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February 1970

THE THEORY OF "CONVERGENCE" AND/OR "FUTUROLOGY"

The theory of "convergence" postulates that the split between the world systems of "capitalism" and "socialism" will necessarily disappear as the imperatives of modern technology force all highly industrialized countries into more or less the same mold. Within the capitalist system, the possibilities of such a convergence have been talked and written about for a long time. In the USSR and most other East European countries, discussion of such an evolution has until recently been restricted to private conversations or uncirculated manuscripts.

The paper and its attachments are a compilation of the most recent evidence of a bitter controversy developing in the USSR because of a growing preoccupation with "convergence" among many Soviet scientists, economists, and philosophers. As indicative of what may be the trend throughout Eastern Europe, brief mention is also made of some Czechoslovak views on the subject.

Soviet propaganda reaction to western discussion of "convergence" (seen as a clever device invented by anti-Communists to subvert the Soviet Union) and to domestic attitudes that smack of "convergence" (seen as evidence of falling prey to "futurology" or "ota sikism") pinpoints what most preoccupies the present Soviet leadership: its inability to condone even a modicum of the intellectual liberalism that "convergence" would ordain.

The Sakharov Memorandum

The first tangible sign that the theory of "convergence" was a matter of serious consideration in the Soviet Union came almost two years ago when the eminent Soviet physicist Andrey Sakharov wrote a memorandum about his "thoughts on progress, peaceful coexistence and intellectual freedom." Most of Sakharov's general concerns are universal: the threat to mankind in the possible use of nuclear weapons, the hunger that threatens millions in Asia and elsewhere, the destructive impact of man on his environment through pollution of the atmosphere and water, and so on. In an even-handed castigation of both East and West, Sakharov wrote that as long as "every country is concentrating on causing maximum unpleasantness to opposing forces with no consideration for common welfare," mankind cannot cope with the world's problems.

He preached seeking solutions through a cooperative coexistence between East and West, a collaboration which would be possible only if both sides dropped their ideological dogmatism and accepted the idea of convergence. He speculated that both systems would inevitably converge as a result of a spread of government and cooperative ownership in the capitalist system and the development of democratic trends in Soviet socialism. He rejected the standard Soviet dogmatic critique of capitalism and concluded that "both capitalism and socialism are capable of long-term development, borrowing positive elements from each other, and coming closer to each other...."

Sakharov was strongly critical of the restrictive features of the Soviet regime and devoted a large part of his memorandum to expressing his opposition. Concomitantly he called on his western counterparts to examine the deficiencies within their systems. Among Sakharov's appeals to the Soviet leadership were calls for:

"deepening and broadening the strategy for peaceful coexistence and cooperation; evolving scientific methods and principles of foreign policy, based on scientific prediction; adopting a new law concerning press and information policies, with the aim of liquidating irresponsible ideological censorship and stimulating the self-study of our society in the spirit of fearless discussion and search for truth; carrying de-Stalinization to the end and minimizing the influence of neo-Stalinists in political life; and deepening the economic reform by broadening the area of experimentation."

Writing before the Soviet-led occupation of Czechoslovakia, Sakharov voiced the support of many Soviet intellectuals for the Czech experiment and the recognition of its relevance for the USSR: "The key to a progressive restructuring of the system of government in the interests of mankind lies in intellectual freedom. This has been understood in particular by the Czechoslovaks and there can be no doubt that we should support their bold initiative, which is so valuable for the future of socialism and all mankind."

Copies of the Sakharov memorandum were smuggled out of the USSR and on 22 July 1968 The New York Times was the first western newspaper to publish the complete translation; it was almost immediately emulated by most large and small free world presses. Western reaction was overwhelmingly enthusiastic. The writing and circulation of the memorandum in the Soviet Union was in itself taken as an important sign of progress and a stimulant to further progress.

American physicist Eugene Rabinowitch, in the Bulletin of Atomic Scientists, November 1968, noted that it was "easy to find weaknesses and inconsistencies in Sakharov's pamphlet; it is even easier to mock his 'naive optimism' in respect to the likelihood of evolution of the ruling groups in both systems, but particularly in his own, toward greater rationality and tolerance. The occupation of Czechoslovakia suggests no such evolution...." Rabinowitch concluded that although Sakharov's "straight line" forecasts may be too optimistic, "he is right in stating that the scientific revolution leaves mankind no alternative way, and that the only hope for survival lies in following this path long enough to reach safe ground."

James Critchlow, a recognized authority on Soviet affairs, in Commonweal, September 1968, described Sakharov's "iconoclastic memorandum" as an offer of "genuine East-West partnership, a plan aimed at eradicating the world's major ills by the year 2000. It marks the first time that a high-ranking Soviet citizen has extended the hand of friendship publicly without the competitive 'we'll bury you' formulas of Marxism-Leninism."

Italian Communist Giuseppe Boffa, writing in the party newspaper L'Unita, 28 September 1968, in part refuted and in part applauded the Sakharov memorandum which he said "reflects ideas we believe have been circulating among a not unimportant section of the Soviet intelligentsia." While Boffa dismissed outright Sakharov's views about the convergence of capitalism and socialism as "rubbish, obviously," he gave eager support to the "request for free political debate in the USSR and other socialist countries." Boffa concluded his critique with this plea: "These ideas, however disputable, must not be ignored, obscured, or deformed by polemics. Instead, they must be debated freely because they are also a part of the political reality. Only in this way can these ideas be overcome. When freedom of debate is lacking, one of the worst consequences is the decline of political discussion and of political ideas, which need to clash and mature."

Sakharov himself anticipated the polemics: "I can just hear the outcries about revisionism and blunting of the class approach to these issues." He did not have to wait long. On 11 August 1968, orthodox Soviet economist Viktor A. Cheprakov published in Izvestiya an affirmation of the standard position that socialism and capitalism, far from converging, are growing ever further apart and that only socialism can solve the problems raised by science and technology.*

Cheprakov's article, entitled "Problems of the Last Third of the Century," was presumably intended as the official refutation of Sakharov's ideas, although the Soviet scientist is not mentioned by name. Since, officially, the Sakharov memorandum does not exist, its author has not been publicly chastized. Cheprakov summarily dismissed Sakharov and his ilk, describing them as "the liberal high priests of futurology who avoid social analysis and deny the need for a revolutionary transformation of the world ... ineffectual in the prognostications despite their boundless imagination and their disarming faith in the natural sciences."

The Czechoslovak Treatment

The first and only explicit commentary on the Sakharov memorandum known to have appeared in Eastern Europe is found in a courageous article published 8 February 1969 in Czechoslovakia. Jan Spelena wrote for the Czechoslovak youth newspaper, Mlada Fronta, an article entitled "Enfant Terrible of Soviet Physics, Enfant Terrible of Soviet Society," in which he included extracts from the Sakharov memorandum and referred to additional excerpts that had been published in another Czechoslovak journal. Spelena's plaudits for Andrey Sakharov had to be carefully couched. For example, he included bio-

*In February 1968 the same Viktor A. Cheprakov adopted a "proper class approach" in dismissing the western exponents of convergence in a review of John Kenneth Galbraith's The New Industrial State which appeared in the Soviet journal Problems of Economics (Voprosy Ekonomiki). (Copy attached)

graphical data on the Soviet scientist which was presented in glowing, laudatory phrases. Spelena described Soviet citizens, "particularly scientists and graduate students," as busily reading and copying the text of Sakharov's treatise.

The enthusiasm with which the appearance of the Sakharov memorandum was greeted in Czechoslovakia has been confirmed by refugees from that country. Also, Czechoslovakia has her own exponents of a convergence theory. Under the direction of the internationally respected Czechoslovak philosopher, Radovan Richta, an inter-disciplinary group undertook, at the Czechoslovak Academy of Sciences, a formal review of the prospects for society in the scientific-technical revolution.

The final report of the Richta study group was first published in book form in Prague in 1967 and entitled Civilization at the Crossroads (Civilizace Na Razcesti). The following quotations leave no doubt about the authors' conclusions concerning the progression of "convergence" (although the word itself is not used):

"The foundation of our century, the ground on which the most progressive part of our world is moving, is unquestionably the industrial civilization.... Industrial civilization is developing into a civilization process of a new type.

"New values of human life constitute the basic elements of the scientific technical revolution.... Analogous to the tendencies in socialism, the development into the new type of civilization has also begun in the imperialist countries.... Socialism and capitalism are equally moving toward a post-industrial society."

East Germany was tasked with correcting the ideological errors expressed by Radovan Richta and his fellow scientists. (Many of these "errors" have been republished and favorably reviewed in Western theoretical journals.) In August 1969, propagandist Dieter Klein, writing in East Berlin's Forum magazine, castigated Dr. Richta and all his colleagues for developing their views from "the futurological bourgeois theories of the industrial society." He claimed the Richta group's heresy failed "to consider our epoch in the light of the dispute between capitalism and socialism," implied that "an order of humanistic relations between people cannot be found in present day socialism," and totally lacked "any analysis of class structure."

Soviet Officialdom Castigates Theory

As long as "convergence" remained ostensibly a western concept, Soviet propaganda could dismiss it by equating it to "perfidious bridge-building," a tactic allegedly designed to spread subversive thoughts among the ideologically pure. However, after the Sakharov treatise had been so widely publicized in the West and portions of it reissued in Czechoslovakia, the Soviet propagandists had to devise some new tactics (and refurbish some old ones).

To help the program along, a new catch-all was invented: "futurology" or "the science of fuzzy social forecasting." Theories that smack of convergence, or any arguments that could evolve into support for the theory, are now classified as "futurology."* In the most recent exposés of such "futurological thinking" in Soviet journals the critics have returned to that popular Stalin-era pastime of slander-by-name.

The Controversy Continues

Nevertheless, a handful of articles published during 1968 and 1969 in the Soviet Union have reflected "futurological thinking." They, in turn, have provoked hard-hitting, propagandistic rebuttals. Beyond the cacophony of propaganda are sounds of potential controversy developing in quarters outside the scientific community -- among military theorists, foreign affairs specialists, and economists.

Two articles can be taken as indicative of sharp differences of opinion among the faculty at the Soviet Ministry of Defense's highly "proper" Lenin Military-Political Academy; one author is a civilian and the other, a Major General. The lead article in the March 1968 issue of Problems of Philosophy (Voprosy Filosofii), entitled "October and the Strategy of Peace," was written by A.I. Krylov, a civilian associate and lecturer on dialectical and historical materialism at the Military-Political Academy. (Excerpts attached.) Comrade Krylov's ideas have much in common with those expressed by Andrey Sakharov, although Krylov is more moderate and he does stop short of openly advocating any theory of "convergence." Because nuclear war would be "catastrophic in consequences not only for the warring powers but for all mankind," Krylov calls for bold and open investigation of all sociological aspects of the strategy of peace in the nuclear age, for realistic evaluation of "the military-strategic concepts of the bourgeois ideologists of the imperialist camp;" and demands that a more respectful attitude be taken toward scientific forecasting.

