

## Chapter II

### POLANYI AND THE WEBBS: TRUTH AND PROPAGANDA

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#### 1. SOURCE: CORRESPONDENCE WITH J. JEWKES

In 1935, Polanyi visited Russia again, after three previous visits. After returning, Polanyi published, in the second half of 1935 (November), his article on the economy of the USSR.<sup>2</sup> However, in that same semester the book of the Webbs (the couple Beatrice and Sidney Webb) was published: *Soviet Communism. A new civilization?*<sup>3</sup>, a voluminous work (about 1200 pages) that was acclaimed by many and that was signed by two prestigious British intellectuals. In this work, the USSR is presented in a very favorable way as a viable alternative to “decadent capitalism”, in the face of fascist threats.

Polanyi would have been terrified, even considering his recent experience in the USSR, where he had even had the meeting with Bukharin that marked him so much and that raised a double concern about the utilitarian and planned management of pure science.

In early 1936, economist J. Jewkes lent Polanyi a copy of the Webbs' book and probably asked him for an opinion on the work, even following Polanyi's article on the Soviet economy, which had been recently published. John Jewkes (1902-1908) was then the manager of the economics department at the University of Manchester, with responsibilities for the regular publication of the magazine. At that time Jewkes would also be Polanyi's closest academic on issues of liberal economics and politics.

The February 6, 1936, Polanyi wrote a handwritten letter to John<sup>4</sup>Jewkes, which

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<sup>1</sup>In 1928 (Scott and Moleski (2005), p.108) and in 1931 and 1932 (Nye 2011), p. 156 and 157). On the 1935 visit, see Scott and Moleski (2005), p. 154 and Nye (2011), p. 158. Upon returning from the trip, in 1935, Polanyi wrote to J. Bernal commenting that the trip had been “fascinating” and that he would like to discuss with him some points that had impressed him. See RPC (3,2) letter from Polanyi to J. Bernal, 29 April 1935.

<sup>2</sup>Polanyi (1935).

<sup>3</sup>Webb and Webb (1935).

<sup>4</sup>PRC (3,6), Letter from M. Polanyi to J. Jewkes, 6 February 1936.

announces the return of the book of the Webbs and seems to dodge to write a review, which seems to be considered before one Jewkes of responsibility:

For once symptom I am satisfied that I am not a professional economist and can forget the work of writing a critical review. I feel sorry for you. Having to characterize this forgery that appears to be impartial, this ...<sup>5</sup> - anyway, it's not worth cursing! How is it possible that this sentimental story is considered a classic? It is a series of inconsistencies that slightly mask their dishonesty. I wanted to make some notes of the most blatant examples of this cheap speciosity, but the list grew so fast that I gave up on the task.

How sad this is! On what dark days the "progressive" spirit fell to be able to produce this book and, after having produced it, not to mobilize even the power of criticism.

And he adds, in a post-scriptum:

I wonder if perhaps the most conservative of English critics in Russia could have produced such a distorted point of view (in the opposite direction). Maybe so: so much worse.

A few days later, John Jewkes wrote to Polanyi<sup>6</sup> and thanked the pages he had sent him. But Jewkes insists on challenging Polanyi to write about the "book of the Webbs", proposing to publish the criticism in *The Manchester School* and even looking for another means of greater impact for its dissemination, also advancing the possibility of eventually using this material for two or three articles to be published in *The Manchester Guardian*: In any

case, perhaps the issue of the place of publication is not the most important one at the moment. What is vital is that you continue to work on it.

Jewkes even says he refuses to publish a critical review of the Webbs' book himself, anywhere, until Polanyi's views first appear in public.

The next day Polanyi replies to Jewkes<sup>7</sup> and agrees to move forward:

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<sup>5</sup>sic !.

<sup>6</sup>RPC (3,6), Letter from J. Jewkes to M. Polanyi, 11 February 1936.

<sup>7</sup>PRC (3,6), Letter from M. Polanyi to J. Jewkes, 12 February 1936.

