that the democratic process copes with current problems in a way which all interests that count politically find acceptable in the long run.* It will be observed that these criteria of democratic success are independent of our personal value judgements. A democratic process may work successfully in the sense adopted and get produce results that are disapproved of by any number of observers for instance on moral or eugenic or nationalist or cultural grounds.

The very fact that as a result of our analysis we find ourselves contained to speak of conditions of democratic success, definitively commits us to a strictly relativist view of democracy that has been indicated all along. Exactly as there is no case for socialism at all times and in all places, so there is no absolutely general case for democracy. Even mere possibility of the democratic method of producing governments is relative and has been non existent through wide streches of history . And even in historical patterns in which democracy imposes itself for the lack of a practicable alternative, the conditions for successful working may fail to be fulfilled. These three things — possibility, inevitability, workability in the above sense — should be kept distinct. ... As in the case of socialism, this failure of possibility, inevitability, workability to coincide may be due to laps in the evolution of certain parts of the social structure or of the psychological superstructure of a society or to external factors or to strains in an abnomal political body. For instance, democracy was, on the face of it, possible but evidently not inevitable in France after 1848. It was inevitable but failed to fulfill our criteria of successful making in German after 1918. ... For brevity’s sake we shall only deal the conditions for successful working. The are astonishingly numerous but may be grouped under few headings.

* Long run situations in which all significant interest accepts the democratic method but do not find its result acceptable, would therefore not satisfy our criterion.

2.(M)

To bigin with, our analysis has been, on the one hand, that the democratic method imposed the political leaders in office a different task which call for unusual abilities and force of character — abilities moreover which are not very often found in same individuals and, on the other hand, that the democratic method per se does not test effectively the presence of all of them. Turned into conditions of success in our sense, this seems to

imply two things.

First, although we have accepted the theory of competitive leadership on the ground, among others, that does not attribute to the electorate functions to which men in the mass are unequal, we must nevertheless recognize that democracy will work only if the electorate, the parties and party machines are on a level of intelligence and moral character sufficient to exclude the offerings of the rabble rouser and the political work ; to be impervious to freakish program, mass corruption*, mass psychosis and infantilism ; and to think and feel in terms of the future, at least to some extent. I need not stay in order to prove that there have been electorates and party systems which were up to that level, so that these conditions cannot be called unrealistic ; but that it would be unrealistic to hold that the electorates and parties of all democracies were up to it or that the democratic method in itself tends to raise them to that level. I submit however that, next to the equalities of a race, the training in responsibility incident to life in capitalist society may be the most important factor by which to account for those cases in which those conditions have been fulfilled.

* By mass corruption I mean attempts, possible under modern as they were under antique conditions, of sawing (?) the electorate by promise of individual pecuniary benefits to large classes of people.

Second, since the results of a method of selection will also depend on the material from which to select, success of democratic method seems to require that the competitive struggle for political leadership is sufficiently attractive to the types that will do well in office. This condition is distinct from the first one. It is not true that "every nation has the government it merits", that is to say, the high level of electorate's intelligence and moral character and the mere presence of an adequate stock of ability in the nation is sufficient to produce correspondingly able government. The good material may be present, but it may refuse to go into politics. And government may be below the national standard of intelligence and morality as it may be above it.

Intact capitalism tends to produce the former result. With capitalist evolution in full swing and the capitalist scheme of values unimpaired, it is business that attracts the best brains. Politics may even be left to types whose mere presence then deters the man who can make success at anything else,. This is not popular to democracy however : the success of any political method will vary with the quality and the conditioning of the stratum or strata that supply the managers of public affairs. Practically speaking, this amounts to saying that in a non socialist society, at all events successful working of the democratic method requires the presence of a highly qualified political class which must not be closed to outside talent but strong enough to assimilate it. Those readers who agree with me in believing that, among great countries, England represent the peak

success of democracy, will have no difficulty in appreciating this point.* [O] p291

* That point merits more attention than we can bestow on it. What we easily appear to be a paradox — though, when we come to think, it is simply commonsense — may be brought out by saying that the democratic method will work successfully if there is a political stratum that is connected but not identical with the upper ranks of the industrial bourgeoisie (recall what has been said in the Second part of this book about the latter's symbiosis with elements of extracapitalist origin) and which is not itself the product of the democratic method : in such cases the task of democratic selection is facilitated by a non democratic selection that does part of the work beforehand.

It also can be verified per contrarium. The outstanding example of failure associated with absence of political class is afforded by the case of Germany after 1918. This example is so instructive precisely because there was nothing about the German politicians of twenties that would ordinarily be considered as a glaring defeat. The average member of the Reichstag and the average prime and Cabinet minister were conscientious, reasonable and especially strictly honest. This applies to all parties. With due respect for the sprinkling of talent that showed here and there though rarely in a position in or near the high command, it must however be added that most of them were palpably below per, in some cases pitifully so. Now obviously this can not have been due to any lack of ability and energy in the nation as a whole. But ability and energy spurned the political career. And there was no class whose members would have taken to it as a matter of course.

3.(M)

Another group of conditions may be summed up in the phrase : Democratic Discipline. We have seen that in order to work successfully the democratic method required a relatively high level of intelligence and moral characters in the electorate and parties. But such a level does not itself guarantee that the rules of the democratic game will be accepted and observed by all. As a matter of fact they never completely. But even the minimum of discipline necessary in order to produce reasonably stable and efficient governments is more difficult to secure than is the corresponding amount in non democratic patterns, because the competitive struggle for votes invites infringement. That this is so will be immediately clear if we ask ourselves what democratic discipline consists in. Democratic method makes governments dependent upon the result of electoral campaigns but excludes the electorate's direct influence on affairs not less effectively that do non-democratic methods. As we have seen this hold to some extent even of parliament whose immediate and primary functions is to create and undo ministries — that is, to follow or not to follow. If parliament ceases to follow the prime minister's lead and, without displacing him, takes matters into its own hands, both prestage and efficiency of government are fatally impaired. If the electorate tries to impose certain courses of

action either on members of parliament or members of the administration, things are of course still worse : government may then become completely paralyzed. That is why from the beginnings of modern democracy members of parliament have always resented instructions from the electorate — their protest has received its classical formulation from Edmond Burke — and why cabinets in turn have always insisted on the “confidence” of their parliamentary supporters : if democratic government is to work successfully, voters and, to a lesser extent, members of parliament must refrain from too much initiative.

Lobbies, pressure groups and so on are hence foreign and inimical to the spirit of democracy. Even the American practice of swamping congressmen with letters is an infraction of democratic discipline, though the reader will presumably feel some surprise at this statement. All this does not injure the working of democracy fatally only because any system can stand a certain amount of deviating practice and because the actual account taken of such attempts at exercising direct influence on issues, in particular of these letters, is perhaps not always so great as organizer’s think.

But it takes a lot of self-imposed discipline to do so, if one knows that one’s vote is eagerly competed for and if one has become so accustomed to be — qua voter or member of parliament — with unbounded deference that in the end one really believes oneself to be an arbiter of issues. In particular, it takes a lot of self-restraint for members of parliament to refrain from upsetting the governmental apple-cart each time they could do so to give support sometimes against their conviction. It should be observed however that such self-restraint may be rendered less difficult for the individual members by the adoption of certain values of parliamentary procedure. For instance the method of allocating parliamentary time may in itself go a long way toward muzzling them and toward reducing their freedom of action. Or they may be debarred once for all from doing particularly annoying things, e.g. from proposing measures involving additional expenditure. I may be replied with some justice that a parliament that submits to such restrictions thereby proves that it does not need them. This however is not quite true. Men that accept them with good grace when they present themselves as general rules, might yet feel inclined to break them in the particular case if their observance were left to individual discretion.

But that is not all the discipline that is required. The democratic method of free competition for leadership can not work unless it is possible for every would-be-leader to present his case without causing disorder. And this implies a degree of toleration of dissent which is hardly conceivable without a genuine respect for one’s fellow citizen’s opinion, opinions whatever they are. ... It has been pointed out before that toleration cannot be absolute however — any more than freedom of competition can ever be in the economic sphere where a man would not be allowed, for instance, to compete in ways offensive to the social morality of a sufficiently significant number of people. The vexed question

whether a democracy violates its own principles if it prohibits the propagation of anti-democratic views must, I think, be answered in the negative on logical ground : no principle applies to itself. But of course a democracy will ideally work to design only if anti-democratic views are spontaneously refused acceptance even if presented freely, so refused, that is if the democratic creed stands in need of police protection, this in itself may be an inauspicious system. ...

Whenever a considerable group's vital interests and ideals are concerned the corollary of that proposition may still more call for the practice of democratic virtues of patience and self-restraint : people must not only respect their fellow citizens views but also be prepared to subordinate their own ; they must be willing to accept the settlement of any issue arrived at in the democratic way, however they may dislike it, and to refuse the settlement of any issue arrived by means of a violation of the democratic procedure, however well the result might suit them.

This involves more than readiness to accept acts of parliament or administrative decided on by the government in the possession of that is referred to as the "confidence" of parliament. We have seen that under modern circumstances the democratic way of selecting public servant will, in the rational sphere, function well only if its direct application is confined to a small number of political offices, whereas the rest of the public functions is rested with non-political officers whose contact with political sphere consists exclusively in their being appointed (or "recommended") by the prime minister or a colleague of his. Other public and semi-public office may even be filled independently of any political agency, as is for instance the office of Governor of the Bank of England. In any case, these service will work the more efficiently the smaller the role the purely political view-point plays in determining appointment.

Now, democratic discipline requires, on the one hand, that the government, electorate and parties accept non-political principles in the matter of these appointments and, on the other hand, that they also accept the decisions made by the non-political appointees though those decisions can fail to cross their wires sometimes. Central banks and courts of law are most important instances. Attempt at imposing upon them views sponsored by section of the public or parliament are signs of stress in the democratic engine. It is perhaps unnecessary to point out that in order to fulfill this set of conditions the social patterns must present a peculiar combination of traits. A political method that assigns to so prominent a role to debate and requires so large a measure of tolerance of diversity is, pro tanto, part and parcel of a rationalist civilization. But well-developed rationalism of the public mind is not enough. It must be combined with a certain measure — not too much and too little — of traditionalism or existing institutions, for change could not be orderly, hence not successful, without it. Leaving development of the implications of this, I will merely note that the social pattern we have called Intact Capitalism seems

to qualify well in both directions.

4.(M)

Finally there is what we may describe as a set of facilitating conditions. As some of the conditions mentioned before, most of those would have to figure in the discussion of any political method but require additional importance in a democracy. Like any other political system, democracy will work the more successfully, the higher the quality of bureaucracy whose service it can command and greater its independence from politics. The reason for repeating this is that in the case of democracy is likely overlooked. It was the French bureaucracy as repeated and reformed by the first Napoleon that served the third republic from chaos for span of the nearly seventy years and in fact made orderly government possible. It was what was left of the imperial bureaucracy that carried along the succession states that arose from the ruins of Austro—Hungarian Monarchy. [O] p293

Also like any other political system the democratic method works the more smoothly the smaller the range of business that is subject to political decision, and the fewer and simpler the political issues tend to become in consequence. ... It will be observed that this is not the same as holding that the apparatus of public administration will work better the smaller the range of the activities of the state. Public business and business subject to political decision are different things. ... But for a democracy unless it fulfilled to a quite exceptional extent the conditions for success mentioned under the first two headings, it is of particular importance that the national interests which are made balls in the political game should be neither too weighty nor too numerous. If they are not, then democratic method may give satisfaction in the long run to large majorities of the people even in cases in which those conditions are far from being fulfilled : several cases which most observers would list among the instances of successful democratic government can be accounted for only that ground. Even in cases in which other conditions for success have in fact been fulfilled to an exceptional degree success has some times been made easier by a severe limitation of issues. ... Take for instance of England from 1830 to 1905. There was foreign policy which provided food for many a full-dressed debate and in one case (1874) also for a great electoral campaign, and in another a great wave of public indignation (Gladstone's handling of the Sudan question). But in general foreign policy was not in the front of rank of domestic politics. Then there was finance and the franchise. The handling of these really constitutes the political achievement of that period. But unless we descend to the second-rank issues such as licencing and education — politically speaking the latter was of second rank — there remains only one great issue left, the most important of all again : politically speaking : Ireland. And the way in which this was worked up and unpleasant tactics to which it gave rise clearly show, that the political world did choose it for ball in political game, partly at least for want of another. ... The social pattern of intact capitalism again fulfills this condition well. The mentality and the interests of the bourgeoisie tend to cripple the state. But by doing so they also

reduce the opportunities for political mismanagement a minimum. This in fact constitutes the essence of bourgeois democracy. ... [O] p291~292

Like some non-democratic forms of government but unlike others, democracy is but ill qualified to deal with fundamental issues that tear up the nation into hostile camps. The American civil war is a classical instance of such breakdown of democratic discipline that will occur whenever an issue is too important for a sufficiently big section of the community to accept the settlement by the domestic mechanism — that is resolved to accept no settlement other than their own. Whether it is the national State that is being called into question — the case of secession — or the existing constitution — the case of revolution —, the democratic method break down. The more completely such issues and the incident excitements are absent or the more they are confined to relatively unimportant sectors, the less disposition there is to question essential pieces of the social and political structure, the more successfully will democracy work. The reason why this is more true of democracy than it is some other form of government is that self-discipline is an essential element in the democratic process. When it fails there is nothing in the arsenal of democracy to replace it and methods foreign to the spirit of democracy are invariably resorted to.

We have seen that the democratic method meets with particular difficulties in the field of foreign policy. There are indeed exceptions to this. On the one hand, simple and passing emergencies that are recognized as such by everyone such as actual invasions of the national territory can be perfectly well dealt with by a democracy. On the other hand, a nation may be so circumstanced that a certain course of action or inaction proves so satisfactory over a very long time as to become a national tradition more or less binding on every government — an instance is American policy that at present is being referred to as isolationism. But whenever the national situation and the national ambition turns foreign policy into a complicated game involving distant ends and difficult tactics, a democracy may easily have to face the choice between failure and ceasing to be a democracy.

The reason for this is again that in such important and exciting matters public and parliament find themselves unable to preserve democratic self-discipline. They will not be content to exert their influence in the democratic way, i.e. by giving or withdrawing their political support but, as I have pointed out before, they will insist on asserting their views about each move separately, in an impulsive way, without any regard to the general setting from which each move derives its meaning, and thus spoil the national game. Enthusiasts will of course reply that there should not be any such games. But these will be inevitably the consequences of irrational behavior. And strong government or the bureaucracies behind weak governments have replied, *via facti*, that there is a remedy, viz. that secret diplomacy which is so popular with the enthusiasts and in fact offers but an unsatisfactory solution, quit apart from all the lying it involves — lying to nation and parliament

rather than to foreign powers. If it fails, then monopolistic leadership will command advantages in rational planning similar to those that make for superiority of big-business management in the economic sphere. Democracy is the political method that suits the needs of a pacific bourgeoisie without imperialist ambitions.

5.(M)

The efficiency of democratic governments is inevitably impaired of the tremendous loss of energy which the incessant battle in parliament and outside of it imposes upon the leading men. The incessant competitive struggle imports the bias admirably expressed by the phrase about “dealing” in votes. It forces upon the men at the helm a short-run view and make it difficult for them serve such long-run interest of the nation as may require consistent work for far-off end. Thus the prime minister in a democracy might be likened to a general so fully occupied with making sure that his army will accept his orders that he must leave strategy to take care of itself . A lot might be said for criticism, if were considered the problem in abstracto. But we shall confine ourselves to a special case which seemed to be the only one worth considering under modern circumstances. It is defined by two conditions : we assume that there is a trained bureaucracy whose specialist advice is available for guidance of amateurs : and we assume that application of the democratic method is confined to the offices of prime minister and his lieutenants, let us say, the other ministers. In this case the criticism seemed to collapse. For compromise must be struck in any governmental arrangement between political leadership and special or departmental competence, and the democratic form of this compromise will not necessarily function worse, though it will not necessarily function better, than do others.

There is another aspect to the matter. In a democracy appointments to the non-political positions in the public service, hence the quality of the civil service, the army and the judiciary and of the professional advice they can give to the amateurs at the top, is in the hands of those amateurs — the prime minister and the secondary leaders in charge of the various department of state. Even if we choose to neglect such things as a spoils system — on the ground they are passing distempers which any democracy that suffers from them may be expected to grow of time —, the fact remains that political leaders always, though to an extent that greatly varies according to persons and situations, are under pressure from supporters or under temptation to use “patronage” in order to improve their political prospects. Whatever may be argued against other systems — and that is plenty — precisely this pressure and this temptation is inherent in the democratic method alone.

We may derive some comfort from the argument that service rule and the authority of a great bureaucracy may provide adequate remedies. But service rules of promotion petrify. And authority of the personnel of an office certainly increases the weight of its corporate opinion as to who should be promoted, but does not necessarily increase the

value of that opinion. Potentially at least, selection by an agency that does not owe its existence to a successful struggle for votes, undoubtedly promises better results. This however brings up the silent point : whether amateurs or not, what kind of people are likely to emerge victoriously from the competitive struggle for political leadership? Must we accept the proposition which serves as premises so many adverse judgements on democracy, viz. the qualities that make a good candidate are not necessarily those that make a good minister? I think that we must accept this proposition but that it does not convey the whole truth.

Any system of selection will discriminate according to the nature of its test. It will favor certain types of men and overdevelop certain aptitudes to determinant of others. The democratic method favors men who have a knack of working party machines and men who have a knack of self-advertisement, of handling personal and sectional problems, of non-committal commitment, of mixing smiles and frowns in the most salable proportions. It will bar the ascent of men who lack those qualities and tend to reduce them to mere consultants whose advice will be not effective than the politician chooses. ... There is always some irrational discrepancy between ability to meet the requirements of the selecting agent and ability to perform satisfactorily when selected. In some patterns, a man rises through courtly graces — which method account for M. de Villerois being selected for command that ended in the battle of Remillies. In other patterns, a man rises through promotion according to stated rules — as point before, this method tends to favor meritorious mediocrity. In still others, a man rises to supreme command by what may be termed non democratic election — the classical instance of this methods is the election of the Pope, and its results are conveyed by the Italian proverb : “who enters the conclave as the future Pope will leave it as a cardinal”. It would of course have been just as easy to invoke facts that is the other way. And the upshot is once more that it is not so much the democratic or undemocratic character of the method of election that matters but rather the way in which the method is handled.

If nevertheless we wish to keep the question of the merits of political method per se, then we must add a qualification to the proposition from which we started. The ability to conquer a position of supreme leadership according to the rules of the democratic method and ability to fill it successfully are certainly not the same thing. But neither is it true that there is no relation between them. Of course we can not argue that in a democracy the type of man which competition for the vote will carry up the ladder is the only one who can govern at all — that would clearly be circular. We can however argue that normally the democratic procedure tests personal forces and that the abilities that term conveys are not without their use in the prime minister’s workshop, beside being again as a rule, associated with others that make for success in the shaping of policies and in administration. To know how to handle men is not same thing as to know how to handle national problem. But the former obviously bears upon the latter. And there

are sieves in the stream that carries politicians to national office which have indeed big holes in them, but are not entirely ineffective in barring the passage of the moron or windbags.

(6) Distortions in the Front of Transition

IV — (6) — 1 - a, b, c, d 2 - a, b

1 — a (N)

... about the sincerity of those who preach it, but, realize that the result we arrive at does not differ from it as much as one think. men are clay. ... The impression thus gathered will be strengthened by two facts which we have already noticed in book. ... Sozialismus in a sense appeals even to reason — Dinge aus Notwendigkeit mehr offenbar und Gleichschaltung überhaupt und durch elimi. von Eigentum ; comment hier möglich als approxi. ; Was für diff. bleiben? ... Trotzky — well transitional ... Wie wird je für Kapitalismus argued? ... That carries us beyond more general allegiance und ist nicht einfach kompensiert by. ... 1) Wenn Leistung nicht sehr firm, so wird es aber eben immer dissolute Gruppen geben. 2) und issues — die nur jetzt Stalin entscheidet, der seine Zeit hat, die Leute to divide, Ungleichheit, sektionelle Fragen, 3) zu viel anvertraut, als daß man risikieren könnte (obgleich Kritik auch jetzt möglich), 4) eben Allmacht vorhanden. ...

Entweder ich muß mehr sagen über Erscheinungen des Überganges — spreche phys. elimi., nicht nur von Struktur sondern auch persons — oder ich darf den Übergang hier nicht so beiseite schieben! ...

Alles eben shaved into Übergang. ... der wohl auch schon im 3 Essay. ... Kommt darauf hinaus, wie wir den Übergang werten und den Kreditive will. ... Übergang nicht als altern. zu ewigem Kapitalismus, sondern zu aufgeschobenen Sozialismus. ... hope gewiß, daß regime can relax, wenn keine Alternative da und alles key up. ... Was heißt es anderes, wenn ein regime ruthlessly imposed, es eben weiterläuft, oder anders, denn wenn people sufficiently and they accept no? ... If that is “democracy”, dann kein Unterschied? gegenüber Asia Despotism? Oh doch, Kritik und Diskussion — aber im detail ist das überall möglich, wenn nicht an führende Gruppen gereift. ...

1 — b (N)

Value of soc. in democr. front — especially where von Moskov (moreover?) ... selbst als tragics in check. ... aber “Norman Thomas” pored ; englischer Sozialismus ...

It seems natural, in view of the facts we have glanced at, to be less impressed by the democratic record of the socialist parties before the war. ... We need not too much emphasize that that was not unbroken — syndicalist practice for instance can really disposed of as an aberration in the statistical sense. There is however all the more need

to emphasize that prewar socialism of all type, to be taken seriously, had no choice. In some countries socialists had barely emerged from official persecution. In all countries they formed vulnerable minorities which could not afford to offend public feeling in the democratic age. Most of the attitudes and slogans of democracy tended to shelter — schon gesagt — them. ... Ist so wie christliches und jud. Speisegesetz. ... most also helped them in their struggle for power and votes such as the war for the universal vote so obligingly waged by bourgeois like John Bright who always mistake floating rafts for rocks. Everywhere, members could come to them only from strata which revered democracy with a quasi-religious fever. ... Sozialisten kämen vom bourgeois Radikalismus her und würdigen Forderungen stellen, für sie notwendige Mittel to rise to power. ... Das eigentlich schon gesagt, aber das vielleicht wiederholt by Marx. ... fighting on barricading and having oneself shot in 1848. ... Theorie des abnormal strikes ... Democr. shows treatment of Minorität, in England Minister resig. wenn Majorität small. ...

Please don't think I am accusing these socialists of insincerity. No men were even more sincerer than they, in spite of the childish machiavellism in which some of their prophets gloried. Besides, I do not believe in insincerity in social strife. People get to believe what they went to believe and what they incessantly repeat.

1 — c (N)

Socialist crying for policy. ... Aber wollen ja nur "real force" — was will dann der bourgeois? ... Jeder tut was : whatever kann ideal sein, aber meist ist es nicht und das ist ganz verständlich ; not what this means. ... Schließt ein, daß genauso wie mit Etatism? : das vielleicht here? ... Schließt ein, daß Sozialisten Demokraten wenn es die Interessen der sozialistischen Gruppe fördert. ...

Lest you should think that I am trying to hold up socialists to scorn as bad democrats, as opportunists, as schemers that make arrows out of any wood, I will add at once that they do not in this respect differ from any other group. Democratic methods are practically always means to a given end which is what really commands allegiance, and democratic ideals practically always derive their glamor from what it is hoped that democracy will achieve. And lest you should think that this is only the attitude of callous practitioners of politics, I will show you that you are not better than they. Many of you have no doubt joint in the battle cry that is so popular just now : "Democracy is an end in itself." But try to make clear what you mean. Do you define democracy by the principle that the will of the people — of the majority of grown up citizen — should prevail. Yes, well if that majority were in favor of burning heletics? Would you uphold such a democracy? I am not testing you. The case is by no means fantastic. It is taken from history : there cannot be the slightest doubt but that burning Christians (or Jew) in Nero Rome and burning protestants in Philip II's Spain was throughly approve by a majority of the people. Also das muß um der geeigneten Stelle kommen : die Digression or Falschheit der Auffassung, die der Meinung zu grunde liegen, daß der Arbeiter, white collar, Bauer u.s.w.

Sozialist sein soll und fundamental ist, würde das nebenstehende Argument ganz abschneiden. ... Vielleicht nachdem ich das teaching und Marx und heutigen behandelt habe, sagen, daß 2 Dinge folgen a) das nebenstehende Argument, b) etwas über Demokratie : kreierter Wille — keine Majorität, keine Minorität — consent. ...

In II dann auch Bürokratie (Fachmann) Maschine. ... profess. Politiker ... Entstehen eines besonderen Kreises mit besonderen Qualitäten, Intellektueller ... inform. und Zahl ... delay und repr. ... Kann man alles machen — würde keinen Unterschied machen wir kommen von Volks Gnaden statt Gottes Gnaden : what do you advocate? ... government by lying? ... performance ... London's war-risk insurance ... aber was bedeutet es? ... Proporz — was bedeutet es. ... Wo dictatorship. ...

1 — d (N)

Sketch für III ... Wo : was passiert ist : zu früh versucht und so den Führer produziert statt demokratischen Sozialismus, a) den Bolschewi. b) der nicht sozi. Führer (erleichtert). ... unexpected — aber long in the making ... [später dann über snatched victory.] ... Wenn also das Faktum "where is the majority to come from, at least in the normal course of things?" erledigt ist, kommt die Frage, daß das andere ist im Laufe der Zeit, besondere auch durch Bekehrung der "Oberklasse". ... Resignation, die das erfordert, vielleicht hier. ...

