

**Three Years in Vermont:
The Writing of Karl Polanyi's *The Great Transformation****

**Berkeley Fleming
Mount Allison University**

**Presented to the Eighth International Karl Polanyi Conference
Mexico City, Mexico
November 14, 2001**

Introduction

In this paper, I shall examine the development of the argument presented in Karl Polanyi's *The Great Transformation*, with a special focus on the evolution of the manuscript and the production of the book during Polanyi's American interlude in the early 1940s. (This was after several earlier sojourns in the United States and before he moved there to take a position at Columbia University in 1947.)

The Polanyi Archive contains an early outline of the argument to be made in *The Great Transformation*¹; a typescript of Robert MacIver's Introduction; an early draft of Chapter 21 of the book; and a set of footnotes, never used, for many of the chapters in the book. However, there is not even one complete version of the manuscript at any stage of its development available at the Archive. As a result, much of what I have to say relies on correspondence between Karl Polanyi and certain of his American or English academic connections, notably John A. Kouwenhoven, Peter F. Drucker, Horst Mendershausen, R.H. Tawney, Michael Polanyi, and G.D.H. Cole, correspondence exchanged during the process of writing and preparing the manuscript for press and shortly after its publication. Some of that correspondence is of course missing, but there is available much of this sort of documentary evidence. Some of it is in draft or partial form. One further preliminary *caveat* should be entered: I have but indirect evidence of any conversations between Polanyi and those in his Vermont circle while he was still there, and any between Polanyi and those in his English circle from late 1943 on.

As several commentators² have suggested, certain of the themes in *The Great Transformation* can be linked back to issues explored by Polanyi in Vienna in the 1920s and 1930s, as well as in England in the middle and late 1930s. Fred Block, in his Introduction to the 2001 edition of *the Great Transformation*, argues as follows.

Developing his [W.E.A.] courses led Polanyi to immerse himself in the materials of English social and economic history. In *The Great Transformation*, Polanyi

* I would like to acknowledge the co-operation of Kari Polanyi Levitt; Marguerite Mendell, Director of the Karl Polanyi Institute of Political Economy at Concordia University in Montréal; and Ana Gomez, Coordinator at the Institute. None of them bears responsibility for my arguments, but I could not have developed them without their kindness in introducing me to the Polanyi Archive.

fused these historical materials to his critique of Mises and Hayek's now extraordinarily influential views.

The actual writing of the book was done while Polanyi was a visiting scholar at Bennington College in Vermont in the early 1940s. With the support of a [Rockefeller Foundation] fellowship, he could devote all of his time to writing, and the change of surroundings helped Polanyi synthesize the different strands of his argument.³

There have been two book-length analyses of *The Great Transformation*,⁴ but neither author attempted a detailed analysis of the development of its argument, its roots in earlier writings of and teaching by Polanyi, or its taking shape during his wartime sojourn in Vermont. After commenting on those themes, I shall examine the circumstances of the emergence of the final manuscript. This exploration will include consideration of the roles played by members of Polanyi's family and social circles in the United States and England, notably John A. Kouwenhoven, Peter F. Drucker, Horst Mendershausen, R.H. Tawney, Michael Polanyi, and G.D.H. Cole, most of whom were mentioned in the "Author's Acknowledgments". Then I shall turn to the process leading to the book's publication, first in the United States and later in England. I shall conclude the paper with a review of early sales figures, the initial critical reception of the work, and early efforts to publish it in languages other than English.

Please note that I shall not discuss the contributions that might have been made by either Polanyi's nephew-in-law, Hans Zeisel, or Polanyi's wife, Ilona Duczynska. Although Polanyi specifically thanked Zeisel for his "careful reading" of the book, I have found no documentary evidence as to when that occurred or what his comments might have been. As for Ilona Duczynska's contributions, which I have no doubt were substantial, I have nothing significant to say at this time apart from observing that the book is dedicated to her with the words, "To my beloved wife Ilona Duczynska I dedicate this book which owes all to her help and criticism." Unfortunately, the correspondence between Ilona Duczynska and Karl Polanyi is not currently available to me. Although I anticipate that the correspondence between them would not be all that helpful for times when they were together, there was one period during the writing of the book when they were apart (from late 1940 to late 1941), and of course they were separated by circumstance for several years after Polanyi's return to the United States in 1947. I suspect that during this time they may well have reviewed her role in the writing of *The Great Transformation*, and in other ways have revealed her importance for his intellectual development.

The Prior Development of Many of the Major Themes in *The Great Transformation*

As others besides Polanyi himself and Block have argued,⁵ many of the themes in *The Great Transformation* can be found in Polanyi's early writings, seminars, and lectures. My own preliminary investigation of these matters suggests that certain early writings were particularly important in this respect. I am thinking for example of his Cole- and Bauer-influenced writings on guild socialism in the 1920s; his immersion into the ideas of Carl Menger and the other Austrian economists; and his argument about the

possibilities of developing a "socialist accountancy", worked out in opposition to the claims of Ludwig von Mises.⁶ All of this writing occurred while Polanyi lived in "Red Vienna." Among the students attending his seminar on such matters was Felix Schaffer, a student and friend in Vienna who is specifically cited in the "Author's Acknowledgments" in *The Great Transformation*. I would also argue that Polanyi's 1930 and 1935 analyses of fascism, many of the 250 articles, notes, and reviews written between 1924 and 1938 for *Der Oesterreichische Volkswirt*, others published in the 1930s in *New Britain*; and *Europe Today*,⁷ were all significant precursors of themes developed in *The Great Transformation*. These pieces were written in Vienna or in England.

Although others have alluded to the importance of at least some of this early work, no one has really presented a detailed analysis of the links between it and specific arguments in Polanyi's *The Great Transformation*. It is my intention to do so once I have completed my research on this period of his life.

Equally significant, as is again suggested in the "Author's Acknowledgments" and as has been mentioned by others, Polanyi developed his understanding and analysis of English social and economic history, and continued reflecting on events on the Continent, while living in England and while giving lecture tours in the United States. He specifically mentioned WEA Tutorial Classes given at Morley College, in Canterbury, and in Bexhill-on-Sea, in England in 1939-40, a seminar held at Bennington College in 1940-41, and public lectures in the United States in 1941-42 in this respect. To these I would add many of the lectures that Polanyi gave in the United States in the mid-1930s. Much documentary material on this teaching and lecturing is in fact available in the Polanyi Archive, and I am in the midst of analyzing its significance for the development of the arguments in *The Great Transformation*.

The Emergence of the Final Manuscript

The focus of this paper will fall on the emergence of the final manuscript, and the roles played in that process by members of Polanyi's Vermont and England circles of friends. The process began and ended with people in Vermont, so I shall begin with them.

The Vermont Circle of Friends

The Academic Assistance Council in Great Britain, which became known as the Society for the Preservation of Science and Learning in 1935, sometimes provided funding for scholars in England to visit the United States to explore employment possibilities there, but there is no evidence that Polanyi had availed himself of that opportunity. The Institute of International Education and the Institute of International Relations both supported lecture tours in the United States by Polanyi at various times in the 1930s and early 1940s. According to one author, Polanyi lectured "in as many [as] thirty-eight states."⁸ Once stranded in the United States by circumstances in Europe in 1940, Polanyi might have sought help from the main program aimed at helping emigré intellectuals within the United States, the Emergency Committee for Aid to Foreign Displaced Scholars.

However, he did not fit the Emergency Committee's criteria in that, even if he were deemed a senior scholar, he had not had a regular appointment at a Continental university. Funding provided to post-secondary institutions such as Bennington by the Rockefeller Foundation was really the only avenue available for someone in Polanyi's position at the time to find secure employment as a scholar in the United States.

Bennington College, established in 1932, was in the 1940s a relatively new, small, liberal arts college for women that endeavoured from the beginning to emphasize Dewey's notion of learning from experience, and self-consciously sought early on to include innovators and experimenters among its faculty.⁹ Inviting refugee intellectuals such as Karl Polanyi to be scholars in residence was entirely in keeping with that emphasis.

While at Bennington, Karl Polanyi met or renewed acquaintance with such people as Erich Fromm (at Bennington from 1941 to 1949), Theodore Newcombe, George Lundberg, Horst Mendershausen, John A. Kouwenhoven (at Bennington from 1936 to 1941), and Peter and Doris Drucker (at Bennington from 1942 to 1949). The Druckers may in fact have been responsible for the Polanyis having moved to Vermont. So, although *The Great Transformation* was written in the isolation of southern Vermont, it was also formulated within an interested social circle of friends and colleagues there. The significance of that circle of friends will now be discussed in some detail.¹⁰

In the "Author's Acknowledgments," Polanyi states that "[i]n America the book was seen through the press entirely by Kouwenhoven, with the help of Drucker and Mendershausen, for which act of friendship the author feels deeply grateful."¹¹ Who were these particular individuals, what was their relationship to Polanyi, and what did they contribute to his efforts?

John A. Kouwenhoven

John Atlee Kouwenhoven, born in Yonkers, New York, in 1909, has been characterized as a pioneer of American cultural studies.¹² After receiving his A.B. (Wesleyan) in 1931, he taught English at a private school. While there, he earned an M.A. at Columbia in 1933. After marrying in 1935, he taught English literature at Bennington College, from 1936 to 1941. Thus, his time there overlapped with Polanyi's by about a year. From 1941 to 1946, Kouwenhoven was Assistant Editor and later Associate Editor for *Harper's Magazine*. At that point, he joined the faculty at Barnard College, where he stayed until his retirement in 1975. He received his Ph.D. from Columbia in 1958, when he and his wife Eleanor W. Hayden divorced. He married Joan Vaczek Arthur in 1960, and commuted to Barnard from their farm in Rupert, Vermont, starting in 1967. Kouwenhoven's career at Barnard was one of inspired, imaginative, and influential teaching and "writing about American art, architecture and popular culture."¹³ He was particularly interested in jazz and African-American musical traditions, and had some influence on Albert Murray,¹⁴ whose own public profile has augmented of late due to controversies over the dominance of his views, as articulated by himself, Stanley Crouch, and Wynton Marsalis in Ken Burns's TV series *Jazz*. Kouwenhoven published over twenty essays, contributed to several books, and edited several himself, notably *When*

Women Look at Men (1963) and *The New York Guide Book* (1964). He also published several significant books, including *Made in America: The Arts in Modern Civilization* (1948), *A Columbia Historical Portrait of New York* (1953 or 1954), and *Half A Truth is Better Than None: Some Unsystematic Conjectures on Art, Disorder and American Experience* (1982). His best-known work, *The Beer Can by the Highway: Essays on What's American About America* (1961), was reprinted in 1984 with a new Preface by Ralph Ellison.¹⁵ It is still in print. John Kouwenhoven died in 1990.

Having discovered from correspondence how significant a role Kouwenhoven played in the development of *The Great Transformation* as a published book, I asked Kari Polanyi-Levitt about him. Her eyes lit up when his name arose, and she characterized him as a good friend of her father, and one whom she remembers seeing a great deal of when she was young. (She would have been in her late teens.) She mentioned that he had once written a book on the empty beer can, symbolic of the waste endemic in North America.¹⁶

What precisely was Kouwenhoven's role in the production of the book? From correspondence and Polanyi's "Author's Acknowledgments," it is clear that he generally encouraged Polanyi throughout the process; probably arranged for a partial manuscript to be sent for comment to R.H. Tawney; reacted to the substance and tone of Tawney's critique of those chapters; facilitated Polanyi's eventually finding a publisher, probably through his contact at Farrar and Rinehart, J. King Gordon; and saw the book through to its printing, with the help of Drucker and Mendershausen.

In this section of the paper, I shall comment on Kouwenhoven's overseeing of the corrections made by himself, Drucker, and Mendershausen after Polanyi had departed for England in late 1943; his coming up with a solution to the problem that Polanyi himself identified vis-à-vis rather extensive footnotes; his dealing with several hundred questions emerging from the copy-reading process; and his post-publication comments on early reviews of *The Great Transformation* as well as his expression of continued doubts about the ending of the book. I shall cover Kouwenhoven's role in the interaction with Tawney in a later section of the paper.

Prior to returning to England in September, 1943, Polanyi had already corrected his completed manuscript three times.¹⁷ In September, 1943, he sent a letter to Kouwenhoven concerning the task that circumstances had forced him to leave for his friends to complete in his absence. There were thirty-five pages of corrections enclosed.¹⁸

Don't be frightened [O]ur understanding holds good that the book should go to press as it stands if any delay should be caused by corrections. However, it is for you to judge if, when, and how you make use of the suggested corrections. Some of them are obviously mandatory, and would even have to go into page-proof. Others are merely advisable and should be made only if this does not interfere with printing. Still, it is fairly obvious that, if possible, all mistakes should be corrected and all improvements made which are reasonably possible.¹⁹

After acknowledging that his "peaceful manuscript" had been transformed into a "battlefield" after these, his fourth set of, corrections, Polanyi raised the problem of the footnotes.

I deeply and sincerely sympathize with you in regard to the condition of the footnotes. It is a scandal. Worse, they may prove unnecessary. And yet, if I can not let you have the references (forming part of Additional Notes on Sources) in time, as I am still hoping, it might be necessary to leave them essentially as they are. However, should the additional references reach you in time, it would be not only advisable, but even necessary to remove the great majority of the footnotes, that is, practically, all that do not refer to quotations. Advisable, because they are, as I find, not sufficiently illuminating to warrant the bother for the reader who is actually distracted from the text. Necessary, since otherwise repetitions would occur which must certainly be avoided. I am afraid that the brunt of this job will fall on poor Mendershausen.²⁰

At the end of the month, Kouwenhoven responded first, on the matter of the corrections, that they had easily been dealt with and would cause no delay in publication. However, he did acknowledge that " ... in one or two instances I did not follow your suggestion. This is pure high-handedness on my part, and I hope that I may fry in hell if your mature judgment does not agree with me."²¹ He then brought up a serious problem relating to copy-reading.