I also agree that something very clear needs to be done and I would be very pleased if my notes were used in connection with that.

But Polanyi feels somewhat insecure and demands some help from Jewkes, or his collaborators, to

avoid mistakes in my references and expressions. I don't want to explore your department, but I have to be careful not to neglect my scientific work and I feel that I can hardly be useful in social matters unless I can count on your collaboration and that of others.

And he suggests a lunch to talk about it again.

A few months later, in July 1936, Polanyi's manuscript should have been advanced, since J. Jewkes writes to Polanyi<sup>8</sup> informing him that he had spoken to Daniels about the publication of the article and that he had even handed him the manuscript for him to read. read. GW Daniels (1878-1973) was, at that time, the head of Jewkes in the economy department in Manchester and had been the founder of *The Manchester School*, as well as the Economics Research Section. Jewkes also took the opportunity to announce the resending of his personal copy of the Webbs' book. In the previous letter, Polanyi said he was prepared to proceed with his notes on the Webb book, but he also referred to a memory that was already a little "nebulous in the book". Perhaps the copy of Jewkes was intended to help in this matter.

The article with Polanyi's criticism was to be published in *The Manchester School*, still in the same year, with the title "Truth and propaganda"<sup>9</sup>.

## **2. THE "MONUMENTAL" BOOK OF WEBBS (1935)**

"This book may need some explanations about its scope and plan, even about its dimension". Thus begins the preface to the Webbs book, originally two volumes with more than a thousand pages on Soviet communism. The dimension of the Soviet space and "the degree of complication of the administrative, industrial and political structures of the USSR has a correspondence with the variety of functions for which these structures are made, functions that transcend the scope and dimension taken consciously and deliberately by any another community ". This double extensiveness

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<sup>8</sup>PRC (3,6), Letter from J. Jewkes to M. Polanyi, 20 February 1936.

<sup>9</sup>Polanyi (1935). See chapter 4 (part I) of this book.

justifies, for the authors, the abnormal dimension of the work.

For them, "in all social history - this" endless adventure of governing men "<sup>10</sup> - such a colossal and exciting experience has never happened". The Webbs wrote in the opening of the book:

The organization of the masses, solidly united, is something new, still less than twenty years old, but which is developing rapidly. We suggest that, if it continues, its possible impact on the rest of the world should be considerable. Its purposes are grand and far-reaching. What are the purposes that enliven your leaders and leaders? What is the philosophy on which they base their lives? What are the reasons and instruments on which they are based to achieve their ends? What are the original concepts of economics and political science and what are the new inventions in the systems of production, health and social relations that are being developed in the Soviet Union where, by the way, they claim to have been freed from involuntary unemployment, through a new adjustment between planned supply and universally effective demand? Could it be true that a new ethical system with an emerging code of conduct based on its current experience of a transformed social life is evolving from the incessant public discussions of millions of adolescents between the Baltic and the Pacific?<sup>11</sup>

Undoubtedly, this program seems attractive and challenging. The authors raise the question of whether

what the world is now witnessing in the USSR does not correspond to a new civilization, unlike any that has hitherto existed. And if this new civilization is not likely to spread beyond its current borders.

The question mark at the end of the book's original title later dropped in later editions, turning an interrogative into a statement. After all, the authors no longer raise the question of a new civilization based on the Soviet model, but go on to state that this model is really the dawn of a new civilization. This despite claiming that "we do not mean to say that we are not biased (but who is not?), But we try to be aware of our biases and strive to be objective". But, advance, some will ask

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<sup>10</sup>Reference to Oliver (1930), a work published in three volumes (1930, 1931 and 1935) by Scotsman Frederick Scott Oliver (1864–1934).