∴ Transition by the democratic road und democratic revolution possible, wenngleich tatsächlich jeopardized durch das, was passiert ist. ... From this however operation by democratic method must be distinguished. If we have discard prediction for the needs of all that and other meaningless phrases — people's lobby —, and managing economy "for the people" in the sense of in the labor (possibly farmer) interest to the exclusion of every other, if we mean more than development of "social Politik", what, in an economy in which all means of production are controlled by a central bureau, would worth of the democratic means and what would alter in the position of trade unions and shop unions (Arbeiter Leute)? ... In the first instance : elective organs (the cabinet) would also control production as they now control the army. The democratic, the political method would be extended to cover the whole of national life. ...

First we must remember advantages — Gleichschaltung der Willen und individuellen position — viele Probleme fallen einfach weg, macht dem. easier : selbst decision of issues elapse, obgleich zweifelhaft : WPA worker organisiert dieselbe Einstellung wie Arbeiter, der einem Arbeitgeber gegenübersteht. On the other hand wiegen alle inefficiencies und Schwierigkeiten schwerer whatever. Man kann sagen dann, wann und wo demokratische Methode funktioniert, das precisely war weil ihr nicht zu viel anvertraut, weil selbst, wenn sie nicht funktioniert, das nationale Leben weiterging. ... Könnte das auch hier sagen, daß ich kapitalistischen Ursprung der Demokratie und der rugged spirit of dem.,

die in individuellen Erfolgen believes, nicht zu sehr betonen möchte. ... Jetzt wird es schwerer wiegen daß prime minister im Parliament sitzen muß und dann nur short run polit. möglich. ... Und es hängt zu viel davon ab ; selbst Diskussionsfreiheit wird etwas zweifelhaft und sicher die Freiheit der Agitation. ...

Das natürlich besser, wenn elect. Methode und politische Kontrolle beschränkt auf Angelegenheiten, die ihr auch heute unterliegen, und für Rest so viel appointment wie nicht-demokratische Wahlen (das Bestehen von "Ration" u.s.w.) wie möglich. ... Das nicht so sehr Arbeiter — als Konsumenten — Interesse betont und dem Arbeiter ein Direktor gegenübersteht, der annähernd so unabhängig ist wie heute, vielleicht sogar mehr Autorität ; auch kann Autonomie und einzelne Unternehmung mehr machen zügiger wirken unabhängig von Regierung. ... daß Arbeitslosigkeit durch Disziplin beseitigt im III Essay! dort vermischen mit. ... leadership und Verantwortung registered ...

Aber je mehr diesen Gesichtspunkten Rechnung getragen, um so weniger demokratisch — das haben wir schon gesehen und sehen jetzt warum andererseits vielleicht wirklich nicht wahr, daß Demokratie, Kapitalismus, Privateigentum u.s.w. voraussetzt (wirkliche Unabhängigkeit!) ; historisch und genet. assoc. — auch logisch? Also sehr erleichtert, wenn Wirtschaft stationär. ...

2 — a (N)

Here we meet a point which will have to be elaborated ; they perhaps ought to be socialist — they are being prolet. — but what is the good of it 1) if they are not, 2) ist gar nicht so! ...

Hier also nur obje. Interesse und dann, von dem Problem dieser Gruppe aus, übergehen zum gerecht issue und nach Endgeborenen. ... The most unexpected difficulty (von Stand der orthodoxen Theorie) ist problem of clerical class. Schon Tatsachen alles Wachstums nach concep. (immer dieses Wachstum : Maschinen müssen verwaltet werden.) ... Aber dann Stellung nehmen : sie wollen, sie waren, sie werden — ist natürlich nur Druck und Irrtum. ... Verkennung des eigenen Interesses aber a) Tatsache, b) gar nicht so sicher : ist nicht Axiom sondern Tatfrage. ... sneer über Einstellung dieser clericals. ...

But here we have the majority zusammen mit indep. occupation und nun das 2nd : unrealist. Gegenübersetzung von Prolet. und Nicht-Prolet. ; der Übergang von Besitz und Nicht-Besitz graduell ist wesentlich, übrigens ist "Besitz" nicht entscheidend ; besitz — besitzlos Intellektuelle creation der Klassen — Bewußtsein der konservativen Arbeiter ; die amerikanischen führenden Industriellen ohne Montmorencys ; Starker Aufstieg, der angeblich nun aufgehebt hat (aber immer geleugnet wurde von Orthodoxen). ... Irrtum? Das ganz Problem in England. ...

Gar nicht klar, daß oberen Schichten (und selbst die Arbeiter) besser daran wären ; Haben zu verlieren ; Besitz verteilt : Haus, Lebensversicherung u.s.w. ... Aber wer immer! Tatsache bleibt ; und besonders natürlich in Amerika. ... But in fact, warum sollten die 775,000 weiblichen typists in U.S. (1930 ; 265,000 in 1910 ; weniger als 1,000 in 1870) nicht gerade so Sozialisten sein? ... 10-30 Jahre in U.S. — cler. class (?) 14 %. ... Das auch zu Intellektuelle — Aufstiegsfrage : charmed circles, der charm must be very weak (aber jeder Reporter will hinauf und jeder erklärt sich sein Nicht-Fortkommen durch social injustice) : and is told so — masses are told bis sie es haben, aber fundamental haben sie es nicht ; gesund Gefühl : jeder gets on where is any good at all, aber System racing failures. ...

Jetzt also Operation a) ist ja klar, daß, wenn mit Zwang eingeführt, auch schon die allgemeine allegiance gesichert — aber das ist kreierste Wille. ... Frage, ob ausreift. ... b) Gleiche Verhältnis shalten gleich : nicht mehr snarling ; Interessengruppe vielleicht — aber viel eliminiert, also consent ich denke wohl. ... c) Aber weitsichtige Politik ; Disziplin ... die jetzt vom Politiker gehandhabt werden muß ... ; Schwierigkeit der Aufgabe ; von der jetzt alles abhängt ... Stalin ; selbst Diskussion der Intellektuellen nicht mehr zulässig ; schon wir sehen jetzt, warum um so besser, je weniger demokratisch. ... von Eugenik u.s.w. gar nicht zu sprechen — Rußland sehr merkwürdig darüber plolet. Biology. ... geistige opp.? ... individueller Geistes, aber das ist nicht Demokratie. ... Aber nun hier ausführen, was dieser Übergang bedeutet : Rußland ist da bezeichnen nicht weil so ist sondern so sein muß. ... Anderswo nicht weniger sondern mehr weil intelligentere Masse. ... Issues können nicht entscheidend werden, Auswahl ist dann nicht mehr möglich. ... nicht logisch, aber immer schwierig ... Und Stalin daher wahrere Sozialist, ... childish attitude : Sozialismus wird wenig run. ... Und wir Frauen und social., Intellektuelle und social. ...

2 — b (N)

Also nun fertig bis zum Endgebogenen ... Noch aufzuführen über clerical class, Prof., Künstler und Intellektuelle, was gar nicht einfach. ... Von diesen hängt zunächst ab, wenn die anderen 2 Gruppen nicht von anderen Seiten mismanaged werden beyond belief. ... Und sehr wichtig, daß Majorität — besonders der freien Berufe — einen unbefriedigenden Erfolg hat und sich ihn durch soz. injustice erklärt, und dann das wichtige : Abschnitte über prinzipielle Einwendung ...

But here we strike a deeper issue. a) ist econ. Location entscheidend für Stellungnahme in short und long run (nun entweder das vorher oder — wohl besser — separately here, aber dann nicht zuviel vorher) ; man kann das einleiten mit der Lage des Intellektuellen, gar nicht so sympathisch gegenüber Handarbeiter : ein Interessengegensatz (z.T. Konsumenteninteresse, aber auch soziales Interesse). ... b) Das dann auch innerhalb der

Arbeiterschaft ; konservative Arbeiter. ... c) un reale Gegenüberstellung des "Prolet." — hat ja selbst "Lumpen-Prolet." und respectable Arbeiter — und Nicht "Prolet." ; besonders wenn Gutbesitz und Nichtbesitz a) nicht entscheiden ß) nicht scharf : keine Statistik ändert daran! ... Beim Künstler kommt auch Kinderei in Betracht ; Sozialismus ist ihm oft probelmlos. ...

Und dann sagen : zweifelhaft, ob possible to snatch victory by a chance of majority, aber selbst wenn so, wäre das nicht das Wahre 1) sind nicht die richtigen Proletarier 2) ist nicht der autonome Wille. Das führt zurück zu der im Anfang von III erwähnten Entsagung, die den Intellektuellen make manager soll, so also (?) soll. Und das bedeutet ein non-dem. transitional regime (das leicht ewig dauern kann). Das freilich von verschiedener Härte sein kann, aber das Wesentliche am russischen régime ist, nicht daß es so ist, daß so sein muß — Cyclist der nicht absitzen kann — ; ist nicht wanton cruelty : if thing was to be done, so nur so. ... Hätte Stalin das leisten können mit Intellektueller bustling about und mit stationären groups asserting their will — wäre chaos gewesen und doch schlimmerer Hungersnot . Das is nicht rechtfertigt, noch auch so wie die Webbs es machen oder auch die silly females an jedem Schritte nötig, ein parge zu machen — terror in parmanent. ... Dann eben Unterschied gegenüber Marxian Soz. ... Bourgeoisie Gerechte... Shaw, journalist ...

Question ist nur, of post-transit. Democracy möglich? ... bis zu einem Grade. ... Und wieder das genügt den Sozialismus eben, daß unter allen Umständen zu realize ideal, der ihn über Demokratie stellt. ... Aber Wille, kreierte Wille und bedeutet das mehr als daß die Leute gewaltsam fashion kann und daß Demokratie möglich ist, wenn alles Wesentliche gestellt. ... kein Wahl von Fabriksleitern. ... Freilich viel Bürokratie und sehr viel Disziplin, denn es hängt sehr viel ab von dem Funktionieren. ... Und wir sehen jetzt, warum Sozialismus desto funktioniert, je weniger demokratisch er ist — wie wir schon vermuteten —, aber auch um so besser, je stationärer, aber the warmed souls will not want more. ... außer another world war? ...

(7) "Socialism and Democracy" in the Transitional Period

IV — (7) — 1 ~ 10

1.(M)(N)

... (15) ... Concerning the transition to socialism, it is obvious that adherence to democratic principles in the sense of allegiance to the autonomous will of a large, or any, majority of individuals imposes resignations upon socialists, for today and calculable future this resignation does not necessarily involve self-effacement. For there is plenty to do for them in building up the party, taking part in or even forming government — prize of power and achievement that are satisfactory to many. But all that is theirs, to very different degrees, on the condition of keeping clear of vital nerves of the existing system. ... Altern. of keeping alone or else take part in the work of bourgeoisie radicalism — with in the system. ... All that work that imitates the important intellectuals to distortion. ... And for the fundamental change there is, and there will be for decades to come, no majority in that sense — which is also the sense, as I believe, which Marxian doctrine, as meant by Marx, required. ... Das ist ja der tiefe Grund, warum Sozialisten nicht demokratisch sind, oder, du mit einer Alternative zufrieden sind! Und sie sind nicht zu verachten! ...

(15) wäre dann die Möglichkeit, ein dem. transition if fullness (in time) ... und wie dann Operation. ... oder wäre das nicht besser (14) ... (16) dann Übergang durch Gewalt oder snatched victory ; muß so sein reaktionär alle im soz. Intellektuellen stärken ; bourgeoisie wird gerächt. ... III ... we return und wenden an, was gesagt und dann Essey über "Can Work" will distinguish Übergang und Operation. ... Achtgeben auf Übergang und dann großen Frage, ob Majoritätsfrage hier III oder in I ... Of this we can easily satisfy ourselves. For part of the argument we may move on a line not too divergent from that a normal socialist of Marxian training would take, for the rest we have to diverge. ...

2.(M)(N)

The industrial proletariat, including the foreman type but not the clerical staff, forms nowhere the majority of the electorate and is not likely ever to do so. Marx himself perhaps thought it would and that process of concentration and proletarianization would in the end yield to required majority — a very homogeneous one, by far the most satisfactory case : that was the army he thought of. But even granting for the moment that industrial workers as defined would really weld into such a homogeneous mass, united by pervading class consciousness, naturally imbued by the socialist standpoint and uncompromizingly hostile to any other, its relative growth slackened and began to stagnate from roughly the first decade of this century. Many socialist orthodox ones among them observing this without necessarily calling in question the message or prophecy yet be

begun to draw revisionist (see next Essay) conclusions, at least to the extent that the coming of socialism would be a slower process than they or the predecessor has thought. ... Gegenüberstellung von Prol. und Nicht Prol. und konservative Arbeiter ... nicht Axiom, sondern Problem ... Prozeß natürlich und gleichzeitig — in Japan und Indien noch große Zunahme. in U.S. zwischen 7 und 25 noch 20 percent, in England und Wales wenig mehr als 9. ... umkehren! ... mehre Sätze! ... besser ausdrücken! ... coming off the land ...

3.(M)

The first doubts arose concerning the agrarian sphere. The peasant surely so long a time dying that it become uncertain whether he would die at all especially he was as firmly supported as he was. Application of “laws of concentration” become a problem. Kausky wrote a book. It seemed clear, precisely from the other standpoint which stress objective constellation of interests, that here was indeed a solid block barring expansion of proletarian class conciousness. There was a second best, however, if not in the nice theoretical way the peasant population might be inserted into the proletarian front without being proletarianized. The very realism of the peasant, his non blushing narrow egotism seems to offer a handle by which turn his political standing ground. If his property and his returns were guaranteed he would care little what happened to the rest. The fact that he worked with his lands and disorderly no large employer of labor — Tugan Baranovsky — made it easy to make him into a sort of honorary member of the proletariat and to make the two sacrifices palatable to socialist theorists and practitioners to propose to safeguard this particular kind of private property and to pay a rather heavy price in terms of protection and other gifts —which price moreover was only at the charge of the followers. But the peasant, because of his very realism, was also distrustful as well he might perfectly aware of bid from the other side. Impatient intellectuals might advocate farmer-labor parties. But the will to overcome — this case truly autonomous — was and is formidable conduct.

Less cyclons on the severe of principles, but no less difficulties in practice were and are experienced with respect to small traders and producers — mainly retailers, artisans, manufacturers who are little more artisans. These, so the doctrine says with some if not perfect truth, are devined to disappear — in fact the chain store will eventually settle the bulk of this class. But they too take a long time in dying. And they too can to a considerable extent be helped. ... Though they must be defended against the typical capitalists! ... Little comfort for the impatient youngster who himself wants to do the managing in socialism, because they are the most lively adherent and political mainstay of private enterprise.

4.(N)

Also fortführend in III : also keine Majorität oder keine “echte”. ... Und eine sehr unverlässliche und halb—widerwillige welche zu benutzen schon anti-dem. ist und schon

sehr dazu einlädt mit a little terror nachzuhelfen. ... und auch noch 1~3 weitere Seiten!
... vielleicht

a) in abstracto b) wenn demokratisch arrived at c) wenn mit Gewalt erreicht. ...

Now about operation of the socialist machine once it has been constructed. Let us remind ourselves again that the problem differs according to whether that machine emerges, in the fullness of time, from economic and social conditions completely ready for it in the sense explained in a previous talk as the ripe product of evolutionary process and in the manner which may in fairness claim to be democratic — though some revolutionary action may still be necessary to overcome the resistance of barriers that are rotting but have not quite rotted away — or in the only manner in which it can emerge, as the result of a victory snatched from an unwilling majority by force and by the grace of a favorable though temporary chance such as an other world war is likely to create. We shall confine our discussion to the latter case, merely indicating some of the points which also apply to the former. ... Wo eigentlich das Thema of world war? ...

5.(N)

Another reminder before we start : I am not claim that the arguments that are to support my conclusions are probable in the strict sense and fully admit the existence of a wide expanse of ground in which opinions may fairly differ even among people who are not separated by impossible gulfs. What then do claim? ... Exactly what I claimed, most of these arguments, it seems, loose their force to the case of socialist realization by the method of evolutionary. So they do. Transition is conceivable in a democratic manner and as a result of autonomous volition of an overwhelming majority, and then there is no reason why democratic method should not continue to prevail thereafter. Perhaps it would not be the full-blood thing it used to mean when associated with the action of self-reliant men standing on their own ground and all that sort of thing that today draws a sneer. But it will still be genuine democracy.

Ich komme also zum Resultat daß, wenngleich arising des Kapitalismus (via Aufbrechen der Bindungen Schaffung einer separative öffentlichen Sphäre ; self-reliant “rugged” individuals, die auf eigenen Boden steht) für Entstehen der demokratischen Formen und Ideologie verantwortlich ist, es ist doch nicht richtig ist, daß es keine Demokratie gibt bei Planung u.s.w.. Das aber bedeutet Umschaltung des Arguments in IV-III. ... Whoever hates socialism enough to wish that it should never come except as a curse has reason to be grateful to the modern intellectual. ... In wesentlichen Punkten übernimmt der Faschismus sozialistische Methoden und Prinzipien, und das darf nicht übersehen werden über dem Geschrei (rindertive hawl) der balked Palestintees! ... Unterschied aber auch wesentlich, besonders daß keine Spitze gegen Privateigentum hat.

6.(M)(N)

I do not wish to stress again the obvious fact that “transition” are not unlikely to last and that as long as they do last the arsenal of instrument of torture, from demonstration trial and concentration camps to the shutting out of information and discussion and to movies and radios, will remain at the command of the ruling man or group. But regardless of this, the created will once created perpetuates itself by its own inertia, long enough at least for an educating system, a press, an intellectual class to grow up which inculcates its tenets and forms a new generation that knows of nothing else except in the most unfavorable light. There are strong guarantees of people thinking, feeling and voting “right” for quite a time to come, conceivably without additional pressure and in particular without additional interference with the exercise of their franchise. Thus the creative will may become an autonomous one that is psychologically as genuine as its predecessor was — that predecessor into the making of which the element of compulsion entered to but a smaller degree. The which only amounts to paraphrasing in some what more realistic terms the official theory of the process — the doctrine that humanity need only be pushed, however much against its misguided will, into the socialist form of life, in order to see its glories and to be converted.

Think as you please about the truth of this doctrine and for previous arguments of this type — that they are based on ascertainable facts and rational inference from these facts. And this I hold is the only method available if we are to apply reason, not merely professions of belief, to the issues under discussion. Any utopia may be made logically consistent and in this sense impregnable to rational argument. In particular there is no logical inconsistency at all, it is practical one only and everyone have an undebatable logical sight to attach his own weight to those facts and inferences.

To the true democrat, a socialist organization of society that owes its existence to force is vitiated in its roots, at least if force be applied to a majority and even if were untinged by blood. He ought to do — and this is indeed a matter of logical consistency — to disapprove also if there be no force in any ordinary sense but any substitution, to use our terminology, of created for autonomous volition and even the mere “snatching” of a victory when people do not think as they normally do. ... are in a state of exaltation, despondency or fright. ... But in the practice of such a socialist system that substitution which in the case under discussion would be necessary for the transition would contribute much to ultimate success.

7.(N)

Wenn ich nicht zuviel unter 1 über Unmöglichkeit der Majorität sage, weder mit oder ohne Proporz ; so ist das under III auszuführen ; wie das sozial vor Alternative stellt der Resignation, welche die Form des keeping the flame burning oder die Form des laborism annehmen kann oder even violence (“Revolution”). ... Zuerst ist das erstere zu diskutieren und das Resultat für Demokartie : möglichst daran festzuhalten an Prinzip des autonomen

Willens selbst durch Revolution — wesentlich nicht was der bürgerliche Demokrat mit Demokratie assoz. — Volk als ruling class. ... Bürokratie ... und desto wirksamer je weniger demokratisch. ... freilich das nicht so wichtig wenn stationär. ... Und dann eben verschiedene Realisierung “heute” in der Vordergrund stellen ; und enden mit ritual in roots wenngleich das dem Gläubiger nicht macht ; und entscheidet auch für die nächste Zukunft ; Russland mußte so vorgehen ; Lenin hat recht von 1903 an! ...

Es ist nicht unmöglich hier nur issue on principle zu diskutieren, mit abstrakten Problemen der Demokratie im Vordergrund. ... Aber Darstellung der Stellung des Sozialismus kollidiert doch. ... Vielleicht enden mit : Modell ist wahrer Sozialismus, aber democr. Sozialismus — und auch dessen Theorie in le Lange — ein Spezialfall und semi-bürgerlich ; der muß sich aller Versuche enthalten fundamentale Nerven zu schädigen und spokes in wheel und selbst die Form der Machieavelist Ratschlage. ... Praktisch bedeutet das Aufgaben — ist vielleicht klüger , sich freie Hand zu bewahren. ... Aber das gehört auch in Politik! ... Verstoß auch besser in einzelnen Punkten, ob einzelne Verstaatlichungen. ...

8.(N)

Wenn IV/III beginnt mit ausführlichen Nachweise, daß keine Majorität möglich (das und die Stellung des Sozialismus zur Demokratie sind dann zu berücksichtigen in V), so wäre zu zeigen, warum nicht demokratisch sein kann, weder in Einführung noch in Operation. Und das ist ja auch so ungefähr!! ... So wäre dann auseinander zu setzen, in welchem Sinne am Ende Majorität möglich wäre — peasant Problem bleibt, retailer und artisan werden weniger bedeutsam und clerical — artistic Klasse (werden der Oberschicht ja immer mehr die Mittel zur Herrschaft entwunden und Aktionsradius beschränkt) kann z.T. erobert ; wichtigst ist aber “consent” der Oberschicht.

Keineswegs behauptet, daß alles in Butter ist ; der Moment, wo sozusagen von selbst Haß kommt nie ; aber Übergang nicht unmöglich und, in a sense, auch Operation — oder “wird auch immer möglicher”. ... (Soziologie der Theorie of vanishing investment opp. : Leute können das schon heute wahr haben.) ... Aber ist eine andere Demokratie. (Wenn ich sehe, daß zu große Gegensatz die Demokratie nicht funktionieren lassen, so mußte ich doch schließen.) und gerade keine ökonomische Demokratie. Parlament u.s.w. was wir mit Demokratie assoz., ist aus kapitalistischer Institution verwechselt ; checking body u.s.w. ; und es ist nun Geschmackssache, ob das, was herauskommt, nicht mehr Demokratie ist oder die wahre Demokratie ; “Freiheit”? Was heißt Freiheit? ... Ganz absehen von solchen Dingen wie Eugenik. ... enden mit Illusion. ...

9.(N)

Auch ganz klar wo die Schwierigkeit : über große Entsagung verlangen. ... hier Prinzip : Interesse der leaders and prof. adherents ist, worauf es bei Sozialismus wie jeder anderen Partei ankommt!, weil man keine Majorität. ...

Under the trade name of transitional stage ... nothing so democratic as fully matured socialism will be, of course, but meanwhile, in these immature and imperfect conditions of ours and with our souls and institutions full of prisons of capitalism, it may be useful or even necessary to pave the road towards that perfect democracy of socialism by means that are somewhat less than democratic and may properly include an occasional dose of force and terror. ...

Now, as a general proposition, it may certainly be hold that the means of operating a social system and the means of bringing it about are logically distinct things and hence a set of principles which is to apply to the one purpose needs not necessarily apply to the other which may call for different and even conflicting ones. But this does not overcome the difficulty we are concerned with. For the believer in democracy, transitional tyranny would vitiate the new order at the roots because to him democratic principles are absolute. They cannot be discarded when convenient, not even temporarily. They apply to social change not with lesser but with greater weight than to any decisions which do not touch to the fundamental framework—— that is why in democracies invariably surround organic change —— is invariably surrounded with special guaranties any alterations of the constitution or organic statues of the community.

10.(M)(N)

It is sometimes clear how dangerous the expedient of the transit. state is. Moreover any state of things can be called transitional and there is no limit to what may be subsumed under the heading once the heading is admitted. ... Und der demokratische Sozialismus kann vielleicht zum Sunday-School Ideal werden für immer. ...And temporary or provisional structures, policies and so on as a rule hardy plants the growth of which may forever keep air and light from the “ultimate ideals”. Who compromises on this point and by means of this devise therefore proved that democracy, however he may like it, is a non-essential and that other things are more important to him —— which of course is no reproach. In practice, it will in general mean that he really cares for democracy only if he expects the particular democracy in question to do the things which he approves. ... Wer Demokratie wirklich liebt, darf diese Gefahr nicht laufen. ... Vor die Wahl gestellt und Sozialismus der Demokratie vorgezogen (“temporär”) ...

But I am anxious not to stress those and other argument too much. They are true enough. But they might easily overshadow what will turn out to be the essential point about democracy. ... Das wesentliche ist eben das 1 Argument : daß auch change demokratisch sein muß. ... Ich kann da nur gemeint haben über kreierten Willen in Sprechen ; vielleicht besser zurücklenken zu den Faktum des Bolschewismus, der noch wahrer Sozialismus ist. ... hierarchic socialism ... Und ob in Russland Sache nicht dauernd nötig ... und to force : neither majority nor minority, sondern Atavismus. ... rational

agreement, persuasion ist Basis of belief. ... Willen kriern ... 1) Also zuerst das große Faktum eines nicht-demokratischen Gemeinwesen und einer anti-demokratischen Ideologie. ...

(8) Conclusion : Socialism and Democracy

IV — (8) — 1 ~ 8

1.(M)

The preceding argument will be seen to lead up to the following result : socialism in our sense and democracy in our sense are compatible provided the socialist order is introduced in what we have described as a state of maturity. Unfortunately this result still for explanation.