Farrar had their most expert copyreader go over the entire manuscript with a fine-tooth comb ... with an eye to establishing uniformity at least. If you will pardon my saying so, it was a hell of a job. She threw the manuscript back at [J. King] Gordon and me with somewhere between three and four hundred queries, and he and I spent two solid mornings going over the thing trying to answer these questions. In numerous instances, we simply made arbitrary decisions about which neither of us had any reasonable doubt, but there were times when you left us in a terrible box and we really didn't know what to do In [some] instances we simply discarded the footnote entirely I do not think that anyone but the author will notice these lapses, but I rather think that I may write a three-or-four sentence apology to be printed beneath your acknowledgments explaining that if there are errors and inconsistencies in the text they exist because the publishers were operating at long distance from you and there simply was not time to clear up all the details in this edition.²²

In a later letter, announcing that the book was "done" and commenting on its appearance, Kouwenhoven returned to the matter of discarded footnotes and unauthorized changes.

I hope the various changes, deletions, and re-arrangements that I made in the text and notes will meet your approval, Karl. I worried a lot about them but there wasn't time to consult you. As you will see, I wrote a brief "apology" which lets you out if any boners have been made. I thought it only fair to explain that you had not had a chance to go over the proofs.²³

Apparently, Polanyi was pleased with what had been done,²⁴ although in a 1946 letter to Robert MacIver Polanyi did refer to "deficiencies of presentation" and did explain that "war conditions forced me to rush it to conclusion."²⁵ He also later indicated to Rotstein, when lamenting that he had never succeeded in extending and rewriting the book, that "[i]mportant whole chapters are compressed to where P. doesn't understand it himself."²⁶

Kouwenhoven commented in December, 1944 on early reviews of *The Great Transformation*. He opined that the reviews were, on the whole, positive, and pointed out that "[a]s is usual in the case of books like this, the best reviews were the least favorable."²⁷ He also indicated that "Speenhamland was, as we all foresaw, the single item which most people fastened on."²⁸ This letter also contained Kouwenhoven's post-publication reflections on certain issues with which he and Polanyi had earlier been contending. Some had to do with whether particular examples should have been used, and there was one chagrined admission to the effect that a friend's reaction to the book suggested to Kouwenhoven that he might have been wrong about the importance of the discussion of the Trobriand Islanders in Chapter 4 ("Societies and Economic Systems"). The most significant of these comments however concerned Kouwenhoven's continued doubts about the ending of the book, that is the last few pages of Chapter 21 ("Freedom in a Complex Society").

Offhand it seems to me that the reviews taken as a whole, plus the comments that I have heard from individuals who have read the book, would add up to an indication that somehow in the last chapter the book limps. You probably remember the way I balked at your ending. I never was able to put into words exactly what it was that I didn't like.²⁹

After ruminating about this a bit, Kouwenhoven went on to suggest that American reviewers, and Americans in general, would have difficulties accepting the implicit resignation in the last few pages.

You say in your letter that the reviews help you to understand the meaning of your work for an American audience. Well, perhaps that is it [Y]ou're going to have an awfully hard time selling the Americans on the idea that any of the causes of evil are irremovable and are therefore necessary and unavoidable. There is a quality of acceptance in your position which sticks in our crops. This, it seems to me, is what explains the very general acceptance of and admiration for your historical analysis but scares people away from the conclusions that you draw.³⁰

Kouwenhoven went on to suggest that their earlier dispute about whether to include the quotation from Robert Owen³¹ on the last page masked their real disagreement, which was that Kouwenhoven did not think that the Owen quotation properly indicated Polanyi's own position. He went on to suggest that he believed that he had now pinpointed the precise nature of his disquiet about the last chapter. In the fragment available of his response to this argument, Polanyi acknowledged that Peter (presumably Drucker) agreed with Kouwenhoven about the last three chapters of the book, although

"more for formal reasons than on the merit of the matter."³² Apparently, Drucker had argued that these closing matters had been addressed insufficiently clearly and as a result the argument had not been extended to any degree, whereas, as we have seen, Kouwenhoven had his more fundamental qualms concerning the attitude of resignation. Polanyi's draft response breaks off just as he begins to consider whether his ideas would ever mean anything to Americans, as he anticipated they would eventually to Europeans. Of course, the relationship between technology and freedom, and a number of other related themes however imperfectly addressed toward the end of the book, remained central concerns for Polanyi. They can be discerned in the plans for the "second book" that was never published, subsequent but ultimately unfinished follow-up efforts with Paul Medow as well as with Abe Rotstein, and the "Note on Premature Resignation" addressed to Kari Polanyi.³³

Excursus on the Discarded Footnotes

The dearth of footnotes in *The Great Transformation* and the nature of the "Additional Notes on Sources" have both occasioned some comment. For example, in his early review of the book in the *New York Times*, Hans Kohn stated that "it is regrettable that war conditions limited the valuable notes at the end of the book."³⁴ The most extended and a rather more severe critique of the approach to footnotes is found in Allen M. Sievers's 1949 book-length analysis of *The Great Transformation*.

The first stricture [vis-à-vis Polanyi's discussion of the rise of market society] concerns scholarly procedure. There appears to be a paucity of footnotes and other citation of sources, and when references are made they are vague and without page citation. Thus no way is provided to check statements as to fact. If this departure from custom is for the sake of literary fluency, it is unsuccessful inasmuch as the book is difficult reading, though impressive in style. Indeed, it is clearly lacking in a clear principle of organization, and seems to be full of hiatuses as can be seen from the reconstruction by the present writer which calls for filling in many propositions merely implied by Polanyi.³⁵

In his fuller discussion of this,³⁶ Sievers makes it clear that for him this is a deficiency of the entire book. He does acknowledge as a mitigating factor the inclusion (in the original printing only) of an "apology" written by John A. Kouwenhoven, which "... explains the war-time difficulties of putting the book to press -- which may well account for some of its unconventional features."³⁷ Still, for Sievers, "it is not merely a question of omitted foot-notes, but of missing evidence."³⁸

Here is the complete "apology" to which Sievers alluded. Recall that this was inserted at Kouwenhoven's initiative, in part I think as a way of accounting for the dearth of footnotes.

Mr. Polanyi did not have an opportunity to put the finishing touches to his manuscript before returning to England; in wartime one has little advance warning of dates of sailing, and when a date is fixed one cannot casually postpone

it. Nor has it been possible for the publisher or the author's friends who saw this book through the press, to consult with him effectively by mail or cable in the face of wartime delays and misadventures. We have therefore had to make a number of changes and excisions in the notes, and a few in the text, without the author's advice or permission. And though most of these were made with a reasonable conviction of their sanity, we regret to say that some had to be made on nothing better than a hunch.³⁹

What did actually happen with the footnotes? From the correspondence already reviewed, I sense that the story is a little more complicated than Kouwenhoven's apology would suggest. In addition, there is available in the Polanyi Archive a set of footnotes for ten of the chapters of *The Great Transformation*. It is not clear at what point those footnotes were created, but I suspect that it was fairly early in the development of the manuscript. A cursory analysis of these footnotes has led me to a few preliminary observations. There were 1073 footnotes in the typescript to which I have just referred. It has proven somewhat difficult to determine chapter equivalencies with those in the book itself. Depending on how that ambiguity is eventually resolved by me, there are perhaps 40 or so footnotes in the comparable chapters, which works out to under 4% of the original total. I can also say at this point that the "Notes on Sources" at the back of the book, which are related to some of the ten initially-footnoted chapters (and some others) and in some cases include recommended readings, bear little resemblance to the detailed, scholarly footnotes originally planned. The "scandal" of the footnotes is a matter that I intend to investigate further.

Peter F. Drucker

Peter F. Drucker, the nonagenarian management guru, business icon, and internationally reknowned figure who popularized such concepts as management by objectives, flexible production, and empowerment, was a friend of Karl Polanyi's from late 1927 to at least 1961. *Adventures of a Bystander*, apparently considered by Drucker and his readers as the best of his books, is riddled with errors about the Polanyi family and concludes with a highly questionable assessment of Polanyi's significance. Nevertheless, Kari Polanyi-Levitt has argued that Drucker understood and presented her father's ideas reasonably well in that flawed memoir.⁴⁰

Drucker was born in Vienna in 1909. According to his memoirs, he met Polanyi in Vienna in December, 1927.⁴¹ They likely maintained contact while both were in London. Polanyi of course took up permanent residence in London in 1934 (although he also set off on a number of lecture tours in the U.S. in the mid-1930s),⁴² and Drucker worked as a banker in London from 1933 to 1937, when he left to live in the United States. Drucker refers to Polanyi's American lecture tours as involving "traveling alone in near-squalor to the United States for such lectures as his Quaker friends could drum up."⁴³ In any case, in the Spring of 1940, during the "phony war" in England, Polanyi was giving a few guest lectures in the US. The Druckers invited Polanyi to join them for a few weeks in their rented northern Vermont cabin, once the *Blitzkreig* had ended the "phony war" and had made it unlikely that Polanyi could rejoin his family in London. The "nightmare horror"

of their weeks together, during which they listened to news of, and discussed at length, the situation in England, was also a "productive time" for Drucker and a "turning point" for Polanyi.⁴⁴

As I was working on the first draft of *Future of Industrial Man* during the Vermont summer, I would test my ideas on Karl. He was as always interested, encouraging, and enthusiastic; but he was also totally out of sympathy with what I called a "conservative approach." Yet this then forced him to clarify his thoughts. And both of us soon realized that Karl had a major book in his head, still disorganized, disjointed, and unfocused but of real stature, provided only he could get the time and financial support to work on it for a year or two.⁴⁵

After returning to New York in the Fall, Drucker received an invitation to be a visiting lecturer for a week at Bennington during the Winter or Spring months. He was also asked whether he could recommend someone appropriate to take up a Rockefeller Foundation supported scholar in residence position, designed to bolster someone writing a book on economic or social history.⁴⁶ Drucker recommended Polanyi, who was at that point (late 1940) engaged in a lecture tour of the American Northeast (although Drucker recalled it as the American Midwest). Drucker and Jacob Marschak,⁴⁷ an emigré from Germany (but born in Kiev), both wrote Polanyi strong letters of reference. In his letter, Drucker indicated that "Dr. Polanyi has been my teacher more than any other man - both as a scholar and as a human being. And he, more than anyone else is responsible for the little I have learned."⁴⁸ Thus, Karl Polanyi took up residence in Vermont early in 1941, with a Rockefeller Foundation grant that enabled him "to devote all ... [his] time to research and writing."⁴⁹ He did give some public lectures at Bennington and several other American campuses in 1941-'42.

Ilona Duczynska joined Polanyi in September, 1941. She herself lectured in physics and mathematics at Bennington until January, 1943. Subsequently, she learned to fly, and worked in the Department of Aeronautics at the Rensselaer Polytechnic Institute, in nearby Troy, New York. The Polanyis returned to London together, in late 1943, so Ilona "could use her skills to contribute to the war effort in England."⁵⁰

When Drucker joined Bennington as a faculty member himself in the Summer of 1942, "Karl was just starting to write his book and needed an audience and a critic."⁵¹ Drucker had plenty of time, because he was between books of his own, and also because a fuel shortage had led Bennington to shut down for three months in the Winter of 1942-'43, so he had no pressing duties. Polanyi of course had none of his own either. "Two or three times a week that winter Kathleen, our daughter -- by then a little over four and still under Karl's spell -- and I trudged through deep snow to the tiny cottage where the Polanyis lived and listened to what was to become *The Great Transformation*."⁵²

Drucker went on to describe his continued friendship with Polanyi, mentioning for example that he visited him one or more times per month during Polanyi's Columbia period, when, by Drucker's account, he had turned "antiquarian, concerned with minutiae, with textual criticism and emendation, and with "scholarship" for its own

sake."⁵³ In the end, Drucker concluded that the Polanyis, "however gifted, were very minor figures, entertaining rather than important."⁵⁴ This does not jibe with my reading of his warm, friendly, and enthusiastic correspondence with Polanyi, which continued at least until 1961, but I shall forego reviewing their friendship further except insofar as it illuminates Drucker's role in the writing of *The Great Transformation* itself.

On hearing of Drucker's going to Bennington, Toni Stolper, a mutual Austrian emigré friend wrote to Polanyi, "I hope you will find it a pleasant relationship - though I can see right now that you will be rather critical of each other, which may have its good points."⁵⁵ In the "Author's Acknowledgments," Polanyi said: "Peter F. Drucker ... and his wife were a source of sustained encouragement, notwithstanding their wholehearted disagreement with the author's conclusions"⁵⁶ Although in a pre-publication letter⁵⁷ to Polanyi, Drucker queried the reference to their disagreeing while at the same time indicating that the Druckers were flattered by the allusion to them, he makes the gist of their differences pretty clear here, in later letters, and in his 1979 reminiscences. In the prepublication letter, Drucker indicated that his disagreement (Doris Drucker had none) centred on Polanyi's political conclusions. In 1979, he explained that "[i]t was my willingness in *The Future of Industrial Man* to settle ... for an adequate, bearable, but free society that Karl at that time criticized and rejected as a tepid compromise."⁵⁸ Notwithstanding their undoubted difference of perspective, Drucker was most enthusiastic in his comments on the initial manuscript⁵⁹ and later on the page proofs of the book itself.

... I am overwhelmed by the book's excellence. I thought I knew it pretty well. But -- either because you have done an outstanding job clearing up your first draft, or because things look so different in print -- I had never really realized how good the book is. As you know, I always had a very high opinion of it. But not only have all my fears that you might fail to get your point across, proved unjustified; my previous opinion stands revealed as thoroughly underestimating you and the book. My most sincere congratulations! The thing holds together beautifully; the historical parts emerge clearly as the laboratory cases of your thesis -- so much so that no historian can possibly attack you -- ; the balance between theory, thesis and history is excellent. And altogether the thing is so sound structurally that one reads it with bated breath.⁶⁰

The letter goes on to indicate that Drucker had made a few corrections on the page proofs.