<sup>11</sup>Webbs (1935), preface, p. viii.

why did two elderly mortals, both close to their ninth decade<sup>12</sup>, get involved in a work of such magnitude? We fear that our presumption may be attributed to the recklessness of our age. In our retirement, with daily bread ensured, we have nothing to lose in the adventure - not even our reputation, which will survive naturally, or not, due to our production of the last half century, a production that is no longer a new book that will make an appreciable difference. On the other hand, we had a world to win - a new subject to investigate, a stimulating new circle of acquaintances with whom to discuss completely new topics and, above all, a new daily occupation together, in intimate camaraderie, to interest us, to have fun and even get excited in the last phase of our life's journey. We won and enjoyed this world. To use a term of theology, this book is like a work of supererogation which, as we understand it, means that it is not accurate, but that it is spontaneously offered and that it can be ignored or criticized, but that it is not to blame<sup>13</sup>.

This end of the preface shows some of the traditional arrogance and aristocratic spirit of the Webbs, militant atheists who invoke (ironically?) A concept of theology for this “gift” of free superiority at the end of their career. Their carelessness may even be shocking: they seem to think that nothing can take away the merit of a previous successful career, in which they were hailed as “scrupulous and pioneering social researchers”<sup>14</sup>. In fact, several decades later, few works will have colored the Webbs' heritage as much as this book on Soviet communism. As a biographer of the couple wrote, the Webbs' book on the Soviet Union “was monumental in design, scope and errors of judgment”<sup>15</sup>. But those were not the expectations at the time of publication.

Undoubtedly, the Webbs' work was a huge editorial success that saw six new editions between 1935 and 1944, two of which were during the second war. It was even the biggest editorial success of the Webbs' long career, with translations published in numerous countries. At a time of great curiosity for the “Soviet experience”, the Webb's book seemed to be an objective and credible answer about the USSR, at a time when “books were the main source of information and when newspaper articles were quickly lost and forgotten.”<sup>16</sup>. The British government itself regarded the book as a source of

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<sup>12</sup>Beatrice was born in 1858 and Sidney in 1859. Soon, in 1935, they were 77 and 78 years old, respectively, so the reference to “nine decades” is hardly understandable.

<sup>13</sup>Webbs (1935), preface, p. xii

<sup>14</sup>Morgan, K. (2006), p. 12.

<sup>15</sup>Radice (1984), p. 303.

<sup>16</sup>Udy (2017) says that in the first year alone, 20,000 copies were sold in the United Kingdom and that in the first six months, 5,000 copies were sold in the United States.

information about the USSR. For labor and leftist militants<sup>17</sup>, the Webbs' book was exciting: it finally cleared doubts about the virtues of the Soviet regime in the mid-thirties and confirmed the idea that a new society was emerging, which overcame the problems of Western capitalism said decadent, just when the period of the Stalinist terror was already underway and news of it began to appear.

The book will have been more sold than actually read. Norman Mackenzie, who published several volumes of correspondence between Sidney and Beatrice Webb, wrote that “like *Capital* Marx's, it was more quoted than read and its main impact derived from the public endorsement of the Soviet Union by two eminent Fabians and historians from the workers' movement ”<sup>18</sup>.

Today we know that the Webbs had broad support from Soviet services to “write” the book. It is true that they visited the USSR<sup>19</sup>, at the invitation of the Soviet authorities, where they were treated as luxury guests and saw the “windows” of the regime that the Soviets wanted to show them<sup>20</sup>.

But many of the materials they published were largely chosen and prepared by the Soviets, whose ambassador to London (I. Maisky) was a frequent visitor to the Webbs and was instrumental in the construction of the book, having been adept at cultivating and influencing the Webb couple. Through it the Soviets had the opportunity to read and correct much of the book's manuscript<sup>21</sup>. According to Mackenzie, “their main weakness lies in the normative description of the Soviet system - the Webbs had neither the knowledge, the time nor the opportunity to critically evaluate the information provided to them - such as the collectivization of agriculture, the background five-year period, the succession of draconian purges that followed the 17th congress of the communist party in 1934 ”<sup>22</sup>.