A rebuttal was not long in coming. Sometime in July or early August 1968, Krylov's heresy and by inference that of Problems of Philosophy for having published it, were "properly" scored by Major-General Konstantin Bochkarev, also associated with the Lenin Military-Political Academy and often a spokesman for Soviet military theory and ideology.** In a critique of "October and the Strategy of Peace," Bochkarev accused Krylov of harboring dangerously uncritical attitudes about bourgeois ideologists whose military-political concepts are designed to deceive the masses and to undermine the morale of Soviet soldiers. Even more serious is Bochkarev's accusation that Krylov had deviated from the correct principle of class analysis of questions of war and peace.

*Other than its appearance in the Sakharov text, the word "convergence" is never used in Soviet publications except by propagandists and then only in referring to it as a western concept.

** As, for example, Bochkarev's article in defence of the Brezhnev doctrine that appeared in Red Star (Krasnaya Zvezda) 14 February 1969.

Possibly in an effort to restrict knowledge about the existence of any conflict of ideas, Bochkarev's blast was delivered as a behind-the-scenes critique. His article was published in what has been described as the "authoritative theoretical journal of the Soviet General Staff," Military Thought (Voennaya Mysl'), which is normally circulated only among the upper echelons of the Warsaw Pact forces. Knowledge of the contents of this particular article came from a high-level officer formerly with one of the East European armed forces.

Last summer a western correspondent reported attending a public lecture in the Soviet Union given by an official of the Ministry of Foreign Affairs. The lecturer reiterated all the hackneyed justifications for what had happened in Czechoslovakia, which was described as a typical victim of the trap into which smaller socialist countries fall when they get entangled with large imperialist powers. In this connection, he mentioned the "reactionary bourgeois theory of convergence" and emphasized that the essence of Russian-American relations lay in the "struggle between two systems of organized society -- capitalism and socialism." He added, however, a personal comment that western thoughts about "convergence" were the only ones describing American-Russian relations that provided for a peaceful outcome. For this reason alone, he said, perhaps "our press ought not to dismiss the theory too readily."

A similar note of caution was sounded by Soviet Foreign Minister Andrey Gromyko's son, Anatoliy, in an October 1969 review (copy attached) of a newly published compilation of essays on western foreign policy by Soviet writers. The younger Gromyko emphasizes that changes in western policy are happening not "because imperialism is becoming less aggressive," but because certain moderates are beginning to take a sober view of the balance of forces between East and West. This latest plea for a more tempered evaluation of western thinking echoes both Sakharov and A.I. Krylov.

A recent article by a defender of the present order in Soviet economic management poses some new threats for the advocates of a more liberal Soviet economic reform, a reform that would take some lessons from the capitalist approach to rapid translation of scientific and technical ideas into practical use (and the implementation of which would seem to threaten to bring "convergence" a step closer). The article, published in the November 1969 theoretical journal the Planned Economy (Planovoye Khozyaistvo) and written by the conservative economist Alexander Bachurin, invoked Stalin to justify present methods of Soviet planning and management and maligned the mathematical economists (whose theories, if implemented, would certainly limit the prerogatives of political authorities such as Bachurin).*

*At the heart of current Soviet debates about economic reform is the leadership's indecision about whether or not new technology can be absorbed at the rate required to overcome the USSR's technological lag while individual enterprises remain subject to the dictates of centralized planning. Just how far down the "capitalist path" do they have to go in granting concessions to individual initiative and profit motives before risking an outbreak of "economic liberalization"?

Bachurin specifically slandered the liberal mathematical economist Nikolay Fedorenko by comparing him with the Czechoslovakian reformer Ota Sik. In the Soviet lexicon, Ota Sik's name now symbolizes all the evils of "revisionist economics" because of Sik's efforts to liberalize the Czechoslovak economy (along what the Soviets called "capitalist lines") and Bachurin has just added "ota sikism" to "futuresology" and other derogatory terms used to denigrate the theory of "convergence."

Bachurin's is not just a propagandist's blast, however; he speaks with some authority, being both deputy head of the Soviet Central Planning Committee and in charge of a commission tasked with implementing economic reforms. The fellow economist whom he attacked is head of the Central Mathematical-Economic Institute, brain center for the planning and incentive reform program that seeks to use mathematics to get the optimal solutions to problems that in the west are solved by markets. Both are men of stature in the economic hierarchy.

In Sum

"Convergence," under various names, can be seen to be an idea which is cropping up in several areas of Soviet life: scientific, military, economic, and foreign affairs. "Convergence" can be viewed as an idea which seeks a path into the future to solve what many thinking Soviets realize to be their problems resulting from a system dedicated to the proposition of stagnation.

TIME,
12 January 1970

Convergence: The Uncertain Meeting of East and West

CPYRGHT

The only choice is either bourgeois or socialist ideology. There is no middle course.

—Lenin

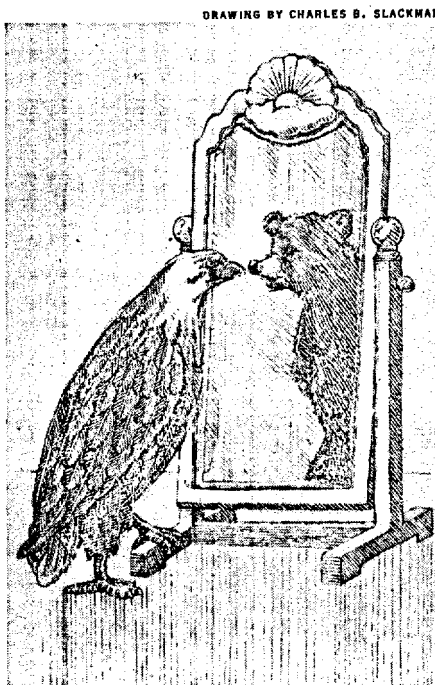
SHOULD Lenin be taken at his word? Some Western political theorists and even a few Russians think not, and in defense of their belief they have propagated what has become known as the convergence theory. In essence, the theory proposes that capitalism and Communism—driven by the irresistible scientific and technological forces that control modern industrial states—will eventually coalesce into a new form of society, blending the personal freedom and profit motive of Western democracies with the Communist system's government control of the economy.

Convergence prophets argue that the theory has universal application, but contend that it applies particularly to the United States and Russia. Despite their manifest differences, both nations are post-industrial powers grappling with the problems of advanced technology. According to the convergence theory, Moscow and Washington should meet some day at the omega point somewhere on the outskirts of Belgrade, the capital of a nation that has—so far, successfully—introduced elements of capitalism into a doctrinally Marxist society.

Perhaps the most dramatic endorsement of the convergence theory has come from behind the Iron Curtain. In a 10,000-word essay that was widely but illicitly circulated in Russia before being smuggled out to the West in 1968, the distinguished Soviet physicist Andrei Sakharov held that the only hope for world peace was a rapprochement between the socialist and capitalist systems. Suggesting that Sakharov's clandestine ideas still have a certain appeal for Russian intellectuals, another Soviet physicist, Pyotr Kapitsa, gave an oblique endorsement to convergence while on a tour last fall of U.S. universities. "There should not be one multiplication table for Russians and another for Americans," he told a Washington press conference. "I believe that a bringing together of the two systems is correct."

Major Heresy

Kapitsa's approval of the Sakharov thesis was a trifle ambiguous, and with good reason: convergence is regarded by Soviet ideologues as a major heresy. In essence, the theory is a variation on a Marxist theme—namely, that economic developments govern political and social evolution. But it challenges the conviction of Soviet orthodoxy that Communism alone is the road to human development. After publication of his essay in the West, Sakharov was dis-



missed as chief consultant to the state committee for nuclear energy, and hardly a month goes by without a denunciation of convergence appearing in the Soviet press.

The convergence theory has only recently become the hope of a few Russian thinkers; the idea if not the term has been a persistent but chimerical dream in the West for decades. During World War II, when the Soviet Union was cast as an ally of Western democracies, convergence was widely

propagated by a pair of émigré Russian sociologists, Nikolai Timasheff of Fordham and the late Pitirim Sorokin of Harvard. Both professors theorized that the Soviet Union would eventually develop into a less repressive and more democratic society as it progressed economically.

More recently, convergence has been taken up with considerable enthusiasm by economists—notably the Dutch Nobel prizewinner Jan Tinbergen and Harvard's John Kenneth Galbraith. In *The New Industrial State*, Galbraith states with his customary élan that technology has an imperative all its own. On the Russian side, advanced industrialization will inevitably lead to greater intellectual curiosity and freedom; in the U.S., it will inexorably lead to more planning and centralized economic controls.

Industrialization v. Ideology

The convergence theory rests on three basic assumptions. One is that industrialization by necessity leads to urbanization and a common culture with uniformities in skills, techniques, organizations and even problems—like the alienation of factory workers from jobs and machines. Because workers and managers in Gary, Ind., and Magnitogorsk perform similar tasks, the argument goes, they tend to develop similar ways of life. The second premise is that industrialization leads to increased diversity and complexity in a society—to a pluralistic condition that overrides all ideologies. The third is that industrialization creates affluence, which undermines political discipline and ideological conformity.

In some areas, especially economics, there is evidence that the U.S. and Russia have a great deal more in common today than they did a generation ago. America now accepts a degree of "socialism," bureaucratic regulation and welfare statism that would have been considered unthinkable not so long ago. The large corporations that dominate the U.S. economy often resemble branches of government far more than they do textbook examples of free-enterprise capitalism.

Since Stalin, Russia has been subjected to a rising tide of consumer expectations, which party planners have periodically had to acknowledge by modifying priorities. In order to make its economy work better, the Soviet government has reluctantly undertaken certain quasi-capitalist reforms. Russia's current five-year plan, for example, provides some managerial incentives and gives individual factories greater freedom from centralized planning.

Despite the surface similarities of Russia and the U.S., critics of convergence answer that economic factors have never played a dominant role in the evolution of societies. Recent history suggests that industrialization and economic progress are compatible with liberty or tyranny, and do not necessarily override cultural or political differences between nations. Witness, for example, parliamentary Britain and autocratic Germany at the turn of the century, or Detroit in the Roosevelt era and Essen under Hitler. The postwar economic progress of Japan has undoubtedly contributed to the viability of its democratic political system; but East Germany, the most technologically advanced of any Eastern European nation, has achieved economic success under the most rigid and doctrinaire of Communist tyrannies.