In a post-publication letter, which contains Drucker's lengthy and amusing account of a dream that he had had involving Polanyi, as well as some comments on his own writing project (*The Future of Industrial Man*) and his current dark mood, there are included both positive and critical remarks on *The Great Transformation*.

[Y]our book has continued to make increasingly greater impressions on me with every reading. I disagree as sharply as ever with the last few chapters -- largely because I think they ought to be made into separate books. But (a) I have come to

see what I took for lack of clarity or precision -- or for unnecessary lengths -- was my lack of clarity or of precision; (b) that the architecture is superb without a single superfluous move and yet without any stinting; (c) that you cannot be attacked immanently and only transcendently -- as I would do on a score of counts. And above all I have come to enjoy the book and its lucid, engaging and enthusiastic quality -- poor substitutes for those who know and miss you but a great deal nonetheless.⁶¹

This remarkable letter also referred to a review of *the Great Transformation* which Drucker had submitted to the *Chicago Daily News*, which he wrote with the expectation that it would be cut severely and the knowledge "that only over-emphasis can get you anywhere in Chicago." Drucker's review was quite positive. He also alluded in his letter to his having enclosed a *New York Times* review of *The Great Transformation* written by John Chamberlain, "a piece of asininity such as, unfortunately, we have come to expect from John," whom he characterized as a recent convert, along with Earl Browder, to American Free Enterprise. (Chamberlain actually wrote two reviews of Polanyi's book.)

A nine-page letter written in May, 1945 is even more noteworthy, especially for its description of the "elated depression" atmosphere in America (as opposed to on Broadway) on V-E Day, and for its self-deprecatory remarks on the work which eventually became his *The Conduct of the Corporation*. This letter included an extended critique of the "regional formula" in Polanyi's "Why Make Russia Run Amok?"⁶² article as well. In particular, Polanyi's notion that a planned economy would abolish nationalism led Drucker to question certain aspects of the argument made earlier in *The Great Transformation*.

[Y]ou base your optimism on one major premise: that a planned economy will abolish nationalism (which seems to say that there will be a Western European bloc automatically on the basis of economic planning). This premise of yours derives from your conviction that the national economy is only a means to protect society against the ravages of the market system. I think (a) that this premise is far too general, and (b) that your conclusion does not follow from it. You seem to fall into a fundamental error: to believe that because economic gain is the one way in which the human drive for power and pride is channelled (*sic*) in our society (or was supposedly channelled in 19th century society) you can abolish the drive by abolishing the channel. I would say that you have a good point -- a very good point -- in your thesis that the protectionist devices and policies are the reaction to the market system (I question your conclusions therefrom in your book, incidentally. I would maintain (a) that you tend to overrate the importance of economic factors whereas the collapse of the nineteenth century was due fully as much to the effects of the economic factors themselves; and (b) that your premise that a society must collapse if it functions at less than 100% efficiency can not be maintained; it will collapse only if its efficiency of performance of its basic promises sinks so low -- perhaps below 10% -- as to make the whole society irrational which point you do not prove)... To say ... that nation equals self-protectionist devices is ... an impermissible statement.... To say that a planned

economy will do away with nationalism is no more justified than the belief of the orthodox economists that free trade will; actually you are basically a Ricardian "mit umgekehrten Vorzeichen" [with contrary symptoms?].⁶³

Having earlier indicated that he was looking forward to "Karl's interjections, interruptions, clarifications and insults by the next mail," Drucker concluded by inviting Polanyi to respond to his critique of the "Amok" article as follows:

By now you must be panting with eagerness to put me in my place. I only hope that you will give way to this ignoble impulse of revenge and hurry to your typewriter to pour out a long letter on everything. But don't forget to write also about your personal life; do you realize that you have not mentioned how you are and what you are doing with one word since you left?⁶⁴

The correspondence files include no subsequent letter from Polanyi until mid-September, 1947, and the latter contained no reference to Drucker's comments on the planned economy and nationalism. Polanyi and Drucker continued to correspond, commenting on one another's work, others' arguments, the events of the day, and family circumstances, and the relationship suggested by their correspondence remained warm until the end. Both Peter and Doris Drucker appeared to miss the regular "heckling bees"⁶⁵ that they had apparently had with the Polanyis at Bennington. At one point, Doris Drucker reported that Karl Polanyi's presence at Bennington was still strong.

[T]he whole present generation of Bennington students ... are being permeated thoroughly with your book from all possible angles, from Carlos to Francis, and from Horst to Margaret de Gray, and even if they wanted to, they will never be able to dissociate their education from it. It is having ... a really great influence in this place, and if your publisher, der Schurke, would only advertise it, many more people would be reminded to read it too.⁶⁶

Horst Mendershausen

Horst Mendershausen, an economist and colleague of both Drucker and Polanyi at Bennington College, also played a critical role in the preparation of the manuscript for publication and commented on its argument after its publication. A Swiss (?) emigré, who in 1937 left the University of Geneva to join the Cowles Commission and later teach at Colorado College, Mendershausen spent some time at Bennington. Later, he worked in the Economics Division of the Office of Military Government for Germany (U.S.) and eventually joined The RAND Corporation, the original "think tank," created in 1946 under the sponsorship of Army Air Forces (now the USAF). Much of his published work after the war was on postwar recovery in Germany and on the NATO alliance.

Correspondence from Mendershausen to Polanyi, though limited, is quite helpful in understanding the late stages of the production of *The Great Transformation*. There are, unfortunately, no letters from Polanyi to Mendershausen in the Polanyi Archive. Of the five from Mendershausen to Polanyi, two (18/10/43, 25/11/43) relate directly to the

production of the book; a third (24/1/45) comments on its critical reception; the fourth (16/4/47) addresses a theme from its closing pages; and the fifth (11/7/61) renews acquaintance and comments on *Trade and Market in the Early Empires*, after an apparently long period of non-communication.

In the first letter, written after Polanyi had returned to England in late 1943, Mendershausen revealed that he had declined Polanyi's request that he prepare the Index for the book, referring that task to Farrar and Rinehart and undertaking to check their work once it was done.⁶⁷ In that same letter, Mendershausen passed on the news of his second son's birth; offered some interesting views on the prospect of external aggression and internal repression within the United States in the mid-1940s; and discussed goings-on in his own and Drucker's courses and at Bennington in general. Worth noting is his comment that students in his course "Marx to Keynes" were "getting a good dose of Polanyi." This jibes with Doris Drucker's comments about the Polanyi-pervasive atmosphere at Bennington after his departure.⁶⁸

In the "Author's Acknowledgments," Polanyi referred to Mendershausen's "general sympathy" having made particularly valuable his advice on the manuscript and galleys. What was Mendershausen's actual role?

In the second letter, only part of which is available, Mendershausen indicated that he and Drucker had just sent the last batch of galley proofs to John A. Kouwenhoven. It is clear from others' comments that Mendershausen played a major role in this respect. He added this general assessment of the book:

The book reads exceedingly well, and I cannot wait for its appearance. Apart from the problems it solves it poses interesting new questions. I am particularly interested in a reevaluation of American and Russian experience from this viewpoint, and we have set out on this course in the Marx to Keynes class, which incidentally has gained considerably from the insights that your work permitted me to gain.⁶⁹

Mendershausen went on to express disappointment over McIver's introduction, which he had hoped would address the applicability of Polanyi's argument to the United States. He then provided a clear indication of his own role in the preparations for publication.

The checking of footnotes and quotations led to quite a few corrections and fill-ins, and I think that the matter is now consistent and, as far as I could make out, correct. Peter and I made also occasional changes in the style, and I made one change of content that is described on the enclosed sheet.⁷⁰

Unfortunately, the enclosed sheet is not available, and the available portion of the letter breaks off shortly thereafter.

The third letter⁷¹ referred to Mendershausen making good use of *The Great Transformation* in his Bennington course "Economy and Society." It also included

ruminations on the situation in various parts of the world, a report on plans for a series of public meetings on fascism, and family news, including the Mendershausen's impending acquisition of American citizenship. Most significant for our purposes are Mendershausen's comments on the reception in America of both *The Great Transformation* and Hayek's *The Road to Serfdom*. With respect to reviews of *The Great Transformation*, he refers to the "assinine" (*sic*) review in *Fortune* magazine, Stuart Chase's unimaginative but favourable use of Polanyi's ideas in *Democracy under Pressure*, and the review in *Harper's* by Joseph Chamberlain, whom he refers to as "one of our great Hayek mouthpieces over here."⁷² Mendershausen also asked Polanyi to report on the reception of both books in the "home country," England.

In April, 1945, Mendershausen gave a lecture at Bennington on the occasion of the death of FDR. The lecture began with a critique of Friedrich Hayek's "elaborate hoax [and] serious contribution to our confusion," and the excited response Hayek's book had received from many in America including *Fortune* and John Chamberlain, as well as an indication that "[i]n England, where the book was written, people reacted rather coolly."⁷³ Towards the end of his comments, Mendershausen accused Hayek and the rest of von Mises's "Austrian liberalists" of being "so deeply absorbed in blocking social-democratic reform legislation and in denouncing the trade unions [in Red Vienna] that they did not resist the advent of Austrian fascism ... [and as a result] only fascism could win."⁷⁴ The context of this argument was Mendershausen's reacting to Hayek's drawing a false parallel between events in Austria in the 1930s and developments in England in the 1930s and 1940s.

A subsequent letter, written from Germany, included positive comments concerning the *Commentary* article: "[i]t is a fine summary of your basic thesis and it does cut new ice in the matter of freedom and determinism in our time."⁷⁵ After indicating his disagreement with Polanyi's position on Henry Wallace's views on Russia, Mendershausen discussed the opposition role of the left wing in America. His conclusion that it must demonstrate "that the survival of freedom is impossible without a genuine recasting of freedom"⁷⁶ is very much in line with Polanyi's arguments in Chapter 21 of *The Great Transformation*. This communication is the last available in the Polanyi Archive concerning *The Great Transformation*.

The Circle in England

Although the development of the final manuscript began and ended with his friends in Vermont, Polanyi continued to consider changes to the manuscript after returning to England in 1943 and prior to sending his last set of revisions. In this section, I shall examine the significance of the reactions to parts of the evolving manuscript from his former Christian Left/Fabian Socialist/WEA colleagues R.H.Tawney and G.D.H.Cole, as well as quite extensive comments provided by Polanyi's brother Michael, as revealed in correspondence. I suspect that some of their suggestions made their way into the final draft. Even when one cannot ascertain whether, to what degree, or how their comments influenced the argument in the book, Polanyi's reaction to them often clarifies his original intent and his plans for what he hoped would be revisions made for the English edition.

R.H. Tawney

Among the British academics with Christian Left and W.E.A. involvements with whom Polanyi maintained contact while he was living in Vermont was R.H. Tawney. I now turn to a consideration of the nature of Polanyi's personal and intellectual relationship with Tawney, with an emphasis on what the latter contributed to or said about the arguments in *The Great Transformation* while it was being written.

The Polanyi-Tawney correspondence that I have examined falls between 1942 and 1957. According to Polanyi,⁷⁷ Tawney had lauded "The Essence of Fascism" in a review of *Christianity and the Social Revolution* in *The New Statesman* in the mid-1930s.⁷⁸ More significantly, Tawney also saw an early draft of a partial manuscript of *The Great Transformation* in 1942, more than a year before the manuscript was completed. A letter from John A. Kouwenhoven⁷⁹ referred to a letter or memorandum from Tawney concerning the manuscript, which must have been sent to him for review by Harper and Brothers. Unfortunately, this communication from Tawney is not to be found in the Polanyi Archive. Kouwenhoven suggested to Polanyi that Tawney's comments, though "disappointing," were "of value" and did after all include the suggestion that Polanyi be encouraged to complete the manuscript. Kouwenhoven indicated that Harper would want to see the completed manuscript before committing to publishing the book, and pointed out that Polanyi could go to another publisher, such as W.W. Norton, if Harper proved not to be interested. The book was in fact eventually published by Farrar and Rinehart, with whom Kouwenhoven also had a connection (through his friend J. King Gordon, a figure known to me as an important Canadian democratic socialist).

As for the substance of Tawney's critical comments, Kouwenhoven suggested that "[y]ou and I foresaw the difficulty which Tawney had with Chapters III to V, and my impression is that you already have a solution to that difficulty pretty well worked out in your mind." The three chapters mentioned were no doubt early versions of the ones numbered 3 to 5 in the book itself, viz., the ones entitled "'Habitation versus Improvement,'" "Societies and Economic Systems," and "Evolution of the Market Pattern."

Kouwenhoven indicated that he looked forward to seeing Polanyi's response to the Tawney comments, and the next day, Polanyi did reply to Kouwenhoven.⁸⁰ I shall quote extensively from this letter, as it tells us much about the nature of Tawney's critique and how important it was to Polanyi.

Tawney's letter is somewhat disappointing; it proves that in its present form the manuscript is merely a draft and does not yet convey to the reader the actual meaning and purport of the book. Tawney, who read the book with the historian's eye became convinced that I am preparing to tell the reasoned

history of the last fifty years, while actually the book deals with the rise and fall of market economy, i.e., with the social history of the last 150 years.

I agree of course that the history of the Tudor enclosures in Chapter III is not worth reading as far as mere history goes; but the point with me was exclusively that of presenting an instance of social dislocation, which is sufficiently removed from the present to be fairly uncontentious. This again, obviously I failed to make clear; otherwise Tawney would not have invoked the 18th century enclosures which were certainly on a very much larger scale but were highly contentious from the one point of view which was relevant, namely their influence on the Industrial Revolution.