The necessity of the proviso about maturity is obvious. We have seen that socialism can not be carried in a democratic way until the institutions and interests of capitalist society are in a state of advanced (though not necessarily complete) atrophy. We have also seen that this should roughly correspond to an economic state which is either stationary or at least high rationalized and so saturated with capital that further development can proceed from it without any fundamental breaks or reorientations. If these conditions are not fulfilled, that is to say, if such things as the Russian Gosplans may have to undertaken, then it is practically certain that democratic method would fail at the task even if an attempt to use it were made after a nondemocratic transition. If they are fulfilled however and decision to adopt the socialist order or a series of steps amounting to adopting it comes about according to the rules of democratic procedure, then there seemed to be no reason why these rules should have to be abandon later on.

2.(M)

Perhaps we may go even further. Democracy implies some tolerations of political differences. At the same time, differences beyond of a degree of intensity that varies according to the spirit and circumstances of a nation — “fundamental dimensions” as we have called them — will always threaten the functioning of democracy and even its very life. I have pointed out in PartIII that such differences need not absent but also that the socialist régime will eliminate some of them. Though the phenomenon of social class may not disappear completely, it will at any rate change sufficiently to warrant the prediction that class-wise differences of outlook and interests and class antagonism will much less important. ...

Our expectations concerning this point depend, it will be recalled, on our views about the nature of the social classes on the one hand and on our definitions of socialism on the other. ... In part because of this and in part independently of it, greater uniformity of education and style of life would also tend to reduce, along with the variety of views, the danger of fundamental rifts. ... Finally, that discipline which may possibly prevail in a socialist society, would of course not cease to assert itself at the borderline of the political sphere. ... If this were all we might expect the democratic method to work more

and not less effectively in the socialist than it does in the capitalist order of things. ... So far, then, Socialists score.

3.(M)

But that argument, even if there were no qualifications to add to it, would still fail to support the larger claim by socialist orthodoxy, viz. that genuine democracy can not exist except in a socialist society. Of course, this claim can always be established by definition. For instance we can define both the socialism and democracy by the criterion of equality in such a way as to make them congruent. If however not content with a tautology, we inquire into the foundations of that belief, we are quickly led to the classical doctrine of democracy and to its Benthamists associations. Placing ourselves on the standpoint of the eighteenth-century rationalization of the Christian creeds, we readily see that a certain kind of Socialism and a certain kind of democracy arise *pari passu* from sacred premises. and placing ourselves on the standpoint of eighteenth-century analysis of human nature and human action, we also see that socialism and democracy would be expected to analyze *pari passu* although, before John St. Mill, Benthamists did not visualize the former but only an intermediate station, competitive capitalism, which they mistook for the terminal : from the standpoint of the principle, “everyone to count for one, no body to count for more than one”, equalitarian socialism and equalitarian democracy do mutually condition each other, as a matter of semi-religious ideal as well as fact. This, the proposition under discussion ceases to be a tautology, if based upon the sociology underlying the classical doctrine of democracy. But instead of being not tautological it become untenable because that sociology involves untenable statement of fact. [O] p299

A psychological factor in the tendency to identify socialism and democracy should not go unnoticed, because of its obvious role in shaping the notions that many orthodox socialists — Marx included — entertained on the subjects. Many of them, having passed their formative years in an atmosphere of bourgeois radicalism and retained much of its ideals and of its general cultural background. Conviction that democracy was a fine thing, was part of that background. When embarking upon their socialist career, they would have found it intolerable to think that their glamorous ideal could, even as a possibility, lack any of the good features of life. It would have been almost equally intolerable to think that one of the good features they valued most could present in such a compound of vices as bourgeois society was.

4.(M)

If however we adopt the theory of competitive leadership, then it follows that democracy and socialism, though compatible, do not imply each other. Socialism, without ceasing to be socialism, can be autocratic, hierarchic, aristocratic or else, it may be a cultural patterns such as imperialism that tend to favor nondemocratic political method. This I have sufficiently insisted on before. ... That tendency would be particularly strong in a

socialist society and under modern conditions. In order to convince ourselves of this, it is only necessary to consider the extent to which the success of English imperialism has been due to action of individual capitalist groups. It was obviously much easier for the state to rush to the defence of interests previously created by semi-private conquest — think of India or Rhodesia for instance — and to subject them to government control afterwards, then it would have been to create them by government action planned and carried under the conditions of democratic system, which would be the only method available for the socialist society with imperialist propensities. ...

Vice versa, it follows from the analysis of the preceding chapter as well as from direct historical observation that the democratic method is not confined to any particular type of economic patterns. The only question to ask is therefore the one we have already answered in part, viz. whether there is anything in patterns of centralist socialism as such to facilitate or obstruct the functioning democracy. Scrutinizing of the argument by which socialists have tried to prove that there is no genuine democracy without socialism, in fact shows that, even if were incontestably true, all they would establish is the presence of such obstructing factors in the capitalist pattern and the proposition that capitalist democracy is more likely than socialist democracy to deviate from design.

5.(M)

There is, first, the argument that democratic management of public affairs and autocratic management in the economic sphere constitute contradictions in logic and most unfair in practice. If this means that we cannot have genuine democracy until everything is managed according to the rules of the democratic method, then the argument is meaningless because the success of the socialist régime will largely depend on its ability to restrict judiciously the application of those rules. To this we shall presently return. If however all that is meant is that the political leaders who emerge from the competitive struggle for votes and the economic leaders who emerge from the competitive struggle for customers are likely to differ in type, attitudes, and interests, and that they may fail to get on with each other, then the argument is of course quite true. ... But merely points out one of the reasons why democracy does not work smoothly in transitional situations in which the various sectors of national life are out of harmony with one another. Democracies in the times of intact capitalism did not display that phenomenon. They may not have been of a kind to please the socialist. But they were genuine democracies nevertheless. The same applies to any other political method. Between the most absolute despotism in the state and perfect freedom of economic activity is never a contradiction in logic and not necessarily incompatibility in practice.

Second there is the argument that in the capitalist society the competitive struggle for political leadership is being vitiated by a factor that is — extraneous to the idea of the democratic method — the economic power of the capitalist class. Though it also asserts

itself in other ways, it will suffice to consider corruption and pressure. Of course bribery financed from capitalist sources and pressure, that people are able to exert by virtue of the positions they hold in capitalist industry and finance, are deviations and distortions that are peculiar to the political democracy of capitalism. That they are not inherent to it, however, that is to say, that we are within our rights when calling them deviations, follows from the facts that there are capitalist democracies which are practically free from them : the English example shows not only this but also how democracies may grow out a state of things in which corruption and intimidation—— though not always in the capitalist interest —— actually did play a role of paramount importance.

Moreover this particular type of distortion of the working of democracy —— or any other political method —— is only one item on a long list of devices for moulding an electorate or parliament and of manufacturing this “will”, as our socialist friends ought to know. Whether under given conditions it is more or less serious than are others is therefore a question of fact the answer to which will primarily depend on qualities of the environment that are largely independent of its economic organization. It is not obvious that there must do more of genuinely independent voting in a society in which the government is in control of the whole economic apparatus.

6.(M)

To return to our argument. The reasons which we saw for expecting that, in some respects, democracy might formation more smoothly in socialist than it does in capitalist society. We must make haste to expect that any such expectation is contingent upon the ability of socialist society to limit the sphere of political decision. Readers may well have wondered how it was possible for me to speak of the compatibility of democracy and socialism after all that I have written before on the conditions under which the democratic is likely to be a success. The answer is simple. The expansion of public management over sphere of economic activity does not imply, and, if democratic socialism is to be successful, must not imply, a coextensive expansion of the realm of the political decision. That is to say, socialization does not mean that socialized industry should be run by the government or by means of act of parliament. Still less does it mean that it should be run by the “people” or that consumer’s leagues and similar bodies should have more to say than they have now.

It would be absurd, of course, to try to determine by parliamentary methods how many pairs of shoes of a certain kind are to be produced per year and how the shoe industry is to go about producing them. It would be only a little less absurd to debate in parliament what the rate of interest, if any, should be. But it is not so absurd for a government to propose a certain volume of investment as a part of its budget. And it seems quite natural that questions of framework and principle, such as the rules of of distribution or the length of the workingday or the admission or abolition of independent organs of control —— analogies, for instance, to central banks —— should be treated as government

questions are now. General debates about efficiency, investigation committees (especially of the type of the English Royal Commission and so on, would continue to fulfill their present functions.

Such an arrangement is quite essential for the success of a socialist régime using the democratic method and it is evident, on the one hand, what an amount of self-restraint it would impose upon all the groups concerned and, on the other hand, how seriously it would damp some of the most cherished socialist's hopes. If opponents of socialism should feel inclined to argue that socialist democracy will never work in the way envisaged, that is their affair. Their guess is as good as mine. All I am concerned with is to show that under conditions which tend to be fulfilled increasingly as socialist maturity is approached, those is nothing intrinsically impossible in that picture. It's necessary complement is, again, the presence of a highly trained competent and honest bureaucracy which enjoys sufficient independence from the political factors, fusing citizen's committees included, to do current managing according to its own ideas and standards.

7.(M)

This in turn partly answers the question how the managerial personnel is to be selected. As stated in Part III, serious socialists have always been aware of this question and also, I believe, of the fact that the "democracy is no answer to it". In 1910, when the German Socialists definitively turned against Bolshevism, the more radical ones answering them still believed that they would have to take over industry, at least large scale industry. A committee for socialization (Sozialisierungskommission) was accordingly set up which devoted a lot of serious attention to that problem. The result was curious.

The proposal that managers should be elected, by the workmen of their own plant was, if I remember rightly, not ever discussed. The existing workmen's councils — that had grown up during the month of universal breakdown — were objects of dislike and suspicion. The committee, trying to get away as far as possible from the popular idea about Industrial Democracy, did its best to shape these councils into a mould substantially similar to that of company, — union committees are seemed to care little for developing their functions. ... [O] p300

Industrial or Economic Democracy is a phrase that figures in so many quasi-utopias that it has retained very little its precise meaning. Mainly, I think, it means two things : first, the trade-unions rule over industrial relations ; second democratization of the monarchic factory by workmen's representation on boards or other devices calculated to secure them influence on the way in which technological improvements are in the plant, business policy in general, and of course discipline in the plant in particular, including method of "hiring and firing". Profit sharing is a nostrum of a subgroup of the schemes. It is safe to say that much of this economic democracy will vanish into their air in a

socialist régime. Nor is this so offensive as it may sound. For many of the interests this kind of democracy is intended to safeguard will then cease to exist. All the more did it care for strengthening the authority and safeguarding the independence of the management. They even bestowed much thought on how to prevent managers from loosing capitalist vitality and sinking into the rut of bureacratic procedure. If it is possible to speak of a definite results of discussions that were soon to lose practical interest, it can only be described by saying that, barring phraseology, those socialist managers would hardly have differed from the executives of a modern corporation. Responsible men could hardly have come to another result. We thus reach, by a different route, the conclusion already arrived at in Part III.

8.(M)

Therefore, the socialist régime will not necessarily extend the scope of elective office anymore than it need to extend the scope of political decision. It is true that appointment, especially appointments to the leading managerial positions, will have to be made by a political officer who may be guided by political considerations. However, as in the appointments of generals, politics would not in general be everything. There are the rules and the opinions of the service. And there are always some motives, egoistic and other, that may prompt the minister of production to look for able man.

The effect of socialization on the working of government and parliament itself are difficult to prognosticate as are the effect of socialization on the personnel freedom. It might be argued that candidates for parliament and members of parliament will not be what they were in the times of “men of independent means” — there is no doubt some corelation between character and money — or even that it might not be possible to allow them as much freedom of action as society was able to grant in the times when its supply of bread and butter was normally independent of the political game. There are also well-known and well-worn argument about the universal slavery in the socialist barrack. And parallel to these, there are no less well-known and well-worn counter arguments emanating from the socialist camp. But there are matters of largely biassed guessing in which I have nothing to add to the sneers of ones and to the protections of others.

Part V The First and Second World War and Socialist Parties,
added American Economy and Keynesian Theory

(1) From the First to the Second World War

1) Results of the First World War

V — (1) — 1) 1~4

2) Socialists entered into Administering Capitalism

V — (1) — 2) 1~4

3) The Second World War and the Future of Socialist Parties

V — (1) — 3) 1~5

(2) Miscellaneous Passages viewed from America
during the Second World War

V — (2) — 1~27

(3) The World Situation immediately after War and Various
Aspects in Advance of Socialist Parties

V — (3) — 1~14

(4) Supplementary Passages to (3)

V — (4) — 1~34

(5) American Situation, Washington Economics
and Keynesian Theory

V — (5) — 1~12

(6) Stalin and Russian Problem in France, England
and America

V — (6) — 1~6

1) Results of the First World War

V— (1) — 1) 1 ~ 4

1.(M)

Excepting Russia, the prewar socialist parties everywhere survived the shock of the first world war. For a time, they even experienced a great access of power. The creeds, slogans, the ultimate goals, the organizations of bureaucracies, the leaders or the types of leaders, were still the same, fundamentally at least, when the world war fired to settle down amidst a mass of insoluble problems. This is as one should have expected and if war effects had been all that was the matter with that world, there would in fact have been no reason why previous trends should not have been resumed — perhaps at a somewhat rapid pace. It is only now that we — or some of us — are in a position to realize that that war acquired an additional importance by bringing up to the surface facts and factors that down below had been gathering momentum long ago but of which most of us had been completely unaware. The socialist parties, sharing the error of the bourgeois camp, approached their post war problems on the hypothesis that what they had to deal with was still the old world and that they know all about it. ... This attitude is reflected in the last-card theory of fascism which will be noticed later on. ... Yet it is clear by now that though socialism as we defined it in part III was, if anything, propelled by the conditions during and after the war those particular types of socialism which can only grow out of a substantially peaceful and internationalist bourgeois world and which are the visualized by the old-style orthodox socialist (and Marxist) were, together with their cultural complement rapidly fading a way.

2.(M)

It has been pointed out, at the end of the preceding chapter, that, as members of their international organization, the socialist parties did all they would to avert the war. Having done this however, they rallied to their national causes with a readiness that was truly astounding. German Marists hesitated even less than English laborites. Of course it must be borne in mind that every belligerent nation was fully convinced that it was waging a purely defensive war — every war is defensive or at least “preventive” in the eyes of the nations that wage it. ... Whether or not the majority of socialist politicians believed in Marxian internationalism, they certainly realized that any stand taken upon the Gospel would have only cost them their following. The Masses would have first stared at them and then they would have renounced allegiance — thereby refuting via facti the Marxian doctrine that the proletarian has no country and that class war is the only war that concerns him. ... In the sense, a vital pillar of the Marxian structure broke down in August 1914. ... It was felt in the conservative camp : German

conservatives suddenly began to refer to the socialist party in language that the pink of courtesy. It was felt in that part of the socialist camp in which the faith still retained its old ardor. ... Kautsky and Haase left the majority (March 1916) and in 1917 organized the Independent Social Democratic Party. ... [O] p252

3.(M)

More important was another split that occurred later, but may be traced back to the event of 1914. It really dates further back than that. Even since Engels' declaration for "peaceful methods", it was clear in the case of Germany, and even since the London conference of the Russian party (1903) it was clear in the case of Russia, that there was room for a more radical party to the left of what had become official socialism. And room of that kind never remains unoccupied for long. For various reasons, various types of radicals — mostly activist intellectuals without standing in the existing parties — were becoming disaffected and beginning to look upon that official socialism much in the light in which Marx and Engels looked upon the socialism of 1847 when they adopted term of communism in preference to the term socialism. ... Bebel's leadership for a time succeeded in putting off the evil day but it was bound to come. Moreover, the temptation of the left wing was not only unavoidable in order to satisfy the ambitions of a rising generation, but also unmixed evil for the rest of the party whose steady — if disowned — progress towards power was being increasingly impeded by the pressure of that wing. ... [O] p358~359

Naturally, the war issue went far toward consolidating the group, though at first the full significance of the fact was obscured by the succession of the Independents with whom all that was at stake was an essentially temporary difference of opinion on what many believed was a mere question of tactics. Even Lenin's proclamation to the effect that the Second International was dead and that the hour had struck for entirely different aims and methods did not then, to the majority of socialists, convey anything fundamentally different. Similarly the Spartacus league, founded in Germany by K. Liebknecht and R. Luxemburg (1916) which in its opposition to the war went much beyond the Independents — dropping the last shred of the defence creed and trying to temper with the troops — did not, even after war restraints has been removed, go beyond insisting on the letter of the old Erfurt program. Neither Liebknecht nor Luxemburg, much disapproved of as they were, never completely served their contracts with individual Independents or even some members of the majority. ... Some of them however ; while depreciating ill-advised rashness, sympathized with them. ... Finally, the convention in Switzerland, at Zimmenward (1915) and at Kiental (1916), did not in themselves amounts to more than to understandable attempt to keep up international contacts, though discussions were naturally influenced by the fact that most of those who went were more radical and more inclined toward revolutionally courses than most of those who staged away. ... There was nothing particularly radical in the wish to hold such conferences. Proofs of this is

that secretary of the Second International (C. Huysmans) acting on a suggestion of the Scandinavian socialist, also made an attempt to convene a congress (1917) which failed principally because the allied power, by that time bent on a fight to a finish, refused to grant the necessary passports.

To sum up this part of our analysis : “communism“ in the sense of a creed more radically revolutionary than that of the established parties was gathering forces during the war and distinct communist parties, having many new elements that had never figured in the old parties, were sure to emerge, though the great majority of socialists was not aware and could not have been expected to be aware of the exorable necessity underlying this development. But that communism might have been simply a return to a naive Marxism — stepping into the ideological shoes that were being discarding by the established parties — and these communist parties might have been not more interesting than are any other examples for that well-known mechanism of party politics by which new radical groups come into existence. It is reasonable to assume that this would in fact have been the case but for the development in Russia, which, by lending an entirely different color to modern communism, raise a much more difficult problem in diagnosis.

4.(M)

Any major war that ends in defeat will shake the social fabric to its foundation and in particular threaten the position of the ruling group : the loss of prestige resulting from military defeat is one of the hardest things to survive. I do not know of any exception to the rule. But the converse proposition is not certain. Unless success be quick, at all events, striking and clearly associated with the performance of the ruling stratum, exhaustion, economic, physical and psychological, may well produce, even in the case of victory, effects on relative position of classes as well as of all other types of social groups that do not differ essentially from those of defeat. The first world war was illustrates this well. ... [OO] p354

For the fortunes of the socialist parties of western and middle Europe, this meant three things.

First, the Advent of power ... The long stretch that before the war separated them from responsible office was telescoped into almost nothing and many of the barriers on the way were suddenly removed. Control of central organs of society had not to be conquered. It was trusted upon them. This was the natural consequence of the facts, that the socialist parties had joined the various war coalitions, get well much less associated with war politics — hence much less discredited by them — than were the bourgeois parties : had they failed to support the national governments during the war, all nonsocialists and many socialists would have felt that they had deserted their nations in the hour of danger ; had they run along fully cry, as the other parties had done, discredit would

have extended to them. As it was, they had qualified for responsibility ; and they emerged as the only people capable of handling certain problems, domestic as well as foreign. Concerning the former (domestic), only socialist parties were in a position to make acceptable to the growling masses that measure of pro-labor policy that it was possible to give ; concerning the latter (foreign), they had, so seemed at that time, only to take up their own prewar threads in order to heel gaping wounds. How they set about to do this, each in its own country and what success attend their efforts, we shall presently proceed to analyse. But the considerable measure of success that attended their action, on an international scale, call for notice at once.

Some of them tried to revive the Second International. Others, who distrusted the chances of that experiment and realized that the Second International in its old form was definitely a thing of the past, yet did not care to join the Communist Internatinal, formed a union of their own, the Workers International Union (the Vienna International). The nature of the difference between two may be expressed by recalling that communists — and also some socialists — at the time used to refer to the Vienna as the International number two-and-one-half. The intention was in fact to construct a half-way house that in the end would accomodate all socialists, its atmosphere, being expected to radicalize the group in the revived Second International and restrain the communists. This hope seems chimerical to us, yet was not unreasonable at the time. Accodingly, class war and revolution were to be retained, enshrined in the credo, whereas the actual program was to have nothing to do with them. This was of course unacceptable for the communists but understanding the Second International was evidently arrived at on the basis of the program.

The sectional obstacles were removed, by compromise, in a manner that would have done credit to any eighteenth-century diplomatist. ... The continental could not live without class-war. The English felt unable with it. So it was retained in the German and French texts of the protocol (Klassenkamph, lutte des classes), and replaced by a convenient — and completely unrecognizable circumlocution in the English one. ... That happened, and meager was consummated, at the Hamburg convention of 1923 : the war was stigmatized as imperialist, international action against “reaction” adumbrated, regulations about reparations were passed, and the trade union interest was conciliated by a vote in favor of the eight-hour day legislation. In a deeper sense all that failed to take account of the currents of the age — as much as did the contemporaneous bourgeois resolutions about free trade and disarmament — and really meant chasing shadows of the past. However, it was not futile at the time. That is sufficiently patent from the fact that the London agreement on reparations (1934) and Locarno policy were greatly facilitated — to some extent even inspired — by the Hamburg resolutions.

Second, an Impossible Situation ... Marx had visualized the conquest of political power as a prerequisite to socialization. This implies — and Marx’s argument in fact always

assumes — that the opportunity would occur when capitalism had run its course and, as I have put it in Part III, when things and souls were ripe. The breakdown he thought of was to be a breakdown of the economic engine of capitalism from internal causes. Political breakdown of bourgeois world was a mere incident to this. But now the political breakdown — or something akin to it — has happened, while the economic process was nowhere near maturity as yet. It was a most un-Marxian situation.

The student in his closet may speculate about the cause of things would have been if the socialist parties, recognizing that state of things has refused the Trojan horse of office, remained in the opposition and allowed the bourgeoisie to clear the mess it had made. Perhaps it would have been better for them, for socialism, for the world — who knew ... Some of remarks on the subject will be offered in our discussion of the German case. ... But for men by that time had learned to identify themselves with their nations and to take the point of views responsibility, there was no choice. However they immediately faced an insoluble problem. ... [OO] p364

There was a social and economic system that would not function except on capitalist lines. The socialist might control it, regulate it in the interest of labor, squeeze it to the point of impairing its efficiency — but they were unable to do anything specifically socialist. If they were to run it, they would have to run according to its logic. And did. Something of course was done to dress up their measures in socialist phrases, and the magnifying glass are applied, with some success, to very difference between their policy and what bourgeois alternatives were supposed to be. In substance however they had to do what liberals or conservatives would also have done under the circumstances. But, though the only possible one, this policy discouraged all who meant something when calling themselves socialists, yet completely failed to reconcile those who bore the economic or ideological costs. A dead laborism ensued that satisfied nobody except trade unions and a certain group of reformist fellow travelers. ... [OO] p365

Third, the Communist Danger ... We must careful to extinguish the complications that arise from the relation of the communist group with Russia and the problem of the communism as it would have posited itself to the socialist parties in the absence of that relation.

Concerning the latter we have seen that the emergence of a party to the left of official socialism was in any case only a question of time, and that there is nothing to wonder at in the fact that such a party should have been started on the slogan : back to Marx. We have only to add that defections were made serious by the readiness with which socialists embraced the power that came to them and by the impossible situation in which they found themselves so soon as embraced it. The intellectual believers in revolutionary socialism were not satisfied with being sidetracked into the position of teacher in some

party school where he might be permitted to vent his radicalism. For most of them there simply was no room in the party. It was much same with that part of masses that remembered the old slogan or was now having them fed to it new. This aspect, which is completely independent of Russian one, must, to repeat, never be lost sight of ; there would be communist parties even if the tzars still reigned over Russia. ... [O] p358

But it is easy to establish that the Russian aspect was by far important and that it is responsible for the extent of clashes that speedily opened up between communists and socialists, and might otherwise never have gone. ...

2) Socialists entered into Administrating Capitalism

V — (1) — 2) 1 ~ 4

1.(M)

... turn out to have been strengthened by MacDonal's second tenure of power. Again the analogy with Sir Re Peel's second ministry will help to illustrate this. Peel's conservative majority split on the issue of the repeal of the corn laws. The Peelite Wing of it, though much more numerous and important than MacDonald's personal following, soon disintegrated. The conservative party was maimed and proved unable to get into power — though it get three times into office — until Disraeli's great victory in 1873. But after that and until Sir Campbell Bannerman's victory in 1905, it hold power for about two thirds of the time. More important than this, the English Aristocracy and Gentry, politically speaking, hold their own all the time very much better than they would have done if the stigma of dear breed had not been removed.

As a matter of fact, the labor party quickly recovered and consolidated its position in the country during the years that followed upon the split. It is safe to say that in the normal course of things the socialists should again have come into office before long, with increased power and better chances of success, and that they would have been able to take a stronger line than they had taken previously. But it is equally safe to say that, both as to their program and as to their ability to give effect to it, their policy would have differed only in degree from the MacDonald policy — principally by some individual measures of socialization. The effect on these prospects of present war are of course impossible to foretell. But these is one possibility that is sufficiently interesting to be singled out for consideration.

Laborman entered the Churchill government in response to the call of emergency. But, whatever its outcome, this war is no mere intermezzo. It is likely that it will completely change the framework of society. If so, war taxation and war control of industry may never be repeated again. Since both are incompatible with the survival of the capitalist order, fundamental — though possible gradual — reconstruction will impose itself. Precisely what was impossible in 1919 may become unavoidable after this war. Now, it is not improbable that the labor party will be in a position — alone or in a coalition dominated by it — to preside over that reconstruction. For most of the opposition, that their program would otherwise have, may be expected to die away in a world, in which there are no capitalist left to fight for. Of course the spirit of the party may change in the process. It may acquire fascist hues. A military socialism may emerge for instance. That would be a strange answer to Marx's prayer. But happened repeatedly in English history, continuity — continuity of programs and of personnel — would still be

preserved in that case. It would be still the old party, however metamorphosed, that would rule the new state.