The convergence theory, in the words of Kremlinologist Bertram Wolfe, is "vulgar Marxism." It posits a fundamentalist belief in economic determinism that Marx himself would probably have disavowed. It ignores or underrates the role played by traditions, value systems and even national characteristics in deciding the future of societies. The concepts that people have of national characteristics, of course, are often mere caricatures, but they generally contain some truth, of a subtler variety than meets the eye. The American devotion to individualism and freedom can be exaggerated; yet the Lockean principles of individual liberty and ordered freedom that underlie the U.S. Constitution and indeed U.S. society are related to the American character and the American ideal. The line leading from the czars to Stalin to the Kremlin's pres-

ent rulers is by no means straight. Still, it is no accident that the Russians—for whom a ruling father-figure rather than the individual is the central symbol in the national mystique—have a history of autocracy.

In the limited sense that capitalist societies are heading inexorably for more state planning and control and that socialist ones must inevitably allow for more decentralization, the convergence theory is true. It may well be that both Russia and the U.S. will come still closer to sharing a common economic model. But broad, perhaps unbridgeable differences will remain, particularly over the philosophic questions of the dreams and goals of the two societies.

Orthodoxy in Tatters

Especially among the young there is always a tendency to extol opposites. Just as many American youths seem to yearn for the collective, non-materialistic life, many young people in Communist countries seem to admire some (but by no means all) of the individualism and the material benefits of Western society. Today, Communism is splintered, Marxian orthodoxy in tatters. Nevertheless, the Communist view of man still has a powerful and self-perpetuating hold in those societies where it has become part of the culture—and it is still a vast distance removed from anything that American society would accept in the foreseeable future. The definitions of "bourgeois" and "socialist" ideologies have changed over the years—and no doubt will continue to change—but in the long run Lenin may well prove to be right.

The future is always problematical, but the weight of evidence suggests that Communist and non-Communist societies will continue to develop on separate but parallel tracks. Fortunately, though, basic differences no longer imply the inevitability of a cataclysmic showdown. The pragmatics of survival may well be the one respect in which the U.S. and Soviet Russia are really meeting. That may be a more helpful and hopeful prospect than the euphoric vision of convergence.

PROBLEMS OF ECONOMICS (VORPROSY EKONOMIKI)
No. 2, February 1968

CONVERGENCE: THEORY AND REALITY. (By V. Cheprakov.)

CPYRGHT

The "convergence theory"—the idea that the capitalist and socialist economic systems are developing toward similarity—is the creature of liberal bourgeois ideologists. It provides them with a defense of monopoly capitalism and an attack on socialism more refined than the theories of reactionary bourgeois economists. Its equivalent in world politics is the slogan of "building bridges" to the East; in ideology its equivalent is the "subversive slogan of peaceful coexistence of ideologies."

Exponents of the convergence theory include Walt W. Rostow, the West German economist H. Lilienstern, S. Kuznets, M. Bornstein and the Dutch economist Jan Tinbergen. They "see only what lies on the surface, passing off the appearance of phenomena as substance. They do this all the more readily because this appearance enables them to camouflage the deep-seated processes occurring in economic development. They identify revolution in the field of science and technology with social revolution, ignoring social relations, the class structure of society and the form and nature of acquisition. Marxists establish a fundamental distinction where convergence theorists seek similarity, they see divergence where the anti-Marxists perceive convergence."

According to John Kenneth Galbraith ("The New Industrial State," Boston, 1967), convergence is a consequence of the development in both the capitalist and the socialist societies of decision-making groups, consisting largely of management and engineering personnel, as self-governing and independent forces. Galbraith calls these entities the "technostructure." As far as Galbraith's observations in the West are concerned, they are not a discovery but a belated acknowledgement of what the Marxists showed long ago—the evolution from the capitalism of free competition to monopoly capitalism. Unlike the Marxists, however, Galbraith sees monopoly capitalism not as a condition of intensified class antagonisms but as a corporate form suited for economic planning.

Convergence theorists equate capitalist monopolies with socialist production associations. The former, they say, are governed by decision-making groups that become steadily less susceptible to the influence of capitalist owners. They then depict the granting of a degree of operational autonomy to Soviet enterprises under the present reform as equivalent to the power of the monopolies in a capitalist society. They forget to say that under capitalism the means of production are in the hands of a financial oligarchy.

Galbraith's conclusions about the exceptional role of collective decision making are interesting and worth studying, but he is mistaken in assuming that the "technostructure" has taken the place of capitalism and that it is now or ever will be inherent in socialism.

Convergence theorists see the development of programming under capitalism and the improvement of planning methods in the socialist countries as another area of rapprochement. Their reasoning: "In the economically developed Western countries the tendency toward planning, toward centrally adopted decisions on macro-economic interrelations, is gaining strength, as a result of which their economies are

becoming more and more organized; and in the socialist countries the former extremely centralized methods of planning are being renounced, and as a consequence they are moving in the direction of the capitalist countries."

Actually, capitalist programming consists of forecasting combined with economic measures to regulate the national economy by influencing the level and size of monopolistic profits and has nothing in common with socialist planning. As for decentralization in the Soviet Union, it describes only new forms and methods of planning within the context of a unified state policy for planning economic development, technical progress, investments, prices, etc., for the whole country.

Official economic doctrine in the capitalist countries holds the view, antedating the convergence theory, that socialism is developing toward a market economy. Galbraith says the decentralization in the socialist economies is not a return to a market economy but "a marked and very important convergence of both economic systems toward a common type of planning in the conditions of a growing role of production enterprises. ...

"No doubt there is much in common in economic instrumentalities, and in the field of the micro-economy (to use the terminology of foreign economists) our economy should borrow certain methods from the managers of large trusts and concerns and from the economists who study the organization of production, especially now, when our economic reform has reached the very point of creating trusts, of combining a high degree of organization of production and material interest. But all this by no means indicates a similarity of systems, any more than it indicates the use of identical techniques in the area of science and technology."

Galbraith contends that while capitalism no longer can ensure proper control over the economy, neither can socialism, and for the same reason: The complexity of technology, planning and the size of production operations take power away from the owner, whether a private entrepreneur or the public, and place it in the hands of the "technostructure." He is right where capitalist monopolies are concerned, and this is an argument for socialism, not against it.

"The scientific-technical revolution, by concentrating the means of production and socializing the process of labor at capitalist enterprises, creates a material possibility for the replacement of capitalist production relations with socialist, and the fusion of the state and the monopolies attests that the mechanism of public economic management, highly organized technically in the conditions of capitalism, is ripe, and that 'all' that remains to be done is to free it from those who stand above the working people. ...

"No doubt historical development engenders and will engender differences in ways and tempos of the revolutionary process and a diversity of forms of socialism under construction, but the one common factor is always and will invariably remain the fact that socialism comes in the place of capitalism, that from socialism the road leads to communism."

Excerpts from:

OCTOBER AND THE STRATEGY OF PEACE
by A. I. Krylov

CPYRGHT

Source: Voprosy Filosofii [Problems of Philosophy], March 1968, pages 3-13.

[Note: Underlining added.]

"... We must help people to get involved in the problems of war and peace." (V.I. Lenin. Report on Peace of 8 November 1917.)

...Chairman A. N. Kosygin of the USSR Council of Ministers stated the following on 9 February 1967 when he was in Great Britain: "We consider that nuclear weapons are unnecessary for the human race, if it wants to continue to exist" (Pravda, 11 February 1967).

In order to solve the acute problem of war and peace in the age of rockets and nuclear weapons, it is necessary to have effective and organized actions not only of individual parties, nations and states, but, literally, of all peoples of our planet. A new upsurge of peace movement is required. However, for the masses to participate actively in the worldwide movement against the nuclear danger and imperialism, they must be able to understand the problems of politics and strategy on whose solution the fate of the world depends.

The more sober-minded people will take an active part in the discussions and analyses of the problem of war and peace under the present conditions, the more successful will be our struggle against the imperialist nuclear maniacs. The mission of philosophers and sociologists is extremely important to this noble cause when they cooperate with the representatives of natural sciences and engineering, as well as that of politicians and strategists who realize their responsibilities to the people. Academician K. Malek, a prominent Czechoslovakian scientist, stated: "The role of science in the life of society is steadily growing, and, depending on the route of its development, mankind will either attain a universal prosperity or will be completely annihilated" (Mir Nauki [The World of Science], 1964, No. 2, page 30).

In this connection, the appeal for developing and discussing the sociological aspects of the peace strategy in the nuclear age deserves great attention. It was expressed in the article by P. N. Fedoseyev "Problems of Peace in Modern Sociology" (Voprosy Filosofii [Problems of Philosophy], 1967, No. 1) and reflected the urgent goal of the international workers' movement to prevent a worldwide nuclear catastrophe. It was said in this article: "In the course of many centuries, strategies and tactics of military activities have been thoroughly developed. Much less attention has been given to the development of a strategy for peace" (p.3).

However, in order to fulfill at least some of our obligations in connection with a thorough study and understanding of the sociological aspects of the peace strategy, it is necessary to acquire and develop that daring spirit of searching and creativity which constitutes the living soul of the Great October Revolution and the subsequent struggle for the realization of its vital ideas. In the problems of peace and war, it means that the investigators must react flexibly to the appearance of new phenomena, study them thoroughly, creatively develop the ideas of the revolutionary humanism of the October Revolution under the new concrete historical conditions, and reject the extremes of dogmatism and revisionism....

... Militarism, which grew on the basis of the exploiting structure, was always interested in creating the most powerful destructive weapons, in the strictest army centralization, and in developing a mobile, offensive-oriented military engineering apparatus. Imperialism received all this in the form of a nuclear rocket military arsenal. But having received the so-called "absolute weapons," the supermurder weapons (see the book by a progressive American physicist, Ralph Lepp, Ubiystvo i Sverkhubiystvo [Murder and Supermurder], Moscow, 1964), the theoreticians of militarism were compelled to admit that global nuclear weapons are capable to annihilate or destroy any objects on our planet and, therefore, they cannot ensure a real military victory in a thermo-nuclear world war. As Pal'miro Tol'yatti said, "nuclear war means suicide for both parties" (Izbrannyye Stat'i i Rechi [Selected Articles and Speeches], Vol. II, Moscow, 1965, p. 765)....

