

September 10, 1967

Dear S

Finally the conference is over and, while I am still tired, I can now turn more seriously, though still only briefly to your chapter. The best part, by far, is the third section, C. Relationship of Industrialized World to the Underdeveloped. It has both movement and verve. At a glance it is also possible to see, in sharp outline, the whole, that is to say, the reader does not feel that he is not being allowed to see the conclusion just because the concentration is on selected items. The disadvantage is that we are in the market mainly rather than in production. It is value output, and not by selected key production units, such as, for heavy industry, steel, coal, electricity, railroads, and, for light industry, say, cloth, shoes, and basic food products like bread, butter, meat. If The Growth of World Industry, 1938-61 has such tables, will you please choose me some brief items and send it on? And do be sure and include USSR, please.

Carrying through the same point about production, (and including everywhere the USSR always) into section B, Analysis of Third World, we cannot be left with such generalizations as "sustained economic growth" (which each "specialist" interprets differently, incidentally); we must be shown actual production, whether there is any industrialization of basic heavy industry, whether there is any agricultural "revolution", that is to say, even where there is no land reform, we still must know whether they have remained one crop economies and therefore forever more underdeveloped, or whether there is diversification. The curse of both Latin America and Africa is the one-crop curse--bananas or sugar in Latin America, peanuts in Africa, etc. etc. or even if they have one industry, it is oil, so that fluctuation on a single commodity brings the whole economy crumbling down. Your table on p. 6 on rate of growth is excellent. May I suggest that you follow the table up with another which shows whether there has been any diversification in agricultural growth, any attempt at industrialization, and whether these two have been directed toward the population. For example, I deny there has been "sustained growth" or true industrialization in India because it has been done in the cities which already are so overcrowded that people have never known habitation in a home, but sidewalks of Calcutta remain their "homes" while the villages continue in their despicable poverty too often vergin on outright famine. By comparison with such lopsided "industrial growth", China must look like heaven to the Indian masses. In any case, I would like to see what is given out as economic growth by a Western economist, and what is it that Russia or China gives out as its growth. China cannot be missing altogether as it now is from your tables and references; we must always have comparative figures before us, no matter how the actual text, whether written by me or you, would warn these figures mean nothing, etc.

The weakest part of the chapter is section A, State Planning. I believe that if you thought of it under the title of State of World Economy, it would be more productive for it would get away from centering it on State Planning which all countries by now recognize; even if US still calls itself "private enterprise", nevertheless it recognizes not only in atomic research and militarization, but also in so-called welfare items to be of prime importance. Again, and in fact most indispensable precisely in this section, is Russia. As you know, for reasons I stated in my book, I concentrated on Russian economics up to WW II; I have followed, rather haphazardly, some of the developments in the 1950s, but practically not at all in the 1960's. Would you please cite me some original Russian sources (here it is very hard to get, and I do not get to NY often enough) and perhaps make up a table of basic industries, heavy and light, and on comparative basis. Simon Kuznets is the best for USA figures, and I would greatly appreciate it if you quoted me the official figures from a Russian source book. (Incidentally, please give me the Czechoslovak name of the Statistical Year book you cite on p. 3, and the Polish book by Kleer cited p. 8.

*Naturally I don't mean USSR is among the underdeveloped nations, but what it says of underdeveloped nations.

13992

To have some view of what I mean by comparative, I'm including from US World News & Report some statistics I used in my plenum speech. I don't know whether Harry McShane has yet had a chance to read it and forward it to you, but I'm sure he will (also I'll send you the finished rather than the draft speech as soon as it is mimeographed). From it you will see how I view presenting the world, and compare it with your own.

Now then on the question of worker resistance. I know there are no such open manifestations as strikes, but you may recall that in my Russian study what I used to show the phenomenon were slowdowns, productivity gaps between "Eastern" and "Western", which I always maintained was not a sign of the "backwardness" of the Russian workers, but the exact measure of their revolt. Is it possible to show production in Eastern Europe before 1956, in 1956-7, and a decade later? Also, to say that income in such a year is 100 does not tell a Western reader what income really was as the standards are so utterly different. Therefore, we must use some other criteria—either food items consumed or wages or standard of living re an affluent country. Some friend who was in Cuba, for example, told me that some Czechoslovak engineers told him they had volunteered because so many items they could purchase there they could not at home, which quite amazed me as we most certainly do not consider Cuba either among the most advanced technological lands or affluent in other ways.

One of the most intriguing footnotes in your chapter I found on p.4. I most certainly consider such an item of too great importance to stick into a footnote. It should be central to the text, and, of course, I can easily transform it. But I still need the last sentence, comparing the US item to the EE countries, to be spelled out since "living in poverty" in USA and there is different and I would like that difference concretized.

I would be most grateful if I could get my questions answered by mid-October? Do you think you can do so? If the Russian ~~4-23~~ takes more time, then how about the end of October?

On the whole, you did very well indeed, and I will also wish to find the proper way in which to recognize the collaboration, which is why I am looking forward to spring when Harry Man discuss these things with you. I am going to make copies of your chapter and send it around to our comrades so they can read it for themselves as you wrote it instead of only as it will appear reworked in the book—whenever that will be I have no conception now.

Yours,

13993