That is just a possibility, to repeat, one possibility out of many. But if it materialized it would constitute the only case of its kind. Everywhere else the parties, organizations, ideologies, programs of classical epoch of socialism have been either destroyed or lost their hold. Much of what they stood for is likely to be realized from other standpoints by other agents, and many their slogans — in Russia even an official cult of the Marxian deity — may survive for an infinite time. But as political individuals those parties are gone and so are their creeds if taken in their full cultural and political implications. That is even true of the embryonic groups in the United States — if ever any party of national importance arises that calls itself socialist, it will be something very different from what any of those groups might have grown into. It is emphatically true of the social democratic party, a brief survey of whose career in the twenties will conclude this sketch.

2.(M)

That career differed of course from the career of the English party in very many particulars. But during the decade that preceded its fall, the similarities of the two still more significant. As has been pointed as I had said before, the social democratic party came into power in a most unrevolutionary way — simply as the strongest party to which the country's destiny could best be entrusted, because considering both the foreign and domestic situation, it seemed to have the ball at its foot. But the socialist in office — “majority socialists” as the dissenters called him — had immediately to face a communist revolt that was more serious than were the troubles in England. Moreover, the better occurred when the labor party was not yet in office. So whereas the English socialists had only maneuver, German socialists had to shoot. They prevented sedition with an energy that would have done credit to any Prussian General of the old school and then found themselves in control of a bourgeois society which they had served. The fundamental problem was the same as in England but in difficulty it was incomparably greater. ... [O] p370

They tackled it in a way which, though naturally came in for almost universal vituperation, cannot, at this distance of time, fail to elicit our respect and even admiration. Ebert, Scheideman, Wissel and the other leaders of the first years were simple men without any personal magnetism. They were reverse of glamorous and they may not even have been very clever, their achievement merely how honesty and commonsense will go politics. They shouldered the responsibility for Versailles which other parties, in reality just as responsible, contrived to evade. They accepted the flaming hatred that answered their repressing of the communist revolt and emergence of a communist party that under circumstances successfully poached in their preserves. They made at first some concessions to more radical adherents, especially by talking about socialization and by passing a very

modest socialization law (1919). But they very soon shelved all that in order to apply themselves to labor legislation of the type made familiar to Americans by the New Deal, which satisfied the trade union though it failed to satisfy anyone else. In fact, they “laborized” themselves, and allowed the leading men in the trade union bureaucracy to form the operative part of their policy making machine.

This, one might think, should have been difficult for a party with a Marxian tradition that continued to prevail in the party school. But it was not. Barring a certain amount of leftist and downright communist defections, intellectuals, from whom opposition within the party could have expected to arise, were kept well in hand. Unlike the English party, German one had well settled down in the administrative apparatus of the Reich, the States, and municipalities. Moreover, it had, in the press and elsewhere, many jobs to offer. This patronage was energetically used. Obedience spelled preferment in the civil service, in the academic career, in the numerous public enterprise and so on. Hence a crick of whip was effective in bringing radicals to heel. ... [O] p372

That sort of thing of course not only strengthened party discipline but also increased the membership and, even beyond membership, the rate on which the party was able to count. But powerful though the party was in all the spheres of national life, it is not strong enough to rule in a parliamentary sense. In 1925, the total population was about 62 millions. The proletariat (laborers and their families : I include the domestic servants) numbered not quite 28 millions and even part of the vote of this class habitually wants to other parties. The “independent” population was not much smaller — about 24 mill. — and largely impervious to the socialist persuasion. Even if we exclude an upperstratum — say one million — and confine ourselves to the groups that count at the polls, the peasants, artisans, retailers, more was not smaller to be conquered these, not only for the moment but even for the calculable future. Between these two classes, there were the white-collar employees, not less than 10 millions of them including their families. The social democratic party quite alive to the fact that this class held the key position, and made great efforts to conquer it. But in spite of considerable success, these efforts only serve to show that the white-collar is a much more serious barrier than it should be according to the Marxian theory of social classes. ... [O] p370

3.(M)

When confronted with the fact socialists usually derive comfort from the arguments that non socialist employees are just erring sheep who have yet found their true political location, but who are sure to find it eventually; or that they are prevented from joining the party by the ruthless pressure exerted by their employers. The first argument will not carry conviction to anyone beyond the Marxian fold — we have seen that the theory of social class is one of the weakest links in a Marxian chain. The second argument is false as a matter of plain fact. Whatever truth it may have contained at other times,

the German employer of the twenties were, safe exceptions without quantitative importance, in no position to influence the vote of their employees.

Nor is this all. In political experience and ability the antisocialist forces of Germany were on the whole much below their English peers. In fact, things were made more difficult for the social democratic party because of the absence of an intelligent conservative opposition. But this opposition was much more firmly rooted in the national soil than was its English counterpart. For instance, the Junker class was numerically insignificant and moreover quite unable to acquire the kind of political leadership in which the English gentry excelled. But in large parts of the country its position was nevertheless so firmly entrenched that nothing but physical violence could have destroyed it.

Thus, so soon as the party had decided against making common cause with the communists and to quench opposition in torrents of blood, it had to give up any intention of exclusive rule. It had to enter into coalition and compromise with non-socialist parties and interests, not as a temporary expedient but as a permanent arrangement. Moreover, that decision once taken, there really was no reason why it should not do so. Such an arrangement did not prevent it from building up its following. Nor did coalition stand in the way of fulfilling the wishes of the trade unions. And there was much to be said for sharing responsibility.

An alliance with the Catholic (center) party suggested itself at a very early stage. It is true that this party contained practically all the people who professed allegiance of the Catholic church and that there were some of the most antisocialist men among them. But it had a very radical wing whose importance was greatly increased by the necessity of retaining, in competition with the socialists, the allegiance of the Catholic trade unions. Hence the centrists were in actual practice just as "laborites" as were the socialists themselves. Moreover they harbored no particularly loosing memories of the Protestant Hohenzollern Monarchy and hence were, from the socialist standpoint, sound in that very important respect. They soon found the Weimar Republic quite a comfortable place.

Of course, the socialists had to leave the Catholic church alone and even to help in buttressing its power and independence. They also had to admit the center to a good share of patronage which it used even more effectively than did the socialists. But when the center had been satisfied on these two points cooperation worked almost unbelievable smoothness. On the whole, the dominating influence on the Prussian Free State (including the control of the police) went to the socialists who treated the Catholic west with almost tact, while the sphere of federal government was more or less dealt with a common hunting ground, the system worked so well that it mothered little whether a centrist or a socialist nomenklatura was in name at the heat of affairs.

But no party that was prepared to take its stand on the Weimar constitution was entirely left out in the cold. Important, sometimes leading, office was repeatedly granted to the German National (roughly equivalent to conservative) Party. and, along with men without any pronounced political affiliations, members of all those bourgeois parties were admitted that continued to exist, as they had before the war, in the wide expanse of ground between the "National" and the socialist. This particularly the case with the Democratic party — a leftist still thoroughly capitalistic, liberal groups — which stronger in talent than in membership, became the strong-hold of those who liked everything about the new state and everything about socialists except the latter's socialism that somehow did not seem to matter.

Coalition as a universal principle involved compromise as a universal principle. The compromise about the Catholic church which to some observers might have seemed the most difficult one was really the easiest of all. Apparently, the socialists felt that this was not one of the vital issues of the hour and that it was much better to cooperate peacefully with a contented ally than to arouse the hostility of what then seemed — Hitler did not find it so — a formidable organization. After all, removal by concordat of some of the fetters imposed by the monarchy was all that was at stake. Compromise as to agrarian policy was more serious. As in this country (… U.S.A. … editor) , agrarian subsidies and agrarian protection were made more palpable by being called "planning". Planning however that aims at dearer bread will not sound well in everybody's ears as it was unavoidable quid pro quo with which to conciliate the landed interest. Again within the limits set by treaty of Versailles, the army was allowed to remain a world unto itself. But we need only visualize what the alternative was in order to convince ourselves that the party's attitude in this respect was, from a national point, a defensible one. From the party's standpoint, this was another compromise the Nationals from revolting.

These, I believe, are fair examples of the kind of compromises the Social Democrats sponsors. If they are, then three things are fairly obvious. First there was a strong case to be made for them on the merits of the individual issues. Second they are obvious entered into in a spirit of democratic cooperation, and they were the sort of solutions that would naturally occur to men sobered by responsibility, satisfied with their power, conscious of the fact that it is along way between the current problem and ultimate principle. Third non of compromises, I can think of, had anything to do with the fall of the party unless the leader choose to stress that such a policy will do little towards keeping alive such revolutionary ardors of the rank and file may have harbored.

A situation emerged which looked eminently stable in all but one important respect. Part of the political and cultural achievement of that system of government was due to large and quickly increasing public expenditure that oiled the governmental engine. This expenditure had, moreover, to be financed by methods which — though a highly

successful sales tax was among them — drained the sources of accumulation. So long as the inflow of foreign capital continued, all went comparatively well, although budgetary and even cash difficulties began to appear more a year before that inflow ceased. When it did cease, that well-known situation emerged which would have undermined the position of the most magnetic leaders. ... [O] p172

4.(M)

How, then, are we to account for the catastrophe without preceded that overtook it? For a defeat so smashing as to driven it from office and from entrenchment and to annihilate the organization itself that were perennial and was universally considered as one of the most unshakable date in the political pattern of our time? A defeat that occurred while many of the organs of public administration were as yet at the service of the party and its centrist ally and while it still had a right to feel that it was in possession of the power to call a general strike? And at the hand of a leader who had started out ten years ago with less than a dozen of adherent? ... Whatever answer other may think fit to give, I want to say, as a matter of sincerity, that I have no adequate explanation to offer. What I do understand — that is, to the best of my knowledge, exactly what other observers understand — is favoring circumstances. Of course Versailles, unemployment and so on ... just as Mahammed's success would have been impossible without the qualities of Arab horse. And nothing like could have happend in the Hohenzollen Monarchy. ... But no amount of favorable conditions constitutes fundamental explanation. As far as I am concerned, this can only come, if at all, from further thought and observation. Under its circumstances my inference is very naturally is that no conclusion can be drawn from the occurrence of that catastrophe to the effect that the policy of social democratic party must have been either fundamentally wrong or at least patently incompetent in execution. No policy or political system can be condemned because it is not proof against an earthquake of this kind. The break-down of the centris power is still more striking. Nevertheless the same applied to it.

3) The Second World War and the Future of Socialist Parties

V — (1) — 3) 1 ~ 5

1.(M)

The present war will of course alter the social, political, economic data of our problem. Many things will become possible, many others impossible, that were not so before. A few pages at the end of this book will briefly deal with this aspect. But it seems to me essential, for the sake of political thought, to visualize the problem irrespective of the effects of the war. Otherwise its nature can never stand out as it should.

How the present war will affect the future of the various socialist groups and parties will of course depend upon its duration and outcome. Certain points seem to be worth mentioning however.

There are some small nations, Sweden for instance or Switzerland, in which the socialist party's position may not be affected at all. But among the parties in the big nations, the English labor Party is the only one to admit of a definite scope. The labormen entered the Churchill Government in the response to the call of emergency. But if my previous analysis is correct, they were then well advanced in the road to office and power irrespective of it. Therefore they will be quite naturally in a position to manage the tasks of reconstruction, alone or in the coalition they would control. The war economy will have realized some of their immediate aim. To considerable extent, they will have only to keep what they have got already. Moreover, further advance may be expected to be relatively easy in conditions in which there is not much left for capitalists to fight for. Of course the spirit of the party may change in the process. It may become, in action as well as in phraselology, more radical or more conservative—— or more or less nationalist —— according circumstances. Continuity of principle and personnel could be preserved in either case. This certainly applies if the war issues in an English victory, and presumable also if it does not.

2.(M)

It is not so certain that war will benefit the existing socialist groups in this country (in America ... editor). Circumstances are indeed easily imaginable —— they are perhaps not even unlikely —— in which an efficient socialist party might experience a great access of strength, that would be a powerful motive for other socialist labor, and farmer-labor groups to join it. In this case an organization might emerge powerful enough to conquer the presidential office. Leaving to the reader the details to fall in and conditions to work out, I will merely state , first that this possibility is much weakened by the fact that the only socialist party qualifying for this role is itself so weakened, secondly that there

are many other possibilities. Much will depend on how communist competition will shape and this in turn on what Russia's position, in the alliance and in the world in general, will be at the end of the war. Moreover quite new venturers using the old party machines may be embarked upon from other quarters. Neither principles nor personnels can be expected to be preserved with any of those possible cases.

3.(M)

Assuming a complete Anglo-American victory, that is to say, of a victory that enforces surrender, it will certainly be the policy of the victors, especially of England, to favor democratic socialism of the old type in the vanquished countries. For only political structures of that type could be expected to accept, for more than a period of prostration, disarmament and the Anglo-American management of the world's affairs that would be the prize of victory. But installing such governments may not be easy, and still less so would it be to keep them in power. In the case of France, for instance, socialists and laborites are, rightly or wrongly, associated with national disaster. In Germany they have, though through no fault of theirs, been unable to share the vicissitudes of the war ; many exiles have taken an anti-Hitler attitude that is difficult to distinguish from. The favor of the victors will be equivocal recommendation. Therefore, though renaissance of the old parties is not impossible and though it is impossible foretell what will happen in short-run situations which must unavoidably present many abnormal — and meaningless — features, it is perhaps not unlikely that the fabric of European society might catch fire.

And, particularly if Russia were to be the chief victor, that chaos might ensure with Bolshevism, first in the vanquished countries and then beyond them, as the resolvent agency. This, as has been stated before, is the rationale of the American communist's type for a world revolution.

If we assume in complete success of Russo-Anglo-American alliance, the implication of the preceding of argument for the fate of the socialist — and in this case also Communist-groups and parties that existed before the advent of fascism in some and before the outbreak of the war in other European countries of course apply with a vengeance.

4.(M)

Quite irrespective of the outcome of the war however and of the fortunes of any particular socialist group, it is certain that the civilized world — including the fascist countries — will take a long stride toward socialims. We have seen that on balance the war 1914—1918 accelerated developments in that direction. The present war is bound to do so to a much higher degree. It may completely change the framework of society. The quarter of a century that has elapsed 1914 and 1939 is a span that cannot be neglected in a problem involving the question of “maturity of things and souls” for a socialist future.

Events and policies during that epoch have greatly contributed to that process of maturing. It follows that war controls of economic activity and bureaucratic machinery setup for working them will not be liquidated as easily and — comparatively speaking — thoroughly as they were in and after 1919.

To a great extent they have undoubtedly come to stay and we see in all countries that preparations are being made to put them to other uses, ostensibly in order to prevent a postwar slump or to deal with problems of international reconstruction, in reality in order to develop the organs of complete socialization. War taxation that is not likely to be repealed again will do the rests. Exactly what was impossible in 1919 may impose itself when peace is once more restored. This of course no questions of intentions whatever the intentions may, precisely if there be no definite intentions of this kind that could be fought, but only drifting in obedience to the logic of the situation — that will the effect.

I have adverted to the possibility of a world revolution and do not wish to discard it now. That less spectacular method of bringing about a socialist order however (to be) both more likely and, in the long run, more effective. Forms and phrases will depend on tactical considerations. Essentially however it will be socialism in any case. But it is only socialism in our sense. In particular it may turn out to be nationalist, militarist and imperialist — to all intents and purposes fascist. That would be a strange answer to Marx's prayer. But history sometimes indulges in jokes of questionable taste. ... It is not entirely off the cards that when everything is said and especially above conservative and radical intellectuals will find themselves side by side in the same uncomfortable spot exchanging condolences.

5.(M)

This chapter had been written before September 1939. Some of the larger issues by the war will be touched upon in Part IV. All that it is necessary to add here, is that the fundamental question involved are not affected by the turn events have taken. In particular, war time government control and planning is a phenomenon sui generis and not itself relevant to the subject in hand. Nevertheless this war and the social circumstances under which it is being waged bears upon it in several ways, even if we discard the possibility that wars and conditions boarding on war may for many decades become the normal state of things — the possibility which is economically and sociologically quite feasible, of permanent war.

War time controls, if at all firmly established, are not likely to be repealed any more. In part this will be the consequence of the increase in the burdon of taxation if we assume, as it is reasonable to do, that tax rates after the war will be above those that valued before the war in roughly the same proportion in which tax rate after 1919 were above those of 1914. For in this case the motive power of private industry will be definitively

eliminated, and government will have to take itself responsible for the function of an important sectors of the capitalist economy. Independently of this government will be much better equipped for the task and the public will be much prepared to accept the situation than they were in 1918 : post war adjustment will be made in a different spirit and in a different atmosphere. Finally, the forces of resistance will also be reduced, and the forces making for social change encouraged by the strain which modern war imposes upon the fabric of society, the consequent radicalization of the masses and the intellectuals, this quenching of bourgeois' beacon light. In all these respects, modern war of sufficient importance and duration tend, whatever their military results,* to accelerate the development outlined in Part II, as ineed obvious from European experience in twenties and thirties. No less obviously however it does not follow that orthodox and especially civilized socialists should congratulate themselves on the fact. We need not rely on resonable likelihood alone, but we can already desire support from experience, in suspecting that possibly orthodox socialists and orthodox conservatives may someday feel inclined to extend to each other their most heartfelt condolences and to indulge in regrets that they did not understand each other (and their own business) before.

*) That was different in the past. Whenever a ruling group waged a successful war, it gained in political strength. The reader will have no difficulty in seeing why that is no longer so. Non-bourgeois groups that stood in close relation to the engine of war — who were engines of war or at least manned or manage it — were identified with success or failure and public mind reacted accordingly. Now war is, on the one hand, an affair of all strata of society and, on the other hand, impersonal and mechanized. An individual politician may still, for a time, successfully pose as “the man who won the war”. But no class or group derives much permanent accession of strength from success so long as society remind essentially bourgeois. Industry in particular never gets credit for its contribution which is not of nature to fire to the imagination of the masses.

(2) Miscellaneous Passages viewed from America during the Second World War

V — (2) — 1 ~ 27

1.(N)

unmittelbare Sit. in Welt und U.S. ... Wenn die Götter verderben wollen, den machen sie blind. ... Trouble is, there is no policy. ... see Keynes ... über Amerika attaining controvercy ... servants in Russia ... ganz unerwartete Sit. : um Disziplin zu erreichen und standard Schichten zu sichern ... real victor Clemenceau ... Keynes Essay p40 über Peace p42 ...

2.(N)

Same sit. wieder wie sie Keynes beschreibt : Amerika hälte alle Karten und kann nicht spielen. We have lost this war. ...

3.(N)

New Deal is in retreat fighting very such ground. ... Brauchte gar nicht to retreat und weise. ... Aber eben die agencies, die nur warten auf attack und kein Verständnis für Organismus haben. ... Die Ökonomen mit ihren shibboleths und nicht einsehen, daß mehr als vor. ...

4.(N)

Fascist Organisation hat viele Dinge gemacht für Sozialismus. ... Aber daraus sollte niemand Gründe für oder wider ableiten. ...

5.(N)

Chester Barnard ... visiting committee — Cole Project ... Nur fascism can retten. ... Necrology of Hitler ... the incredible indoctrination ... Friday meeting ... Und jetzt kommt Struggle — aber nicht Sozialismus und Interesse of masses ... Delivery by “hope”, während die sehen und arbeiten Formen of defection ... Attitude very curious... machen Information Gesicht ... Und sagen neckend : he is not really Bolschewik. ... Antidesirable atti. des Bedrohten : glaubt es je weniger. ...

6.(N)

Shut eyes ... escapism, so far as exclude correspondence. ... Ist not that right or wrong, obgleich ich mir jederzeit vorbehalte. ...

Ist expansion of Japan — Germany to ever necess. ... wichtiger als wir zugeben ... nicht jenseits of Direktion ihrer New Deal overrefined by bus. und nach und nach schlimmer

... likes bother program... Threat doch gar nicht military sondern under-ground ... diese absurden Anti-Trust Gestz! ... und sogar Gosplan? ...

7.(N)

Wichtig : es ist gleichgültig, ob CTO or dayly Worker Kommunisten "sind" oder dafür sich erklären. ... Wichtig ist, daß sie work Stalins tun oder noch dulden daß work für Stalin getan ist. ...

8.(N)

Ruhigste alte Leute sind antibigbusiness. ... Beurteilung der war-Leistung ... Neu mild Bolschewisation. ... Niemand will sie rückgängig machen. ... Needy sind eben "underprivileged" und "disinherited" ... Trouble ist that Russia Russia ... Pope, einzige ernst power ... "New empire tzar" : just as a board decides in a Maschine. ... Arbeiter überhaupt nicht zu erreichen "entscheiden" in a ihrer Organisation. ... jedenfalls nicht : Monopole, saving investment is case deciding itself ...

9.(N)

Und full-empl. sociology ... kapitalistische Gesellschaftsfunktionen on buyer's market... Sociology of produktive Plans (aber am ehesten ernst in England) ... Planning for a world of idiots ... Ihre Reform is recovery over again. ... This is not ... sondern nur ... Was hat Sozialist geändert — Konversion und Rekonstruktion ist nicht eine Aufgabe, sondern eine verschiedene für Sozialismus. ...

Unglaubliche Kraft des Wirtschaftsorganismus in Amerika... Strikes sind gegen andere Arbeiter und labor trouble ... ganz anders in Guild soci. ...

OPA ... may not be able to see real argument oder state is correctly aber bluff Resistanz does the trick. ...

Wenn Christianisierung u.s.w. meant anything to us, we should be at the War already. Daß ein Organismus oder Mechanismus immer full fold goes, ist in no sense. An ideal Kapitalismus nicht als bankrupting. ...

10.(N)

Wir incl. in seine values und diese values sind die Welt. ... (He was Franklin Roosevelt ... editor) ... Seine Religion und ideas of fastness und duty ... where he puts his foot down ... in human Import viele explosive materials ... lost in a wage ... Minimum effi. mit Maximum discredit. ... uncertain, how any more will be taken certain (politica or bus.). ... Amerika must stay out. ... out of war, still more out of peace. ...

11.(N)

Einziges Power, die gleichwertig sprechen kann ... (He was Joseph Stalin ... editor)

1) Complete failure of Roosevelt-Churchill policy — who can afford to admit this? ...

Und das nur half-work. ...

2) fired und fired publicity enough und want to get back to the normal bus of life ...

2)a ... ob überhaupt möglich ...

3) Sadisums und automatisches Weiterlaufen ...

Escapism ... habit to get things by persuading conclud. that we have them. ... unreal Ameri. politics ... We simply say its so and think we have done something. So will ich das Problem posit, und erklären why Problem ist wenn ich es behandeln, weil wir nicht sehen wollen hoping against hope. ...sit i

Ist man in chaining in a concentration camp, während wir are in der fixing further might von these who can't defend themselves. ... Kahn elect. ... Selbst in England in 24, aber jetzt nicht immer. ... Der Kommunist hat Hoffnung und Schutz, und besonders auch Hoffnung auf Indep. from U.S. ... Außerdem : in exor. Logik während wir possible und schnell uns revidiert und appeased und remorse. ... Bürokratismus und econ. complementing on splendid achievement. ... Diagnose um so wichtiger. ...

12.(N)

rigidity — short run — investment ... Attribut gegeben und nicht zu ändern. ... ständig new gebildet — aber das auch rigid unterworfen. ... lay der woman voter ... tyranny of big bus. : Festhalten alter Phrasen, die ihren Inhalt verloren haben. ... Wichtig : wie eigentlich alles erreicht ist und es nur Unfähigkeit der Administration ist. ... Die glaring über des Kindes auf Straße erzeugt — das ist konservativ von Wiege bis zum Grabe. ... Und auch diese idiotic von freedom. ... 1789! ... Was hatte geschehen sollen in 89. ... Und Rußland ... Kapitalisumus und reserve capac. : organischer order. ... Defeatism ... Orderly doing the obvious and it will be also no more. ... Was Amerika should do, wenn es eine Politik haben könnte. ...

13.(N)

even Frage der equality (unempl.) ... Sociology of positive Problem ... intessanter als economics ... unemployment — shift to services ... Hilf unempl. ; sure by Premium und flight from labo. ... Frage der Motive — wirklich in long run und auch Erziehung. ... Kapitalismus braucht unbeschränkte inequality oder hat Lahner recht? ... Warum besteht er daraus — macht doch nichts aus ... labor unrest ... secur. Beveridge ...

14.(N)

ins Kabinett Staatsmann ... U.S. weight ihre Waagschale of socialism. ... Anti-trust action als Handlung is a transunderstanding. ... technol. unempl. und short run ass. ... Staatsekretär unempl. ... empl. und output zu unterscheiden. ... real danger ... brutal

und clammy measures ... Kapital und anti-infl. measures ... In economics we try to work with actual observed behavior, in policy to work with dream. ... Dishers und Butters taken to lightly upward conversion (durch Steuerprivilegien).

15.(N)

A trust survive? ... fight of Bürokratie — the administrative apparatus for control... Nothing but politics and Bürokratie kann prevent from reaching this goal. ... ganz so wie reform vs recovery : perfectly true, perfectly fused ... Argument vermeiden, daß kein soci. of Produktion zu erwarten. ... ganz anders, wo Entwicklung in Betracht kommt. ... OPA besser ... auch 2 Fragen ... macht influ. worse. ... anti trust practice ... eigentlich 2 Fragen : die rein ökonomische und die practice. ... “restraint” ... enforcing surrender ; abhängig machen von bürokratischen Entscheidung. ... Schärfe : wie ist chance zu erreichen. ...

16.(N)

Bürokratie, labor, New Deal have won out, if ... surrender von Kapitalismus durch freezing a) Lohnbezahlungen, b) Investment. ...