... Thorough studies on the immediate and remote after-effects of even isolated experimental nuclear explosions led scientists to the idea that any continuation of such explosions in the biosphere of the earth is absolutely inadmissible, regardless of reasons and motives. Taking into consideration the results of study by scientists on the possible after-effects of a nuclear war, the World Federation of Scientists, which includes Soviet scientists, formulated the following in regard to the nuclear problem at the General Assembly in September 1965: "Resolution No. 1 ... A general nuclear war would mean death to hundreds of millions of people, and the after-effects of radioactive fallouts would threaten the very existence of the human race" (see supplement to the journal Mir Nauki. WFSW. Bulletin 1966. The Budapest Symposium and VIII General Assembly. Scientific World, London, 1966, No. 2, Suppl., p. 7).

These conclusions of scientists were, in essence, the main reason for concluding the Moscow Treaty prohibiting nuclear tests in three spheres of the earth, as well as for the desire to conclude other international agreements (regarding prohibition of nuclear weapons in cosmic space, control of spreading nuclear weapons, prohibition of their use, etc.)....

...The foreign policy of the Soviet Union, as was stressed at the CPSU 23rd Congress, has as its goal to ensure, together with other socialist countries, favorable international conditions for the building of socialism and communism; to solidify the unity and solidarity of socialist countries; to support national liberation movements and cooperate in every possible way with young developing countries; to uphold consistently the principle of peaceful coexistence of countries with various social structures, to repulse resolutely the aggressive forces of imperialism, and to save mankind from a new world war.

Of course, it is possible to save mankind from a global war by harnessing the aggressive forces of imperialism only if all revolutionary liberation forces of our time are united and a solid progress in the realization of peaceful principles in the relations between all countries of the world is achieved. On the other hand all of the manifold goals of the foreign policy of the socialist state can be achieved only if the universal thermo-nuclear catastrophe is prevented. One of the important means of struggle for these goals is the Soviet strategy of peace....

...Again we stress that in order to prevent an existing danger it is necessary, first of all, to realize it and not to pretend that it does not exist. The attempts of some bourgeois, particularly American, political leaders and military specialists to convince the common man that nuclear danger is not as great as scientists say, is nothing but an attempt to anesthetize the public opinion. Our goal is to prove that ignorance and illusions in this respect are very dangerous, and knowledge of the truth about the nuclear danger makes the masses understand how criminal and completely hopeless the nuclear world war is. Also there is no doubt that scientific data on possible after-effects of a global nuclear war produce a psychological shock in people who have imagination and foresight....

...Military readiness of socialist countries to repulse the aggressor means that peace strategy is not a pacifist doctrine. Responding to military threat from imperialism by strengthening its defense potential, the socialist state is also compelled to solve military strategy problems. We must be strong and vigilant, must develop military equipment and weapons for strategical and tactical purposes, and be able to use them skillfully in order to be prepared to confront any aggressor, if necessary, and to defeat him in any war.

Thus, the significance of the problem of increasing the quality or the level of our defensive capacity, as we can see it, does not decrease when we realize the destructive nature of a thermonuclear conflict; on the contrary, it increases. The fear that the conclusion about the hopelessness of a global rocket and nuclear war does not stimulate the morale of the army is unfounded. It is just the opposite....

...An important aspect in the development of the strategy of peace, just as a military strategy is a thorough development of a strategy for preventing "limited" wars and a complete elimination of the possibility of a global thermo-nuclear war which is still potentially possible. In this connection, there is an urgent task of a thorough study of the sociological aspects of the peace strategy. First of all, it is necessary: to analyze social reasons and sources of the military danger in the nuclear age; to study social conditions and forces in the world which are capable of preventing a global war and eliminate local aggressions; to analyze and compare various theoretical and practical approaches to the problem of international security which exist in the modern world-wide movement against nuclear danger. Sociologists engaged in the peace strategy are interested in studying the essence of certain military strategic concepts which "predetermine" to a considerable degree the appearance of military conflicts. Their duty is to analyze and reveal all the sophisms which, in one way or another justify aggressions and nuclear wars as a means for achieving political ends.

Apart from developing measures for a timely prevention and stopping of wars unleashed by imperialists, the goal of the peace strategy, evidently includes the problem of developing theoretical aspects of the development of scientific, technological, economic, and cultural ties between states of various social systems (creation of common power systems, construction of gas lines, oil lines, etc.), those vital ties which make it difficult to start wars between countries and make a war between them senseless also from an economic point of view....

...In its social trend, the socialist peace strategy expresses vital interests of mankind and is radically different from the bourgeois "peace strategy" which was announced by President J. Kennedy. J. Kennedy's strategy was directed against the world revolutionary liberation process and was aimed at removing a thermonuclear catastrophe from the USA and mankind in order to preserve for capitalism its position, to divide the world into "spheres of influence" between capitalism and socialism, and then, through partial agreements, to arrive at a stable "status quo." It should be said that it still created a possibility of attaining sensible compromises between capitalism and socialism and prevention of a world nuclear war, because there was a rather wide-spread conviction among the bourgeois politicians at that time that a peace policy is more profitable than a war. However, the goal of the socialist peace strategy is to prevent a world nuclear catastrophe and to achieve a solid democratic peace and international security not by dividing the planet into "spheres of influence," but by carrying out the principles of peaceful coexistence of countries with various social structures, a complete ensurance of national and social self-determination of all peoples and a gradual (by stages) complete and general disarmament....

KNIZHNOYE OBOZRENIYE, Moscow
No. 43, 24 October 1969

"Iron Fist in a Velvet Glove"

CPYRGHT

(Anatoliy Gromyko)

(First paragraph is an editorial foreword.)

The book "The Diplomacy of Modern Imperialism, People, Problems and Methods" has appeared on readers' and library shelves. The monograph was prepared by a large collective of Soviet international scholars who studied the goals and methods of diplomacy of the principal imperialist powers. Among the authors were: Doctors of Historical Sciences Yu. V. Borisov, G. A. Deborin, V. L. Israelyan, V. P. Nikhamin, and others. The monograph "The Diplomacy of Modern Imperialism" was published by the "International Relations" publishing house. At the request of the newspaper's editorship, the book is reviewed by its responsible editor, Candidate of Historical Sciences Anatoliy Andreyevich Gromyko.

The problems of foreign politics and diplomacy are attracting at the present time the ever-growing attention of a very wide circle of people.

V. I. Lenin, as we know, emphasized the importance for Communists to be proficient in the art of diplomacy. The leader of the international proletariat felt that it was necessary to combine the "wisest diplomacy" with "firm and decisive policies." He also pointed out that "to revise (and create a new) diplomacy is a difficult matter," and set forth the task of "studying diplomacy." Karl Marx in his time also gave the summons to "master the secrets of international politics and to keep up with diplomatic activity."

Socialist diplomacy in the international arena is opposed by imperialist diplomacy. The course of modern world development is making more and more difficult for bourgeois diplomats the cause of defending the positions of the ruling classes of the capitalist states. While on the defensive, imperialist diplomacy nevertheless continues to seek more and more refined methods of implementing the imperialist foreign policy.

In the postwar period, imperialist diplomacy preferred to operate for a long time by means of a "build up" or a "show of force." Such a tactic can be characterized as an attempt to operate through the use of an "iron fist" in a "velvet glove." The "velvet glove," put on the "iron fist" of policy from the "position of strength," of course, was able to deceive few people. Moreover, the "iron fist" itself did not achieve the desired goal. The reason for this consists, in particular, in the following.

Today imperialist diplomacy is operating in conditions which limit its negative influence on the political situation. Besides the change in the correlation of forces in the international arena in favor of the forces of peace and social progress, the factors of the aggravation of the internal political struggle in the capitalist countries, including the United States, are of great significance. It is becoming more and more difficult for international imperialism to achieve its goals by means of the diplomacy of "power pressure." This is forcing an ever greater number of those directing foreign policy in the leading imperialist states, as well as bourgeois diplomats, to seek new ways and methods of implementing foreign policy. Numerous prescriptions for "curing" imperialist diplomacy have appeared in the West; the most varied bourgeois specialists in the field of political science are vying with one another in writing them out. The newest computer equipment is even being called on to help imperialist diplomacy.

Shows of realism in the foreign policy and diplomacy of imperialist states are appearing, of course, not because imperialism is becoming less aggressive in its nature than formerly, but because the moderate wing of politicians and diplomats in the West is beginning to make a sufficiently sober evaluation of the balance of forces between socialism and capitalism and of the present international situation. From this there appears at times the aspiration to seek mutually acceptable ways of resolving controversial international problems.

In our day definite differences between representatives of extremely aggressive circles in the West and this moderate wing comprise one of the characteristic features of the foreign policy and diplomacy of bourgeois states. In certain of the capitalist states, for example France, realism in foreign policy is manifested more actively than in others, for example, West Germany. As for the U.S., at present there is such a tight tangle of social and political contradictions there, and the disagreements as to ways of further pursuing the policy and diplomacy of that country are so acute that from the government of that country there can be expected shifts both to the left and to the right, both reasonable steps as well as, conversely, a dangerous zigzag course in the international arena.

In summing up the results of what has been stated above it can be noted that under the influence of a number of factors of the third stage of the general crisis of capitalism and the strengthening of the forces of socialism in the world arena, among the circle of executors of foreign policy and diplomacy there is taking place a definite process of stratification of ardent advocates of the fully discredited aggressive forms of diplomacy and of adherents of more flexible and at times even sound courses. Additionally, in different imperialist countries this tendency is being manifested to various degrees: in some more, and in others less.

The book "The Diplomacy of Modern Imperialism" is devoted to the analysis of all these and many other complex phenomena of the present day international diplomatic panorama of which imperialist diplomacy is a component part.

Excerpts from An Ideology in Power:
Reflections on the Russian Revolution,
Bertram D. Wolfe,
Stein & Day, New York, 1969

III THE CONVERGENCE THEORY IN HISTORICAL PERSPECTIVE*

CPYRGHT

Recently, when John Kenneth Galbraith departed for a trip to the Soviet Union, he sent a message to his friend, Sidney Hook, "Tell Sidney not to worry, I won't come back a Communist." To which Hook retorted, "I'm not worried that he'll come back a Communist; I'm afraid he'll come back saying that *they* aren't Communists." Galbraith returned to add the weight of some four hundred pages of his wit and learning to the already fashionable convergence theory. This is fortunate for the present writer since it excuses me from trying to expound in my own words a theory to which I would find it difficult to do justice. Indeed, Galbraith also supplied a timely five-hundred-word resumé of his viewpoint in the course of an interview with *The New York Times's* crack reporter, Anthony Lewis, who tape-recorded it and published it in full in the magazine section of Sunday, December 18, 1966. The interview concluded with the following exchange:

GALBRAITH: The nature of technology—the nature of the large organization that sustains technology, and the nature of the planning that technology requires—has an imperative of its own, and this is causing a convergence in all industrial societies. In the Eastern European societies it's leading to a decentralization of power from the state to the firm; in the Western European [and American] industrial societies it's leading to *ad hoc* planning. In fewer years than we imagine this will produce a rather indistinguishable melange of planning and market influences.

