December 24, 1956

Dear Raya:

I am again somewhat late in replying but, I trust, not unduly so strong disappointment: they are essentially "small talk" and are confined almost exclusively to points of fact which look very minor indeed and in comparison with the broad sweep of your presentation and with the dimensions of basic problems involved. The area of disagreement on the latter is large: I doubt the validity of the concept of state capitalism in general and at in all honesty, consider myself a Marxist these days. If I had more time just for the sake of discussion (I certainly would not expect to convince you - you heard most of such arguments before). But since the time situation some of my remarks will undoubtedly be colored by my "deviationism".

P.3. The footnote on Trotzky and Stalin is not very clear. First of all, it is not clear which "plan" are you referring to: it would be presumably safer to say that Trotsky stressed the need for centralized overall planning earlier than the S. and B. medithet and/or that in years 1927/28 that Stalin indersed the "snail's pace" idea: in fact, he sounded already in 1925-27 different notes although with regard to practical policies a smallish point, but you'd better phrase it less emphatically because otherwise pro-Stalinists may have something to shout about. - Same page:

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p. 7. "The whole cost of industrialization and militarization has been borne... through turnover tax" How about compulsory deliveries by the collective farms?

p.10. Typing error: percentage figure for means of production should be 44.3, not 44.8 for 1928, (you have it right at another place).

p.12. The statement that "the Commissariat of Justice is nothing other than the G.P.U. which etc.etc." is somewhat confusing. Why not say that it is a tool of the G.PU.?

p.15. Your 2,400 per cent increase in silk is due to a misplacement of the decimal point: the 1936 output was 51,220, not 512,000. Exides Besides: the remaining discrepancy between the rates of growth in cotton and silk.

for which I have comparable figures at my slbow) the amount of cotton for which I have comparable figures at my slbow) the amount of cotton forward cloth (in meters) axended the xeron for then 800 times the size of the amount of silk produced, and it is always easy to show terrific percentage increases when one starts from a very low base. I certainly realize that even after all this has been taken into account, there is still realize that even after all this has been taken into account, there is still plenty of room forcontroversy as to the meaning of the thing. Maybe, I shall have a chance to say something about it later.

p.19. Instead of "Bukharin-Fiatakov trial" it should be: "Radek-Piatakov trial". Bukharin was tried later together with Rykov and (if I am not mistaken) with Yagoda.

Back to the pages 17 and 18. I believe that you owe your readers an explanation why do you consider the groups listed in your table a ruling class tion why do you consider the groups listed in your table a ruling class tion which is quite unlikely, to say the least) you assume that each unless (which is quite unlikely, to say the least differentiation. You hierarchy in skills and responsibility implies a class differentials, difficulties should say at least something about what income differentials, difficulties in social mobility and the like. Even then, many readers will (including in social mobility and the like. Even then, many readers will understand your myself) will possibly disagree, but at least they will understand your position better.

p. 20. I do not know what are the reasons for statement that "the full fury(of the purges) was unloosed against the workers" and what "mass graves" you have in mind. I am antined to assume that (in percentage terms) the party bureaucracy and the managerial group were much stronger affected. I equally doubt the implied assumption that formers workers are predominant inxidental among the inmates of concentration campe. I may be wrong on this, and I may very well misunderstand you, but this is one more reason this, and I may very well misunderstand you, but this is one more reason why such statements should be elaborated on a little more, and substantiated by whatever evidence there is.

p.23. I suggest that you check the figures in your table once more, because while most of them are undoubtedly OK, there are a few mistakes (e.g., in the tractor series it should be; 48.9 th. for 1932, 51 th. for 1937, 51.1 th. for 1940). If you do not have the original sources in Detroit, you could use Donald Hodgman's Soviet Industrial Production, 1928-1951, or Harry Schwartz' Rudslam's Soviet Economy, 2nd ed., as reliable references you could also consider mentioning the real wage estimates of Janet Chapman (Review of Economics and Statistics, May, 1954).

p.26. Your statement that the rule over the world market is the key motive behind the dognat' i peregnat' is, to be sure, one of the controversial issues. You may have argued some of the basic problems involved in an early

Chapter. At any rate, it is not immediately evident (1) why the rule of the worl market is the controlling consideration for an economic system which is autarkic, totalitarian, and not suffering from the lack of effective demand, and(2) why it there is no mention of the desire to maximize the military power as well as the power over its own society. You certainly have some definite ideas as to how dees it fit in into your world market business. It would be desirable to indicate them.