Tawney may be justified in calling my treatment of the Tudor enclosures amateurish.... (Chapter III must have been pretty much of a horror to the greatest living expert on the subject.)⁸¹

Polanyi also clarified his purpose in light of another apparent comment from Tawney concerning what Polanyi had intended as an institutional analysis of industrial capitalism rather than an analysis of the Industrial Revolution:

What Tawney [must be referring to is] my institutional analysis which explains industrial capitalism as the use of expensive machinery and plant in a commercial society, deducing the need for a labour market and estate market from this construction. This may be thought to be an amateurish way of presenting the history of industrial capitalism; but, if regarded as what it was meant to be, viz., as an institutional analysis of market economy, I do not think that such an opinion need be accepted. Here again, it is mainly a question of purpose and intent; mine, in these chapters, was not historical, but sociological and institutional.⁸²

Polanyi seemed particularly upset that Tawney had conflated Chapter IV and Chapter III, unjustly subjecting IV to the same criticism as III. At one point, he asked Kouwenhoven whether he was aware “that Tawney is a notoriously severe critic.” In any case, Polanyi concluded the letter by indicating to Kouwenhoven that he was confident that he could straighten out the points in question fairly readily.

That same day, he also wrote to Tawney, whom he addressed as “Professor Tawney.”⁸³

Mr. Kouwenhoven, a friend of mine, passed on to me a copy of your letter about part of the Ms of my book. It was very good of you to undertake the reading of it, and I could not reasonably expect it would make more impression in its present condition. Especially my free use of some episodes of English history in Chapter III (in order to explain the nature of social dislocation) must need (?) shock the historian, as I now realize.... [M]aybe I will now have to attempt it in a different fashion, & certainly cut the chapter severely.⁸⁴

In this handwritten draft, Polanyi then began to attempt to clarify his intentions along the lines “rehearsed” in the letter to Kouwenhoven, but crossed that false start out and indicated simply: “I will certainly have to change the method of presentation as your criticism made it clear to me that I must take the general reader more into my confidence, if he should be expected to follow my argument closely.”⁸⁵ Polanyi then specifically sought feedback from Tawney on two new chapters, probably numbers 7 and 9, the crucial ones on Speenhamland and on the Poor Laws.

These chapters are the only ones which use occasionally first hand sources. I feel here much in need of your help, and I would very greatly appreciate your comments severe though they be. If you will permit me to send these two chapters on to you, I will point out my difficulties in the covering letter.⁸⁶

Tawney’s reply is addressed to “Dr. Polanyi.” It begins:

I read your book with much interest. It was full of suggestive ideas, and my comments, such as they were, were intended mainly to suggest the amplification of certain parts, especially in the very instructive opening chapters, for the benefit of the lay reader, and the removal of certain stumbling blocks (e.g. as to Tudor enclosures), which might cause criticism. As I told Kouwenhoven, I hope it will be published.⁸⁷

Tawney agreed to read the new chapters, and suggested how they might most safely be sent to him in England, to which he was himself returning shortly. (He was then in Washington, D.C..) Presumably these chapters were sent, received, and commented on, but I have found no record or particulars of any such exchange.

About two weeks later, Kouwenhoven congratulated Polanyi on the communications that I have just reviewed. “That was an excellent letter that you wrote to Tawney and a splendid reply that you got from him. After all, he may prove to have been of considerable use to you.”⁸⁸ Without having access to the original manuscript, it is rather difficult to determine the degree to which Tawney’s disquiet over Polanyi’s extended discussion of Speenhamland indeed led Polanyi to reduce his treatment of the matter as well as clarify his true purpose in presenting it.

Although correspondence with Michael Polanyi suggests that Polanyi had considered sending Tawney the manuscript towards the end of the process of preparing it for publication, there is no evidence that he did so. In fact, Polanyi’s next letter from Tawney in the Archive is a May, 1944⁸⁹ letter thanking him for a copy of the now-published book and indicating that he looked forward to reading it. Perhaps in response to a query from Polanyi concerning whether Tawney would be willing to provide a letter of reference if Polanyi were to apply for an academic position in England,⁹⁰ Tawney indicated that Polanyi could list him as a reference. This was with the usual understanding that Tawney would be free to write for others as well. In August, 1944, replying to an unavailable letter from Polanyi, Tawney indicated that he was happy to hear that the book had been

doing so well in the United States, and that he hoped it would in England as well. He also observed that “[i]t is annoying that you should not be able to make any alterations to the text which may have occurred to you. But, if such are required, an Appendix will meet the case.”⁹¹ Reading between the lines, and given the exchanges which I have reviewed between Polanyi and various English publishers, I conclude that Tawney was here responding to what Polanyi had told him that he proposed to do since the publishers would not allow revisions. The “Appendix” that he planned to add eventually became “Additional Note 12: Poor Law and the Organization of Labor,”⁹² the only difference between the American and English editions of the book other than its title. Tawney also expressed interest in “the chapter on the International System, which seemed to me to deal with a vital subject in a striking and original way.”⁹³ He concluded by indicating that he could not predict with confidence what the academic market would be like after the war. In a letter written in November, 1946, Tawney commented on the relative merits of a likely junior post at the L.S.E. and the Columbia position, “certainly a good place from which to start”⁹⁴ in the more favourable American academic milieu.

Tawney wrote Polanyi as late as July, 1957, congratulating him on *Trade and Market in the Early Empires*.⁹⁵ He died in 1962.

Notwithstanding their clear political and intellectual affinities, the relationship between Tawney and Polanyi does not appear to have been one of friendship. Polanyi is reported by Rotstein to have found the 1957 Tawney letter⁹⁶ to be written “in a very friendly and warm tone.”⁹⁷ Still, it was always “Professor Tawney” and “Dr. Polanyi,” and both typically closed their letters with “Yours very sincerely” or “Yours sincerely.” There was never any idle chit-chat about family, friends, or even politics. The letters were entirely about Polanyi’s ideas, Tawney’s suggestions on same, and Polanyi’s job prospects, particularly in the uncertain English context. There is no doubt in my mind that Tawney’s opinion of his work was important to Polanyi, and not just for instrumental reasons.

Interestingly, Polanyi explicitly refers to Tawney or his work but once in *The Great Transformation*, when he cites *The Agrarian Problem in the Sixteenth Century* with reference to the deleterious consequences of enclosure. This dearth of reference, even to Tawney’s contributions to Polanyi’s manner of presenting his argument to the lay and professional reader of the book, might be explained by Polanyi wishing to avoid being perceived as implying that Tawney accepted his interpretation of English economic history. It has also occurred to me that the seeming inattention to Tawney might have been a consequence of the decision apparently made concerning footnotes. However, there is no reference to Tawney at all in the discarded footnotes originally prepared for Chapters 3, 6, and 8, that is where the enclosure phenomenon was addressed.

Michael Polanyi

I am not focussing in this paper on the complex, difficult, and fascinating relationship between the Polanyi brothers. I would simply comment to start off that I have read enough of their correspondence -- essentially that between June, 1940 and June, 1945 -- to have developed an understanding of their relationship that does not entirely jibe with

that suggested by Nagy.⁹⁸ In any case, my goal here is simply to analyze the written interaction between Michael Polanyi and Karl Polanyi revolving around the content and fate of *the Great Transformation*. I shall argue that their discussion of certain of the themes in *The Great Transformation* was deep and serious, and also that Michael Polanyi played a critical role, late in the writing process, by facilitating Karl Polanyi's contact with certain historians at Manchester.⁹⁹

The first mention of the writing project in their correspondence occurred when Michael Polanyi inquired in July and December, 1941 about how the undertaking was going.¹⁰⁰ Shortly thereafter, he urged Karl to complete the task soon. "You just finish your book quickly now. The only way to do it is to think of the next one. Put everything that is in your way into future plans and publish the residue."¹⁰¹ In October, 1943, Michael Polanyi sought access to the entire manuscript.

Could I have the proofs of your book as soon as possible and go through them here in Manchester? I would suggest that (?) after that you should come to see me here and talk over with me any suggestions that I may make. If you are interested in the opinion of any Manchester men, I could no doubt get it for you. There are the following people here, placed in the sequence of their accessibility[:] T.S. Ashton, Redford, Hicks, Barbara Hammond, Lawrence Hammond. A good man to ask may be Henry Clay¹⁰²

As we shall see, Polanyi was particularly interested in feedback from Clay and from the Hammonds. The latter, along with J.H. Clapham, had had considerable influence on Polanyi's understanding of Speenhamland.

Although he had not yet seen the manuscript, at least at this stage of its development, Michael Polanyi went on to argue that the book would make a strong impression. Unfortunately, it is not clear in what respect he believed this, since the third page of the letter seems to be missing (and the third page of what appears to be a letter to Ilona Duczynska appears in its place). Two days later, Karl Polanyi wrote a most important letter, apparently in response to Michael Polanyi's letter with the missing material after page two. The response begins as follows:

What I vaguely suspected is true: - my "murderous" description of the potential effects of a market-economy is indeed critical to my position. It implies a number of definitions which are necessary for the sake of clarity, mainly of the terms "society" and "institution", as well as "incompatibility".... Society is referred to as consisting of human beings and their habitat. That which typically destroys them is incompatible with the existence of society. More important than all (?), institutions are implicitly defined as mechanisms in, instead of as organs or functions of, a society. The latter -- more usual -- definition, or rather unconsciously implied definition, would make my treatment meaningless. For unless an institution can, potentially, destroy a society, its (*sic*) no use arguing the self-protection of society, etc, as I do. These are, it appears, interlocking definitions; and the clearer this becomes (with Teutonic awkwardisms) the better. In other words: to get at my thesis, society must be defined in physical terms;

incompatibility, in terms of physical destruction; and institutions, in terms of mechanisms. An institution which "serves" a society could never destroy it -- that is why I must eliminate the functional (or organic) definition of institutions altogether So much in defense of my homicidal definition.¹⁰³

Presumably, Michael had commented on the "murderous" description of the consequences of a market society found in the pages of *The Great Transformation*. Presumably too he had asked for clarification on what Karl meant by "society."¹⁰⁴ Karl further indicated that he would send Michael a complete copy of the manuscript soon.

An October 25, 1943 letter from Karl to Michael Polanyi ended with a further rumination on "market" and "society", extending from his comments on "society," "institution", and "incompatibility" on October 13, 1943.

Any definition of society except the singular definition of a market-society involves the acceptance of other than market relationships between the individuals. In order to avoid the difficult question what kind of relationships there be it appears reasonable to posit (*sic*) the extreme case of the physical restoration (?) of the individuals involved [here a note appears - "a very frequent case in the course of the history of human societies"], since most of these (?) relevant relationships can be said to be dissolved by death.

I consciously avoided the question of the nature of these relationships since they are irrelevant to my purpose as long as I can prove that they must include more than the contractual relationship of barter and exchange.¹⁰⁵

Polanyi then breezily characterized how Toynbee, Spann, Simmel, behaviourist psychologists, Maine, Tönnies, MacIver, Moses, and Hitler conceived of society, and added the following before summarizing what he had argued in six chapters of the book.

That's why I defined society by implication and indirect reference to the term institution -- the two phenomena I am interested in (?) in (?) reference to [one?] another. I might have tried to give an explicit definition of society and institutional terms (i.e. customs and habits, behavior patterns etc) and of institutions in functional terms (vide Malinowski's article on culture in ___ (?) soc. sciences) -- but it would have merely produced a Teutonic monstrosity without any added clarity to compensate the reader for his trouble.¹⁰⁶

Michael was still suggesting the need for further clarification of the notion of "society" in December, 1943.¹⁰⁷

Karl and Michael continued to discuss certain other aspects of Karl's arguments. For example, Michael expressed puzzlement over Karl's argument about "protection", as in the following passages from two different letters:

Surely you must have formulated some limit to protectionism, so as to allow for economic change. What is your limitation? And wherein does it differ from previous considerations ...? Once I have your answer to this question I will try to make up my mind about how to regard your approach as a whole -- but I wish you could help me first to clear up the above point.¹⁰⁸

"Surely you do not want the desire for protection to degenerate into a war of all against all. In order to prevent this the struggle for protection must be subject to some rules which are recognized as reasonable."¹⁰⁹ After expressing further confusion in a third letter on this topic, Michael made the general point that "... I am quite at a loss now. I have nothing more to hold on to and must probably give up hope until I see your book."¹¹⁰ This implies that he anticipated that his brother was planning on making some clarifying changes to the manuscript before publication.

In the October 13, 1943 letter discussed earlier in this paper, Polanyi also responded concerning the prospect of getting feedback from Clay and the Hammonds, as had been suggested by Michael.

It would be exceedingly useful to have the views of Clay, almost even more the Hammonds' on specific points, such as those which I enclose. Unless Clay, which is hardly to be expected, is very much interested in my thesis, please do not broach the subject of publication at all, since I have not yet made up my mind about it [the thesis presumably]. (More precisely: I am interested in Clay's reaction to my thesis but in the Hammonds' opinion on the factual points concerning Speenhamland.)¹¹¹

A few days later, Michael reported on his talk with Redford,¹¹² indicating that Redford had asked about evidence to support Polanyi's claims about Speenhamland, and suggested that Karl could meet with Redford.¹¹³ In response, Karl wrote:

I do not think that I have as yet enough evidence on all the points to satisfy even myself. That people should have had in mind these considerations in their modern form, I would not expect. I would be surprised to find this. All that is relevant to me is whether their actual considerations were such as can be reasonably interpreted in the way I do.¹¹⁴

So, in effect, Polanyi seems at that time to have been seeking assurance from various English historians that there was no evidence that contradicted his novel interpretation. He went on to discuss at length the changes which occurred in Poor Law administration in 1795 (Speenhamland and the repeal of the 1662 Act of Settlement) and how Redford should be the authority on this but "his book contains no direct evidence."¹¹⁵ Polanyi then spelled out the evidence that he had on six other Speenhamland-related points, and ends by reiterating his earlier promise to send a copy of the galley proofs.