Throughout the second half of the thirties, the Webbs' book was repeatedly cited and used as a primary source on Soviet reality when, in fact, the situation, as they reported it, was already largely overcome by events when it was published. However, the Webbs

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<sup>17</sup>The publication of the Webbs book by the Left Book Club gave it a great diffusion and impact, Cf. Lawrence and Wishart (2006), p. 11. About 40,000 copies were reportedly sold during the war alone.

<sup>18</sup>Mackenzie (2008), p. 410.

<sup>19</sup>Both in 1932, only Sidney in 1934. In 1932 Beatrice was unable to accompany Sidney for part of the visit for health reasons.

<sup>20</sup>Radice (1984), p. 299-300.

<sup>21</sup>Udy (2017) quotes the testimony of a Soviet dissident, in 1952, before the American Senate, who claims to have participated in the process and that the Webbs “only had to redo a little of the English text and a little criticism, but the bulk the material was prepared for them by the Soviet foreign affairs services. See also Radice (1984), p. 298.

<sup>22</sup>Mackenzie (2008), p. 410.

made no serious effort to review it<sup>23</sup>; their conviction was well underlined when they dropped the question mark after "a new civilization" in the title of later editions.

But, a little year after the publication of the book, Beatrice Webb candidly confided to her diary:

As regards the material and constitutional progress of the USSR, our presentation was more than justified. But a big stain remains in the photograph - the terror, the suspicions, the suppression of free opinion, the arrests, prosecutions, death sentences, characteristics of an unfinished revolution. Those surprising confessions, which would not be considered evidence in an English court, how were they obtained? And Stalin's subservient adulation - so uncomfortable for British ears ... The USSR remains medieval in its savage persecution of heretics<sup>24</sup>.

That is, after the return of the trip to the USSR in 1932, and a year after the publication of the book, Beatrice's diary recorded doubts about the dark side of Russia with the repression of free thought and freedom of expression, terrorism occasional physical activity and the sudden disappearance of unwanted personalities<sup>25</sup>.

It is interesting to contrast Beatrice Webb's latest confessions with Polanyi's criticism. After all, they knew more than they consciously published in the book. And they never publicly corrected the serious issues that, at least Beatrice, privately admitted. They consciously maintained propaganda about the truth.

### **3. THE WEBBS AND THE SOVIET EXPERIENCE**

This is not the right place for an extended biography of the Webbs: Beatrice Potter (1858-1943), then Beatrice Webb after her marriage to Sidney Webb (1859-1947), formed a partnership that is perhaps unique in British society. Bernard Shaw, who was one of the closest for most of his life, thus defines the British character of the couple: "each of them is an English force in their own right and their marriage was an irresistible reinforcement. Only England could produce them ". Still according to Shaw, Sidney was an "unpretentious young Londoner", but also a "prodigy", and Beatrice was a

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<sup>23</sup>Mackenzie (2008), p. 411.

<sup>24</sup>Beatrice Webb, Diaries, 25 November 1936.

<sup>25</sup>Idem.

"born and first-rate researcher"<sup>26</sup>.

Radice says, without exaggeration, that they were among the most influential architects of modern British society<sup>27</sup>. His contributions to political thought and the social sciences were relevant and precursor, opening the space for political sociology. Attached is a summary chronology of the couple's activities and their most important publications after 1912<sup>28</sup>.



Fig. 1 - Beatrice Webb

Democratic socialists and great defenders of the social function of the State, defended a progressive evolution of the State through the political struggle under the parliamentary regime. They were great animators of the Fabian Society, which played an essential role in building a new labor left. Shaw said that, at the turn of the century, the name of the society aroused his curiosity and that "he met a small group of educated and middle class people who came together to study philosophy and who ended up embracing active politics as socialists" and that Sidney played a central role in this process in which "socialism has become constitutional, respectable and achievable". For

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<sup>26</sup>Shaw (1942), p. 5, 7 and 11.

<sup>27</sup>Radice (1984), p. 2.

<sup>28</sup>It should be noted that, from an intellectual point of view, perhaps the period before 1912 is even more important, but we chose only the period closest to the events that are the subject of this essay.