Back to p.22. An index of Soviet industrial production is available: the trouble is, to be sure, that its weights are, for many reasons, inadequate and misleading, at least up to 1950. It would be advisable for you to make this point tather to leave the reader with an impression that such an index possibly does not exist at all. (In order to have a handy reference on the subject, you could use Chap.I of Hodgman's already quoted book or the symposium in the Review of Ec. Statistics, Nov, 1947).

p.28. Your analogy between Soviet and American purges is certainly provocative, but it would call either for elaboration or (much rather, I would say) for a very strong qualification in order to be defensit.

p.50. See comment on p.20 (regarding workers as main victims and chief resisters).

p.44. I doubt very much that V.'s "revalations on the state of the Russian economy" were the reason for his liquidation: first of all, they did not contain anything startling in their description of the wai-torn economy, secondly they were permitted to circulate, inder highest praise, for more than a year (if not longer) after their appearance. In connection with this: I definitely reel that your ealier remarks (p,31) about the wartime developments are, at the very least, severely incomplete unless accompanied by reservation that some developments of that sort are absclutely inevitable in anyeconomy in conditions of total warfare and of large-scale enemy occupation of the country.

p.46. Stalin's piece appeared in October, 1952. (not in 1953). More important ly, I believe it is momewhat risky to attribute the deterioration in economic situation to people's reaction to its message rather than to very real difficulties (particularly in agriculture) which kept accumulating over the preceding years, particularly since Korea.

May I conclude with a few mora general remarks. First of all, there is a problem whether it would not be desirable to bring the statistical information more up to date, or at least to register your opinion (with a few selective and suggestive figures to ikhustrate it) that things remained escentially the same (I mean, as far as general trends go) also in the postwar period. Should you decide in favor of it, you could use the book by Harry Schwartz, the January, 1956 issue of the Annals of the Amer. Academy of Pol, & Soc. Science (particularly Grossman's piece on agriculture) and Bergson's article in January, 1956 issue of Foreign Affairs.

orthon the space of the chapter of the chapter of the post of the post of the control of the con The second point is perhaps more important. I believe that you shall be inevitably confronted with a barrage of rhetorical questions centering essentially around one big problem: are not the main problems (or at least foot of them) Ithe faster increase in producers goods than in consumers goods, increasing wage differentials etc., inherent in any kind of industrialization developing without substantial foreign investment to assist it? If so, what is the altenative you have in mind? No industrialization at all? Or different type of industrialization? I am sure that these are very old questions for you, but I feel that your chapter would gain if you could take the reader more in your confidence on this subject, I certainly cannot guarantee in advance that I will agree. But I would hate to see the situation when all kinds of characters will jump upon you and say that all this is at its best a good piece of moral indignation convey, and while it will inevitably become a target for criticism, I would not like it to become an easy target, not even in its part which is, you will take all my criticisms in this spirit, whatever your eventual decision on all points I raised will be.

With best regards and good wishes for the New Year.

Yours.

Alexander Erlich

P.S. I would certainly be glad to send you a copy of my masterpiece but I have just one copy in loose sheets left with ms and I am working on it currently. New School for Social Research (66 W.12th St) has two bound and clean copies: they might be willing to lend them to you. Honestly however, I think that the all actually needed for your purposes is contained in Procobrazhenskii and Stalin Bapers you have seen.