The overwhelming fact is that if you have to have a massive technical complex, and there will be a certain similarity in the organization, and in the related social organization, whether that steel complex is in Novosibirsk or in Nova Huta, Poland, or in Gary, Ind.

LEWIS: *Are you suggesting that as the two societies converge, the Communist society will necessarily introduce greater political and cultural freedom?*

GALBRAITH: I'm saying precisely that. The requirements of deep scientific perception and deep technical specialization cannot be reconciled with intel-

* First published in July 1968 in *Sidney Hook and the Contemporary World*.

lectual regimentation. They inevitably lead to intellectual curiosity and to a measure of intellectual liberalism.

And on our side the requirements of large organization impose a measure of discipline, a measure of subordination of the individual to the organization, which is very much less than the individualism that has been popularly identified with the Western economy.¹

There are fashions in theories as in clothes. Just now it is the fashion among many political scientists, sociologists, sovietologists, and economists to speak of convergence when they write about the Soviet Union or discuss relations between the Russian government and the American. Though it has only now attained to high fashion, in one form or another the theory has been around for some time. Thus in the diary of Lady Kennet of the Deane, made available to me while living in Lord Kennet's home in London, I found this entry for a date in late May 1921: "Nansen was here to tea and gave me the reassuring news that our troubles with Russia are over. Lenin is introducing a New Economic Policy which restores a free market and represents a return to capitalist exchange of goods in Russia." Such wishful thinking is one of the perennial springs that has fed the current of the convergence theory.

In 1932 and 1933 there was a spate of books on technocracy, all assuring us that the United States and the Soviet Union were converging toward a common industrial and political system in which technologists or technocrats would determine policy and set the basic standards for social and economic life. In 1941, James Burnham published his *Managerial Revolution*, extrapolating one of the complex curves in modern industrial life in a tangent into outer space. His book was a confident prophecy that in all advanced industrial lands:

Institutions and beliefs are undergoing a process of rapid transformation. The conclusion of this period of transformation, to be expected in the comparatively near future, will find society organized through a quite different set of major economic, social, and political institutions and exhibiting quite different major social beliefs or ideologies. Within the new social structure a different social group or class—the managers—will be the dominant or ruling class. [These changes] will constitute the transformation of society to a managerial structure. . . . The theory of the managerial revolution is not merely predicting what may happen in a hypothetical future but is an interpretation of what *already* has happened and is now happening. Its prediction is that the process which has started and which has already gone a great distance will continue and reach completion.²

1. Emphasis here, as in all quoted passages, is in the original.

2. James Burnham, *The Managerial Revolution*, pp. 74-75. Mr. Burnham has long since abandoned the prophecy, but the notion that managers and technocrats are running, or will soon run, both societies is still a key element in the convergence theory and central to John Kenneth Galbraith's *The New Industrial State*. From Burnham to Galbraith, economic determinists and economists generally have found it hard to believe that politicians and governments keep such specialists on tap, but not on top.

When Hitler "perfidiously," as the Russian textbooks say, double-crossed his ally, Stalin, during World War II forcing him into the camp of the democracies, the convergence theory took on somewhat different forms. There were two new variants, one a popular view, the other a product of the wishful thinking of homesick exiled Russian intellectuals who in the twenties had found refuge in America and made a place for themselves in our academic life.

The popular variant sprang from the naïve crusading nature of American wars with our ingrained tendency to envision our enemies as devils and our allies as knights in shining armor. Hitler's deeds gave plenty of material to justify the devil theory, but we tended to extend it throughout the history of Germany, to every living German, and to generations yet unborn, while we seemed to regard the Japanese people, their leaders, and their sovereigns as villains rather than monsters. The Russian armies fought valiantly as they suffered the brunt of German attack and invasion, which gave us a sense of moral debt, a feeling that was promptly put to use by Stalin and his apologists to obscure the moral issues of the peace. This popular version of the convergence theory said: "The Russians are much like people everywhere and want what we want. [The people of Germany and Japan seemed to be subhuman exceptions, but for various reasons, we were more indulgent toward the Italians]. Since people everywhere want the same things, it will be easy to build 'one world' with a sobered and friendly Joseph Stalin after the war is over. He now knows the value of democracy, who his friends are, and how destructive war is, so the Grand Alliance will continue into the peace; together we will build a world in which the peace-loving countries will become steadily more like each other and come ever closer together."³

A more sophisticated theory came from the Russian intellectuals who had been exiled or had fled from Russia in the twenties and become important writers and teachers in sociology or political science in the United States, always retaining a deep emotional attachment to the land of their birth, such men, for instance, as N. S. Timashev and Pitirim Sorokin. Professor Timashev delivered a series of war-time lectures on this theme, then published them as *The Great Retreat* in 1946. Professor Sorokin toured the country lecturing on the convergence theory in 1942 and 1943 and in January 1944 published a book in which all his knowledge of the two lands was brought into play along with his favorite

3. These words in quotation marks are quoted from no one in particular but recurred in a thousand editorials and addresses, and with slight variations were to be heard almost everywhere. I heard them from many platforms on which I debated with Frederick Schuman, Henry Pratt Fairchild, Louis Dollivet, Joseph Barnes, Corliss Lamont, Isaac Deutscher, Vera Micheles Dean, Kirby Page, Sir Bernard Pares, and a wide range of other speakers. It is not my intention to lump these diverse people with diverse motives together in any way beyond the fact that they all advanced in more or less similar language the view expressed in this synthetic, generalized quotation.

sociological, cultural, and ethical generalizations. His *America and Russia* proved enormously popular, running through a number of printings in the first year of its publication, and was reprinted in revised form as late as 1950.

Joseph Stalin did not make things easy for his thesis, for within the next few years, every land that his troops occupied alone was endowed with a "people's democracy" and a purge of democrats, liberals, conservatives, national patriots, and "national Communists" while lands like Germany and Austria that underwent dual or tripartite occupation had a line cut right across them wherever the Russian troops held sway. This seizure of "liberated" lands was followed by the rejection of Marshall Plan aid,⁴ the Zhdanov attack on "kowtowing to the West" and "rootless cosmopolitanism" in the arts and sciences, along with other despotic barbarities too blatant to be ignored. But Professor Sorokin was not to be put off in his hopes and creed, for in 1950 he published his revised edition in which he took account of the "Cold War" to minimize and explain away the resultant "incompatibilities." The "seemingly conflicting values [he wrote] . . . are so insignificant that their 'incompatibility' amounts to no more than the 'incompatibility' of the advertisements for this or that brand of cigarettes, each claiming superiority over all others."⁵

Professor Sorokin's study is of special interest because of the broad scope of his analysis of the "spiritual, historical, and socio-cultural compatibilities" of the two nations, because of his influential position as a Professor of Sociology first in Saint Petersburg and then at Harvard, because he is the acknowledged or unacknowledged source of many of the more limited variants of the convergence theory, and because of his deep attachment to both America and Russia and his singular Russian talent to suffer and forgive, and one is tempted to add, to forget.

In Russia Sorokin had been a professor of law and sociology; a secretary of Kerensky's cabinet, editor of the Socialist Revolutionary daily, *Volya Naroda*, which Lenin shut down in February 1918; delegate to the Peasant Soviet, which Lenin submerged in the Soviet of Workers and Soldiers Deputies; delegate to the Constituent Assembly, which Lenin dispersed by force after its first session. On November 22, 1922, Sorokin sent a letter to *Pravda* in which he renounced all political activity and declared his intention to limit himself to teaching and scientific work. Lenin welcomed his "straightforwardness and sincerity" but, in accordance with the Leninist tendency to politicize everything, added a warning to Sorokin that teaching and scientific work could also be "politically re-

4. It seems hard for the new coterie of "revisionist" historians to remember how naïve Roosevelt was about Stalin, how swiftly we withdrew our troops from Europe, and how generous we were in offering massive Marshall Plan aid to Russia and all her neighbors.

5. *Russia and the United States*, London, 1950, p. 176.

actionary." Shortly thereafter the Professor lost his chair and his right to teach when he ventured to publish a study of the breakdown of marriage under the influence of war and revolution and the postcard divorce system. Lenin labeled him a "diplomaed funkey of clericalism" and announced the intention to "politely dispatch him," i.e., exile him, to "some country with a bourgeois democracy, the proper place for such feudalists."⁶ That is how Sorokin found his way, alive, to America and to Harvard. By the time he wrote *America and Russia*, Professor Sorokin had not only forgiven the fact that Lenin stopped him from writing, teaching, engaging in political activity, and living in the land of his birth, but he seemed to forget that Stalin, less "polite," would have taken his life along with his honor. Indeed, Sorokin wrote of the purges as if they were themselves nothing but a great and historically foreordained step forward toward convergence:

The cycle of the Russian Revolution is clearly demonstrated by the purges of Communist leaders. . . . By whom? Not by counter-revolutionists or anti-Communists. No. They were executed, imprisoned, banished, or excommunicated by Stalin and the Communist Party itself. To these should be awarded the first prize for the mortal blow dealt the Communist phase of the Revolution. . . . Stalin won because he *moved with the current* of history and *not against it*. . . . Those who were purged were purged because they sought to stem the tide of historical destiny. . . . If in the future Stalin and his followers should try to revive Communism as it existed in the first stage of the Revolution, seek to stem the tide of historical destiny, they would be liquidated as inexorably as Trotsky and his adherents. That is why I do not worry about what Stalin or any other leader may think or do. . . .⁷

Sorokin found it possible to speak of the period of the purges as one of the "*restoration of law and government by law*," and as the period of the "new Constitution:"

The profound change which the *structure of the central government* has undergone is marked by the new Soviet Constitution of 1936. In all its essentials the structure of the government under this constitution is explicitly democratic. . . . To be sure, the new Constitution has remained largely a theoretical reform; its provisions have been realized only in part, owing to the short period that has elapsed since its enactment.⁸

"Its provisions have been realized only in part" is a masterpiece of understatement. It is hard to believe it could escape Sorokin's notice

6. *Lenin*, Vol. 33, pp. 208-209. Sorokin was first condemned to death, but the death sentence was then commuted on Lenin's order to exile and deprivation of citizenship.

7. *Op. cit.*, pp. 195-196 and 208.

8. *Ibid.*, pp. 195-96.

that the great blood purges began precisely at the moment of the adoption of the new Constitution with all its "guarantees of right" and that one of the victims was the very author of the document, Nikolai Ivanovich Bukharin.