17.(N)

Eine Gesellschaft, welche ablehnt guidance of Preismechanismus, hört eben auf, privatwirtschaftlich zu sein. ... wenn niemand mehr kaufen und verkaufen kann wie er will, Kapitalismus ist nicht dying — its dead. ...

18.(N)

Was also hätte getan can? Well why stop hammering at. ... daß kann ein Diktator, aber nicht der demokratische Staatsmann, as soon as passion unleashed. ... wanton destruction ... Not that I have a want to add or also nicht : would have, aber etwas über England. ... But ... England, und zwar ohne Rücksicht auf Russia angle. ... Jings Kahn aber relief. ... Argument für producing common good nicht so überzeugend after all ... small shift. ...

19.(N)

Very struggle with “Sozialist”. ... Russia can socialism hier erzeugen. ... To get Japan without fighting her, so daß viel mehr chance, trotz Manchuko, als these ...

20.(N)

Außerdem — sehr schwer for the reigning party — nicht unmöglich, aber schwierig — maximal policy d.h. sehr leicht objectively so as to forces — aber next to responsible politically. ... Manchuria ... No radical can be democratic. ...

21.(N)

Japan, statt terri. — reparation —. ... inheritance und stupid ... und racial cruelty ... Contrast to professed aims is most striking thing ... nur phrases retained... And is dasselbe, ob Russland wins oder nicht. ... Ist schließlich nicht mehr als daß he will die. ... Every state of thing is passing. ... (he ... is Japan? ... editor)

22.(N)

ad IV ... obwohl Information gesichert, noch genuine will erfüllt (oder höchstens in sehr longer Zeit) : the present state in U.S. affords samples for both. ... Es ist hardly möglich. ... auf gewisse könnte er eine Studie machen aber. ... (ist ja Erfahrung mit Statistik u.s.w.) ...

a) Nobody, auch wenn sehr kultiviert, können wohl mehr eigene Arbeit als er currently leisten kann. Ein Bild über Ostasiat. Frage und sozial und econo. implic. hat — Information falsifiziert selbst von agencies, die sich als semi-scientific fact finding darstellen ; merkwürdige Kombination, welche das Land im Schwierigkeiten mit Japan treibt. (östl. Arbeiterinteresse ; darauf basierte, aber davon unabhängig gemachte anti-Japan Einstellung ;) ... (er, ... he ... F.Roosevelt, what is the “merkwürdige Kombination?” ... editor)

b) 80% gegen Krieg, und doch alle Information und Zeitungen systematisch für Krieg ; Schlagwort von “Can we stay out” for war, unter cover pretending to find means of staying out (“isolationed”). ... gen. will ... mehr geeint als in irgend einer anderen Frage (“defence”). ... Und sicher können oder wollen die Leute die einzigartige Sit. des Landes, die ihnen und der Welt eine Stütze. ... Und unterdessen geschieht alles, um Krieg vorzubereiten und wirtschaftliche Mobilisierung, Maßnahmen, die gar keinen Sinn haben, wenn nicht Krieg intendiert ist. ... (managing of sureness of (?)). ... America doing her best to undermine her market. ... Board über for. policy in foe Lands. ... Allerdings schließlich erreicht : siehe Landslide 1920 und scharfes Abwenden von leage, aber erst nachdem Schaden geschehen! ...

Diese Enqueten, die von Wesentlichen ablenken. NIR. B ... Dies comm. ...

23.(N)

interessant ... diese planning bodies here in U.S. ... gibt ganz Ähnliches in U.S.S.R. ... und diese questionnaires ...

24.(N)

Escapism über labor ... daß man Forderungen erfüllen kann wie wenn diese Verlust wären. ... dictatorship of labor ... bad ... Union can be so wrong. ... guild socialism possib. ... Konsumtion und democr. slogan ... On level of leage of woman voter, sinnlos Sabotage und Zerstörung von Organisation : internationale Kartelle, die agencies arbeiten weiter wie Maschinen, sinnlos weiterlaufen ohne creative idea. ... the positive labor Problem und

daß man das bornes nicht sieht ... Maximum. labor share is anderen economies. ... Aber colossal performance des Wirtschaftssektors, die sehr viel Dinge möglich macht. ... Wenn man mit ihren Gewerkschaften verhandeln muß, so ist ja die Schlacht verloren. ... because positive Problem, nicht form of objection.

Escapism über Russia ... und ebenso mit Russen ... Der Professor, der seine Ambition spielerisch befriedigt (Keynes). ... Die Kommunisten sehen den struggle und prepare for it rationeller. ... Die anderen sind eine Herde weidender Rinder. ... Und man points to Abschaffung der soc. Profit. ... Violated all rules that good armer viel schlimmer als Dsingis Kahn. ... armament race ... in error logic ... trust busting ... freedom in prison ... Gesellschaft bricht auseinander : Gewerkschaften. ... what are they fighting für. ... Nicht nur world der Freiheit und achievement, so wirklich Mißbilligung, sondern kleine corruption ... die under privileged ... H₂SO₄ — und ich kann nur berichten was outcome. ...

25.(N)

Sad thing is, daß alles security und hope standards möglich wären in 1950 — ohne die Radikalen und labor Bürokratie ... Success der Industrie in war does not stand out. ... Geringer Ertrag bei geringer Risiko, und auch unterutiliz. ...

26.

Kapitalismus ... full empl. ... funktioniert nur in buyer's market ... There is no post war problem ...

27.(N)

Kapitalismus ... The relative gentleness of transition in U.S. (freilich inefficiencies) ; durch langsam Erziehung, durch changed environment, und teilweise durch consent. ... Importance of seeing this und acting, no doubt, but acting ist realization of data. ... spurious courage whistling Jack. ... Defeatist's talk about defeatism, escapist's talk about escapism. ... Vorher Problem of a soci. society in a capitalist world, Problem of Kapitalist soc. in ein socialist world. ... fascism? ... über Inflation, Diskussion lieber Preis u.s.w. ... Gegenmittel gegen Inflation liegt nicht in washing the trick, sondern in produktiver po wer des Apparates der großes Monopol maximum hat. ...

(3) The World Situation immediately after War and Various Aspects in Advance of Socialist Parties

V — (3) — 1 ~ 14

1(M)(N)

The argument of this chapter turns on two questions and on nothing else : what more can be said at present (May 1946) about the effects of the war on the social pattern of our time than has been said in the preceding chapter? How has this war affected the position and prospect of orthodox socialism? Beyond this no attempt can be made to probe into the complex of post war problem.

2(N)

Marx ... trouble is ... deeper Theorie of Interesse than either Marx oder "ideas" ... fear of bomb ... But all that refers to the possibility that has not matured. It is time to turn the one that has. Russia is not a side issue, she is the problem of the modern world which overshadows all others ... It would be necessary to assume daß alle nicht nur Kommunist but Russian Communist. ... Geschichtsphilosophie : not systems that fight but men und diese men in groups called Nation or races. ... half work — nothing. ... opponent ; fighting oppression by concession ... successful into his tactical Sit. ... Socialism organizes better groups and deshalb wichtig aber nicht otherwise. ... Daß Russia internationaler Sozialisten is irrelevant und wir können unseren Sozialismus haben, wenn wir wollen und trotzdem anti-Russen sein. Demonstration trials show. ... At each steps preservers who had to make concession. ... Easy to explain how peaces move. ... Those who never understand how luck and most entertain. ...

3(N)

Nicht positive Problem ... nicht sociol. of war, sondern nur a) wie war offer good polit. Struktur, b) course of orthod. socialism. ... war tax ... good poll tax ... beweist nichts, aber das beweist ... War tax alle citizen außer in army. ... Arbeiters enter up to 1800 d ollars incomes und indirekt tax über 300 dollers, $300 : 18 = 16.6$...

Should be simple matter ... aber facts, die so obvious ... astonishing Phänomen ... to heave things as one wishes to show them ... inheritance bei uns abgeschafft ... pitiful standard of life. ... Counter camp ... Abschluß gegen Welt ... to union instrum. rejoins ... arbitrary price repair ... Potemkin's village ... no honests or errors und nicht all an angel ... "except" mit Argument, daß alles rechtfertigt, nämlich das transitional. ...

Ernst! ... keine idealen Streiken ... Auch econ. schwierigkeit ist inab. to move und lack of discipline. ... War — and this is war, not peace — is no longer the great news.

OPA is ... But I want to say something about Chapter (or consequences) und außerdem ... über defeatism in des Buch ... in preface ...

We look upon a truly amazing scene. ... After war in which we have einen Autokraten in Position, wept for freedom und security. Und das by act of sectors und sector, die nicht selbst Bolschewisten sind. ...

Man sollte glauben : we have done half work. Beside we must liberate the Russians. ... Instead appeasement in callous disregard of all principles professed in motivation of the war, betrayed their trust, abandon some small nations. ... stifle freedom und sanction conquest : bully Spain and China ...

humanity and contrariness to ill treat ... security, Br. Empire, Law — never so much ... humanity ; small nations aber Jew ... cult und unruhig und sharp “epithets” only weak. ...

4(N)

Working mit committees and speeches ... gegen inexor. Logik, rational for policy, und unmöglich ... outcome of democratic policy in what wholly gab fumbling gegen inexor. logi ... Comfort und a discovery ... defeatism and escapism (appeasement) ... Ich als Buch wie in Einleitung : This is not a political book, not intended to be ; proof : Marxist part truth as I saw whether pleasant or not to myself or others. ... Vielleicht gibt es Leser, welche mir credit geben, das ich wolle. ... futile? Yes if knowledge is ; defeatism? im letzten chapter escapist attitude of our time. ... Wenn die Bombe fällt, so will ich. ... to help one found ... Und das applies auch für das neue Kapitel. ...

Frankreich, Poland, Finland und however ... Übergang : still more difficult wegen Müdigkeit und escapism it enforced. ... We have and are respons. for them. ... only half work ... (?) Mistake ist nicht was fools. ... We straight forward the bomb just as steered toward war. ... truism ... handing over more ... “honor” defence ... If we went hopping against hop, why did we kill hundreds of thousand of women and children. ...

Russia wird demokratisch? wie Deutschland! ... Wir wollen Freiheit, und was tun wir? Why we say, daß Polen frei? ... Mostly : letting things work out. ... Wir bloß Menschen sein und in really Demokratie können the making — why and then this wir Export business ahead. ... appeasement ... escapism und nearly defined battle array und gesagt ... mit verhüllten Haupt und in Giant stricken by remorse. ... facile talk about 2nd bomb ... putting on it the businessmen's face. ...

5(N)

Das eine zentrale Problem ; was sich nicht daran orientiert, ist futile — offenbar auch

Catholicism. ... Décadence de l'Europe ... combine in termed Camouflage von anderen Dingen oder Unsinn. ... wirklich sozialistische Sozialisten in schwieriger Lage — wollen Erziehung, menschliche Welt, Nationalisation. ... on a parle de Impérialisme Soviétique, aber Motiv ist nicht exploit. und Eroberung von Märkten, sondern strategic Erwerbungen und Sichern von Rohstoffen!! und ist so schön sans heurts in crisis. ... Und englischer laborism — pro, sogar frühere frontiers behalten und accord mit Amerika. ... Und ähnliche äußere Politik der Konservativen, commanded d' Indosina und protest Pole. und Czech Nationalisation. ... Und das gibt zu denken aux plus credules et aux plus aveugles. ... l' immense exper. Russe. ... Trotz ensevelissement capitalaist! prendre parti in conflict zwischen U.S. und Russland, und deshalb einzige Arbeiterpartei und es handelt sich darum, in selben Camp wie Russland zu sein (aber ohne Kommission), ... Für den Kommunisten ist Russland close épiérist. ... Revolution par en haut. ... und gerade das futile ist, daß hören wir hier, und amerikanischer bourgeois clamors for comfort. ... Idee, daß in U.S. ambit. bürgerli. Demokratie durch amerikanische credits und Geschenke am Leben bleibt und eben die Arbeiterschaft die Rechnung durchkreuzt. ... Revolution European wieder eine Möglichkeit und Händereichen der amerikanischen Prol. pour la grande conquit. ... Wird "dem Kapitalismus" eines essentialen Wirtschaftlichen Sektor wegnehmen. ... Und repercussion incalcul. hat in Amerika ans Asia. ...

6(N)

Marlinet ... Review International. Jan—Feb 46 ... Social Démocratie dans l' imposer ... Victory of Demokratie — was it a joke? ... obscurite, confusion, vide, malaise ... Sieg in America kein unifying effect of victory. ... Sieg der Labor Party in England ... les politicians and agitator und tut es um jede Stier, der von ihnen nicht wissen will. ... Das alte System ne renaitra pas des condolences. Nur in kleinen revolutionären Gruppen is mehr — aber nicht mehr als immer. Und das hat nichts zu tun mit irgend einem revolutionären ardor, der das erklären würde, daß man kein Interesse nimmt an alten cotillion. ...

Blum : convalescente fatigue ... Pilot a quitté le bord. ... Un monde ecroule — oder beweist das schon vorher. ... ecroule ... Was bleibt? ... A phase democratique des Kapitalismus ist vorüber. ... Democratic bourgeoisie ist im Sterben — in U.S. bedeutet das misgovernment. ... Gibt es eine andere. Blum — democratie populaire und energique. ... s l' echella humaine. ... Der Chef d' industrie und Sozialisten im Grunde in same boat : prolongment logique der bürgerlichen Demokratie. ... Aber Blum versteht, daß alte Formen vorüber? ... Aber betont Notwendigkeit des und anders pioneer executif. ... that bourgeoisie applause und nicht nur von den kleinen Leuten. ... de Gaullistes Apologie auch ... Die gegenwärtigen Streitigkeiten : Kultur ; Dirigismus, amerikanischer Kredit, Freiheit (die freie entrepreneurs) ; Korporationismus der Großen (mit Verstaatlichung der Unrentabeln). ...

Now book ... how astonishing — this is prestige of it abroad and only one to promise

profit ... Vorteil : leads to Interesse, danger, humanity, however remorse work for cruelty : we don't to want hear. ... Wie ist das in U.S. Intellektuelle, die nicht schweigen würden, und Russia, aber wie viel weiter umsetzartig : labor leaders : aber obj. Sit.. If major counted, it would be still tzarist. ... Sweden, Netherlands, amazing practice of society doing würdiges works for poli. dem. politics. ... first propaganda induce Wolf Wolf cried too often. ... theorist, propagandist, radical-socialist, Paul Reynaud ... wants destr. of culture and even values in Japan.

7(N)

Also Mittelwege, Lösungen, Kompromisse, die auf diesen Terrain bleiben ; die Kommunisten selbst tun das und CGT war für Reduktion der Importation dabei Klassenkämpfe über Löhne. ... Loi 2 X II 1945, Über Nationalisation (nur als Antwort auf crise banquier wenn auf nur eine von mehren möglichen Antworten). ... Aber alles setzt sich in kapitalistische terms um Wunsch nach IIIe Republik by einer kleiner fraction der bourgeoisie. Viele mehr wollen R'publ. antiretire (aber das ist doch nicht so). ... Blume's Stand ist nur réformiste de bile gauche (Lenin!) Und seine délice zeigt sich in joining march war les sol. antiretires. ... Aber das tun doch auch die Kommunisten — und zwar nicht als Diktatur des Prole. ... Sozialisten hören auf Artikel der Bolschewiks? ... Gegensatz zwischen Kommunisten nur Taktik und liberty und Russia. ... Liegt ein tournament unter Einfluß von Russland und revolutionären character? ... Tito hat sozialisiert! ... ohne indemocratee und russische armée! ... Revolution via coalition good? ... Everything turns on Russian angle. ... Alle kommunistischen tournaments change de technique und widersprechende Deklationen sind erklärt durch allegiance on Russia. ... Und United States ... Und das ist marque de leur fidélité a la Revolution. ... Sozialisten sagen : schöne Revolution ; die Gegensätze zwischen Kapitalismus Amer. und Sozialismus Russia. ... Das aber jeder sehen, daß nur vollständiger Sieg der eine oder anderen das Ende ist (aber nicht für Sozialismus! Der geht weiter!).

Alle adopt, aber Sozialismus a decadence. ... Vielleicht ; perhaps Leute, die sincerely geschafft haben auf renaissance der bürgerlichen Demokratie. ... Das war es, warum als pangs they support a war in which alle rules infringed. ... second bomb — aber ist es nicht für Freiheit, security, welfare ... policies und practices ... Trade-Union rule ist nicht das. ...

8(N)

Well noch : internati. econ. situ., welche Hoffnung rechtfertigt. Econ. consequ. of the war und present policy — an sich nicht so groß ; in England nicht so arg, weil human Apparat intact. ... Und daran summing up : Welt revolution — eben nicht Marxist — a real possibility durch unsere Aktion und nicht mehr. ... Produce der nur Sinn haben könnte in a living u.s.w.. ... Wilson ... Der Export um des Export wegen full empl. ; Industrialisation fremder Länder ; Pionier for Planung regulating it. ... England, necessity

for Export ... Econ. Problem und überhaupt positive Probleme nicht so arg. ... Vielleicht das voraus! ... Sophism : what should be done about it. ... peace — even mit Russia ... People don't see meaning of their very arguments auf Russen case. ... Ein Diktator more dangerous als 2. ... hope against hope, believe against fact ... Vielleicht esc. and appease ... exact opposit. Natur of powers ... moreover power und privilege conserved : unless counts 1st , unstable in his life und slave labor ... aber Russen armament ... Rußland socialism ... “if it not in 20 years”. ... France ... no leadership ... upshot Rüstung —und Sozialismus ... Russia in Russia ... Let us see Konsequenzen in the Möglichkeit. ... no leadership ... Spain nochmals ... rules, however half work ... über United Nations ... how to drive political System ... pol. not to see it. ... ausschließen von horrors ... all cards ... parli. points ... fascism ... daß Russia für Russia ... deprive of most elementary right ... horrors ... slave ... some elements ... others infused durch most of Propaganda ... But strongest Interesse opposed is worn. ... politics — und wo alle support herkommen. ...

9(N)

He is victor over his allies. Against everything that they can possibly be assumed to have wished or to have fought for, he has succeeded — and this from a position that was none too strong, in fact a position he might have had to be content to accept whatever those allies thought fit to grant, — in raising Russia to a position far beyond any she had under the Zuars and to bind their will to his own. He conquered more countries of foreign race than Hitler ever threatened. There is but one power that can speak to him on terms of equality. And even where his allies made a stand, Russia got all that really mattered to her. ... rule much beyond democracy in the making ... outside range of U.S. garrison, there is no power that can appreciation.

trouble mit Russia ... armament race ... form of def. ... Genius to let king's work for Russia ... Zuerst : adverting performance of a man! und daß in nicht so starker Position ... against what cannot have possibly been their wishes. ... Alles erreicht und more comfortably settled prestige at home and given Russian country. ... Aber nicht imperialist. ... Anxiously, now man könnte glauben ... half work ... we need not justify — the work is done to him. Wenn wir alle bolschew. wären, hoping against hope und anything. ... und dann Europ. Sit.und U.S. ... Wie believes in Christian or Demokratie or freedom, or at least private privacy oder humanity, tired machtlos down. ... only Möglichkeit in England (polit.), Kapitalisten — ohne bus. ... Masshalten des Diktators ... Arbeiter ; Inellektuelle ... immense prestige ... natural result ... unless he makes first mistake of his life ... penetration ... Policy II : nachgeben wo nötig, und das is möglich, weil andere Leute bis äußersten gehen ohne Demokratie und freedom. ... exploitation ... concentration camp selbst in honor victory ... um so wichtiger Diagnosis ... miserable standard of life in a rich Millionen ... frankly open an armament race, which nur ein object haben kann : und sagt so trouble is not. ... Sozialismus is a detail. Imperialismus ... Relation : single

party ... hence antidemocr., kein freedom of Presse and speak have confessed aber autocracy ...

How this was brought about. ... one of wonders of history ... all this fumbling : what dance. Aber viel unglaublicher ist : how people fail to see this, how is it daß the greatest of tzars enjoys sympathies in many countries, is wonder. ... Und ex. latter daß his slavery i s full empl. ohne Krisen, daß phrases in ludicrous conflict with facts ernst genommen werden. ... Wie möglich accept his Paschalik als unabhängige Staaten und his agents als representatives of indep. nations. ...

Decision to try appeasement — escapism. ... Randstaaten at his mercy ... ruhiger! christianity ... honor ... Very thing against which professor to fight. ... same und savory service in span ... Und Kapitalisten content weil hier things seem to quiet down. ...

10(N)

Würde besonders reactionary betracht werden. Aber diese reactionary selbst wollen es nicht. World Revolution so far off. ... why, then, first war. ... Warum alle Schlagworte versagen : Liberate. ... No prediction und not what should be done. ... Russen infer. Leute, die alles verteidigen, was Stalin tut. ... Why Demokrat und peaceful. ...

between the two in the Balkans, in the near East and Far East. the Russian entrenchments are strong but incomplete — they must be completed or aboandoned and outside of the self-governing Dominions, the whole Empire is either immediately or in directly threatened. At any individual points concessions may save situations — and faces — for a moment. Only complete surrender at all points can safeguard peace. The nation that went to war with Germany on much or less provocation is not likely for nation's act according to their pattern. ... But even if it were a) undermining b) exist of England, remedy may have been for policy of a nation. ... Foreign policy of a nation : set of conduct coming from pattern und tradition ... directly believed daß German would presently fly an army from Dekrets. ... Democracy does not guarantee but such a pervading mood does on wolf, wolf. ... Stalin, safety is tiredness, denn Nationen do not want to fight. What does it mean das "Nation." ... Craving for "security" filter etc und jetzt eimal gleichgültig?! ... Ja aber : econ. crazy of war ausführen wollen! auch wenn man nichts zurück kommt!

11(N)

We will neglect intell. und look at sit. in case studies. ... a) European communists who obey order, b) fear c) U.S. domestic policies. ... Form of defection and rechtfertigt daß nicht defection. ... christianity, Freedom, democracy, fair play ... nicht dasselbe ; aber hier does not matter. ... Nehmen wir Tatsache hin als notwendig — or at least private property. ... outstanding fact ... Aber more outstanding is attit. to result : halb work and on horror bound. ... a) Poland und Finland, b) Verteidigung those wenn wir haven deprived of means to defend threats. ... Interest ; duty, honor ... tired ; politics ... Politician have

to confess. ...

But obviously Russian element cannot be waste. ... On the contrary we have been dealing with a possibility that has not matured. ... It is time to turn to the one that has. First of all however let us pause to admire this stupendous achievement of political genius. whose way so neatly called such by pack foes und doubtful friend. ... Second, darauf Diagnose ... Third, attitude to Russia ... Some way have become its. ... It is inconceivable daß das either gewünscht oder vorausgesehen by either the leaders or the vast majority of their country. ... Kein Gegenspieler, Vorteile von Diktatur, andere alle wirken nur als followers. ... Johan in politics oder 4 powers. ...

How democracy could have done, was Stalin did. ... No rationelle policy möglich, welche abhängt von moods. ... Demokratie ; nicht free ; orderly due process of law. ... Mann ein Mann counts — nicht autocracy, no subord. ... military und only recently declared ... Der Sozialismus ist Nebensache, wenn es nicht fifth colo. bedeutet. ... Imperialist, exploiting a) by wages, b) by tax ... Position : a) stand, b) consol., c) die ahhängigen Staaten, d) die at mercy, e) partly überall außer in England und Spain. ... Trouble is daß Russia ist R ussia.

12(N)

... in the manner, dictated by decency and commonsense alike this would be the diagnosis and prognosis to adopt, though various qualifications would have to be added for the Latin countries and Japan : laborite régime, more radical but not more communists than were those of the 20s, with all this implies, economically, politically and culturally, “Administering Capitalism” no doubt, but administering it with clearer purpose and a stronger hand. ... In the view of the misunderstandings with which the argument of this book has met, it is desirable to point out once more that I am presenting the results of any analysis of facts and not. ...

But the Russian element cannot be neglected. On the contrary it is dominant element in the world. So far we have dealt with a possibility that had not matured it is time to turn to the one that has. Stalin in the true victor in the war not only in the sense he is a leading member of the victorious alliance but also in the sense that ...

13(N)

Paradise on the Earth. ... Im U.S. Gefahr ist nicht Bolsch. oder Fascism. Gefahr ist Unfähigkeit des Staates und Politik. ... War Probleme put forth alle strength und supreme sacrifice of Standard. ... Ruhig! ... Diese will undoubtedly result. ... Its common knowledge!! soziale Demokratie ... reform ... administrative Kapitalismus ... Revolution suppress “fascism”.

Was Demokratie ist. ... The great reserve is Rationalisation der öffentlichen Verwaltung. (social rationelles raising) ... choice recuperate ... Weber's positive Problem ... die große

Möglichkeit! ... Die 40 Billion compli. subincome for oneself.

14(N)

Auch spielt of country wo etwas waste in small public sphere did not matter. ... Resistenz of bureaucracy ...

It may seem to the reader that those conditions cannot possible be fulfilled. Complete fulfillment would in fact require such energy and responsibility of political leadership, such self denial and detail ability of administrative organs, such support from public opinion as could not possibly be forthcoming. A policy on those lines would run against some of the most cherished slogans, some of the most deeply ingrained beliefs of the people. The pressure groups would resist and all those who live by the present system of waste is only half of the trouble. The other half arises from all those well-meaning feather brains who count for much in the shaping of public opinion and who have allowed themselves to be convinced that the system of waste, that consist in dealing with every difficulty by pouring billions on it, is the chief motive power of prosperity. ... The worst that could befall wäre kapitalistischer Erfolg. ...