In a letter the next day, Michael implied that he had run some of Karl's ideas by J.L.(?) Hammond and Redford as well, and, given their reactions, he had concluded that Karl's

"... questions cannot be usefully presented in this synoptic form. The situation will be different once I get your manuscript to read."¹¹⁶ In December of that year, he recounted a discussion with J.L. Hammond, reporting that "... he made no comments except that Barbara may be in a better position to discuss the matter since she did all the work on Speenhamland 30 years ago. He thought that it was not a very general measure and not applied in the north, e.g. Lancashire."¹¹⁷ Two letters from Michael Polanyi refer to Karl Polanyi's having arranged to meet with Clay, the Hammonds, and T.S. Ashton while in Manchester in early June, 1944, but I have found no documentary evidence on what they might have discussed or how they got along.¹¹⁸

It appears that Michael Polanyi had had the opportunity to read most of the final manuscript by the end of March, 1944, just at the time of publication.¹¹⁹ Michael's letter concerning his reaction is most revealing of the nature of their relationship at this point. He was seemingly attempting to be positive and enthusiastic about an argument with which he fundamentally disagreed, as both of them realized. He proclaimed *The Great Transformation* the culmination of Karl Polanyi's struggle over the years, and opined that it would give Karl his rightful place in intellectual history and some financial security. However, these positive comments and their somewhat sentimental undertone cannot hide the implication that Karl Polanyi now had little left to say, or at least little time to say anything new.

Your own destiny has most fully, I should say most romantically, fulfilled itself by this work. It gives expression to the thought and passion of a lifetime. Externally, it brings to an end a lifetime's problematic existence and secures you at one stroke the position which is due to you. It opens at a late hour the door from a condition of relative obscurity to a state of full notoriety. It establishes your name. It gives you, at an age when normally life is becoming insecure, for the first time an adequate material footing. Above all, it sheds a unique clarity over the whole course of your past life and tells you exactly what it meant in every particle of its varied labours.¹²⁰

There then follows perhaps the quintessential backhanded compliment.

The book is so intensely personal, so passionate and eloquent in your own particular tone of sentiment and voice, that clearly no-one (*sic*) would have thought it or written it, had you not done so. It says pretty well all you had to say in this life, yet something nobody else would have said.¹²¹

Michael continues by referring directly to their differences in perspective.

And this brings up another curious thread of destiny. Here am I, connected with you by ties which are close and vital beyond, far beyond, the perception of either of us; yet I doubt whether there is anybody more clearly born and bred, more thoroughly destined, to disagree with that particular, unique function which you have so dramatically fulfilled now. It is comic.

However, it is not now the opportunity to discuss such disagreement (most of which has been clarified already by our correspondence since you came to England). There will be plenty of discussion of your book by others who will bring out its significance and point out its weaknesses without raising intimate sentiments of a harassing kind. Let us make them do their job first. If there remains anything to be said after that, I may yet add some comments.¹²²

Later he suggested that "[t]here is a good deal to clarify in this world and some of it is given to you and me to elucidate at the expense of our peace of mind."¹²³

Apart from a brief post-publication comment on John Chamberlain's review,¹²⁴ a query as to how "the New Dealers and the socialists" in America might have reacted,¹²⁵ and a reaction to an unsatisfactory proposal from Allen and Unwin concerning an English edition,¹²⁶ Michael Polanyi seems not to have referred to *The Great Transformation* further during this period.

Later, there emerged the first foray in a series of wounded exchanges relating to Michael and Karl's strongly differing views on Russia.¹²⁷ Michael indicated that Karl's consistent position on this matter filled him with "[h]orror and despair. Let us hope that we may retain in our remaining years the tenderness of mutual affection which is a priceless treasure. Let us strain it as little as possible by trying to get agreed about things which lie beyond agreement."¹²⁸

G.D.H. Cole

I would like to begin my discussion of the role played by G.D.H. Cole by returning to the October 13, 1943 letter from Karl to Michael Polanyi discussed in the previous section. In it, Karl also revealed to Michael that he had just written to Cole, and might approach Tawney later, for comments on the manuscript. Subsequently, Karl reported to Michael on a visit that he had received from Cole on October 24, 1943. This long letter is very revealing of the nature of the relationship with Cole. For example, he referred to Cole's

... sensitive poetic personality ... [filling] the atmosphere with a peculiar quiet which we (Ilona and I) enjoyed intensely. Of course, we agree very much in our general outlook, and he even managed to appreciate the reasons which make me feel hopeful about the world (although he delights in the liberal gloom of the M.G. or N. St.(?) type).¹²⁹

An October 25, 1943 letter to Michael Polanyi not discussed earlier began with extended comments on G.D.H. Cole's visit the previous day. Most of this letter provides a detailed analysis of what Polanyi took to be Cole's impression of his arguments even before he had actually seen the manuscript. They included some points probably "interesting and plausible" to Cole; others more interesting than plausible; and many others "merely plausible, without being especially interesting."¹³⁰ Only on one small point (not specified) did Polanyi feel that Cole had brought up evidence which implied the need to revise his argument. Ideas probably adjudged interesting but not so plausible included the argument

that the crisis of the 1920s resulted from the unsolved problems of the 1820s. Ones Polanyi suspected that Cole thought to be both interesting and plausible included the "comparative novelty of individual fear of hunger as an organizing factor in industry [and] the Speenhamland origins of classical economics."¹³¹ Polanyi went on to characterize Cole's general reaction to what he understood Polanyi to be arguing.

He seemed, I felt, enthusiastic about my return to institutionalism and keenly looking forward to anything that would make academic scholarship sit up. Yet he might be dissatisfied with the awful sweep of my statements made sometimes on evidence of a most general nature, and even extremely dissatisfied with some of my lines of argument, for all I know. He has not, of course, seen a line of the book, nor anything about it. However, he has agreed to read a few chapters, and we are going to meet again, anyhow. Ilona and I were very pleased with the way Cole treated the matter It was one of those delightful meetings that light up a warm corner in one's memory.¹³²

What was in fact Cole's contribution to the process? Polanyi only refers to him directly twice in the published version *The Great Transformation*, although one of those times¹³³ he cites Cole's biography of Owen, "a work on which we have heavily drawn." (Much attention is paid in *The Great Transformation* to Robert Owen and Owenism.) The other reference¹³⁴ to Cole involves a quotation supporting Polanyi's argument that there was a trend throughout the West in the 1870s towards the introduction of "social legislation," relating to the subsidizing of railroads, the removal or application of tariffs, the introduction of the gold standard, and the establishment of general cartels. It is important to note here that in the incomplete set of discarded footnotes to *The Great Transformation* found in the Polanyi Archives, there are many footnotes to Cole. Most notably, the 295 discarded footnotes to Chapter "VIII" (actually Chapter 9 of the book) included at least 35 to Cole.

Did Cole ever comment on either the manuscript or the book? Yes, he did, and very significantly so. On November 5, 1943, just prior to the planned publication date, Cole wrote the following to Polanyi.

I have read your chapters with very mixed feelings. I think your general argument is exceedingly interesting and, to a considerable extent, correct; but I also think that you exaggerate at a number of points and that on some you are definitely wrong.

The best I can do is to let you have the notes I made while I was reading through. I have indicated where the notes belong by little pencilled figures in the margin. You will have no difficulty in rubbing these out.¹³⁵

Although no copy of the manuscript itself exists to my knowledge, the Polanyi Archive does include Cole's notes, five single-spaced pages of fairly detailed reaction to Chapters 6, 7, 8, 9, and 10. The chapter titles are, respectively, "The Self-regulating Market and the Fictitious Commodities: Labor, Land, and Money," "Speenhamland, 1795,"

“Antecedents and Consequences,” “Pauperism and Utopia,” and “Political Economy and the Discovery of Society.” Some of these chapters would be later versions of the ones in the second batch that Polanyi had proposed sending to Tawney for comment.¹³⁶

Some of Cole’s comments on Chapters 6-10, 49 comments in all, were simply suggestions on style, and many were merely small and polite qualifications of points that Polanyi had made. Six were recommendations of better evidence for points on which Cole and Polanyi agreed. Sometimes, however, Cole expressed major reservations, and often in fairly sharp language. Thus, the phrase “monstrous exaggeration” was used to characterize one of Polanyi’s arguments. In addition, Cole rebuked Polanyi for having gone out of his way to be “rude” to Godwin, for having misrepresented Defoe as a time-serving journalist, and for having misunderstood Cobbett’s attitude toward the Old Poor Law.¹³⁷ Cole pointed out that Polanyi “reverses the order” of the 1834 Poor Law Act and various instances of the rise of Trade Unionism, and concluded that his argument thereon is, as a result, “all out of drawing.”¹³⁸ He also declared that the notion of a general Trades Union did not originate with Owen:

The G.N.C.T.U. was an attempt by the Owenites to bring together a number of attempts at general union made earlier. See my article in the Review of the International Institute of Social History, 1939, which I tried to show you the other day. It would doubtless be more convenient if events had happened in the order to fit your theory, but they didn’t...¹³⁹

This latter comment might have been simply a wry observation, rather than the accusation that Polanyi was “ignoring inconvenient facts” that it might appear to be.

Ten of the 49 notes to be found in this document concern Speenhamland. Cole argued that Polanyi over-generalized, did not take county differences into account, and failed to recognize that Speenhamland did not exist in the industrial towns. Cole also denied that the Combination Laws of 1799 and 1800 were linked to Speenhamland (1795), as Polanyi had argued. Instead, Cole averred, they were rooted in “governing class panic over the French Revolution.”¹⁴⁰ On four separate occasions, Cole insisted that Speenhamland was at bottom a war measure.¹⁴¹ I shall quote briefly from two such instances.

This raises a big point. My view is that Speenhamland was essentially a war measure, designed to avoid the necessity for adjusting wages to war prices on the assumption that the war would not last long. It then perpetuated itself because the war did last long, and serious dislocation arose out of it. You practically didn’t mention the war, or the wartime rise of prices, in connection with your explanation of Speenhamland, and I think you are just wrong.¹⁴²

“By the 1820’s” – i.e. after the peace, when inflated farming profits had fallen and the burden of the rates was more severely felt. Here again, you leave out the war, and I think falsify the argument in doing so.¹⁴³

Historians of course often accuse social scientists of messing up on the details. I also rather suspect that Cole, like Tawney, had a reputation as a severe critic. One can only imagine what impact Cole's comments might have had on Polanyi on the eve of the publication of *The Great Transformation*, originally scheduled to be bound in December and released in January.

About a week after Polanyi received Cole's comments he responded. On Speenhamland, Polanyi said:

On one point I plead Guilty. I was (and still am) so strongly convinced that but for the absence of a monopoly of labour the effect that Speenhamland had on wages would have been quite different, indeed, the opposite of what it was, that I felt tempted to express my suspicion, unsupported by evidence, that "Speenhamland was presumably one of the reasons" for the anti-Combination Laws. But I ought to have referred to the effects of such laws and not to the motives for enacting them.¹⁴⁴

Polanyi went on to discuss at considerable length "the charge of exaggeration" concerning the importance of Speenhamland and whether high prices and war conditions led to its adoption. On the latter question, he told Cole the following: "Personally, I tend to believe that the French wars, as so often happens, brought a number of important changes to a head which were really independent of the accident of the War. I very much feel that at this point detailed research is called for."¹⁴⁵

Polanyi concluded by indicating that he intended to follow some of Cole's specific suggestions in preparing the revised (English) edition that he was planning, and sought another meeting with Cole.

The book was actually released in April, 1944. In that connection, Polanyi's letter to Cole shortly after the American edition of the book had been published is interesting. He indicated that some small changes had been made as a result of conversations they must have had following receipt of Cole's written comments: "I was delighted to find that a number of slight alterations – mainly in the nature of qualifications – suggested by our conversations reached the printer in time, and have been included after all in the text of the chapters on the Poor Law."¹⁴⁶

I have not yet had the opportunity to completely review the points in the book on which Cole had commented in early November of 1943. Where I have been able to check, I have not seen clear evidence that changes were made: for example, Defoe is still a "time serving journalist" in the book.¹⁴⁷ On the other hand, Polanyi did refer to "slight" alterations.¹⁴⁸

However, there is also the matter of Polanyi's having passed up the opportunity to respond explicitly to Cole's major critique concerning Speenhamland having been a war measure when he inserted Additional Note 12 to the 1945 English edition,¹⁴⁹ in lieu of the

extensive revisions that he would have preferred. In that note, Polanyi was, in part, seemingly responding to several of Cole's strong critical comments concerning Polanyi's treatment of Speenhamland. For example, he began by addressing the question of whether it was essentially a war measure, and concluded that it was not.¹⁵⁰ On the other hand, he acknowledged later that the war had had an indirect influence on the adoption of the Speenhamland approach.¹⁵¹ Still later he argued that although "Speenhamland was primarily designed as a measure of alleviation of rural distress... [b]y the early thirties in the typical Speenhamland area most towns had introduced the allowance system proper,"¹⁵² thus I believe meaning to counter one of Cole's critical comments. These are but examples. There are other instances of Polanyi seemingly reacting to Cole's notes in Additional Note 12. Yet nowhere in that new note does Polanyi refer to Cole, even by suggesting that Cole was in error on some of these matters. The reasons for this lack of acknowledgment are another little puzzle, like the one concerning not acknowledging Tawney, that I hope eventually to solve through a more thorough review of the materials.

