

Maurice Dobb Papers Trinity College
Correspondence CA 212

DOBBAAR(5)

Wilton, N. H.,
January 26, 1954.

Dear Dobb,

I had hoped to be able to sit down and write a decent answer to your interesting letter of last October. But it would have required considerable reading as well as thinking, and I'm afraid I'm not going to have the opportunity to do either in connection with the feudalism problem for some time. I will only say that you mustn't attribute to Moore what I said wrote: I really haven't had time to discuss with him, though he's now in NY. I know only that his ideas on the feudalism-to-capitalism issue seem to be rather different from any expressed in the S&S discussion. I gather that he thinks the definition of feudalism by exclusive reference to the serf relation is wrong and must lead to wrong results; he holds that Marx and Engels understood feudalism to be an economy containing both the serf relation and the various gild relations in the cities, and that its developmental tendencies to be decisively shaped by the interaction of the two. I have a long list of references to look up but haven't got to it and probably won't in the near future. If you're interested in communicating with him his address is Stanley Moore, -- at this point I discovered that while I know exactly where the building is in NY I don't actually have the number. But I'll get it, and in the meantime a letter addressed to him in care of me would be promptly forwarded.

I have been too preoccupied with the witch hunt to be able to devote the kind of calm thought to historical problems that they need if one is to come to useful results. The state of New Hampshire, where I live, is running an Inquisition of its own (quite a number of the states are), and both my wife and I have recently been called up for the usual treatment. We have been trying to handle it in such a way as to reach as many waverers and doubters as possible -- there's no use in impressing the already convinced, of course. Hence we decided to refuse to answer any questions about the Progressive Party on the grounds that it had nothing to do with subversion and its activities are none of the government's business. So far we have gotten away with it, but either or both of us may be taken to court any day. I think our legal position is fairly strong and it would probably be a good thing if we were taken to court, which is precisely the reason why we may not be. Meanwhile, the handling of the story in the state press plus the private reactions which have been expressed to us by many people would seem to indicate that there is a fairly strong potential opposition to McCarthyism but that as of now it is ~~xxxx~~ terrified into silence.

Best regards,

Paul Harvey

DOBBS CAS/2 (13)

Wilton, N. H., USA,
September 18, 1954

Dear Dobb,

Many thanks for your letter of 8pm August 25th. I was relieved that you don't mind serving as an example of a virtuous demon. We get into a peculiar frame of mind about mentioning names over here; it is all too likely to get someone into trouble.

SECOND COPY

I have a letter from Malcolm MacEwen asking for certain information and materials about my case. If you are in touch with him, will you tell him that I shall do my best to comply but may not get at it for a bit. There is no terrible hurry for his purposes since it now appears that the case is not likely to come up for argument in the NH supreme court before January or February. It might even be better to time an article to coincide with the case's being argued or appeal. When I do send the material he wants, may I make use of you as an intermediary? I am not sure that a letter addressed directly to him would ever leave these shores. Somehow, academic addresses seem to be more respectable in the eyes of our overseasers of the mails.

I am most gratified at the support coming from abroad, not least from the Cambridge economists. A surprising number of my American friends have written me because they read about the case in the New Statesman. You may have heard that an excellent group of French economists is also at work, and that fine weekly FRANCE-OBSERVATEUR had an editorial note quite similar to the one in the NS&N. I am also told that something is afoot in Japan but I know fewer details about that. Ditto South America. Now the problem is to develop some sort of defense effort in this country.

When the Feudalism-capitalism booklet is ready, I wonder if you could send a copy to Prof. Harvey Goldberg, History Department, Ohio State University, Columbus, Ohio? He has expressed a keen interest in having it and I volunteered to ask you to send him a copy as quickly as possible.

I'm glad to hear that the volume of reprints of your essays is nearing completion. I know very well how you feel about some of the earlier pieces, but I think the value of having them collected and available far outweighs the subjective annoyance. For one thing, it should give a better basis than now exists for judging the validity of Schumpeter's attempt to Marshallize you! This, by the way, should not be taken too seriously. I always liked to shock with an unorthodox view or evaluation. The book is full of them, some merely irritating but some actually helpful in calling attention to neglected aspects or emphases.

My review of Steindl had to be postponed - for space reasons, I am told - but it should be out in the next issue of *Econometrica*.

As always,

J. Schumpeter

UNIVERSITY OF CAMBRIDGE
FACULTY OF ECONOMICS AND POLITICS

SIDGWICK AVENUE
CAMBRIDGE
CB3 9DD

TELEPHONE (0223) 58944

Maurice Dobb Papers
Trinity College, Cambridge
Correspondence CC23

24th Febr. 1974

Dear Maurice,

Thank you for sending me the amendments you propose to introduce into the final note of your latest book, which herewith I return to you.

They no doubt represent - in my view - a substantial improvement on the present version and I hope you will introduce them on the occasion of the first reprint (which, in spite of what you say, I think will come soon).

A couple of remarks only:

i) The theory you favour (in terms of realisation of the surplus value) is not incompatible with the Kaldor-Permetti line. You say this, but you also suggest that the one might be used to criticize the other. I think there is no helpful reason to suggest this to the reader (who might not think of it at all). I should therefore suggest to drop the very last half sentence "and is criticizable to the extent ... etc."

ii) your wording would seem to suggest that, in a socialist

System, investment determine profit, but in a capitalist economy profit determines investments. Unless you specify a little further the meaning of your statement, this might seem a criticism of both Keynes and Kalecki. I would simply say that the $I \rightarrow P$ relation can be seen at its clearest in a socialist economy. In a capitalist economy there may be many complications that may blur up or reverse (in the short run) such relation - a statement that both Kaldor and I would ~~accept~~ have no difficulty to accept.