(4) Supplementary Passages to (3)

V — (4) — 1 ~ 34

1(N)

Nichts so merkwürdig ... (oder natürlich) als dieser unglaubliche escapism welche deluded itself mit palpable futilities and hopes against hope. ... To pretend daß nun alles schon bei United Nations' goals. ... It is escapism und lack of responsib. ... Und diese Republikleute sind nicht bolschewistische ... country undermined? ... New diel (und tr. Union) has won, if play their cards well. ... Whole secret is not to force fights when you are as yet too weak. ...

2(N)

Methode weise Geschichten zu machen ... Überlegenheit der Kommunisten : daß sie sit. sehen und bestimmtes Positive wollen. ... Aber will not the things put as alliance mit England exists. ... Armament race has started ... Kirche to be bothered seriously ... Guild Socialism ... Möglichkeit alles zu erfüllen 210 — 40 — 40 ... Warum nimmt Staat nicht in Anspruch, wenn er Interest zählt. ... und Unterschied so groß in long run. ...

3(N)

Sozialismus in Europa — almost taken als pour acquit.. In welchem Sinne, World Revolution erreicht — und Weltherrschaft. ... Sweden — Switzerland — Holland, die ravaged countries. Die übrig bleibenden : Spain, Greece ... U.S. singularly unfit. ...

4(N)

Catholic college und university ... VILLEICHT nach 20 Jahren nicht nötig (aber Leute werden sagen ... needs nothing). ... Wichtigkeit zu betonen, das Werk eines Manness. ... daß er so allein herrscht daß er das Zustand gebraucht hat. ... Ähnlichkeit des System ... may be as right as would have become ... The same arg. with reversed roles. ... Evasion : problem is just bomb and one or two bombing. ... The effect made that was cry of anguish. ...

5(N)

July 26, 1945 Br. public board ... Ist das Ende der "oligarcy" — gradual? ... von 35 to 45, Labour vote nur von 8.3 to 12 Millionen, ... Conserv. von 11.8 to 10.0 Labour seat für jed 30,000 votes, Conserv. von 47,000 votes, und Liberal für 87,000 votes. ... Unter Proportional Präsentationen, Labour should have 299 seats und Conserv. 248 und

	May	July
Conserva.	358	197
Liberal National	26	13
National	9	3
Labour	163	393
Liberal	18	12
I.L.	3	3
Commonwealth	3	1
Kommunisten	1	2

Liberal 57. ...

Privileged Constitution (außer Universitäten) mit less than 30,000 elect. sind 52, und davon 43 für Labour. ... In der Constitut. mit über 80,000 electors 42 ; davon nur 22 Labour und 20 Konservative. ...

6(N)

Half-Labor members von Profession, doctors, teachers, civil servants, engineers, journalists (33) ... St.Landslide in England : englische boroughs out of London. ... London 49 Labour MP ... Auch in englischen counties (110 Labor, 112 conserv) und actual vote größer. ... 46 gegen Conservat 44 Millionen. ... New Generation ... weight of Intellect. ...

7(N)

Merkwürdige Sit. : Schwierigkeit für labor party ist nicht mit Resten kapitalistischen Reichtums und kapitalistischen Machtstellung, so auch hier disciplining than teachers of good und kann nicht länger rely daß someone else does it. ... Was remains after war is imbalanced loss or not much more. ... Russen Element kann auch Wirkung haben, daß Sozialismus einen Rückschlag erfährt. ... Russen century ...

8(N)

Kein Gegenspieler ... It is in the sphere of political thought. ... kampfhaften an als falsch Erkannten — aber oft nicht erkannt. ... aims, phrasen and Verharren in als falsch Erkannten course of action ... Das ist immer so ; but can be fatal. ... Tendenz in secular — irresp. of war, as analysis has schon. ... und das zeigt wie zwanglos, denn man hätte Khan erwarten können. ... There are people who think it polit. impossible or wolf – wolf. ... Policy — politics from defection. ...

However ... France jubilait wohl der wieder entstandenen Demokratie entgegen? ... How radicalism impedes progress — economic, aber auch towards socialism —. proces-verbal ... Nie vergessen auch bei Wirkung von allen Änderungen : Änderung der Produktionsmethode durch Preis change of factors oder Ausdehnungen und durch Preise change of factors oder Ausdehnungen und durch neue Produkten. ... E.A.G. Robinson in “Structure of Competitive Industry”, über optimum Konzentration. Ist wichtig, daß creating Industrie selbst bei underutilizing. ... Nicht so einfach ist, weil wenn man Import ausschließen, man auch Export verringert, weil Ausländer nicht kaufen kann und Exportindustrie kann leicht more effic. sein. ...

9(N)

Bolschew. in Frankreich : auch despair ... Perron : eine Doppelmutter, die das Herrschen erreicht, polocy dem. politics. ... Und das gegenüber dem absoluten Herrschen in exologie of man who never economist. ...

10(N)

Und sollte ich nicht Frankreich einen "Trost und Rat" geben? ... Und besonders von Japan. ...

11(N)

In France ist jeder Sozialist ; Blum admirer und conciliator corperative Organisation, die jede fest erfaßt und unüberwindliche Macht für Staat — was aber nicht, wie in Deutschland, aus Kartellsystem herausgewachsen.

U.S. hat mit Vichy praktiert und unterstützt jetzt alles, daß witchhunting for collaborationists. ... 4 Millionen Staatsangestellte — 10 mal soviel wie vorher? ... Die conféd Syndikaliste (oder socialiste) seit 1936 zusammen mit kommunistischen Gewerkschaften? ... Die aber jede freie Wahl unterdrücken Kommunismus große Rolle, aber Russia das das Wesentliche, sonst sogar Mitarbeiter für Privateigentum, z.B. Sozialization der Banken und der Kohle gegen ihre Stimme? ... MRP. Mouve républ. ist Kontrolle und de Gaulle und (?) 1/3. ...

12(N)

Englische : Blindheit : Nürnberg und die Deutschen Not. ... such und nicht aber standing by ob was zu sagen. ... Race aus Diktaturship auch in dem. Fall. ... a new Arrow ... fascism ... As parliamentary sort (Kabinettsystem) suff., not deal with fascism ... Malleabil. und kein so großer Druck nötig. ... manif. Will ... Monopol leadership ... self-financing ... Artikel Imperialismus ... Über die Organisation in U.S. direkte behavior of Industrie. Point is nicht spending, sondern causing its necessity ; point is nicht reducing nece. wenn notwendig, sondern aus Prinzip. ... long run eff. on Produktion und empl. — nicht on Ausnützung des exist. App ...

13(N)

Britain ist for tough time und das Schwierige für labor party. (Aber nicht so arg : Investment and caring power und Position kept up.) ... Beaver Book : crisis now? ... matter of nerves ... Überschrifte shortage nur ein Symptom ... old ages obsolete u.s.w. ... Coal Nationalisation mit über 600 für Mechanisation. ...

Also die 3 Probleme des Kapitels ... a) Labor victory b) Rußland c) Leben in diesem country ...

Was mit Frankreich, Japan, Deutschland ... wanton destruction ... Welche werden nun wieder gutzumachen haben. ... die große fight ... Aber ist nicht das essentielle Bewegung nach Sozialismus. ... Bleibt und zwar nicht nur nicht Sozialismus überhaupt, sondern of specialist und nicht of people. ... Zwangsläufigkeit: China kann nur das tun.

Effects of war on Prognosis? ... Vergleich mit was sonst gewesen wäre. ... Wirkung des 1 und 2 Weltkrieges? ... Communist Plan — ganz klar vor Augen des bourgeoisie. ...

14(N)

There is that inland. ... Und Stalin run up to the same Problem, welche baffled all conquerors ... The previous attempts to want conqu. ... before — to elimi. it. ... Erkenntnis vor Bereitung der Leistung ... How des Formers de lá defeat.

15(N)

Sit. exactly the same as in 39 — as is faced in fired Zeit. Wieder ist es England, wo Problem cris. ... Es may sein, daß Möglichkeit direkter attack damals wichtiger und Bedrohung des Empires jetzt. ... aber im wesentlichen dasselbe ...

16(N)

Russia ... pattern ... 4 party régime ... pillaging nach Bedürfnis ... break down of morals, daß job brought und hätten admit ... no leadership ... no general opinion ... resent immigrants ... see Juden! und no humanity

17(N)

A cognate point may be made in this connection. ... The economic performance of the Soviet regime in Russia — never mind now whether or not we accept it as an instance of a socialist régime — is often discussed with reference to the performance of Tsarist Russia. ... But the laps of quarter of a century has robbed such a comparison of all its meaning. ... if we want, in this case, to compare at all, comparison would have to be with the extrapolated long ran trend of, roughly, 1894 — 1913.

18(N)

russische Angle ... Faschismus ...

a) Erklärung des Erfolges und der Reaktion auf diesen Erfolg — durch die wir uns desavouieren ...

b) Probleme der Zufälle und persönlichen Qualitäten und was sie ausmachen. ...2 definierte Probleme ... Besser ist Besser ...

Frage der historischen Methologie ... Vergleich der Effi of 1st and 2nd War ... labor und Sozialismus ... Also how does besser effect und zu diesem Zweck was its besser. ... Inhalt, autonomy, kein retard ... Armee Pol. und Angst ... forming waycoguard American ideals ... New Deal worn out. ... Entdeckung ... Mentality of country ...

19(N)

Bolschewisation ... U.S. News on peace ... mit Russia got all she wants ... auch Finland ... Why was Hitler beaten (hindsight?) ... The danger ist not war, danger is peace. ... Trouble is that of Russia. ... Und wie surrender zu Erfolg wird. “Dann gones springs it on Russia”.

20(N)

Marx obviously expected much of the stupidity of the bourgeois, fortunately the latter

may expect as much from the stupidity of radicals. ...

Escapism is bomb. ... fixation of wandering anxiety. Bomb und \$ are not all of them. ... Der amerikanische Politiker braucht Rußland. ... "Ob they will turn Demokratie in time, muß ja collid. mit Br.". Und wir haben unseren eigenen Weg zum Soz. ... Und dieser wird accel. durch den nächsten War. ... Andere Sorgen : persistence of OPA and conjunctive surrender ; affair impaired und dann unempl. and export. ...of phrases und Bürokratie ... The country is tired, there is no immediate danger ; policy is political. ... industrialization ... a great at work — without brain ... gegen Internationale und gegen bus. ... workman antisocial und neue Schwierigkeit über unempl. ... in preface : Übersetzungen und labor Ausführung ... Demokratie by complusion ... Ideal das, was people really cast bomb into unique phrases ... One des form defection ... Einzige Interpretation : to serve no thanks. ...

Über auswärtige Politik und Myrdal ... Wo free vote gegen Kommunisten ... Dont know of things they want. ... Is not das same people. ... Is this and other honesty. ... Inflation — OPA — subsidy ... whole system as adios ... Mechanismus of its effi. peace Produktion ... keine Inflation außer durch war's government. ...

21(N)

Was heute Maxim wird, ist, entweder a) öffentliches Einkommen oder b) Arbeitereinkommen — aber nicht für Arbeiterklasse zusammen. ... Über Rußland "we have done but half the work" und das schlimmer als gar nichts. ...

22(N)

Now, if people or their leaders really meant to embrace the Soviet System, their would be no more to be said. ... Suicide durch bomb? ... Suicide durch optimistischer Beurteiler der Zukunft des Kapitalismus in der 20er Jahren : barring another world war. ... No body cares? ... Well she und small bus. ...

Essenz of class is not property but leadership. ... Und Unfähigkeit der demokartischen Bourgeoisie. ... Preispolitik affair ... buying peace all around für 38. ... Attack cannot be forced by appeasement. ... Warum sollte uns Stalin attack? ... Aber vergessen, daß sehr bestimmte Antwort : Br. Empire und abgesehen davon, very exist of England und wie überall in the way. ... England would have to act at a risk und Stalin can wait. ... The Policy emotional burst goaded by propaganda. ... Stalin understand, daß Phrasen unrichtig und Scheinerfolge. ... Und das fumbling is seen und keine Sympathiestimme in England. ...

23(N)

Revolution cannot be bought off. ... must be fought. ... Konzentration camps, ketten, geistige Sklaverei ... sans hearts ni crise. ... Und dazu braucht man 1) organisatorische marshalling der forces, 2) eine Ideologie. ... Trouble with Russia is not daß Sozialist ist

but that she is Russia. ... Stalin carries out — mit bessere strategy of what Hitler may have dreamed of. ... to shunt ein Völkerkampf on Gegensatz “Sozialismus — Kapitalismus” ist Unsinn, wenn es nicht ein clever trick is. ... Wer Rußland als Paradies sieht — und ein demokratisches — dem ist nicht zu helfen. ... appeasement, escapism ... dealing mit dem Einzelproblem ... Bourgeois will nicht sehen, will bill die abseits und gegenüber allem trembling in the inexor. Logik. ...

24(N)

Reform or recovery ... Intellektuelle ... (?) ... daß besser ... und Subordinat., moral alleg. ... aber Notwendigkeit und nicht aggress. hostile. ... Mill ... Moral allegiance going ganz, weil revivals auch reformatisch ...

Words more antibou. — als deed. ...

25(N)

By dealing with those Nations as we do, we are accepting authoritative creeds. ...

26(N)

Once infe. faced, fall not unduly feared. ... The Nation that rose atomic bombs whether turning a hair. ...

27(N)

Mrs. Oppenheimer und lies ... Wie wir zum Bolschew. erzogen werden durch die Dinge. ... fabulous help ... The bourgeois have rendered bolschewism unbelievable practice. ... Futility : jeder kann seine Schlüsse ziehen und seine course decision und das geschieht — z.B. englische politische Gesellschaft. ...

28(N)

Vielleicht etwas über Gewalt und Irrationalität dazu Stellung nehmen! ...

29(N)

Armament race ... Stalin declar. daß Aufrüstung nötig solange Kapitalismus. ...

30(N)

Trauriger als Schlachtfelder dieser complete breakdown of moral Standarts. ... Frage ist nicht, Soviet oder nicht. ... Einfach wie Spanien, Frankreich usw, ist ein Poland. ... Inflation und defl. ... wie Deutschland ... fumbling — ganz schön aber costly. ... I do not think that in such a case text should be altered. ... Labor good könnte wiederum nicht tun als administr. Kapitalismus — und jeder approves außer einigen paar econ. a) wegen absence of mandate, b) wegen logic der Dinge : würde ja vielleicht Arbeiter zu discipl. haben. ...

31(N)

No fact is a fact . Why Stalin is an apostle of Demokratie. ... In 10 Jahren können wir nicht mehr kämpfen. ... Habit of being thing as we wish. ... für citizen — unreal ... Wenn people had anything to do with it, the Tsars would still rule over Russia. ... turning fiercely upon him who speaks that end : remorse. ... Und das rationalisiert man.

So the historian would wonder. ... but no ... Set Konservative before election. ... simple und modest ... und wir censure American exist. ... You can get in trouble, for owing a vol. of Marx. ...

Germany und Japan beat forever ... obeyingly ... Das macht es nötig, Diagnose zu wiederholen. ... Trouble is not the American opponents of sales tax who would go into extacies of wrath. ... streamlined Tsar ... what chance ... gegenüber in ruthless will ... freilich : one-man show ... positive Problem ...

32(N)

unspeakable epochs ... Past in Iran — wie Berichte ... Eispisec ... Kurdistan ... Hätte Weltkrieg verhindert! ... Aber eben Vorsicht in Europa — so Einstellung wie Griechenland in romischen Zeit. ...

No such thing als being satisfied : warum did Rom expand or Ginghis Kahn fired, fired of sacri.. ... Man weist immer darauf hin — und daß dieser oder jener trade union official anti-Soviet ist. ... Russen body of Offenheit vielleicht nicht groß — aber the only well organized one der consistently acts. ... Viel wichtiger, daß good Tradition die out. ...

33(N)

Und in any case — Sweden und Norwegen exist nur solange als wir ready to go to war : Sweden exists, weil ausreichend within our range of moral vision. ... Und die Sicherheit von England und englische posession beruht darauf, wir sind daran. ...

34(N)

Wichtig dann zu zeigen, daß in internationalen Handel u.s.w. die Sache schon sehr weit gedehnt — jetzt nicht nach kapitalistischer Methode. ... continuing to do Russia's work ... Wie können unsere Intellektuellen. ... U.S. returning to nomal in a most democratic way. ... People just want war. ...

(5) American Situation, Washington Economics, and Keynesian Theory

V — (5) — 1 ~ 12

1(N)

Still disregarding the Russian angle, we must now to an aspect of the economic situation in the United State that ... saving — reverse Position and we can agree— ... Macht ; selbst Konservative müßten wünschen — post war ohne Respekt. ... einerseits : das Problem ... anderseits : extracting colossal industrial success ... Why form a party when we can form a pressure group? ... Productive power may save the worker. ... Is there a Problem and what is it. ... ordinary Produktion ...

Jetzt bal. budget. ... Produktion impinged by excess capacity ... keine Sozialist party aber ... sehr viel ... Man kann viel extraction — aber hier gar nicht notwendig. ... Conditions of inexper. Bürokratie, welche omnipotent solange als Firmen appears und mit Arbeiter works. ... nicht Problem und clear enough aber das Möglichste done zu obscure. ...

2(N)(M)

Wash. economics ... export ... Marray bill ... They all start with a high estimate of the production potential for 1950, such as our 200 billions at official price index for 1943 — up to this limit we have no objection to this. The labor force that will be available in that year is also estimate at high figures — such as 61.5 millions — to which we shall refrain from objecting. From this they deduct, first, the men in the armed forces — 2.5 millions, say — and, second the “inevitable” amount of unemployment ...

Let us start again from a gross national product for 1950 of 200 billions at the official price index figure of 1943. Let us moreover assume that Net National Income, then figures out of at something like 169 billions. Disposal Income is derived by deducting Personal Income Taxes, Social-Insurance Contributions, and Corporate Contributions and Corporate undedived Profit and adding Transfers.

Depreciation and depletion are deducted in the amount 12 billions. The remaining 21 billions are Federal Corporate Income Tax, and State and Local Taxes. For our present purpose it does not greatly matter whether we evaluate those deductions according to plan indicated above, or according to any plan that might be acceptable to the estimators of post war demand ; in case we do the former we may lose in Fedral Corporate Income Tax nearly as much as we gain by our Sales Tax. It must be understood of course that we are discussing a hypothetical example and not attempting to deal with either actual figures or figures that one likely to obtain in the future.

3(N)

Defining positven Problems ... It may seem as if qualif. ... reserve capacity ... how

likely ... other things too — Interest ... Keynes ... Powerlessness auch here ... nur half the trouble — feather brain ... needs public support, welcher nicht feathering economy in non-America ... however sure to do weil Einkommen höher ; selbst wenn niedrig ; alle anderen Methoden being out of question, so bleibt nur substantially loser, sonst a) unmögliche Summe b) 200 Billion in Gefahr. ...

Sabotage of econo. : the rate of pay, homage ... Aber mir ist real income das Problem selbst zum Problem gemacht. ... Es kann unempl. sein und daher deficit spending und daher nicht die 200 Billionen (Ich gehe circle?) ... Note in unemple. und vol. unempl. ... Well, in some plast. way, who does not see. ... We must agree with. ... Inflation, Deflation, Außenhandel ... I argue möglichen excessive export (außer Export für pol. und moral reason). ... Und über Investment opp. nur innerhalb des Landes. ... War industry ... Warum so gefährlich. ... 40 Billionen ist required, aber ist eben, daß 20 Billionen net saving überschritten werden und auch für diese kein outlet wenn kein outlet so nicht gespart.

Support not forthcoming — Leute, die davon leben und Politiker nur half of trouble. ... Cannot stand a lot of waste und, obgleich nur mit größer unempl., lack of discipline nicht so groß. ... und above all, kein der Errungenschaften. ... Was zu geschehen hätte — 50 Aufschübe reändert nicht long run ; wäre gut für alle, selbst Intellektuelle dont greatly care. ... Über Interest aber auch über Wirkung. ...

Für Taxation, a) Doppelbesteuerung : Britisch vs German idea (we are allowing ourselves), b) Investment Abziehen (nicht von Einkommen sondern Steuer) ; obgleich ich ganz mit Fischer übereinstimme, so glaube ich das um inaccessibi. zu schonen, c) estate taxation. ... Für Arbeiter auch legal disabil. (German labor law) ... labor trouble to end of office. ... Für selbst Organisation of Industrie u.s.w. genug legal prot. zu erreichen. ...

4(N)

No saving — im Gegenteil ... Beveridge plan — no difference. ... Schon im Krieg das solves Problem, wird zu Problem gemacht. ... empl. ... Inflation ...

... proved by its performance during the war. It should be clear enough what it may mean for calculable future, say, for the two or three decades. But so much has been done to obscure the simple facts we must stay for a while in order to clarify the issue involved. For 1950 — supposing that transitional phenomena will have died by then — the Gross National Product has been variably at ... potential output ... Alles was Sozialismus verspricht in materieller Beziehung, daß Operation und Not silly wirkt im Kapitalismus. Sozialisierung Industrie für Arbeiter. ...

Was also ist, wenn ein Teil der incomes aus Einkommensteuer kommt auf all incomes. Für $Y=100$ und davon 10 als Steuer, keine andere Staatsausgabe als Gehälter, die in den

100 darin sind. Die Leute zahlen 10 und haben noch 90 ; aber bekommen die 10 zurück. Haben also wieder 100 zum Ausgaben. Warum also Steuern abziehen? Weil sonst $Y=110$ wäre. ... Kuznetz Cons. outlay (GNP—GCE) ist 28 : 71.4 ... aber das samt Steuern. ... Was mit Steuern! ... Kuznetz trotz labor income ist 29 : 50.8 (wages und sal.) ...

5(N)(M)

... a result that does not differ so greatly from the dire foreboding of Washington economist if we try to prognosticate not what might be but what be. For we have seen reason to doubt that the political conditions of the success envisaged will be met. Policy that attempts to guard against the imaginary dangers of an excessive propensity to save would in itself suffice to produce what stagnationists expect including even saving without corresponding investment opportunity for the situation of the thirties would be reproduced with a vengeance. And since this policy is, partly by virtue of logic, partly by virtue of the political creed of most of sponsors, linked with other policies that spell sabotage of economic advance we may have, in particular, to arrive at as high a figure for prospective unemployment as does any stagnationist.

Unempl. später : besonders das neue premium, flight from labor. ... ohne Rücksicht auf Investment effi. ... namely that there exists, inherent in the very design of the capitalist engine, a brake that will prevent it from realizing its production potential. ... Let us bear in mind that we are no longer dealing with the question of accumulation of liquid means in consequence of the war : we are now abstracting from this and dealing with a question that exists independently of whether or not, temporarily or permanently, that accumulation will create new level of monetary values. Of course this theory puts the economic situation of the United States into an entirely different light. The very fact to which we have looked for the solution of problems becomes the source of the post war problems that is the most serious one of all. The production potential that according to our argument may retard the development toward a socialist régime for a generation or two bid fair to cause unemployment and break down and hence hasten the advent of socialism. Since practically all the estimation of "post war demand" are committed to this view, their procedure will be the best means of illustrating the practical application of this theory. Reduced to its fundamental elements it comes to this.

6(N)

Voluntary unempl. ... 6 Billionenen in 1950 ... retire and doch claim ... steht zwischen good having ... Erfolg von Arbeitern auf Kosten anderer — das ist schon gesagt. ... How unpopular has his word become! — needed in the midst of superabundant wealth — to get the best out of it. ... not only so far as cost and efficiency of public administration is concerned but also where the public service merely consists in paying out money to individuals. ... Unemployment benefi is the outstanding example. ... It is quite true that, given a Gross National Product of 200 Billions, it is possible, without serious injury to

the economic process (and to economic progress), to pay benefits equal to each individual's money earning at full employment, provided that this does not increase the number of applicant. ...

The word "possible" covers another condition that many not obvious. ... Auch hier möglicherweise : how many unempl. und Vorleistung of empl. und ass. nötig über Ziel und eben andere Wünsche. Vor allem aber only true, wenn 200 verreichen, und das nicht unter diesen Umständen. ... "mit anderen Worten" : so lange one relies on kapitalistischer Mechanismus, kann man nie davon los, daß Staat im allgemeinen von Entzug lebt, der in allgemeinen als solcher empfunden, und daß daher definite limits wenngleich variable ones. ... nur dann best use und selbst später besser ... 4 millionen x 40 x 52 ... aber doch : $200 - 35 = 165$ (als housing ausgeschlossen) ... goods and services für Staat ... $25 =$ bleibt 140 ... = 124,800 ... (wenn die "10" alle ausgegeben) auf haus fee ... aber eben gegenwärtig ... at other Preis level ... 60 Million job : 2080 ... außerdem berücksichtigen, daß a) 200 Durchschnitt sein kann bis 5000, b) diese 5000 Leute ja schon 2000 haben. ... Annual wages ; wie positives sparing Problem, aber futile ...

7(N)(M)

dilemma : kann aber schon durch Taxation nieder gehalten — welche auch Produktion niedergehält. ... Wages sogar halb ... quick way ... never worse ... selbst by panic ... liquidity pref. — Kahn ... poo poo und was nötig ... No point to deny consequences or minimize poo poo ...

There is no point in minimizing the consequences of irresponsible war expenditure that has been much greater than would have been necessary in order to call forth the output actually produced, there is less than no point in denying that there are any consequences to be faced on the ground that the public, by the virtue of Keynesian's "liquidity preference", will be content to keep idle currency and idle deposit to practically any amount. ... At present we naturally hear little of this proposition and the anxiety displayed by votaries of Keynesian orthodoxy to defend OPA and rates of Taxations is proof of some loss of faith in it. All the important is it to keep in mind, not only that this proposition follows from the theory of the multiplier but also that is implied in the obviously absurd opinion that there will be a deficiency of demand unless continued government deficit replace the shrinkage for war material, an opinion that had been uttered repeatedly in 1944 phrase of the discussion of post war problems.