Besides the clear similarities between Cole's guild socialism and Polanyi's functional socialism, there are several other parallels and points of agreement in their thinking which I shall explore at another time. For example, some of Cole's 1935 arguments concerning the crisis in Great Britain in his introduction to Henri de Man's *Planned Socialism: The Plan du Travail of the Belgian Labour Party*¹⁵³ were similar to parts of *The Great Transformation*. In his "Preface" to Polanyi's *Europe Today*,¹⁵⁴ published that same year, Cole clearly indicated his fundamental agreement with Polanyi's succinct analysis of the current European situation, and particularly his assessment of fascism as an international, counter-revolutionary, and anti-democratic force. Parallels with Polanyi can also be discerned in Cole's own analysis of fascism and his advocacy of socialism and post-war reconstruction in *Fabian Socialism* (1943).¹⁵⁵

As with the correspondence around this time with Tawney, Cole was also asked if he would provide a reference for a position in England, and he agreed, with the understanding that he could really only comment on Polanyi as a scholar, rather than a teacher. As suggested by the account of their meeting alluded to earlier, the relationship between Polanyi and Cole appears to have been somewhat less formal than that between Polanyi and Tawney. Cole's letters during the rather short time span covered of just over six months began with "My dear Polanyi," Polanyi's with "Dear Cole."¹⁵⁶ They both signed with their full names.

Publication in the United States and in England

The Great Transformation was published in the United States by Farrar and Rinehart in 1944, and, with one additional Note on Sources, in England by Victor Gollancz in 1945 under the title *Origins of our Time: The Great Transformation*. A college edition of *The Great Transformation* was arranged in 1947.¹⁵⁷ It actually came out sometime between 1949 and 1951.¹⁵⁸ In 1957, the book was first released in paperback by Beacon Press, which has just recently issued a second edition, with a New Introduction by Fred Block and a Foreword by Joseph E. Stiglitz.

I have been investigating the discussions and negotiations with these and other publishers; correspondence with various respected academics, especially in England, concerning possible publishers there; the language and terms of the contracts with Farrar and Rinehart, Gollancz, and eventually Beacon Press; and Farrar and Rinehart royalty statements, which provide incomplete data on early book sales. Certain of the written exchanges between Polanyi and both J. King Gordon and Ranald P. Hobbs at Farrar and Rinehart, concerning both *The Great Transformation* and an anticipated second book, are also of interest.

The contract with Farrar and Rinehart was officially concluded on April 13, 1944, about one year prior to publication of *The Great Transformation*. The book was known under various titles before publication: *The Liberal Utopia*,¹⁵⁹ *The Great Transition*, and *The Origins of the Cataclysm*¹⁶⁰ were all considered. The Spring 1944 Farrar and Rinehart catalogue referred to the book on the eve of its publication as *The Political and Economic Origins of Our Time*, which of course ended up being the subtitle. I have found no evidence to support the argument sometimes made that Polanyi had preferred the shorter title *Origins of Our Time* during that period.

In a progress report to Joseph H. Willits at the Rockefeller Foundation,¹⁶¹ Polanyi indicated that he had written about 135,000 words, and that the results so far resembled both what he had proposed in a memorandum in 1941 and what was in a table of contents proffered to the Foundation in 1942. He also indicated that he had just signed a contract for two books with Farrar and Rinehart. The second proposed book also had several provisional titles. In the contract, it was stated as *The Common Man's Master Plan*, and had a due date of December 1, 1943. Subsequently, *Tame Empires* and *Freedom from Economics*¹⁶² were both suggested, and at one point in 1953, the title *Livelihood of Man* was mentioned.¹⁶³

The terms of the contract for the first book included a 10% royalty on the first 3500 copies sold; 12.5% on the next 1500; and 15% on all copies beyond 5000. The contract included what I take to be the typical provision then for sale of subsidiary (including foreign) rights.

The book was promoted via the catalogue mentioned earlier as well as with print advertisements. Quite a few copies were sent out for review to daily newspapers, weeklies, monthly magazines, quarterlies, and presumably social science and history journals. J. King Gordon indicated just prior to publication that the publisher had "sent out a great many advance copies to an interesting list of leaders in education, economics, journalism and business. Their response will be very important to the initial promotion."¹⁶⁴ According to John A. Kouwenhoven, Gordon had initially decided to delay publication beyond the original deadline to late January, 1944, so as to line up potentially useful testimonials from various distinguished individuals, such as Charles Beard, Max Lerner, Walter Lippman, Margaret Mead, Reinhold Niebuhr, Milo Perkins, Henry Wallace, and Wendell Wilkie, many of whom had already assented.¹⁶⁵ A later letter from Kouwenhoven¹⁶⁶ suggests that a further delay was also caused by the

publisher's seeking such pre-publication comments to be used on the dust cover and in advertisements.

Promotional copy that I have seen quoted only Robert MacIver's Introduction, although it is possible that publicity for the college edition might have included an excerpt from Dewey's positive comments in *Commentary*.¹⁶⁷ The Spring 1944 catalogue included the following assertion: "The political and economic origins of our time ... a book which is a landmark in our thinking, comparable to Keynes' ECONOMIC CONSEQUENCES OF THE PEACE." The photograph included in this publisher's blurb showed Polanyi's book in the foreground, with Henry George's *Progress and Poverty*, Adam Smith's *The Wealth of Nations*, Karl Marx's *Capital*, Volume I, and John Maynard Keynes's *The Economic Consequences of the Peace*, in the background.

The Great Transformation was actually designated as a Book of the Month Club "recommendation" as well, which Gordon considered to be "a useful thing as it will bring your book to the attention of an informed and book-buying group of people."¹⁶⁸ Interestingly, Polanyi's friend Toni Stolper was the first reader of the book for BOMC. Her extended and often critical comments are available in the Polanyi Archive.

The United States and England had a mutual embargo on books published in the other country during the war.¹⁶⁹ Polanyi had to get *The Great Transformation* published in England as well for there to be any hope that the book would receive notice there. After Farrar and Rinehart had indicated¹⁷⁰ that suggestions as to appropriate publishers should be directed to Curtis Brown Ltd., their agents in England, Polanyi received word in early 1944 that Victor Gollancz had already expressed interest.¹⁷¹ From his subsequent actions, it is clear that Polanyi preferred to publish the book through another firm. The following month, he asked English historian E.H. Carr to exercise whatever influence he could on English publishers,¹⁷² and Carr subsequently suggested that he try Allen and Unwin,¹⁷³ which apparently he did.

Later, R.H. Tawney alluded to news from Polanyi that revisions were not to be allowed by Allen and Unwin, and either suggested or reacted to Polanyi's idea that consideration be given to adding an Appendix.¹⁷⁴ Subsequently, Stanley Unwin wrote to confirm that Polanyi's planned "... corrections are too extensive to make reproduction of the American edition any economy," and in any case Farrar and Rinehart had expressed reluctance to allow this.¹⁷⁵ As a result, Allen and Unwin "... now have to examine the project rather more closely on the basis of completely fresh typesetting."¹⁷⁶ If this were agreed to, then pre-typesetting revisions would clearly be acceptable, he said. It has also been suggested that Allen and Unwin indicated at one point that they were prepared to print only 1000 copies of the book.¹⁷⁷

The next month, Juliet O'Hea at Curtis Brown outlined Gollancz's formal proposal, which she had sent to Farrar and Rinehart.¹⁷⁸ It was in this letter that she broached the possibility of a change in title, and both Victor Gollancz and Karl Polanyi agreed.¹⁷⁹ Later that same month, a contract already signed by Victor Gollancz was sent to Polanyi, and both Polanyi and Farrar and Rinehart agreed to the terms of the contract, which

included a modification of an earlier version to reflect plans for revisions.¹⁸⁰ Subsequent correspondence on the timing, extent, and substance of the revisions, especially in light of the serious labour shortage in the English printing trade at the time, was with the Production Manager at Gollancz, Dorothy Horsman.¹⁸¹

According to the provisions of the contract, Gollancz was given rights for the British Empire excluding Canada. The United States of course remained Farrar and Rinehart's exclusive preserve. The rest of the world was an "open market for both parties." The royalties stipulated in the contract were 10% for up to 2000 copies; 15% up to 5000; and 20% for copies beyond 5000. The contract also included reference to an arrangement to have the book offered through the Left Book Club, at royalties ranging from 7.5% to 10%. Other notable provisions included an option on two future full-length works and recognition that Curtis and Brown as the American publisher's representative would get 10%.

The Reception of the Book

Sales of *The Great Transformation* and *Origins of Our Time*

Through the resources of the Polanyi Archive, I have been able to review and analyze royalty statements received from Farrar and Rinehart/Rinehart and Company/Holt, Rinehart and Winston from 1944 to 1961, although statements covering certain periods, including a two and a half year one, were not available in those records. I plan eventually to seek similar records from Beacon Press, who published the paperback edition in 1957, which would account for the vast majority of books sold from that point on.

I shall discuss here only reported sales for 1944 and 1945. There were 1701 copies of *The Great Transformation* sold in the United States, 101 in Canada, and 101 in other foreign countries between the publication in March, 1943 and the end of December, 1945. In addition, 3 copies were sold directly to the author,¹⁸² and 344 free and sample copies (including six for the author) were distributed in that period as well. The total for the United States for the first 21 months was therefore 2258. 1636 copies of *Origins of our Time* were sold in 1945, as reported to Farrar and Rinehart by Gollancz.

The Initial Critical Reception

Here I shall simply provide an overview of the extent and depth of interest in the book, in various sorts of publications, in the first two or three years after its appearance. I intend to analyze the reviews in greater detail later. In 1974, Charles Kindelberger suggested that *The Great Transformation* "... had appeared unnoticed [by scholars] during the war but was making its way [by the late 1940s when he first encountered the book]."¹⁸³ Yet, even in the early 1950s, after having done a review of reviews, Abe Rotstein concluded that there had been "a conspiracy of silence in reference to your [Polanyi's] books."¹⁸⁴ Similarly, Kari Polanyi Levitt has recently suggested that "[i]nitially, the work attracted little attention in the United States, and none at all in England."¹⁸⁵ On the other hand, Levitt indicated to some students recently that *The Great Transformation* received

"reasonably important attention"¹⁸⁶ early on. Most recently, Kenneth McRobbie has averred that the book "... attracted little attention when first published ... [because it] was the wrong vision for the times."¹⁸⁷ These and other authors have variously argued that subsequently the book came to take on a life of its own, that it refused to go away or die, that it has had a significant impact on various fields in the social sciences and humanities, and that it has in recent years enjoyed a significant increase in attention. Although I have no doubt that the latter is true, and I am actually in the midst of a detailed citation analysis covering the period since 1988, my reading of the evidence on the early reaction suggests a somewhat different picture, one supported by Polanyi's own views at the time as well.¹⁸⁸

The initial critical reception went well beyond the social sciences and humanities disciplines. The book was reviewed by a wide variety of daily newspapers, weeklies, monthly magazines, labour publications, and quarterlies, as well as ten social science and humanities journals, in the first three years. I have read or found references to thirty-nine such reviews, published in five countries. Many of the newspaper and magazine reviews were written by academics, some of them quite prominent figures.¹⁸⁹ The social science and humanities journals which had included reviews of the book by the middle of 1946 were the *American Economic Review*, the *South West Social Science Quarterly*, the *Journal of Political Economics*, the *American Historical Review*, the *Political Science Quarterly*, the *Annals of the American Academy of Political and Social Science*, *Sociological Analysis*, *The Social Studies*, *International Affairs*, and *Daedalus*. As mentioned earlier in this paper, Kouwenhoven suggested that the reviews were, on the whole, favourable, and that the least favourable ones were nevertheless the best. Although I shall not here analyze the reviews in detail, I would observe that Polanyi did react in correspondence, in reported conversations, and through marginal notes of his own, to certain of the reviews. For example, he specifically inquired concerning Henry Bamford Parkes,¹⁹⁰ and Polanyi's marginal note on one of the two reviews authored by Parkes indicated that it contained "an excellent précis." As a further example, Polanyi is reported in 1957 as having retroactively characterized the 1947 review by Walton H. Hamilton, a Yale law professor, as "brilliant."¹⁹¹

The reviews were generally positive and enthusiastic, even when one takes into account that one of them was written by a relative (Hans Zeisel, who was married to Polanyi's niece, Eva Striker), another by his friend, colleague, and unofficial copy editor Peter F. Drucker, and two, possibly three (!), by his student from Vienna days, Felix Schaffer. In 1945, Walter W. Stewart at the Institute for Advanced Study at Princeton also expressed the view that the reception had been extensive and positive.¹⁹² I have not in fact seen one unequivocally negative review from that period.

In 1945, Polanyi's former mentor, Oscar Jászi, expressed enthusiasm at the prospect of Polanyi's position being strengthened by the appearance of an English edition of *The Great Transformation*. However, the general retrospective view of both Polanyi and Kari Polanyi Levitt¹⁹³ was that *Origins of Our Time* was essentially ignored in England. Still, almost as many copies sold there early on as in the United States. Furthermore, there is evidence to suggest that the English edition had undergone two printings by 1947.¹⁹⁴

Certainly, there do seem not to have been many reviews of the book, under either title, in England. I have found records of three in all. Perhaps this is the context lying behind Polanyi's statement to A.D. Lindsay that he owed his "book to the British working people, whatever they might think of it."¹⁹⁵

Polanyi is quoted by Rotstein as having said the following in June and October, 1957.

The Great Transformation fell through [in England] because of the wrong publisher. Allen and Unwin said they would only publish 1000 copies. P. said no. Allen and Unwin would have brought the book to the scientific world in England. In America, Rinehart was the right publisher at the time.¹⁹⁶

The G.T. is out in England [in the Beacon Press printing]. This raises the question of its current topical interest. Now there is no war reason and then there were dozens. Now there is a war danger not a war reason. The G.T. attracted no attention in England but it might attract interest now because interest shifts." To the question, "Why is it that it attracted no attention?" Polanyi replied: "If a book produces new facts it cannot be ignored but if it produces new views it can be ignored."¹⁹⁷

So, Polanyi acknowledged here that his major contribution in *The Great Transformation* was to have introduced a new perspective on already-accepted facts.