From arguments for convergence in the fields of spiritual, historical, and socio-cultural "compatibilities," Sorokin proceeds to his final clincher, the sphere of economic convergence:

In the economic field we observe the decline of the Communist system [he wrote in 1943]. Regardless of the personal predilections of the Communists and capitalists, there is no impassable gulf between the present economy of Soviet Russia and the United States. Each has evolved a similar system of so-called "planned economy" with supreme control vested in the government, and with a managerial corporation bureaucracy that is progressively driving out the old-fashioned capitalist owners. A like change has taken place in virtually all the other highly industrialized countries. Actually, economically and politically, the two nations have been steadily converging toward a similar type of social organization and economy.⁹

In this thesis it is impossible not to notice the line that leads from the technocrats through Burnham to Galbraith. Sorokin's theory is much wider including all aspects of the life of the two peoples, geopolitics, history, traditions, culture, "socio-cultural creativeness," the life of the spirit and the spirit of life, all of which are presented as having elements of fundamental identity and as converging toward a common character and fate. Hence Sorokin's may be termed the general theory of convergence while the others follow only one line of his thought and may be regarded as special cases of varieties of economic determinism.

Thus Galbraith, the most sophisticated proponent of convergence determined by economic forces, writes:

To consider the future of [our] industrial system would be to fix attention on where it has already arrived. Among the least enchanting words in the business lexicon are planning, government control, state support, and socialism. To consider the likelihood of these in the future would be to drive home the appalling extent to which they are already a fact . . . to emphasize the convergent tendencies of industrial societies, however different their popular or ideological billing . . . Convergence begins with modern, large-scale production, with heavy requirements of capital, sophisticated technology, and elaborate organization. These require control of prices and, so far as possible, of what is bought at those prices. This is to say that planning must replace the market. In the Soviet type economies, the control of prices . . . and the management of demand . . . is a function of the state. With us this management is accomplished less formally by the corporations, their advertising agencies, salesmen, dealers, and retailers. But these obviously are differences

9. *Ibid.*, pp. 205-06.

in method rather than purpose. Large-scale industrialism requires, in both cases, that the market and consumer sovereignty be extensively superseded. Large-scale organization also requires autonomy. The intrusion of an external and uninformed will is damaging. In the non-Soviet system this means excluding the capitalist from effective power. But the same imperative operates in the socialist economy . . . to minimize or exclude control by the bureaucracy. . . . Nothing in our time is more interesting than that the erstwhile capitalist corporation and the erstwhile Communist firm should, under the imperatives of organization, come together as oligarchies of their own members. Ideology is not the relevant force.¹⁰

Nowhere does Galbraith indicate any awareness of the role played by public opinion, which he portrays as manipulated by the "technostructure" for its purposes, of the role of consumers' choice, which he also portrays as manipulated by the technostructure, of nongovernmental organizations, of a free press, the separation of powers into legislative, executive, and judicial, government regulation, which is also portrayed as an arrangement of the technostructure, of the multiparty system, or any other of the institutional arrangements by which a free society preserves its freedom. He makes one exception to his crude picture of the predominance of the technostructure over every aspect of modern life, and that exception is the "class" to which he belongs and to which he appeals to follow his lead in exposing and reducing this evil dominion, namely, the intellectuals. The industrial system, it seems, needs, demands, and "brings into existence" great numbers of intellectuals. If they listen to him, they can free themselves from the superstitious belief in the system which it inculcates in them, and then they can cut their progenitor down to size. This is his one exception to the assertion that all our institutions and traditions are hollow, outmoded, and manipulated. After all, he is happily aware that he can write this book and get it published, that he can say what he pleases and, if he says it strikingly enough, get it quoted. He is able to criticize the President and strive to prevent his re-election, to oppose the foreign policy of the administration, to make his critique of the technostructure. "None may minimize," he concedes at this point, "the difference made by the First Amendment." But if all this amounts to is a pious declaration made in one or a dozen amendments called the Bill of Rights, wherein are we any better off than intellectuals in Russia? The Soviet Constitution has many more "guaranteed rights" than ours, but since there is no pluralism, no separation of powers, since there are no nongovernmental organizations, no independent press, no parties, in short, no institutional arrangements to guarantee a First or a Tenth Amendment, writers at this moment are being expelled by "their" writers' union, imprisoned, sent to concentration camps in the Arctic circle, committed to

10. *Op. cit.*, concluding chapter "The Future of the Industrial System," pp. 289-90.

insane asylums, denied publication or a chance to state their case, for the crime of taking seriously the rights "guaranteed" under their equivalent of the First Amendment and the other amendments that make up our Bill of Rights.

This appeal to the intellectuals who are created by the industrial system constitutes the one hope Galbraith offers his readers. It is succinctly stated in the final paragraph (three short sentences) of the final chapter of his book. "Our chance for salvation lies," he writes, "in the fact that the industrial system is intellectually demanding. It brings into existence, to serve its intellectual and scientific needs, the community that, hopefully, will reject its monopoly of social purpose."

But it is the essence of his theory of the convergence of the two new industrial states that this self-same type of intellectual community is demanded and required by the intellectual and scientific needs of the Soviet State, for it too is one of *The New Industrial States* that give his book its title. Indeed, this is what his convergence theory and his book are about, and it is toward precisely this that "hopefully" the two great industrial societies are converging. Hence, when Anthony Lewis asks him the crucial question, "Are you suggesting that as the two societies converge, the Communist society will necessarily introduce greater political and cultural freedom?" with no ifs and no buts Galbraith answers, "I'm saying precisely that."

IV

Joseph Stalin once charged this writer with being "an American exceptionalist." The more I considered his curious charge, the more convinced I became that I was guiltier than his indictment suggested, for I realized that I was an "exceptionalist" not only for America, about which we were then arguing, but for all the lands on earth. I thought, for instance, of India and China and wondered how one could be content to lump them together under the single rubric of "Asiatic lands" without losing all sense of difference in their spiritual and intellectual life, their social structures, literatures, arts, philosophies, faiths, dreams, all the qualities of life that made these two Asiatic lands more different from each

other than England from France or Germany. During that wide-ranging debate with Joseph Stalin I became aware of what I had long sensed, that every land moves toward its future in terms of its own past, its own institutions and traditions. To abstract from those differences as Marx sought to, as Lenin did, and as Stalin was trying to persuade me to do, was to miss the essence of each country's life and history. In that moment of challenge to simplifying abstractions, I think a historian was born.

Latterly a new generation of simplifiers has appeared. It employs, perhaps unwittingly, a grossly vulgarized Marxist concept to the effect that economics determines politics and culture, that economics is "the foundation" and all the rest is a "superstructure" that reflects and is determined by the "foundation," or is just "ideology" in the sense of "false consciousness," "cultural lag," or "official myth." This vulgar Marxism I fancy would have made Marx wince and repeat his famous epigram, "If that be Marxism, then I myself am no Marxist."

It is terribly easy to forget that technology is neutral as regards freedom, that it may be used either to liberate or to enslave, to inform or to brainwash.

That was what troubled Alexander Herzen when he contemplated Russia's constant drives for industrialization and "modernization" from above, always "modernizing" Russia's technology and industry for the purposes of power and war, but not permitting development of an autonomous public life. In an open letter to Alexander II Herzen wrote:

If all our progress is to be accomplished only through the government, we should be giving the world a hitherto unheard of example of autocratic rule, armed with everything that freedom has discovered; servility and force supported by everything that science has invented. This would be something in the nature of Genghis Khan with the telegraph, the steamship, the railroad, with Carnot and Mongé in the general staff, with Minié weapons and Congreve rockets, under the command of Batu.²¹

"Some day," Herzen wrote in fear, "Genghis Khan will return with the telegraph." "Hurrah!" cry our convergence theorists, "then he will cease to be Genghis Khan." Can we so soon forget that it was the technologically most advanced country in Europe, with the earliest and best social welfare laws, the highest degree of literacy, the model universities and greatest number of Ph.D.'s, that developed first one of the most extreme forms of militarism and then one of the most rabid forms of totalitarianism?

Are we to believe that when every man can read, it will no longer matter whether he lives under a system that gives him freedom to choose what he will read or under a system that gives him no such choice but

21. *The Bell*, No. 4, London, Oct. 1, 1857.

determines what shall be printed and prescribes that he shall read only a single officially prescribed version of each subject and event, and shall read, see, and hear the same slogan at the same moment in the same controlled press, radio, television, and wall-space in every corner of the land?

Are we to believe that because there are mass circulation journals, a television set in every home, and a loudspeaker in every public place, that it no longer matters whether there are many parties or one; rival programs or one incessant iteration of unassailable and unquestionable dogma; rival candidates to choose from or no choice at all; a chance to instruct, rebuke, tame, turn out one's rulers, or no such chance?

Is the presence of heavy industry supposed to make us forget that the central problem of politics is not *Who rules over us?*, but *How do we choose our rulers?* and *How do we tame them?* and *How do we keep some ultimate control over them in our hands?*

Suppose it were true that there is no difference between the way the Russians run a railroad and the Americans; suppose airplanes were just as open to the people of Russia as to the "new class" and any one could ride or fly from one end of Russia to the other without a *komandirovka* or internal passport. There would still be a simple human difference that technological similarities would leave untouched. Here is the difference as stated by two young Russian intellectuals, "B" and "T," interviewed by John Morgan of BBC for the television program *This Week* (one of them consented only to be interviewed in a moving auto with his face covered but both expressed substantially the same thought on the technology and politics of freedom of movement):

—*Who are the privileged classes?*

B: The people who are allowed to go abroad. . . .

—*Are you proud of being a Russian?*

B. Yes, I'm happy to be a Russian. If I had to die for my Russia, I would easily do it, like two uncles of mine. . . .

—*Would you prefer to live somewhere else than in Russia?*

B. Yes, of course. I wouldn't even choose a country if you just offered me one, as long as it wasn't a communist-run country, I would willingly go there.
T: In England you may be faced with a hundred political problems, in Russia one single one. "Is it possible to get out of Russia?" No, it is not possible. You cannot imagine what that means. In England you can either solve your problems or not solve them, and leave the country, and say "No" to England. . . . A Russian doesn't have such an opportunity open to him. He is forcefully kept inside this country. It is forbidden to leave it. You are locked in here. Therefore all politics is governed by this simple basic rule. A Russian and an Englishman work from different political axioms. In your conditions parallel lines don't cross, but with us all our lines cross at one point. It is difficult for us to understand each other in this matter. It is a basic condition of being a prisoner, of being surrounded. . . . The whole place is a prison. . . .