Yours,

Luigi Pasinetti

UNIVERSITY OF CAMBRIDGE
FACULTY OF ECONOMICS AND POLITICS

TELEPHONE (0223) 58944

SIDGWICK AVENUE
CAMBRIDGE
CB3 9DD

24th Febr. 1974

Dear Monica,

Thank you for sending me the amendment you propose to introduce into the final note of your latest book, which herewith I return to you.

They no doubt represent - in my view - a substantial improvement on the present version and I hope you will introduce them on the occasion of the first reprint (which, in spite of what you say, I think will come soon).

A couple of remarks only:

i) The theory you favour (in terms of realisation of the surplus value) is not incompatible with the Kaldor-Permetti line. You say this, but you also suggest that the one might be used to criticize the other. I think there is no helpful reason to suggest this to the reader (who might not think of it at all). It should therefore suggest to drop the very last half sentence "and is criticizable to the extent ... etc."

ii) your wording would seem to suggest that, in a socialist

System, investment determine profit, but in a capitalist economy profit determines investments. Unless you specify a little further the meaning of your statement, this might seem a criticism of both Keynes and Kalecki. I would simply say that the $I \rightarrow P$ relation can be seen at its clearest in a socialist economy. In a capitalist economy there may be many complications that may blur up or reverse (in the short run) such relation - a statement that both Kaldor and I would ~~accept~~ have no difficulty to accept.

Yours,

Luigi Pasinetti

Page 270
(middle para)

Some are again puzzled by the implications, of the post-Keynesian theory according to which the share of profit in national income is dependent on the growth-rate of the economy together with the saving (or alternatively spending) propensity of capitalists. The implication of this would seem to be that in static conditions with zero capital accumulation (Marx's 'simple reproduction') profits would be zero. This, however, could only be the case if capitalists persistently refused not only to invest but also to spend their (potential) incomes surplus value would then fail to accrue simply because it could not be 'realised', even though conditions favourable to its 'creation' were in existence. If, of course, the theory is so interpreted as to make investment, or growth, the independent variable, it would appear to follow that the amount of profit or surplus is consequent on total non-wage demand. But while this might be a plausible view in a socialist planned economy (where growth is postulated as a key policy-element in the plan), it is plainly inappropriate in an unplaned market system, where the accrual of income calls for explanation prior to decision-taking as to its disposal. Then to say that total profit is limited (and no more) by total non-wage expenditure is not of course inconsistent with the proposition that profit as an income-category originates in social conditions and social relations, and is criticizable to the extent only that it claims to be advanced as a substitute for the latter.

DOB B CC 2) (27)

UNIVERSITY OF CAMBRIDGE
FACULTY OF ECONOMICS AND POLITICS

TELEPHONE (0223) 58944

SIDGWICK AVENUE
CAMBRIDGE
CB3 9DD

28th Nov. 1973

Dear Maurice,

I am reading your excellent book on the theories of value and distribution and I wonder if I can make one remark.

In your final note, on p. 270, you criticize my own relation concerning the rate of profit and income distribution (or at least this is how I interpret you, since you exempt Nicky in a footnote). You simply quote Mario and write: "The postulated relation 'is a necessary relation that must always hold for macroeconomic equilibrium among ex-post magnitudes. As such it cannot be disproved, and therefore, does not

provide a Theory ~~of~~ of the determination of the profit-rate and income shares, especially in the short run".

I find this one of the most confusing statements that Mario has made. To my mind it makes no sense to talk of "ex-post magnitudes" if one considers an equilibrium condition, and ~~to~~ to say that a ^{certain} theory does not explain what happens in the short run, if the theory itself is about the long run.

It seems to me that the same statement of Mario's could equally be applied to Keynes' theory of savings determination through investment and indeed to Sraffa price theory. These are also "relations that must always hold for equilibrium". These also "as such cannot be disproved". Yet, we do call them "theories".

yours ever,
Luigi



Faculty of Economic and Social Studies

University of Manchester/Manchester/M13 9PL

Telephone: 061-273 3333

Department of Economics

24 Sept.

Dear Maurice,

Thank you for your kind letter; I am glad you enjoyed my latest piece. As far as I know there is no concerted sectarian drive. Yaffe, with others, was recently expelled from I. S. (for right deviations!), Pilling is in ^{the} S. L. L.. Both have been published in Economy and Society but that is dominated, I think, by Althusserians. Yaffe himself acknowledges much influence from Mattick. I think what is involved is a rather broad tide of neo-Hegelian, anti-empiricist thought, taking dramatic forms, rather than an

organised "Drive". But perhaps I am
being naive on this.

I have recently been able to read
your Theories of Value and Distribution at
last and have found it most clear and
interesting to read. I am sure it will
help to strengthen the return to "classical"
ways of thought.

Yours sincerely,

Ian Steedman

Dobb cc33 (38)

TRINITY COLLEGE
CAMBRIDGE
CB2 1TQ

21st Feb '74

Dear Hawice,

I'm afraid that this still isn't quite right. We agreed that we are happy with Kaldor - in that distibⁿ is determined in the field of production, by degree of monopoly, length of working day etc. Then investment determines the amount of surplus actually realised; i.e. investment determines the amount of profit (and the level of output), but not the share of profit.

Kaldor's error (and perhaps Panigati's) is to take the share of investment in income / the rate of growth as an independent

variable determining the share of profit /
the rate of profit.

Your point about a demand side theory requiring prior ~~access~~ distribution is rather vague. You are right in that capitalists will only invest if there is a potential surplus to be realized, you are not quite right in that the capitalists may have no ^{real} ~~wealth~~ prior to investment, but finance capital may endow them with command over real resources. Thus it is the institutional structure of finance capital and the ^{power} ~~ability~~ to extract surplus which are the bases of investment expenditure.

Yours
John