Friends such as Doris Drucker¹⁹⁸ and Irene Grant¹⁹⁹ complained to Polanyi in the 1940s about the American and English publishers advertising insufficiently, reacting to the need for reprinting too slowly, distributing the book poorly, and so forth.

Translations of *The Great Transformation*

I have also examined correspondence between Polanyi and various publishers, literary agents, colleagues, enthusiastic readers, and friends concerning the early prospects of translation of *The Great Transformation*.

Ironically, the book has never been translated into Hungarian, although the possibility was broached as early as 1944²⁰⁰ and again in 1946.²⁰¹ The idea of a German translation was also first raised in 1944,²⁰² again in 1946 in connection with a Swiss firm,²⁰³ and yet again in 1947 with respect to a German publisher.²⁰⁴ Subsequent correspondence suggests that the planned German translation was delayed by a combination of changed (market?) conditions, limited resources, and possibly confusion emanating from rumours of an arrangement having already been made with a Swiss publisher. The book was finally published in German in 1977. French and Dutch translations were contemplated as early as 1945, and Scandinavian ones in 1946.²⁰⁵ It was finally actually published in French for the first time in 1983, and appeared in Swedish in 1991. To my knowledge, the book has never been published in Dutch. A Spanish translation that appeared in 1947 was apparently published in Buenos Aires, but there is some question as to its legitimacy.²⁰⁶ Subsequently, *The Great Transformation* was also published in Japanese (1956), Italian (1974), Brazilian Portuguese (1980, pirated), Turkish (1986), and Chinese (1989). My

understanding from Kari Polanyi Levitt is that a legitimate Brazilian Portuguese translation was being planned for 2000, and a Spanish one was being contemplated as well.²⁰⁷ So, despite initial interest there was very little early success in presenting the argument in *The Great Transformation* to non-English readers in Continental Europe or elsewhere. Nevertheless, it has since been translated into at least nine languages.

Conclusions

I have tried in this paper to consider the impact on the development and circulation of the ideas in *The Great Transformation* of Polanyi's biographical circumstances, his personal relationships, and the social circles and institutional contexts in which he moved in America and England in the 1940s. This is part of a longer-term effort to write an intellectual biography of Polanyi. My immediate plans include drawing detailed connections between Polanyi's earlier writing and teaching and *The Great Transformation*; investigating the impact of Ilona Duczynska Polanyi on the manuscript; sorting out the Tawney, Cole, and footnote puzzles that I have identified; and analyzing the early reviews in greater depth.

¹ "Memorandum concerning the plan of a book on the 'Origins of the Cataclysm' -- A Political and Economic Inquiry --".

² Comments to this effect have been made in various places by Kari Polanyi-Levitt, Marguerite Mendell, and Ilona Duczynska.

³ Fred Block, "Introduction" to *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 2001), pp. xx-xxi.

⁴ Allen Morris Sievers, *Has Market Capitalism Collapsed? A Critique of Karl Polanyi's New Economics* (New York: Columbia University Press, 1949) and Hüsein Özel, *Reclaiming Humanity: The Social Theory of Karl Polanyi* (University of Utah Ph.D. dissertation, 1997).

⁵ For example, see Kari Polanyi Levitt and Marguerite Mendell, "Karl Polanyi: His Life and Times," *Studies in Political Economy* 22 (Spring, 1987), pp. 7-39 and Ilona Duczynska Polanyi, "I First Met Karl Polanyi in 1920...", in Kenneth McRobbie and Kari Polanyi Levitt, eds., *Karl Polanyi in Vienna: The Contemporary Significance of The Great Transformation* (Montréal: Black Rose Books, 2000), pp. 302-315

⁶ See for example "The Functionalist Theory of Society and the Problem of Socialist Economic Calculability," the 1924 article published in English in *Calcul Economique Socialiste et Autres Ecrits Monétaires* (Cahier Monnaie et Financement 22) (Lyon: Centre de Recherche Monnaie-Financement-Banque, n.d.), pp. 115-26.

⁷ Karl Polanyi, *Europe Today* (London: Workers' Educational Trade Union Committee, 1937).

⁸ J.R. Stanfield, *The Economic Thought of Karl Polanyi: Lives and Livelihood* (New York: St. Martin's Press, 1986), p. 7.

⁹ <http://www.bennington.edu/main.htm>.

¹⁰ In an earlier paper, "Karl Polanyi in England," I considered the significance of Polanyi's English social circle for the development and distribution of his ideas there. Presented to a conference on "Intellectual Migration and Cultural Transformation: The Movement of Ideas from German-Speaking Europe to the Anglo-Saxon World," organized by the *Institut Wiener Kreis* (University of Vienna) and the Centre for German-Jewish Studies (University of Sussex), Brighton, England, September 28, 2000.

¹¹ *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 2001), p. xl.

¹² Linda K. Kerber, "In Memoriam John Atlee Kouwenhoven,"

<http://www.barnard.columbia.edu/amstud/kouwenhove.htm>.

¹³ Elizabeth Arthur, "Biography - John Atlee Kouwenhoven," <http://www.elizabetharthur.org/bio/jak.htm>.

See also Kerber, *op. cit.*.

¹⁴ *Ibid.*.

¹⁵ Arthur, *op. cit.*.

¹⁶ Interview with Kari Polanyi Levitt, January 20, 2000.

¹⁷ Karl Polanyi to John A. Kouwenhoven, September, 1943. All letters cited are found in the Polanyi Archive at Concordia University, Montréal, Québec.

¹⁸ According to a letter from John A. Kouwenhoven to Karl Polanyi, September 28, 1943.

¹⁹ Karl Polanyi to John A. Kouwenhoven, September, 1943.

²⁰ *Ibid.*.

²¹ John A. Kouwenhoven to Karl Polanyi, September 28, 1943.

²² *Ibid.*.

²³ John A. Kouwenhoven to Karl Polanyi, March 16, 1944.

²⁴ John A. Kouwenhoven to Karl Polanyi, December 8, 1944.

²⁵ Karl Polanyi to Robert MacIver, October 12, 1946.

²⁶ Abraham Rotstein, "Notes on Weekend XXI with K. Polanyi," March 29, 1958, p. 19.

²⁷ John A. Kouwenhoven to Karl Polanyi, December 8, 1944.

²⁸ *Ibid.*.

²⁹ *Ibid.*.

³⁰ *Ibid.*.

³¹ "Should any causes of evil be irremovable by the new powers which men are about to acquire, they will know that they are necessary and unavoidable evils; and childish, unavailing complaints will cease to be made."

³² Karl Polanyi to John A. Kouwenhoven, January 20, 1945.

³³ As a matter of fact, I have identified a continuous thread of argument which can be traced back at least as far as a 1925 letter to Richard Wank, then to a 1929 one to Donald Grant, followed by his 1930 and 1935 analyses of fascism, the closing pages of *the Great Transformation*, the plans with Medow and with Rotstein, and finally "Notes on Premature Resignation."

³⁴ "A Century of Deceptive Peace," *New York Times Book Review*, May 14, 1944, p. 24.

³⁵ Sievers, *op. cit.*, p. 323.

³⁶ *Ibid.*, pp. 78-80.

³⁷ *Ibid.*, p. 79.

³⁸ *Ibid.*, p.80.

³⁹ *The Great Transformation: The Political and Economic Origins of Our Time* (New York: Farrar and Rinehart, 1944), p. iv. As far as I know, this apology was dropped in the English edition of the book, *Origins of our Time* (London: Gollancz, 1945). It certainly does not appear in the 1957 Beacon Press edition of *The Great Transformation* that included Note 12, which had been added in the English edition.

⁴⁰ Seminar given at the Polanyi Institute by Kari Polanyi Levitt, January 21, 2000.

⁴¹ Peter F. Drucker, *Adventures of a Bystander* (New York: Harper and Row, 1978), p. 124.

⁴² Polanyi had lectured in various parts of the United States between 1934 and 1936, mainly under the sponsorship of the International Institute of Education, and later on as well, between 1940 and 1942. I am currently developing a paper on his American lecture tours.

⁴³ *Ibid*, p. 133.

⁴⁴ *Ibid*, p. 134.

⁴⁵ *Ibid*, p. 135.

⁴⁶ *Ibid.*

⁴⁷ J. Marschak to Robert D. Leigh, January 12, 1941.

⁴⁸ Peter F. Drucker to Robert D. Leigh, 1940 or 1941.

⁴⁹ Karl Polanyi to Joseph Willits, May 7, 1943.

⁵⁰ McRobbie, *loc.cit.*, pp. 257-58.

⁵¹ Drucker, *op. cit.*, p. 136.

⁵² *Ibid.*.

⁵³ *Ibid.*, p. 139.

-
- ⁵⁴ *Ibid.*, p. 140.
- ⁵⁵ Toni Stolper to Karl Polanyi, February 5, 1942.
- ⁵⁶ Polanyi, *The Great Transformation* (1957), p. vi.
- ⁵⁷ Peter F. Drucker to Karl Polanyi, August 11, 1943.
- ⁵⁸ Drucker, *Adventures*, p. 140.
- ⁵⁹ Peter F. Drucker, to Karl Polanyi, early 1943(?).
- ⁶⁰ Peter F. Drucker, to Karl Polanyi, November 8, 1943.
- ⁶¹ Peter F. Drucker, to Karl Polanyi, April 16, 1944.
- ⁶² *Harper's Magazine* 186 (March, 1943), pp. 404-10.
- ⁶³ Peter F. Drucker to Karl Polanyi, May 21, 1945.
- ⁶⁴ *Ibid.*. Emphasis in the original.
- ⁶⁵ Doris Drucker to Karl Polanyi, date not recorded (found in the old Box 5, Folder 57E)
- ⁶⁶ Doris Drucker to Karl and Ilona Polanyi, June 12, 1944.
- ⁶⁷ Horst Mendershausen to Karl Polanyi, October 18, 1943.
- ⁶⁸ Doris Drucker to Karl Polanyi, June 12, 1944.
- ⁶⁹ Horst Mendershausen to Karl Polanyi, November 25, 1943.
- ⁷⁰ *Ibid.*.
- ⁷¹ Horst Mendershausen to Karl Polanyi, January 24, 1945.
- ⁷² *Ibid.*.
- ⁷³ Horst Mendershausen, lecture on "The War and the Road to Serfdom," April 17, 1945, p. 2.
- ⁷⁴ *Ibid.*, p. 10.
- ⁷⁵ Horst Mendershausen to Karl Polanyi, April 16, 1947.
- ⁷⁶ *Ibid.*.
- ⁷⁷ Karl Polanyi to J. King Gordon, May 7, 1943.
- ⁷⁸ *The New Statesman* was a Fabian publication at the time.
- ⁷⁹ John A. Kouwenhoven to Karl Polanyi, September 11, 1942..
- ⁸⁰ Karl Polanyi to John A. Kouwenhoven, September 12, 1942.
- ⁸¹ *Ibid.*.
- ⁸² *Ibid.*. Emphasis in the original.
- ⁸³ Karl Polanyi to R.H. Tawney, September 12, 1942 (handwritten draft).
- ⁸⁴ *Ibid.*.
- ⁸⁵ *Ibid.*.
- ⁸⁶ *Ibid.*.
- ⁸⁷ R.H. Tawney to Karl Polanyi, September 16, 1942. Polanyi Archive.
- ⁸⁸ John A. Kouwenhoven to Karl Polanyi, October 1, 1942. Polanyi Archive.
- ⁸⁹ R.H. Tawney to Karl Polanyi, May 23, 1944. Polanyi Archive.
- ⁹⁰ There is no copy of Polanyi's letter to Tawney, but there is a copy of what I suspect is a similar one sent around the same time to G.D.H. Cole.
- ⁹¹ R.H. Tawney to Karl Polanyi, August 19, 1944.
- ⁹² In the 2001 edition, this is now Note 9.
- ⁹³ *Ibid.*.
- ⁹⁴ R.H. Tawney to Karl Polanyi, November 5(?), 1946.
- ⁹⁵ R.H. Tawney to Karl Polanyi, July 10, 1957. Polanyi almost immediately reported receiving this letter to Rotstein, as indicated in "Notes on Weekend XII with K. Polanyi," July 20, 1957.
- ⁹⁶ R.H. Tawney to Karl Polanyi, July 10, 1957.
- ⁹⁷ *Ibid.*, p. 53. The rather brief note was certainly amiable, but I am not sure that I would characterize the tone as particularly friendly and warm. On the other hand, Polanyi knew the man and I did not.
- ⁹⁸ Endre J. Nagy, "After Brotherhood's Golden Age: Karl and Michael Polanyi," *Polanyiana* 5 (10) (1996), pp. 77-100.
- ⁹⁹ Karl also commented on Michael's work, although to a lesser degree, at least in this period. See, for example, Michael's letter to Karl, November 28, 1940 and Karl's to Michael, October 13, 1943, another undated one from later in October, 1943, and one written on November 3, 1943. Karl and Michael also exchanged views on other thinkers, such as Schumpeter: see Karl's letter of October 19, 1943 and Michael's of December 17, 1943.
- ¹⁰⁰ Michael Polanyi to Karl Polanyi, July 2, 1941 and December 9, 1941.