Total (demand and time) deposits (adjusted) plus currency outside of banks stood at about 174 billion in April 1946 and 50 more — aber repayment of debt — may have been added in order to take account of that part of the government debt that firms and individuals will turn into cash before long. And there is not doubt that, even without any panicky scramble for getting rid of a depreciating assets, this is enough to produce

a general level of prices about double the 1943 one for several years. ... if this war bill ... es into extreme Inflation durch wage bill ... brutal means ... loan credit ... Geld export ... import of debt ... saving und rep. ... Wert der Steine Pol. ... trust fund : Beteiligung der unteren Einkommen. ... saving ... restriktive finanzielle Pol. nötig. ... return to dep. ... rest. requirement ... Inflation kommt durch wage bill. ... Need for large war company ... Wave of Preis regul. and antitrust vexation. ... impinging on political work ... OPA and subsidizing the incompetent, der Mann der comfort ist während low cost man "likely".

8(N)(M)

favoring nicht nur saving sondern auch hoarding. ... handing Profits u.s.w. ... Überschuß! ... Es ist nicht wirkunglos ... fordern securi. issue ... Aktion of business ... Überschuß — contrib. to social jus. und corp. ... wage bill ... Gegenmaßregeln gegen cont. credit ... dilemma : mit Preiskontrolle werden nicht 200 Billionen sein, ohne Preiskontrolle hold nichts und high Interesse nicht "möglich". ... 29 : totale dep. adj und cuts 55. 20 Billionen coins und small denom. ... Hahns Argument ...

This defines the range of what should be understood by that popular title that heads a whole literature : (long run?) Post War Problems. As the reader see, they are numerous. But they present few analytic difficulties — it is in fact one of the disadvantages under which labor all programs drawn up on those lines that the case for them is so obvious to be almost trite. The difficulties they do present are a political and moral ones. As easy as it is to outline such a policy, as hard as is it to carry out to success that mass of selfdenying work of which unpopularity is the only reward. People would certainly like the America that this policy would produce but they would hate everyone who helped in producing it. ... However we have not touched upon "transitional problems". It must suffice to mention one : the inflation and deflation problem.

Das Problem der forecast kolossalen infl. oder col. def. gelegen eigentlich nicht hierher. Das Problem : inflation now mit breakdown ist das, was hierher kommt. ... Inflation kommt durch wage bill. ... Selbst ohne panic — cost infl. — double Preis loose. ... Folgen von reckless war finance. ... Dann aber nur Interesse ist Frage ob das Produktion hindert — what of if GNP 400 Billionen? ... Und zu Massregeln führt, die schlimmer machen. ... Und sehr ernst, weil das nicht durch drifting gelöst werden kann und weil alle Massregeln besonders unpopulär O.P.A.. ... Gerade die, die von Keynesian Stand nötig sind. ... No talk about Liquidität pref. help. ... push-growing the danger ... Aber ist richtig, daß viele wünschenswerte Dinge (Abschaffung von O.P.A.) erschwert durch Liquidität Sit.. ... No opposition of war finance glorified expand. ... Nicht prägnant, das aber führt auf falling Preislevel. ... Die Hoffnung, daß man mehr produziere als die Arbeiter abil., ist nur in short run und nur wenn wages niedergehalten. ... heavy taxation of low incomes ... on showing of Keynesian Theorie ... test of security sich lächerlich

machen ... Wie 20/1 sich produzieren könnte (gerade wegen labor und darauf beruhenden Einschränkungen) ... Set back Arbeitslosigkeit u.s.w., die von Grundproblem unterschieden werden muß. ... G.N.P. (I.R. Doll. p436) ... war 197.3 in 45, aber curr. \$...

9(N)(M)

Keinesian Theorie für niedrige Steuern und höhere Interessen ... 3 Dinge, a) liberty, b) depression, c) many days in Druchführung des arr. ... Retreat, a) wenn Bevölkerung nicht stationär, b) wenn reicher wird. ... Aber würde etwas nehmen, ist alles nichts. ... Liquidität pref. declines mit seiner income? ... stabilized Kapitalismus ... 2 Probleme : habit oder im Prinzip mit oder ohne Steuer (und Export) ... und wie bei full empl. ... confid. in full empl. und security ... ist gegenwärtig saturated. ...

... economy under observation, production und unemployment is expanding (not necessarily proportionally) toward G, and therefore I and D. The stagnationist thesis to be discussed covers that as I and D increase, the sum total of what corporations and individuals decide to "save" also increase ; that this sum tends to increase beyond the opportunities for investment of adequate profitability, i.e. of a profitability sufficient to induce people to invest what they decide to save ; that idle balances will hence accumulate, which means that people are demanding "money to hold" instead of securities or investment goods : that hence there develops a defficiency of demand for goods in total, of demand for consumers goods because people save, of demand for investment goods because they hoard ; and that the resulting losses to firms and/or the resulting unemployment will prevent the system searching the level G or push it below it if ever it were reaches nevertheless. This contradiction or inadequate expansion ...

In its wider implication this thesis had already discussed in this book, ante chapter X. The case there presented has been strengthened by the subsequent course of events which has put into fuller visibility all the possibilities for further capitalist development, the existence of which had then, in part, to be inferred from past experience and from the absence of evidence to the contrary. Here however we are concerned only with a particular argument within the stagnationist doctrine. In its classical form it is due to the late lord Keynes and to be found on his General Theory.

practical result und policy : aber rational. ... Russell "stones even better — dann über goods deficit can man agree und Differenz nur daß ..." wie das figured out ... Und saving for alter, sickness and weaning day ... Saving, then, is the villain of the peace. ...

a) vorher wie Beweisen ist furnish ...

b) unfortunately to policy bedenklich! (welche Interesse verbalized) ... exellent means to gain Kontrolle ohne Widerstand ; making use of incomes. ... getting Konsumtion ... Murray act even in ursprunglichen Form

c) Widerlegung ... ridiculous — serves even both : nicht attack ...

d) aber Resultat very possible same ...

e) keines Falls longest run diagnosis berührt ; aber das ist nicht schon gesagt und saving ohne Rücksicht auf investment opp. Grundlage. ... Argument ist nicht, daß 40 Billionen hoch ausschaut, sondern daß nicht soviel saved wird über. ... Nothing to it. ... Aber Resultat vielleicht doch the same. ... Wo über unempl. ...

Durch weniger befriedigte Liquidität pref.! — auch wichtig ... “Of course does not apply in Depression wo liquid preferably” ... Begründung der 200 vielleicht gleich am Anfang wo ich sie einführe. ... unempl. dort oder am Ende ... Russell : und Amerikaner werden understandably else, so understands, daß er verkaufen will (salesman psychol.) ...

This contraction or inadequate expansion of output and employment will of necessity from that contraction or inadequate expansion of “total demand” (expenditure), if money prices of commodities and cost factors, let us to say briefly, prices and wage rates, are rigid. It is less certain but is generally averred by sponsors of the theory that output or unemployment will also contract or inadequately expand if prices and wage rates are flexiable. This, then, is the modern — the Keynesian — form of a old idea namely that there exists, inherent in the very design of the capitalist engine, an obstructive force — saving issue in hoarding — which, at least under present conditions, will inevitably prevent it from reaching its productive potential under its own stream. The estimate of “post-war demand” referred to above are nothing but attempts to implement this theory statistically, i.e. to repeat to show that existing investment opportunities can not absorb the amount, at the 1950 fullemployment level of the Gross National Product, corporations and individuals will decide to save.

The case of flexible prices and wage rates is too complicated to be discussed here. But the reader have no difficulty in visualizing situations in which flexibility would in fact fail to remedy the effect upon output of incessant withdrawal, by hoarding, of money from circulating : prices and wages may for instance “chase” each other when both are falling — exactly as they may “chase” or “race” each other on the appearance — without reaching their equilibrium relation, not perhaps indefinitely but for an internal great enough to spell severe depression. It is for this reason that I do not purpose to challenge the theory in question on this point.

This theory puts the economic situation of the United States into a light that is entirely different from that we have considered it ourselves. The very fact to which we have looked for a (temporary) solution of economic and social problems, becomes itself the source of the problem that is the most serious of all. The production potential that according our own argument might retard the tendency toward socialism for a generation or two bids fair to cause, instead of unemployment and break down, hence hasten the advent of

bureaucratic socialism. And the practical condition from this is, rather was, that governmental income-generating expenditure — “deficit spending” — will impose itself as the only means offer attaining the full employment level of production and, especially, for staying on it, quite independently of whether or not the accumulation of liquid means during the war will create new level of monetary values.

Beveridge Plan doch auch! ... Anxiety daß people make use of such “if we die im unselige Konsumtion”. ... Every process of Inflation hat setbacking. ... Part of plan is etwas unduly palatable insidious. ...

But since an economist who in the present situation recommend “inflationary” measures comes as near as to making himself ridiculous as any economist will care to come, we observe retreat from this position. The dernier cri. of Washington economics is no longer deficit spending but something else viz., keeping expenditure for consumer’s goods at the requisite high by means of public budgets balanced at high rate of taxation. Saving being the “villain of the peace” and corporation and relatively rich individuals accounting for the bulk of saving, we arrive with the utmost case at the proposition that “the ultimate cause of unemployment, in modern societies, is the inequality of incomes” — and this can be remedies by taxation without there being any necessity of creating any deficits.

The political implications of deficit spending are of course in the power it rests with the political sector of the nation and its bureaucratic advisers. It is this that accounts for the aversion of business class to deficit spending that seems so irrational to Washington economics and its academic branch offices. From a somewhat differennt standpoint we may say that opposition to deficit spending is not opposition to deficit spending in situations that may be improved by it but opposition to policies that produce situations in which it becomes inevitable. There was in fact no rational to oppose the principles of the Murray bill as its original form. But opposition to the bill may nevertheless have been rationally defensible — this is not my affair — from lack of confidence in the agency proposed and from a hunch that such machinery, once set up, would increase the willingness of government or congress to produce situations in which it would have to be used.

Quite apart from that fact such a policy, under present conditions, woud be just as inflationary as deficit expenditure — only less obviously so —, it qualified ideally for the purpose of countering any demand for relaxation of the fetters that prevent capitalist engine of this country from showing what it can do and for paralyzing it so effectively that in the end even deficit expenditure may again become inevitable. But what about the theory itself ? But what about the widespread doubts — wide-spread even among people who are anything but in sympathy with the political implications of either deficit spending or a budget balanced at confirmatory rates — as to whether we can get “necessary consumer’s demand” or can induce people “to make full use of their income”.

10(N)(M)

O.P.A. ... wage taxes ... the man who is 8 “up before”. ... Why, because we are visibly heading for it. ... Industrial Production indexes, phys. vol. 1919 ~ 100 (99) und 1943 — (218) 233 ... $100 \times 2.2 = 220$ on one Hande : of War and no reserve, on the other Hande : nichts more grave. ...

Hostility to any form of industrial self-organization or self-regulation is a serious obstacle to orderly progress and, incidentally, to a development that would eventually facilitate transition to a socialist regime with a minimum disturbance ; and it derives strong support from the political sector and from public opinion. But the necessary minimum of adjustment of the legislation that descends from the Scherman Act and especially of the administrative and judicial practice that has developed that legislation is not great : little more is implied than what the public readily accepted at the time of N.R.A. — in some points less than that.

The labor situation bids fair to make it impossible to reach the 200 billion goal which have been keeping in view, and still more advance beyond it, not only because levels of money wage rates may result that are incompatible with full utilization of resources but also because even wage struggles short of strikes may reduce the efficiency both of labor and of management. Nobody can of course fail to account to connect the relatively poor showing of the index of industrial production for 1945 with the strikes and their direct and indirect consequences, at least, as one of the its main cause. All that needs to be said about this is that public opinion almost entirely fails to realize that, under present conditions strikes of individual groups of workmen are in the main strikes against other groups of workmen plus classes that the same public opinion usually includes in the pale of its social sympathies, viz. farmers and lower strata of salaries employees and professionals : it is those groups that primarily suffer from the resulting disturbances of the process of production ; the “capitalist” interest enters only to a small percentage. But it is characteristic of the “mechanic” outlook of most economists that not one of ten of them realize the importance of the effect on the efficiency of the managerial stratum that labor trouble and bureaucratic vexations must inevitably have. However need only visualize a realistic picture of the modern manager’s working day in order to arrive at a proper estimate of it. Division of labor within the managements of big corporation may mitigate these effects but it does not eliminate the social loss.

Diskussion on the wage gleichgultig oder sogar ... Wir konnen nicht darauf einsehen, aber wir konnen definieren, worin besteht in a very useful for general reader. ... Above all : alle Errungenschaften und best for all. ... way to consolidate New Deal permanently ... Intellektuelle will retain the freedom which requires mit anderen policies are bound to destroy. ...

11(N)

Warum aber 200, auch wenn diese Bedingungen — 2 minimale Ausnahmen — erfüllt?
Why we are visible heading for it und should well but for O.P.A. oder labor troubles u.s.w.
...

Aber das ist nicht, was unter positiven Problems verstanden wird, sondern wohl in einem anderen Sinne, wo 200 nicht erreicht werden kann — mein Argument ist either irrelevant or circular — weil Leute sparen würden u.s.w.. Und daß daher deficit Vorleistung nötig, um weggefallene Staat nach Frage in Krieg zu ersetzen, oder aber Taxation der oberen Schichten und equality — Rückzahlung auf balanced budget ; also gar nichts — eff. demand a slum und wird wear off quickly into Staatleistung prosperity. ... selbst ohne Export ... Und dann Schluß : aber das ist nur obj. Möglichkeit, wenn sie matures another 50 years und auch wenn eine Wahl onto in general case verändert seine long ran prognosis ; wenn nicht, so nicht aber dann Sozialismus wirklich besser — homogeneously cost saved.

No positive Probleme und die Probleme nicht sehr interessant, obgleich eine Möglichkeit : we are visibly heading for it. Abweichungen traceable ist every case to O.P.A. etc and troubles. Wo daß wir eigentlich mit forecasters übereinstimmen und eigentlich kommen diese darauf hinaus, zu sagen, daß wenn der Organismus nicht funktioniert def. expend. such seine besondere Konsumption durch equality via Steuern nötig ist. ... Dilemma of O.P.A., welches aber overcome werden kann a) durch Steuerpolitik b) durch Klarmachen was at strikes und corp. ... Aber das schon bei Inflation? ... Anti. Infla. policy selbst in Erreichung des Zieles unmöglich und so Infla. schlimmer machen. ... nicht vergessen Berichte persisting saving habits ... Vielleicht Gleichen am Anfang : Begründung 200 : not out of keeping mit perf. bei 43 : moreover ..., but even go reader need only ... Vorsorge rediziert durch insurance ... high saving in cycle ... cause of unempl. ... Above all — all Errungenschaften erhaltbar — Postman ... O.P.A. propaganda ... subsist subnormal der was victim bericht während low cost, just fortunate ... Wo über unempl. 6 Millionen (allerdings army) ... statistisch und real ; vol. of empl. ...

12(N)

a fundamental error explained ... double and triple trucks ... overlapping ... bad onion ... raising rationally ... reserve capacity? ... unempl. cycl. ... definition of positiver Probleme ... schon einzige Konzession ... hatred of economy : nothing or billions ... Spirit of waste ...

... plus the financial requirements of a greatly enlarged military establishment plus the financial requirements of the service of dept that has been increased since including even such small redemptions as many becomes desirable for technical reasons, Can be met by about 30 billions so that we are left with a yearly sum of roughly 10 billions to be applied

to the financing of new social service or of the improvement of existing ones. Beveridge plan ; still larger means would of course become available after 1950. But it is here namely in the sphere of public ...

Kein Detail ; warum redemptions, warum nicht nötig zwischen transfers und Verkaufen zu unterscheiden. ... I should leave to expand chapters into a book of size of this. ... deeply ingrained Arbeit of detail ... sabotage ... Und daß haben Konservative u.s.w. moral Bewusstsein der Nation : wie likely this is. ... Wie unempl. geben : Bergmann ... Murray bill nicht notwendig balance. ...

Irrational Kontrolle oder irrational Handlung ... Und wage policies — was wollen diese dann erreichen. ... Intervenieren und Arbeitsmarkt, polit. affair — auch Interesse (Congress ganz ungeeignet) ... We econ. should spare the problem mit unserer politischen Weisheit. ... expect for economic reason als expect car race did yesterday ... definition of positiven problems ...

(6) Stalin and Russian Problem in France, England and America

V — (6) — 1 ~ 6

1(M)

But all that refers to a possibility that has not matured. It is a time to turn to the other that has : Stalin has in fact emerged from the war as “true victor”. And truly novellus thing to ponder over is not his share in the joint victory of an alliance but his victory over his two allies.

Whatever aims we may or may not impute to the English and American individuals and groups that helped to shape the course of affair, so much is certain that, with the exception of a number of American Intellectuals, nobody can have intended to produce the situation that has been produced. There is Russia with a harvest of conquests that is much richer than it looks because Russian methods assimilate conquered countries to an extent quite unattainable for any other conquered and because countries not officially owned which we persist in treating as independent agent are as completely integrated into the Russian Organismus as unconditionally managed from Moskov as any that are officially owned. In a politically as well as in a military sense her strategic position, quite beyond anything approaching effective control from outside, that won now overshadows the whole of continental Europe and continental Asia, by its mere weight reduces border states to vassalage, and only need development — which American business in anxious serve — in order to ripen into dominion. And all this immense power and prestige concentrated in the hands of a single man — a man so strong as to be able impose on fired and hungry people, immediately after an exhausting war, a new program of armament that surpasses all previous ones and can have only one meaning.

2(M)

It is impossible to conceive that English or American politicians can have foreseen, or wish for, this state of things. The former cannot possibly have wished to land England in a situation that beside being humiliating is worse and more dangerous than the one they went to war to mend. The latter cannot possibly have wished to manoeuvre themselves into a position of subservience to Stalin. For they cannot have been blind to the fact that for the overwhelming majority of American-born citizens christianity, freedom, democracy and so far as the middle range are concerned, prosperity mean more than nothing ; that hence, quite apart from consideration of national interest, subservience to a power that negates all that would be unpopular so soon as the true facts of the case were digested by the popular mind, and that however slow this mind might be in emerging from the fogs of Bolschewik propaganda, this unpopularity was found to tell in the end at the polls. I am in no position to appraise Russia’s military achievement. No doubt is possible but

this political achievement was stupendous.

3(M)

This performance is wholly due to the transcendent genius of one man. Apologizing for what may seem pedantry, I am going to set forth explicitly why that fact is relevant to our argument.

(1) It is part of the philosophy or theory of history that underlies the reasoning presented in this volume to believe in the importance, among history-shaping factors, of the element that is best described as Quality of Personnel. This factor depends, for its role in any explanation of historical sequences of events, not only on the presence in a population of the requisite amount of ability and nerve but also on the methods of selection by which a given social organization turns the existing amount into effective supply at the socially important spots. The problem of what we call genius in an individual and of its importance in the explanation of historical sequences of events is but a special case of the general quality problem. So far, then, I insist on Stalin's personal performance merely in order to supplement previous analysis.

(2) It is important to note that such a performance in a democracy not only because the democratic system make it imposible for any individual to aquire a position in which he can act without regard to the current emotions, prejudices and slogans of the electorate but also because a man of requisite type is not likely to win a free election. Impossibility of playing a complicated game that need many years to mature must therefore be counted among the costs of democratic government. The answer to the objection that democracy allows the complicated games of secret diplomacy is that in certain situation the choice is between the complicate game and failure. The objection is however valid if proffered by an isolationist, for isolationism is the only way to avoid such situations. This supplements our analysis of democracy.

(3) Finally the thesis that Russia's political achievement was the work of one man is relevant prognosis of future development. In particular, acceptance of it affords the only rational basis that I can see for the cheerful optimism some people seem to harbor who do not relish limitless expansion of Russian power.

4(M)

Russia's internal position was thoroughly unenviable before the war : the famines were only a few years ago back, the standard of the enslaved and tormented masses was such as to constitute a danger to the regime in spite of all the coercion, discontent in the party had been with difficulty repressed by the demonstration and Yezhov's reign of terror, military insurrection was everpresent possibility. But Russia's external position was sitll more uncompromizing so far as expansion was concerned — and of intention of expand

the Stalin regime had given the most unmistakable proof (China, Finland) : Germany and Japan effectively blocked the way and that “bourgeois” powers could ever come to Russia’s assistance was then presumably beyond the range of thought of any normal politician or observers. Yet by a long and uninterrupted series of master-strokes, beginning with the understanding with Germany, this position was turned into one of practically unchallengeable superiority that today there no power that can take to Stalin on terms of quality except United States and that for a large sphere of question even this exception is in doubt. And this was accomplished in the course of events that produced repeatedly situations in which a weaker player would have had to accept whatever conditions his partners might be pleased to impose — not only as to spoils but also as to abolishes democratic regime. Yet with every motive that honor and interest can suggest to save small nations from terrible fate, the men of Unconditional Surrender surrendered unconditionally. Those who will never understand how luck and merit intertwine may interpret all this as a succession of strokes of luck and content themselves with saying that things just worked out that way. But political genius precisely consist in allowing “things” to work for one’s aim, to make the most of strokes of luck, and to manage the dangerous turns so that the casual observer loss them from the sight.

5(M)

It should be superfluous, but unfortunately it is not, to define once more the nature of the regime that has thus experienced a tremendous increase in instability and prestige. First, life and death, peace and war, everything that is being done depends on the will of a single man so far as he cares to assert it : this is the very definition of autocracy. Second only a single “party”, strictly disciplined under that man, is allowed to exist : this is the negation of democracy. Third there is no freedom of speech, no freedom of press or of teaching, and “due process of law” exists only in matters without interest to the autocrat : this spells negaton of essential elements of personal freedom.

* The reader will recall that according to the theory presented in Part IV. chapter XXII of this book, personal freedom and democracy are not the same things and that the relation between them is confined to what is implied as “free competition for political leadership”. In fact, a non-democratic form of government may possibly permit a wider range of what we understand by personal freedom than does a democracy. This is repeated in order to justify the distinction in the text between freedom and democracy, but is not otherwise of imporance here. It should be added however that the single party system is an essential characteristics of fascism.

6(M)

Now let a visitor from Mars — endowed with a logical mind that knows how to recognize facts and draw rational inference from them but a complete stranger to political psychology — behold the situation on this planet. He would observe that as the result

of war in which all participants infringed all rules that god or men ever made, conditions prevail that are exactly opposites to the professed aims of victors : there is more oppression and less freedom than there was before, less security and much more lawlessness. But disregarding all dictates of conscience and honor and duty to defending those who cannot defend themselves, our visitor would expect remedial action simply under the whip of an obvious threat. He would expect England and United States, seconded by the rest of civilized humanity to feel that half the work only have been done — which in this case is worse than nothing because two military autocrats with conflicting interests are less dangerous than is a simple one — and to brace themselves to do the other half. And he would feel fortified in this expectation by the fact that Stalin, with imposing consistence, is frankly accepting this situation : he declared in so many words a genuine peace is impossible “so long as capitalism survive” and he has made a good start in a new armament race. But the other side? Where on the other side, is purpose, will, courage? The very same people who raved about escapism five years ago have turned escapists and simply deny the existence of the unpleasant facts. The very same people who preached that aggression cannot be met by appeasement, have turned appeasers and are all for bullying Spain and China into conforming to Russian wishes But whatever may the outcome of this situation, it is at any rate not difficult to explain. In order to do so we shall briefly discuss three typical cases.

First on the continent of Europe — with the exception, so far, of Spain — there is not, and can not be any politically effective will to resist Russian aggression. In part this is no doubt due to fear, fear so strong as to stifle the cries anguish. But fear is not all of it. There are political garrisons of Russia, the communist parties. For the sake of brevity let us confine ourselves to France. There were possibly some Americans who believed that the French people would hail their liberation in transports of joy and gratitude and that they would zestfully settle down to the fascinating task of creating a new, free, and domestic France. But obviously it would have been more reasonable to expect exactly what we actually find : a broken spirit, a sense of national defeat, a feeling that une Monde s'écroule resentments all-round and also against the prewar democracy, the sort of malaise that Léon Blum euphemistically described as convalescence fatiguée. There are three parties of numerical strength and equally incapable either alone or in coalition of producing effective government : M.R.P. (Mouvement républicain populaire, Catholic and Gaullist party), the Socialists and the Communists — all supported by, and associated with numerous groups and subgroups that never mean the same thing by same word, least of all by the word Socialism and Revolution. For our purpose three points only are interest : First, the practically complete elimination of “liberal” groups (including the radicaux socialiste, the most influential group in the “left” of old) ; Second, the absence of any significant group with which the American politician could wholeheartedly cooperate ; and Third and most important, the strength of the Communists. Manifestly this strength can not be explained by a conversion to the principles of the communism of such a

number of Frenchmen in all stations of life. Many of them cannot be communists in the doctoral sense at all — in fact the communists voted against the socialization of the banks and their coal mine — or they must be communists ad hoc, that is, communists by virtue of their views of the national situation. But that means that they are simply pro-Russian : they means to side with Russia and against the United States and England in the future struggle : they ... *

* Daß große Faktum ; die große Hoffnung (für welche bessere condtions nicht notwendig relevant) World Revol. hat diese Bedeutung ... No Revolution ever ohne Hitler's Truppen ... Nothing to give, except ideol. superiority, wenn in ambit. of U.S. bürgerliche Demokratie durch \$ am Leben gehalten wird — und dann zu durchkreuzen in Arbeiterbewegung nötig und counterattack durch amerikanischer Arbeiter. ... Europ. Revolution aber dann auch Asia und U.S. ... World Revol. exist aber nicht in sight. ... Bombs and dollars not all of it. ...

Second, England attitude comes nearests to bearing out the expectations of our visitors from Mars.