P: In spite of the huge territory, everyone here realizes that he has 11,000 kilometers one way, and 4,000 kilometers the other, and beyond that just barbed wire.²²

All the technological similarities imaginable and all the Bills of Rights that paper will put up with will not alter the intellectual barbed wire represented by absolute monopoly of the means of communication and of all the devices, paper, presses, meeting halls, publishing houses, reviews, reviewers, formulations, even vocabularies, by which men communicate with each other and know each other and themselves. The rulers own and control the journals and organizations that might criticize their mistakes, their stupidities, and cruelties. Harvard professor Galbraith could not be a professor in a Soviet University, A.D.A. leader Galbraith could not be a political leader, author Galbraith could not get a book published if it maintained that the two systems are getting to be indistinguishable. If he could steal a bit of paper and use an off-hour mimeograph machine to set down his views, he would be hauled into court for anti-Soviet propaganda, tried by a judge who knew in advance what the verdict was to be and how to make the crime fit the punishment. The courtroom would be packed with secret police masquerading as intellectuals and workingmen, who would testify that his views were intolerable to them, corrupted their children, endangered the public safety. He could not get friends, relatives, or admirers of his wit into the courtroom. The "audience" would drown the words of the accused and his witnesses with jeers and clamor for punishment. If he persisted he would run the danger of going to a sanitarium for the mentally deranged as has been the case with Yessinin-Volpin, Bukovsky, Tarsis, Batashev, Vishnevskaya, and General Grigorenko, whose madness has consisted in taking seriously the Soviet Constitution and its Bill of Rights and trying to act on the basis of the rights guaranteed therein.²³

To sum up: the convergence theory will not stand up to examination in the light of history nor to an actual examination of the two countries that are supposed to be converging. The likelihood is that they will continue to move each toward its own future under the influence of its own

22. *Encounter*, London, Feb. 1968, pp. 68-75. "P" is a third interviewee.

23. From dependable sources (which will have to be accepted or rejected on faith since I cannot name them), I have learned that there are now two lunatic asylums, one on the outskirts of Moscow and another near Leningrad, given over to "political lunatics" and a third of increasingly political character. In the whole history of Tsarism there was one tsar, Nicholas I, who declared one philosopher, Peter Chaadaiev, insane for critical remarks on Russia's cultural sterility, but he was not committed to an asylum, merely somewhat restricted in his freedom of movement and compelled to accept the indignity of daily visits from a doctor for one year, after which he apparently recovered his sanity. There were no political or literary or philosophical lunatics under Lenin or Stalin but an epidemic of such madness since Khrushchev at the beginning of the sixties declared: "We have no more political criminals in the USSR. The only ones who oppose our system today are madmen." Yet the terms remain inter-

heritage, its traditions, and its institutions, a heritage that will be both conserved and altered more by the actions of men than by the weight of things. Even the technical devices they borrow from each other they will use differently as they assimilate them into their differing ways.

Finally, there are two special matters that carry us beyond the usual framework of academic discussion of a tentatively advanced hypothesis. The first concerns the inner health of American life. If our free institutions, our pluralism, multiparty system, right of dissent, complex of non-governmental organizations, independent press and publishing houses, independent scholarship, freedom of literary and artistic creation, freedom of movement, of dissent, freedom of choice in the market place and the forum, have really been hollowed out and emptied of their meaning by manipulation by the technostucture, or if we are persuaded to this by technocrats, managerial revolutionists, and technostuctural determinists, then we lose our perspective on what is worth defending in our society.

Conversely, the advocates of the convergence theory are presuming to speak for the silent in Russia, assuring us, and those struggling for freedom, that technological progress at a certain point brings freedom in its train and the human effort to secure such freedom is pointless or at best an unconscious reflection and epiphenomenon. The words of "B" and "T" to John Morgan, the perils faced by Pavel Litvinov, Yessinin-Volpin, Bukovsky, Chukovskaya, Solzhenitsyn, Sinyavsky, Daniel, Brodsky, and countless other unsung heroes to be true to their vision, to awaken the conscience of the outside world and bring it to bear on their plight, are the best commentary on the notion that freedom comes out of the machine and the requirements of the technostucture and not out of the struggles of men longing to be free. Thus, it seems to me, there is mischief as well as error in the convergence theory.

changeable. Yessinin-Volpin, for example, has spent four years in camps and two in asylums, and in February he was again declared insane for his activity on behalf of Sinyavsky and Daniel and his insistence that the Constitution's Bill of Rights be taken seriously by censors, courts, and police. His madness is evidenced in the appropriate fields of philosophy, mathematics, cybernetics, and concern with poetry and freedom. His *Leaf of Spring* was published in English in 1961. The President of the Academy of Sciences, Kaldysh, has more than once secured his release from jail or asylum by insisting on his importance in cybernetics and mathematics. I suppose the use of a madhouse instead of a bullet in the base of the brain may be set down as liberalism, or relaxation, or thaw.

Excerpts from "Trade and Peace,"
Peter J. D. Wiles
Comparative Communism, July/October 1968

Note: The following abbreviations are used in the article text:

ACC: Advanced capitalist countries
ME : Market economy
STE: Soviet-type economy
UDC: Underdeveloped countries

... *Peaceful international relations*, of the various types here described, *are the result not the cause of good feeling*. Indeed, good feeling is sometimes thus "corrected," as it were, by a feedback: it brings about so many contacts that relations deteriorate. The notion that the more relations there are the better relations will be is derived from no observed facts but from the eighteenth-century assumption that men are naturally good; it is on a par with the notion that prosperity makes people peaceful. But that too rests, as we have seen, on no observed fact—unless the contrasting cases of the U.S.S.R., China, and Albania in the early 1960s be accepted as a basis for a theory of human history. In fact, life is more complicated. Many people are naturally bad, and natural badness helps one in a political career. Many whole nations or states are bad; ignorance of them and isolation from them might be excellent if at all practicable. . . .

Realism demands, however, that one optimistic note be struck. Trade between ACCs and STEs is conducted in conditions of mutual respect that do little harm to personal relations. Indeed, so absurd have been the views of the other party commonly entertained on each side that at least in this case personal acquaintance has usually improved attitudes. But more than that, *such trade tends to deform and "bourgeoisify" Soviet-type institutions*, whereas hitherto its effect on the institutions of ACCs has been transitory. . . .

••It is primarily through foreign trade that economic rationality has entered the STE. The first practical step is to rationalize the choice of customer and price for exports *already produced* and imports *already decided upon*. The last stage is when every imported input and every exported output are rationally decided upon, which, of course, entails the rationalization of all inputs and outputs in the whole economy. Poland has passed through the first stage, and her thirty enterprises are an intermediate point. That the large output categories and the very identities of the enterprises should be decided by the center is not necessarily irrational, but in Poland in the 1960s it is so in fact, for in the current state of the arts the only way to rationality is as yet via the free market.

At least, however, this scheme leaves the *sortament* more or less to the market—clearly in the hope of rationalization without too great disturbance. If the Polish government continues to be illogical it can in fact stop at this point. Occasional interference with the *sortament*, an incapacity to supply the exact inputs required, and a refusal to increase the number of enterprises under the scheme, all present an untidy picture. But the economic gain is real, while the basically Stalinist structure of contemporary Polish planning is hardly touched.

The *malaise* that this kind of thing produces in the Soviet-type mind is very great. For direct contact between the exporting enterprise and the foreign buyer violates the sacred Leninist principle of the government's foreign-trade monopoly. Forgetting that all their enterprises are now "socialist," and that Lenin asserted his principle as part of the "capture of the commanding heights" in a mixed economy, the orthodox react like frightened rabbits.²⁴ Thus Jaruzelski (*op. cit.*) tries to reassure them that the Hungarian scheme does not "undermine the state's trade monopoly"—but it does, and that is just why it is good. For today, now that all the uncommanding heights are also in safe hands, the government's foreign-trade monopoly is simply a bureaucratic nuisance. In particular, while Lenin lived the U.S.S.R. made very few sophisticated or custom-made exports, to which the process of fabrication necessarily gave individuality. An intervening wholesaler or bureaucrat does little harm to a product by nature perfectly competitive; not so to one by necessity heterogeneous, such as a machine. In such a case there should be not only free contact but even free contract between the producer and the foreign client.

²⁴Even in Yugoslavia eighty percent of foreign trade went through the state's regular foreign-trade organizations until the reforms of 1965-66 (*Privredni Pregled*, Belgrade, October 4, 1965).

Bad organization, then, is not the least cause of the failure of Soviet-type machinery exports. Administratively speaking, the result of the government's foreign-trade monopoly is that the foreign buyer sees the trade agreement with the STE, but not the STE's production plan. The agreement specifies the quantities, and is public; the plan specifies the enterprises producing, and is private. Genuine adaptation to foreign importers' demands weakens the plan.

Convergence, then, is helped along by foreign trade. Moreover, like most of the internal convergence that has hitherto occurred, it has mainly affected STEs, not ACCs. Where Finland has fallen back into her pattern the U.S.S.R. continues to move out of hers. Not suprisingly, too, foreign-trade-induced convergence affects small STEs more than big ones, and particularly those that export heterogeneous goods. That North Korea, North Vietnam, Mongolia, Cuba and Albania seem not to be converging has many better explanations. But at least they would be in serious difficulty if they exported machines.

It is worth repeating the warning that the convergence of the economic models of ACCS and STEs will not inevitably make them friends. Similarity of economic institutions has not in the past prevented states from tearing each other apart.¹⁸ In this case, however, there is the special feature that dissimilarity of economic models has been a cause of the fundamental hostility. When necessity dictates a rapprochement there is a loss of confidence in Leninist dogma that can only be good.

Even so, it is perhaps of greater importance that ACC/STE trade weakens the accursed political solidarity of both sides. The diplomatic wanderings of France and Rumania surely count for more than the Polish deviations from the Soviet model.

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It is not, however, only goods, people and ideas that move. The migration of capital is the only side of this subject which has been at all seriously studied, doubtless because Marxists are interested in it. After all, the Marxist has the virtue that he is not afraid of large and serious subjects. We do not have to agree, however, with what he says. No detailed refutation need be attempted here, since many admirable empirical studies have already provided it. The basic truth is that the migration of private capital invariably exacerbates the relations between labor and capital and government and capital; but not between countries unless the capitalist receives support from his own government. For without that support the migration does not bring about an interstate relation of any sort. Extremely often, particularly before the 1880s, the government did not intervene. When it intervenes it is because capital *happens* to be present and *happens* to claim diplomatic protection at a time and place

¹⁸Cf. Wiles, *op. cit.*, 1959.

convenient for its government's imperialistic aims. Cases of conspiracy, of a government encouraging the capital to go there, or to lodge complaints when there, are rather rare. The exception is German capital, which was so encouraged in the early 1900s.⁵⁰

When state capital moves, however, things become worse—much worse. Let the reader consider the latter ends of Disraeli's Suez Canal investment, or of Anglo-Iranian Oil. The Panama Canal and Stalin's mixed companies were obvious examples of the same genre. It is evident that the movement of state capital is a diplomatic affair and a very dangerous one. Imperialism, then, is hardly motivated at all by the original export of private capital, but it does use its repudiation and default as an excuse; state capital, however, is its weapon not its motive. Imperialism is primarily due to the uneven military strength of countries, the love of power, and the facility of the human mind for inventing excuses. Beside this fact particularly motives pale into insignificance. Thus mercantilist imperialism was a struggle for markets and power, to which high industrial imperialism did indeed add the desire to place its capital profitably. Communist imperialism on the other hand seeks ideological conversion and power, though Stalin also sought economic tribute.