-
- ¹⁰¹ Michael Polanyi to Karl Polanyi, January 26, 1942. Emphasis in the original.
- ¹⁰² Michael Polanyi to Karl Polanyi, October 11, 1943. Emphasis in the original.
- ¹⁰³ Karl Polanyi to Michael Polanyi, October 13, 1943. Emphasis in the original.
- ¹⁰⁴ This latter is interesting, because this is the same (perhaps disingenuous) question asked in both of his reviews of the book by John Chamberlain, in *Harper's* and in the *New York Times*. In their comments on Chamberlain, Polanyi's friends Kouwenhoven and Mendershausen both described him rather uncharitably as, among other things, a former Communist who had become a mouthpiece for Hayek. Of course, some have perceived similarities between Michael Polanyi's political and economic ideas and those of Hayek, but an earlier letter from Michael Polanyi (November 28, 1940) makes it clear that in his view they did have different models of the market.
- ¹⁰⁵ Karl Polanyi to Michael Polanyi, October 25, 1943. Emphasis in the original.
- ¹⁰⁶ *Ibid.*. Emphasis in the original.
- ¹⁰⁷ Michael Polanyi to Karl Polanyi, December 16, 1943 and December 17, 1943.
- ¹⁰⁸ Michael Polanyi to Karl Polanyi, November 12, 1943. Emphasis in the original.
- ¹⁰⁹ Michael Polanyi to Karl Polanyi, November 22, 1943.
- ¹¹⁰ Michael Polanyi to Karl Polanyi, November 27, 1943.
- ¹¹¹ Karl Polanyi to Michael Polanyi, October 13, 1943. Emphasis in the original.
- ¹¹² Redford was actually cited quite often in Polanyi's discarded footnotes for Chapter III.
- ¹¹³ Michael Polanyi to Karl Polanyi, October 18, 1943.
- ¹¹⁴ Karl Polanyi to Michael Polanyi, October 19, 1943.
- ¹¹⁵ *Ibid.*.
- ¹¹⁶ Michael Polanyi to Karl Polanyi, October 19, 1943. Karl's October 25, 1943 response acknowledged that it would be better to wait until Michael had considered the argument as a whole.
- ¹¹⁷ Michael Polanyi to Karl Polanyi, December 17, 1943.
- ¹¹⁸ Michael Polanyi to Karl Polanyi, June 7, 1944 and June 12, 1944.
- ¹¹⁹ Michael Polanyi to Karl Polanyi, March 30, 1944.
- ¹²⁰ *Ibid.*.
- ¹²¹ *Ibid.*.
- ¹²² *Ibid.*.
- ¹²³ Michael Polanyi to Karl Polanyi, June 12, 1944.
- ¹²⁴ Michael Polanyi to Karl Polanyi, May 4, 1944.
- ¹²⁵ Michael Polanyi to Karl Polanyi, May 24, 1944.
- ¹²⁶ Michael Polanyi to Karl Polanyi, August 18, 1944.
- ¹²⁷ Michael polanyi to Karl Polanyi, June 15, 1945.
- ¹²⁸ Michael Polanyi to Karl Polanyi, June 15, 1945.
- ¹²⁹ Karl Polanyi to Michael Polanyi, October 25, 1943. Presumably, "M.G." refers to the *Manchester Guardian* and "N. St." to North Staffordshire, perhaps code for Tawney and/or Lindsay.
- ¹³⁰ Karl Polanyi to Michael Polanyi, October 25, 1943.
- ¹³¹ *Ibid.*.
- ¹³² *Ibid.*.
- ¹³³ Karl Polanyi, *The Great Transformation* (1957), p.168, footnote 9.
- ¹³⁴ *Ibid.*, p. 217, footnote 2.
- ¹³⁵ G.D.H. Cole to Karl Polanyi, November 5, 1943.
- ¹³⁶ Eventually, I hope to clarify which of Polanyi's earlier lectures and writing constituted "rehearsals" of themes developed in *The Great Transformation*. In that connection, I might note at this point that Chapters 1 and 2 of *The Great Transformation* are in many respects similar to the argument in Polanyi's small book, *Europe Today*, for which Cole had actually written the Preface in 1937. As noted earlier, Chapters 3 to 5 were reviewed by Tawney in early 1943, and Chapters 6 to 10 were thoroughly reviewed by Cole in late 1943. None of the remaining chapters were, to my knowledge, seen by Tawney or Cole prior to publication.
- ¹³⁷ It is worth noting that Cole wrote a book on Cobbett. He also, as I recall, edited one of Defoe's books.
- ¹³⁸ This would appear to be one of Cole's standard expressions.
- ¹³⁹ G.D.H. Cole, "Notes on The Great Transformation," November 5, 1943, Note 29.
- ¹⁴⁰ It is interesting to observe here that in one of his discarded footnotes, Polanyi cited the Hammonds's argument that the Anti-Combination Law of 1799/1800 was "a political measure of panic ... [but one brought on by] the Lancashire strikes" rather than the French Revolution.

-
- ¹⁴¹ Presumably he was referring to the post-Revolutionary war between France and England.
- ¹⁴² *Ibid.*, Note 15.
- ¹⁴³ *Ibid.*, Note 24.
- ¹⁴⁴ Karl Polanyi to G.D.H. Cole, November 13, 1943. This letter was just recently discovered, misfiled, in the Polanyi Archive.
- ¹⁴⁵ *Ibid.*.
- ¹⁴⁶ Karl Polanyi to G.D.H. Cole, May 22, 1944.
- ¹⁴⁷ Karl Polanyi 1944, p. 109.
- ¹⁴⁸ Any further speculation on changes Polanyi might or might not have made over a period of a few months must await a more thorough review of the material. This will also have to be done under the burden of not having the original manuscript to which to compare the book.
- ¹⁴⁹ This new note was also included in the 1957 Beacon Press paperback printing. In the 2001 edition, the note is numbered as 9, under Chapter 7.
- ¹⁵⁰ Karl Polanyi 1944, p. 294.
- ¹⁵¹ *Ibid.*, p. 295.
- ¹⁵² *Ibid.*, p. 299.
- ¹⁵³ (London: Victor Gollancz Ltd. and The New Fabian Research Bureau, 1935), pp. 5-15, especially pp. 10-11.
- ¹⁵⁴ *Op. cit.*, pp. 7-11.
- ¹⁵⁵ See, for example, p. 9 on the disastrous effects of trying to stay on the gold standard on the Continent, or p. 10 on the case for socialism being ethical rather than economic, or p. 11 concerning fascism as a reaction.
- ¹⁵⁶ Hungarians often affectionately address one another by their surnames, and it seems to me that there is some such tradition in certain circles in England as well!
- ¹⁵⁷ Ranald P. Hobbs to Karl Polanyi, May 1, 1947.
- ¹⁵⁸ No royalty statements are available for 1949 or 1950.
- ¹⁵⁹ The April 13, 1944 contract anticipated that the manuscript would be delivered by June 1, 1943 under that title.
- ¹⁶⁰ See Karl Polanyi to Ernest (Bock?), 1944.
- ¹⁶¹ May 7, 1943.
- ¹⁶² See Karl Polanyi to Abe Rotstein, February 12, 1952.
- ¹⁶³ Karl Polanyi in conversation with Ranald P. Hobbs, January, 1953, according to Ranald P. Hobbs to Karl Polanyi, February 18, 1953.
- ¹⁶⁴ J. King Gordon to Karl Polanyi, March 4, 1944.
- ¹⁶⁵ John A. Kouwenhoven to Karl Polanyi, September 28, 1943.
- ¹⁶⁶ John A. Kouwenhoven to Karl Polanyi, March 16, 1944.
- ¹⁶⁷ Ranald P. Hobbs raised this possibility in a letter to Polanyi, May 1, 1947.
- ¹⁶⁸ J. King Gordon to Karl Polanyi, January 27, 1944.
- ¹⁶⁹ This is alluded to in a letter from Hans Zeisel to Karl Polanyi, January 29, 1945. He thought this "a very sad state of affairs because it favors books which please the majority."
- ¹⁷⁰ Adelaide A. Sherer to Karl Polanyi, March 3, 1944.
- ¹⁷¹ Juliet O'Hea to Karl Polanyi, April 20, 1944.
- ¹⁷² Karl Polanyi to E.H. Carr, May 31, 1944.
- ¹⁷³ Karl Polanyi to A.D. Lindsay, July 15, 1944.
- ¹⁷⁴ R.H. Tawney to Karl Polanyi, August 19, 1944.
- ¹⁷⁵ Stanley Unwin to Karl Polanyi, October 2, 1944.
- ¹⁷⁶ *Ibid.*.
- ¹⁷⁷ Abraham Rotstein, "Notes on Weekend II with K. Polanyi," June 22, 1957, p. 55.
- ¹⁷⁸ Juliet O'Hea to Karl Polanyi, November 9, 1944.
- ¹⁷⁹ See also Juliet O'Hea to Karl Polanyi, November 21, 1944.
- ¹⁸⁰ *Ibid.*.
- ¹⁸¹ Karl Polanyi to Victor Gollancz, November 16, 1944; Dorothy Horsman to Karl Polanyi, November 22, 1944; Dorothy Horsman to Karl Polanyi, March 19, 1945.

- ¹⁸² One was for the Bennington College library; another went to Joseph Willits at the Rockefeller Foundation; and the third was given to Laura Polanyi Striker. Polanyi had sent copies to R.H. Tawney, G.D.H. Cole, A.D. Lindsay, E.H. Carr, and Karl Mannheim.
- ¹⁸³ "The Great Transformation by Karl Polanyi," *Daedalus* 103, # 1(1974), p. 46.
- ¹⁸⁴ Abe Rotstein to Karl Polanyi, August 4, 1951.
- ¹⁸⁵ "Toward Alternatives: Re-reading The Great Transformation," *Monthly Review* 47 (2) (June, 1995), p. 3.
- ¹⁸⁶ "Life and Works of Karl Polanyi," seminar session with students from McGill University, held at the Polanyi Institute on January 21, 2000.
- ¹⁸⁷ Kenneth McRobbie, "Vision and Expression: Literature and *The Great Transformation*," in Kenneth McRobbie and Kari Polanyi Levitt, eds., *op. cit.*, p. 85.
- ¹⁸⁸ See, for example, Karl Polanyi to R.H. Tawney, August 16, 1944. This letter is not actually available in the Polanyi Archive, but it is referred to in a response from Tawney written on August 19, 1944. See also Polanyi's letter to Stephen Duggan, October 11, 1946 and one to A.D. Lindsay on July 1, 1949.
- ¹⁸⁹ For example, *The Great Transformation* was positively reviewed by C.E. Ayres, John Dewey, Peter F. Drucker, Morris Ginsberg, Hans Kohn, and Reinhold Niebuhr.
- ¹⁹⁰ Kouwenhoven in response characterized Parkes as a "journalistically-minded Marxist" historian." John A. Kouwenhoven to Karl Polanyi, December 8, 1944.
- ¹⁹¹ Abraham Rotstein, "Notes on Weekend II with K. Polanyi," June 22, 1957, p. 28.
- ¹⁹² Walter W. Stewart to Karl Polanyi, September 13, 1945.
- ¹⁹³ Levitt, "Toward Alternatives," p. 7, where she stated that Polanyi was "totally unknown" in England. In similar fashion, she indicated to graduate students in the seminar at the Polanyi Institute on January 21, 2000 alluded to earlier that *Origins of Our Time* was entirely ignored in England.
- ¹⁹⁴ Irene Grant to Karl Polanyi, February 7, 1947. See also her interview with Kari Polanyi Levitt, transcribed in 1986, which can be found in the Polanyi Institute.
- ¹⁹⁵ Karl Polanyi to A.D. Lindsay, late 1947?
- ¹⁹⁶ Abraham Rotstein, "Notes on Weekend II with K. Polanyi," June 22, 1957, p. 55.
- ¹⁹⁷ Abraham Rotstein, "Notes on Weekend XVII with K. Polanyi," October 12, 1957, p. 63.
- ¹⁹⁸ Doris Drucker to Karl and Ilona Polanyi, June 12, 1944.
- ¹⁹⁹ Irene Grant to Karl Polanyi, February 7, 1947.
- ²⁰⁰ Karl Polanyi to A.D. Lindsay, July 15, 1944.
- ²⁰¹ Karl Polanyi to Miss Chapter, Curtis Brown Ltd., May 10, 1946, and again on May 24, 1946. Reference was made on the latter date to an active interest having been taken in facilitating this by Andrew Havas, private secretary to Count Michael Karólyi.
- ²⁰² Karl Polanyi to A.D. Lindsay, July 15, 1944.
- ²⁰³ Karl Polanyi to Miss Chapter, Curtis Brown Ltd., May 10, 1946, and again on May 24, 1946. Reference was made on the latter date to interest having been expressed by representatives of a Swiss publisher, Pan-Verlag. On June 11, 1946, a letter was received from L. Mohrenwitz, a literary agent, that Verlag A. Francke A.G., Berne, had decided not to proceed with a German translation of *Origins of Our Time*.
- ²⁰⁴ Karl Anders-Naumann to Karl Polanyi, May 1, 1947, which refers to Polanyi's having proposed an agreement in principle on April 26, 1946 to have a German translation published by the Nest-Verlag. Horst Mendershausen may have served as a go-between.
- ²⁰⁵ Kay Hecksher to Karl Polanyi, July 6, 1945, and Ely Hecksher to Karl Polanyi, July 2, 1946 and July 20, 1946. The latter letter includes an expression of frustration concerning the actions of Polanyi's agent in apparently arranging for another publisher to deal with Dutch rights. Polanyi responded to this misunderstanding on August 21, 1946.
- ²⁰⁶ One forgotten source has indicated that this edition was pirated. A letter from Margeurite J. Reese, Rinehart and Company, December 29, 1948, alludes to copies of the Spanish edition, and another letter from her, August 7, 1951, refers to difficulties in determining what royalties were owed by Claridad, the publisher of the Spanish translation. I take from this second letter that a seemingly legitimate arrangement had been made through Rinehart and Company, but Claridad may not have actually paid any royalties.
- ²⁰⁷ Interview with Kari Polanyi Levitt, January 20, 2000.