There are some Stalinist also in England and many advocates of appeasement but, since the electorate fails almost completely to support communism, neither the government nor labor party have any motive to conciliate, let alone to make common cause with communists. Their Stand — and their feeling — in the matter admit of little doubt. There even English communists who separate the communist from the Russian issue and do not seem to crave for Russian support in order to attain their end. Since conservative and most members of the small parties would also support the government in taking a strong line of action, the English government would in this case lead a practically united nations. It would be strange indeed if this were not so. For the most obvious of all the answers that may be made to American optimists on the subject of fundamentally pacific intentions which they hope Stalin to harbor is that, whatever his intentions, the objective situation of the Russian as against the British Empire is one of irreconcilable antagonism. All the reader has to do in order to satisfy himself of this is to visualize in his mind's eye the battle array. ... *

* So far as the democratic situation is concerned, it is safe to assert that, if it decide to taken a strong line against Russian world, this is not self-evident but is evidently so ... complete resignation ... Vergleich kann ausgeglichen werden in points ; und selbst das hindert nicht underground ; absehen von matters of Europe much more than NAP over was.

Nevertheless there is no difficulty in understanding an attitude that might strike the visitor from Mars not only as weak but also irrational and moreover quite contrary to form. Taking the strong and rational line would involve a terrible risk such as England

has never taken before. Throughout 1688—1714 and 1793—1815 coalitions were available before the plunge had betaken and, according to all ordinary standard, these coalitions must have seemed even more adequate than they actually turned out to be. To plagiarize the famous saying of a great man : our understanding of history is spoiled by our knowledge of the event. But if we place ourselves, for instance, on the standpoint of 1793 and try to survey the chances as they must have appeared to any well-informed observer, we cannot but agree that early success against revolutionary France must have seemed to be that treacherous thing, a practical certainty.

The next comparable case was similar : any survey of resources made in August 1914 must yielded a most encouraging result, quite irrespective of what at that moment may have been expected from the United States. Even in 1938 England did not stand alone. In fact, if we count in, at least as possibility, a correct appraisal of the true meaning of Stalin's entente with Hitler and furthermore the presence of doubts concerning the efficiency of the German War engine — entirely justifiable as they were before the event, this case may well have been considered the safest of all.

Now it is quite clear that no significant support can be expected from continental Europe. All hope of success — and the alternative to success is the end of England — therefore turns on support from the United States, this is to say, on the United States being prepared to enter in another long, costly and difficult war. And this is not at present the case. I do not mean to assert that if the worst come to the worst the United States would leave England to its fate. On the contrary, I believe it to be likely that this country would be drawn into a Russo—English war pretty quickly. But I do assert that this is not certain and that meanwhile Washington will exert itself to utmost to avert this contingency, or, which is the same thing, that Washington is taking a course, that is exactly opposite to that it took before the second world War. It is this which the visitor from Mars will find difficult to understand. For all the reasons except one that have ever been proffered in motivation of the course taken before apply with added force to the present case.

Third, then, the situation that shapes the present behavior of this country as regards international affairs may be summed up in the three sentences : the nation is tired ; there is no immediate danger of physical attack ; and foreign policy is domestic policies. The nation is tired : tired of the huge and sanguinary game ; of war propaganda and war activities ; of war regulation, war taxes, war bureaucracies. It wants to be rid of all this and settle down to the ordinary pursuit, the comforts and daily run of life to which it accustomed ; tired of blood and of destruction. We know that the democratic form of government does not always guarantee conformity of policies with any genuine "will of people" (see Part IV). But such a pervading mood is bound to assert itself under any form of government even in an autocracy unless it be an autocracy of Stalinist or fascist type that rules by means of a perfectly disciplined *classe dirigeante*. *

* Historical example could easily be adduced in order to show that the bureaucratic autocracy of the tzars was not as a rule impervious to national moods. For this two other conditions must be fulfilled that are not implied in autocracy per se. The leader must be an unusually strong personality such were Peter the Great(e) or Catherine II. And modern conditions, the autocrat must also possess that implement of domination which is euphemistically called the “single party” : bureaucracy and police, though necessary, are not enough.

There is no danger of physical attack. If these were people would refuse to believe it for wolf — wolf has been cried too often. If they did believe the remedy that would appeal to them would be further appeasement in the pious hope that abandoning one or two small nations to Stalin would satisfy him until such a time when impending democratization of Russia would turn her into a peace-loving country. Whoever replies that this is as reasonable as to expect Jinghis Kahn, were he alive today, to apply for a position in the staff of the New Republic, is a reactionary or, preferably, a fascist. It is the mood which governs the will, it is the will which governs — and plays havoc with — reason.

This, I believe, adequately explains the attitudes of a majority of farmers, workmen and small businessmen. A small minority is communist, still fewer are Stalinist, and Russia does not mean a great deal to them whereas the discomfort of another war does. And so they are pro-Russian in effect even if not intention. The attitudes of labor leaders is accounted for by their tactical situation. The vocal part of the intelligentsia also taken a position that works out to the advantage of Russia though a surprising number if intellectuals is pro-Soviet in intention as well as in effect. The obvious case for the opinion that, if any country stand in need of liberation more than any other, that country is Russia, is never espoused. But by far the most interesting phenomenon is the attitude of the upper strata of the individual and commercial bourgeoisie. Not that this attitude is politically important : the complete powerlessness of this strata, whenever unsupported by small business and by the farmers, is obvious from their inability to safeguard. All the greats is for us the symptomatic value of this attitude. A considerable majority, to say the least, is all-out for a appeasement. When someone points out what this may mean to them, they retire immediately — so much of offended — silence or else into the shelter of the foresaid pious hopes. With few excetions, large scale business has little reason to congratulate itself on the economic and social results of the war.

And foreign policy is domestic policies — save principle of analysis —. To some extent that is so everywhere, but I mean more than this. For our present purpose, the phrase, foreign policy of a country is to denote habitual attitude of its governments toward foreign events and nations which is capable of being coined into “principles” and largely, though of course wholly, independent of party lines. This habitual attitude that stand out very

clearly in all great nations and in most of the small ones is the product of two factors : first, the relatively permanent elements of their geographical, economic and ... situations and, second, of what for want of better expression will have to be called national characters. It does change in time — mainly in consequence to change in pattern of institutional relations and to change in social structures. At any given time it is very definite and in fact compelling : the politician who attempts to deviate too far is at once made to feel consequences. Hence it is something additional to partly considerations. ... two things, discipline : necessity and tradition ... deep seated necessity ... certain way to react come not from rational perception on action to every varying aims. ... favorite sport! ... next to labor ... But ones Wertcharakter wants a peaceful Yugoslavia. ... Vielleicht besser so : wir werden nie das Charakteristische for policy, welche dann rationalistische in various ways : wenn wir Rationalisation noch sehr diskret, the fact of definite form of behavior is clear. ...

The United States that was too had such an habitual attitude, formulated Isolationism, ideally suited to and understandable from the countrys position. Though weakened under the weight of increasing nu. of foreign bom. and first generation citizens, it survive and is a political force even now in abeyance. But the U.S., that is, has no such habitual attitude apart from that survival. Peg on which all foreign interests bear is missing. No guide beyond having its own way in this hemisphere and seeking list that Amer. citizen and Amer. commodity is nowhere discrimi. against. But still more import. ist this consequence : so tradition, so diplomacy. ... Citizen who elsewhere is governed by this tradition has no opinion and picks up whatever given propaganda organiz. may infuse : they may send him off into an emotion but barring this. Here is no political force involved dishonestful and so easily taken in by the group that knows how to exploit it. (except isol. und wishing not to be bothered, Leage of Nations unpopulär heading populär) ... Und nicht nur weiß der Politiker das, sondern er ist indem gleichen Falle ; OPA viel wichtiger als Poland und any emotion about Posenisks place. ... Square u.s.w. amounts to exactly nothing in the way of cool deliberate, determined readiness to act (auch in diesem Krieg Roosevelt in 42). ... Hatred of secret diplomacy make it ärger — wir werden nie wissen, was in Yalta vorging oder for that matter. Nothing is clear — erstaunlich wenig Vertändnis —.

Und um so heißer werden slogans erfaßt, wenn sie jemand benützt ; da ist er at home, da ist er safe (Stalin understood it, Hitler nicht). For policy favorite sport next to labor und alles ein Masse von plans und propositions. ... bombing into liberty — handing over into slavery ... contradictory aims und principles ... Und wir sehen das jetzt — Scheinerfolge für den Augenblick, die Stalin erwahren kann —. No for policy. ... No consistent of action ... What chances has this humbling society. ... Entschluß nicht möglich — außer für starke Persönlichkeit oder supreme tactician. ... So Politiker free to consult his classes only and das ist es, was wir beobachten (Myrdal). ... On the other hand he lacks the support of rationally recognized rules of action. ... Colossal aimes pass unnoticed :

Kleinigkeit zahren. ... Dozens recognized — nobody speaks or acts. ... Pravda — contempt
... There are reasons. ... One thing stand out. ... Revolution möglich “What should be
done? — clear your mind of cant. ... enarmed of formula ... slogans committees ...
solving problems by washing them solved. ...”

Now, an observer from Mars — especially if addicted to the theory that political action is a
matter of rational perception of facts and rational inference for them — would naturally expect
to find the whole non-Russian would be shocking with indignation and apprehension.

Postscript

Shin-ichi Uraki, Editor

In 1941, Joseph Alois Schumpeter completed *Capitalism, Socialism and Democracy* and commenced writing his following work, *History of Economic Analysis*. There are those who feel that the former was written as a relatively light-hearted diversion to be read as such while the latter was written for the purpose of being perused by informed scholars. In the final analysis, however, *Capitalism, Socialism and Democracy* has been fully recognized as a masterpiece that is today considered one of classics in the field of political economics.

Once these works were completed, Schumpeter retained and even updated the source materials:

1. Unused passages,
2. Notes made to schematize the issues, and
3. Notes made in the process of formulating and clarifying each part of what he was working on.

When the second edition of *Capitalism, Socialism and Democracy* was published in 1947, the only modifications – incorporating manuscripts and notes made from 1942 to 1947 – were:

1. The Preface entitled *Changes for the Second Edition*,
2. The addition of the chapter *Consequence of the Second World War*, and
3. An essay entitled *March into Socialism*.

During his academic career, Schumpeter remained devoted to *History of Economic Analysis* in spite of its demands that turned out to be much heavier than he had expected. Though the work was exhausting, he carried on until his sudden death in 1950. Following that, his wife, Elizabeth Boody Schumpeter, edited the material into book form. She went on to dispatch the originals of all the background material – about 1,700 holographic and typewritten sheets – to Japan where they are today preserved in the Mie Prefectural Library, Tsu City, Japan.

This transference of materials occurred due to the fact that Mrs. Schumpeter – an economist in her own right – was aware of the respect accorded to her husband's work by Japanese economist scholars – especially Mr. Sei-ichi Tobata and Mr. Ichiro Nakayama who had been Schumpeter's students at Bonn University in Germany. In fact, they jointly translated Schumpeter's *Theorie der Wirtschaftlichen Entwicklung* and *Epochen der Dogmen - und Methodengeschichte in Grundriss der Sozial-ökonomik*⁴ into Japanese. From 1947 to 1951, they went on to translate second edition of *Capitalism, Socialism and Democracy*.

It is probable that these are among the reasons that Mrs. Schumpeter provided the source materials to Mr. Tobata. Among their exchanged letters, some of those from her to him are extant today. They suggest the following developments:

1. She sent microfilms containing typescripts of "*History of Economic Analysis*" and asked Mr. Tobata to check for bibliographic errors and he responded accordingly – a strong indication that it was this input that later contributed to his Japanese translation.

⁴ A textbook that formed the basis of "*History of Economic Analysis*"

2. Mr. Tobata asked Mrs. Schumpeter to contribute a Preface to the Japanese edition of “*Capitalism, Socialism and Democracy*”. Furthermore, he requested something that would commemorate her late husband whose works were attracting strong interest among Japanese readers. In a letter dated 6 November 1951, she wrote, “I think it very suitable that the draft of *Capitalism, Socialism and Democracy* as well as the source material should go to Japan.” As a result, his student, Mr. H. Furuya, brought that material to Mr. Tobata. Though arising as an occasional topic among Japanese economists, that material remained in Mr. Tobata’s private library.

About ten years before Mr. Tobata passed away in 1984, the Mie Prefectural Board disposed of his property and built the Tobata Memorial Hall on the site of the nearby Mie Prefectural Agricultural Technology Center. A renowned economist – particularly in the field of Agricultural Economics – Mr. Tobata was an invaluable adviser to various authoritative bodies in Mie Prefecture. According to his living will, a significant proportion of his library was donated to Mie Prefecture and housed in the Tobata Memorial Hall. Altogether, there were approximately 15,000 books, articles, reports, research materials, and other documents – among them all that had been provided to Mr. Tobata by Mrs. Schumpeter.

As one of Mr. Tobata’s university students who lived within commuting distance to both the Center and Mie University where I was a professor, I was appointed to take charge of organizing Mr. Tobata’s donation – work I performed intermittently from 1984 to 1986. In the course of this work, I uncovered all that had been provided by Mrs. Schumpeter.

Recognizing the importance of what I had uncovered, I place everything in a protective cubicle and then conducted research of the contents using copies rather than the originals. In 1995, the Tobata Collection of the Tobata Memorial Hall was – due to administrative consolidation – transferred to the Mie Prefectural Library where they remain.

The contents of the Tobata Collection consists of three segments:

A. Unbound holographic drafts handwritten in cursive-style English using “B” scale pencils on yellow writing pads measuring 30 x 20 cm and having 24 ruled lines. As a rule, the sheets are generally unnumbered. A large proportion of the sheets have also been revised from drafts into notes in order to arrange points or issues. As there are approximately 1,190 sheets all together, this is the major segment.

B. Approximately 300 typewritten sheets, many of which overlap material in the A segment.

C. Words, phrases, and sentences – a mixture of English and German – quickly handwritten on about 330 small yellow sheets of paper – the English often abbreviated while the German written using Gabelsberger shorthand.

For a few months I met with other concerned persons to decipher material in the A segment. Once I was able to effectively read Mr. Schumpeter’s cursive style letters, I decided to go through the A, B, and C segments on my own.

First on my agenda for this project was to compare material in Segment A with the book to ascertain similarities – a taxing undertaking that took two years to accomplish. The result of that comparison was:

1. Approximately 80% of *Capitalism, Socialism and Democracy* – the 1942 first edition – coincided with material in Segment A.
2. Coinciding material that virtually mirrored material in Segment A was designated “Aa”.
3. Material designated “Aa” accounted for approximately 60% of Segment A – the remaining that did not approximate the material in the book was designated “Ab”.

The second item on the agenda for this project was to check Segment B. The result of that comparison was:

1. Approximately 40% of segment B overlapped material in Segment A.
2. 60% of the remaining 60% had similarities to material in the book and were designated “Ba” while the other 40% that had no close similarities were designated “Bb”.
3. Material in the book not included in “Aa” was to be found in “Ba”. In the relation of “Ab” and “Bb” to “Aa” and “Ba”, it should be noticed that many passages in the former occurred as a result of rewriting them into the latter and thus naturally the former involve many similar or approximately similar sentences or even paragraphs being in the latter. However, each of them had distinctive variances.

The final result of the editing was a reference volume for *Capitalism, Socialism and Democracy* that I placed in the Tobata Library at the Mie Prefectural Library. At the time I felt that the possibility existed to expand the contents in such a manner that it could possibly become an important manuscript in its own right. That was not yet possible at the time, however, as its contents simply mirrored Schumpeter’s book – it did not contain any new material useful for the study of Schumpeter’s works. If any fresh contributions were to emerge, they would be found in the remaining material – Ab and Bb and C.

Capitalism, Socialism and Democracy is, of course, an outstanding publication as it is. And yet the possibility exists that deciphering and presenting the source materials will enhance reader understanding. Consider:

1. Schumpeter was masterful in the arrangement and summarization of his arguments making them rather compact and compendious in spite of being rather extensive and comprehensive. Though the overall theme of “*Capitalism, Socialism and Democracy*” is, in fact, tremendously enormous, the book at 400 pages limited the scope of full presentation.
2. Schumpeter’s keen skill at phraseology should be kept in mind. Consider, “The thesis that the actual and prospective performance of the Capitalist System is such as to negate the idea of its breaking down under the weight of economic failure, but that its very success undermines the social institutions which protect it, and inevitably creates conditions in which it will not be able to live and which strongly point to socialism as the heir apparent. This passage by Schumpeter is considered to be a unique view of the fortune of Capitalism. But its implication appears to be a paradoxical presentation due to his phraseology or rhetoric. As the book is filled with such rhetoric, achieving full understanding of the intended meaning is not always a simple task.

Besides the above considerations, it seemed to me that Ab + Bb + C is meaningful to enhance understanding of the book due to the fact that they supply the supplementary, complementary and

explanatory inferences. The numerous sentences of “Ab + Bb” might have been rewritten due to being redundant, diffuse, incidental, and divergent. A considerable part of Ab + C may suggest the author’s mind wavered from time-to-time due to imaging, thinking, and supposing. In addition, through the contents of Ab • Bb • C which were not included in the published work but which were cleverly incorporated within his peculiar phraseology, the author’s real thoughts may be hidden. As it were, the published book exists at the center of the solid sphere for analytical judgment and around it exist the implications and influences of Ab + Bb + C.

Thus, I felt it necessary to disclose the contents of Ab + Bb + C. Nevertheless, doing so faced serious obstacles. One such related to deciphering material written in German shorthand. In fact, the inability to decipher some material would make it unusable. To overcome this obstacle, it was necessary to seek a person qualified to undertake the deciphering task. That person turned out to be Mr. Tsuguo Kaneko⁵, a leading comparative researcher of stenography in Japan who upon examining Schumpeter’s German shorthand notes tentatively presumed them to have been written in the cursive stenographic style of Carl Faulmann⁶. To verify this, he contacted stenographic associations in both East and West Germany.

Herr Manfred Kehler, the leading stenographer in the DDR, judged them to have been written in the cursive style of Gabelsberger shorthand⁷. Though even in Germany few remained able to competently decipher it, Mr. Kehler introduced me to Mr. Arthur Heym, a kind, cheerful nonagenarian, who was able to satisfactorily get the job done to my requirements during the period from 1988 to 1991.

Notes in abbreviated English, on the other hand, were relatively uncomplicated to decipher – especially for one having knowledge of Social Science. For example, “inves. oppor.” is “investment opportunity” and “comp. effi.” is “comparative efficiency”.

Once deciphered, it was originally planned to allocate the resulting passages as footnotes or postscripts to respective places in the chapters of the manuscript version of “*Capitalism, Socialism and Democracy*” to be put together by me. Unfortunately that was not possible due to the fact that a large proportion of such passages were not – for one reason or another – amendable to such placement. That left sorting and organizing the passages accordingly in order to be able to come forward with another version of Schumpeter’s published *Capitalism, Socialism and Democracy*.

This work was, however, was by no means as straightforward as I expected it might be. Through 1995, I copied and translated each passage. Finally, I had approximately 600 sets to be bound to form the manuscript. I worked on this over and over for more than ten years, but the results remained unsatisfactory. In fact, the material was rearranged two or three times, but still

⁵ Author of “*Stenography and the Information Society*”

⁶ Born in Halle an der Saale in 1835 and initially trained to be a typesetter, Carl Faulmann was inspired to develop similar versions for the stenography system by Franz Xaver Gabelsberger that was popular primarily in the southern part of Germany. When he published his ‘*Illustrierte Geschichte der Schrift*’ in 1880, his work was the first universal history on the subject of stenography.

⁷ Created about 1817 by Franz Xaver Gabelsberger, Gabelsberger shorthand is a form of shorthand once rather common in Germany and Austria. It was first fully described in the 1834 textbook *Anleitung zur deutschen Redezeichenkunst oder Stenographie*.

progress remained unsatisfactory.

Turning eighty in 2011, I was experiencing ill health and felt ever closer to death. I realized the need to press on with the Schumpeter Project and came to regret having diverted my attention by deciphering old documents and interpreting Chinese style poems and Buddhist scriptures.

Fortunately, I found my second cousin – Mrs. Taka-e Inoue – to be an excellent decipherer of Japanese historical documents. Reading the material from the Schumpeter Project that she had deciphered, I felt her results were not only perceptive, accurate, and neat, but that they revealed some important details that were previously unfamiliar to me. This influenced my decision to once more – with her assistance – take up the challenge of deciphering and interpreting the old documents pertaining to the Schumpeter Project and translating the results into Japanese. This further required reordering and rearranging the material to achieve its present state. The only passage I added was passage II — (4) — 13 formed as an outline of *Sociology of Intellectuals* found in Schumpeter's published book.

As is, *Supplemental Passage References for Capitalism, Socialism and Democracy* by Joseph Alois Schumpeter remains a work in progress for those who follow. I am, however, pleased to have completed this first version in my lifetime.

Special thanks are due to the late Mr. Arthur Heym and to Mrs. Taka-e Inoue. Without them, I could not have come this far. I also wish to offer my gratitude to Mr. Hideki Ima-oka for his ongoing encouragement

As no part of the contents of this version has previously appeared in print, copies will be sent to all persons concerned.

Spring 2012

Postscript by Associate Editor

Dr. Katsuhiko Imai

A friendly relationship with Professor Emeritus Shin-ichi Uraki, the editor of this volume, began in 1963. Since then, he has always welcomed me and provided valuable, enlightening, and reliable input whenever I was seeking opinions and/or advice related to my studies or research.

In 1997, I resigned my position at Kawatetsu Steel Products Co. Ltd. to accept a position as an Engineering Faculty Professor at Osaka University and commenced research focusing on an environmental analysis of forestry management as well as on the development of advanced and innovative applications for lumber.

When visiting Dr. Uraki in summer 2001 to report on the progress of my research and development at the university, I was informed for the first time of the tremendous amount of as yet unpublished hand-written manuscripts and notes related to the masterpiece work “*Capitalism, Socialism & Democracy*” by Joseph A. Schumpeter and donated by his widow.

In the knowledge that such material was too valuable to simply be filed away for its historical value, he felt it should be collated, systemized and published. For that purpose, he formulated a plan to edit, systemize, and publish all the hand-written materials.

During a visit 13 years later in July 2014 to present Dr. Uraki a copy of my book based on Space Frame, he showed me a thick file containing his hand-written referential supplemental manuscripts related to “*Capitalism, Socialism and Democracy*” along with a typed version of his Japanese translation. He informed me that his efforts focused on keeping all such material intact for future generations of researchers as well as for all persons having an interest in Schumpeter’s contributions to human knowledge. He went on to inform me that the next step would be to type up the hand-written material and make it ready for printing.

Looking over the pile of hand-written manuscripts written in English mixed with various German notes or passages sprinkled with French, Italian, Greek, and Latin words, I came to the realization of its importance. As a result, I informed Dr. Uraki that I would assist him to achieve his goal. I then formed a plan, the first stage of which was to edit the typed Japanese version. Another part of the plan was to request the assistance of acquaintances to put together an English version that also incorporates French, Italian, Greek and Latin words as appropriate. The projected schedule starting from September 2014 was to complete the software entry of materials within six months and as soon as possible commence the editing phase so as to be completed within a year. Using the appropriate computer software, Mr. Ta-ichi Kimura entered the material for the English version. A close acquaintance since when I was a student at Osaka University, Mr. Kimura formerly worked for the Sumitomo Corporation. Having a good command of English and knowledge of French, his input of both the English and European language versions were completed in early January 2015. As for the German and Italian material, I personally took charge of the proofreading. The final

proofreading of German material was done by Frau Keiko Minamitake who is a lecturer at the School of Foreign Studies of Osaka University. In addition, I took an active part in the editing process and preparing the material for publication.

Gratitude is expressed to Mrs. Taka-e Inoue and to the Mie Prefectural Library. The Mie Prefecture Library generously provided the processed Japanese language version data with the input having been performed by Mrs. Inoue.

In the process of editing, I submitted what I had completed to Dr. Uraki. Then, after making the appropriate additions and corrections, he sent the material back to me. The material went back and forth in this manner until it was completed in September 2015. The “Editor’s Notes” were originally written in Japanese and the translation into English was a cooperative effort by Mr. Kimura and myself. As for the both English and Japanese versions, they will be published privately at our own expense at first in a small run. It is our intention to publish the Japanese language version for retail distribution in the very near future.

Finally, gratitude is expressed to the following persons for their moral support and financial assistance: Mr. Ryuzo Fujiwara – Board Chairman of Sanwa Metal Works Co., Ltd. – who has been a reliable partner in Space Frame R&D and production since 1985; Mr. Shigenori Yamakawa – Managing Director & Plant Manager of Yamazaki Machinery & Manufacturing Co., Ltd. – who is a vital collaborator regarding R&D and production of Space Frame connecting devices; and Dr. Yoshiko Hidaka, doctor of the Hidaka Clinic who is the sister of Dr. Uraki. I became a close acquaintance of Mr. Kimura’s at Osaka University. He formerly worked for the Sumitomo Corporation.

Autumn 2015



Editor (Oct., 2014)



Meeting of editing (Oct., 2014)



Schumpeter's manuscript



Deciphered and ordered manuscript



Mr. A. Heym who deciphered Gabelsberger type stenograph (Dresden, DDR / Oct., 1988) and Mr. T. Kaneko

Arthur Heym
Born in 1897

1904~1912: Einfache Volksschule. After leaving school, worked as an assistant stenographer at a hospital in France.

1920~1944 : Stenographer at a newspaper company.

1945~1946: Brought to Ural in USSR as a prisoner of war.

1949~1963: Stenographic reporter (At Congress, political party, labor union and tech sector).

1965~: Decipherment of documents, diaries and personal notes written by stenograph.