Must we not, then, particularly condemn the ever-increasing export of state capital in the form of public civilian aid? Now that it is about three times as large as that of private capital, has it not brought us nearer to war than ever in the nineteenth century? In particular does not the open public competition in aid exacerbate the Cold War? When Soviet-type aid began in late 1953 the United States was still under the spell of McCarthy, and a panic resulted. Soviet propaganda, with its quarter-truths about imperialism and its downright mendacity on the economic effects of capitalist aid, did nothing to help. Other ACCs, however, always took a more level-headed view, and the United States has now fallen into line. Soviet, though not Chinese, propaganda has become slightly more reasonable. Competition in aid has in fact made strongly for peace: a thing that would have astounded any intelligent student of international relations up to 1953.

The initial United States panic was not, historically speaking, absurd; it simply missed the changed climate of opinion. Competition in civilian aid-giving might have led to further strains or even war. The involvement of the United States and the U.S.S.R. in one country might have led, indeed sometimes has led, to pro-American and pro-Soviet parties inside a given UDC, which as one or other side wins elections or coups, lead in turn to whole countries having a particular bias. The mere competition between the principal aid-givers is likely to worsen their relations,

⁵⁰The best general empirical work on this subject is Eugene Staley, *War and the Private Investor* (New York, 1935). For the special case of Egypt, see David Landes, *Bankers and Pashas* (London, 1958).

as all competition does. If, Fichte would have said, international relations are *ipso facto* bad, why invent a new kind of international relation?

But much of this would have happened anyway. Trade, diplomatic support, and above all military aid set up innumerable pressures of this kind. It was the benign features of competition in civilian aid that showed up more strongly. For one thing it has simply diverted public funds from military expenditures, at least in the countries that give. Private investment would not have done that.

But the main thing is the changed *motivation* in the export of public capital, not merely since Disraeli and Theodore Roosevelt but also since Stalin, whose death was probably the turning point. We no longer speak of the migration of capital but of *aid*: the publicly professed motive is no longer profit for us but help to others. As there is no smoke without a fire, so there is no hypocrisy without genuine feeling. The unprecedented proportion of gifts in all this aid is evidence enough. The British Voluntary Service Overseas, the international youth brigade in Yugoslavia, and now the United States Peace Corps are part of the same tremendous shift of opinion.

With such motivation competition cannot be very deadly. When German capital went competing in the Near East in the 1900s, no doubt it contributed as much to local economic development as does any aid today. But its effect on British and French capital, and therefore on diplomacy, was infinitely worse than is, say, that of Soviet capital in India today on United States capital or diplomacy. For the German projects were meant to thwart other projects, and to exclude British and French capital from both power and profit; but the Soviet projects are meant only to please India. There is, ordinarily, room and to spare for them and their rivals.

Nay more, actual cooperation ensues. On a simple level, Congress was shocked to discover in 1962 that some United States aid materials had been used in Soviet projects, and vice versa.⁸⁷ On a more complicated and important level, Polish and British economists have sat on the same Ghanaian planning committee. If the alleged goal is the same for all parties, and the bare minimum of hypocrisy can be relied upon, cooperation is inevitable.

This leads us to the multiplicity of aid-givers. Aid involves many other countries than the two cold-war principals, and most of these have been unable to hope for political influence through

⁸⁷*New York Times*, March 25, 1962.

aid. If the ex-imperial powers have mixed motives, Czechoslovakia, West Germany and above all the Scandinavian countries have been fairly disinterested. The resulting political complications have been so great as to blur the hard edges of diplomacy. Even the United States has come to welcome international aid-giving authorities; which of course would be the ideal solution if only nationalism were not the main part of the will to contribute."⁴¹ . . .

(Convergence)

It is even more obviously at work in the new capital transfers between ACCs and STEs: perhaps the most hopeful and exciting of all the post-Stalin developments in our field. Let us first repeat that such transfers are by no means ideologically unorthodox. They were constantly sought by the U.S.S.R. in 1917-18, before War Communism, and again during the NEP. Apart from short- and medium-term credit, some quite complicated transfers, involving technology and land concessions, actually took place.⁴²

But if ideology is no bar, detailed central planning surely is. Domestic enterprises work not for profit but for plan-fulfillment: how could foreign enterprises act differently? It is no accident that all concessions came to an end within six years of the beginning of the first FYP; politics cannot, surely, have been the sole cause. Trade credit and even general intergovernmental "program support" remain entirely possible. But ordinary capitalist long-term investment is difficult to envisage.

Yet it is precisely what is envisaged. The bellwether is as usual Yugoslavia, which has been experimenting since 1954. But hers is a market economy, and her inhibitions are ideological alone: how can "ownership by the whole people" and management by workers' councils be compatible with foreign equity participation? Would not such a thing be the "exploitation of man by man"?⁴³ Virtually every European STE has by now followed

⁴¹If the STEs have also international bodies (Comecon and the IBEC) and engage in various *ad hoc* multilateral schemes through the GKES, it is surely for technical economic reasons and not in order to ease international tensions. Note that multilateral aid is an ambiguous term. I use it here to indicate that more than one nation has deliberately cooperated in giving aid. But it might also mean that a single aid-giver gave convertible currency, to be spent by the recipient in any country at its discretion.

⁴²The two most notable were the Red Army's agreement to cooperate with the Reichswehr on Soviet soil, and the Lena Goldfields Ltd. The Reichswehr used its agreement to test weapons in violation of the Versailles Treaty; the Red Army provided the secret sites and the unskilled labor, and shared the knowledge gained. Cooperation began in 1921 and ended on Hitler's advent to power in 1933. Lena Goldfields Ltd. got its concession in 1925, as compensation for its expropriation in 1917. Although the concession ran for thirty years, the terror trials of foreign technicians brought it to a halt in 1934, when the company accepted £3 mn. to cease business.

⁴³*Cf.* my article in *Lloyds Bank Review*, October 1967.

suit. The easiest and commonest system is merely to buy a license to imitate some capitalist product, and import technicians. The Soviet-type enterprise has then a monopoly of its home market, and is fully subject to the command economy. As to exports, its capitalist patron may give it sole rights to sell to particular countries, notably other STEs; subject to this limitation it must behave like any other exporting enterprise. The co-operant capitalist firm sells the initial plant and takes a royalty in cash, or so many units of output; it does not own anything on the territory of the STE, and is thus not at all in the same position as Lena Goldfields Ltd.

So far as one can see into the rather secret negotiations of Poland with Fiat and Krupp, and the U.S.S.R. with Fiat, the agreements⁴⁴ are of this kind; so they violate neither the ideology nor the institutions. More contrary to both, and reminiscent of Lena Goldfields Ltd., is direct capitalist investment on the territory of the STE. Cases of this appear to be exceedingly rare, just as Haldex, Hungary's direct investment in Poland, has very few parallels. A genuine example seems to be the new Intercontinental Hotel in Bucharest, under the management of Pan-American Airways. But here too the institutional fit is not impossible. A hotel sells its services to consumers, especially foreign tourists, who are unplanned anyway. The ration of value-added to bought-in inputs is particularly great, so the sphere of independence open to a Soviet-type manager is great, and his dependence on the central planner unusually small (it will be borne in mind that labor is hired in a market). Add that some of this particular hotel's bought-in inputs will surely be imports financed by its valuta earnings, and what we have is almost an importing-processing-and-reexporting business of which the sole Rumanian input is labor.

There are also now similar investments by STEs in ACCs: Moskvich assembles cars in Belgium and Skoda in Austria. These enterprises, surprising as they are, involve serious ideological but no institutional problems. There is precedent for them in the various communist banks long established on foreign soil.

It is true that all these transfers of capital are small.⁴⁵ It is true that they are less indigestible by Soviet-type institutions than might be thought, i.e., on the institutional side the move from War Communism to NEP, which made Lena Goldfields Ltd. possible,

⁴⁴Signed in December 1965 and June and May 1966 respectively. On the whole non-Yugoslav side of this matter cf. Michael Gamarnikow in *Osteuropäische Rundschau* (Munich), 12/1965.

⁴⁵Thus Italy will receive plant orders of \$75 mn. per annum in the first four years of the Fiat deal, which is much the biggest (*The Times*, London, May 23, 1966).

was very much bigger. It is true that the orthodox precedents are ample. Nevertheless NEP caused little change in ideology or ultimate intentions, whereas today all is in flux. NEP was a commonsense reaction to a domestic crisis; the Krupp and Fiat deals, infinitely smaller though they are as concrete events, betoken a changed basic attitude to the enemy. The Moskvich and Skoda deals are smaller again, but they are still stronger evidence of basic change.

22

Communists have always maintained that trade is good for peace, though they never explain in detail why this is so. Their practice is the same as anyone else's: when STEs are at enmity among each other they reduce trade; when in friendship, they increase it. But trade in every case is effect and not cause.

Undoubtedly however what communists have in mind when they make this propaganda is not their internal trade wars. Rather are they looking outwards at the ACC embargo. But here again trade is effect, not cause. Political hostility, entirely mutual, preceded the embargo, and the latter was simply the weapon of the economically stronger side. The removal of the embargo would have to be, and indeed its partial removal has been, preceded by a political improvement. The most we can say is that governmental actions making for more trade—or less embargo—are probably good *gestures*. A *détente* has to begin with a concrete expression of goodwill, a concession by one or both sides. An expansion of trade is one such measure, but this is very far indeed from proving that peace has some economic base. Rather the contrary, it is yet another demonstration of the extent to which the economic relations of states are a political football.

Similarly, socialists of every hue have always maintained that world socialism would bring world peace.⁴⁰ A not much emphasized corollary of this is world free trade. But here the ideology itself is correct in putting the horse before the cart.

⁴⁰Silberner, *op. cit.*, Elliot R. Goodman, *The Soviet Design for a World State* (New York, 1960).