Shaw, "this job was Sidney's, more than any other individual person"<sup>29</sup>.

Radice (1984) concludes his biography of the Webbs couple with an explanatory summary:

Pragmatic intellectuals, tireless propagandists, dedicated democratic socialists, the Webbs' successes are colossal, whatever the standard. Founding the London School of Economics<sup>30</sup> and the *New Statesman*<sup>31</sup> would have been enough for many people, but in addition, the partnership produced books of great culture, helped lay the foundations of the welfare state and was a decisive force in the development of the labor party as a instrument capable of changing the UK.

Above all, his Fabian approach - ethical, rational, evolutionary and democratic - had a profound influence on British politics and society.<sup>32</sup>

The Webbs never joined the Communist Party and always maintained their membership in the Labor Party. If your democratic ideals are not in question, how can you explain your Soviet drift during the last decade of your active life?

After Sydney's last government experiment (1929-31), the Webs' interest in the Soviet experience increased, especially for Beatrice. The Fabian experience of implementing social reforms through governance did not seem to be leading to great results<sup>33</sup>. Fabian socialism combined an ethical positivism with an evolutionary sociology in the search for community solutions for a progressive society<sup>34</sup> - and the collectivist solutions seemed to be able to contribute to this.

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<sup>29</sup>Shaw (1942), p. 10.

<sup>30</sup>In 1900, with Graham Wallas and Bernard Shaw, all Fabians.

<sup>31</sup>In 1913.

<sup>32</sup>Radice (1984), p. 356.

<sup>33</sup>The most important Fabian achievement was post-independence India. Nehru was a visitor and a friend of the Webbs. The idea proclaimed by Bernard Shaw, on his return from a visit to the USSR in 1931, that Leninism was Fabian socialism was clearly spurious.

<sup>34</sup>Mark (2002).

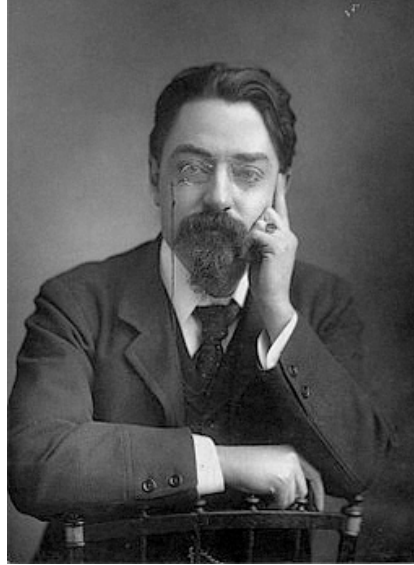


Fig. 2 - Sidney Webb

The general situation was one of disbelief in capitalism, after the financial crisis of the great depression, a sign of its instability and social rudeness. In the late 1930s, Beatrice wrote that, on the one hand, she had the impression that “the US is going to collapse in some kind of civil war or violent dictatorship due to the total inability of its democracy to maintain order and law and to control corruption and blackmail in public services and private companies”. But, on the other hand, the USSR appeared to be "successful in building an egalitarian, disciplined and objective State, at the expense of a period of terrorism and the loss of intellectual freedom"<sup>35</sup>. The debacle of capitalism would affect the ideal of Fabian socialism of an evolutionary, democratic and non-revolutionary progressivism that was being unable to progressively implement itself in the United Kingdom. Beatrice even sees the Soviet experience as an unexpected genetic “mutation” in social evolution<sup>36</sup>.

Although the Webbs were avowed atheists, Beatrice defined herself as "a mystic and a moralist"<sup>37</sup>. It increasingly looks at communism from a religious point of view - a kind of secular religion of humanity, attracted by the standards of obedience, poverty and even puritanism defended by communists for social construction, as well as by its declaredly scientific foundations, that is to say, positivists. At the beginning of 1932, Beatrice entrusted to her diary doubts that Michael Polanyi would certainly appreciate and understand:

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<sup>35</sup>Radice (1984), p. 293-294.

<sup>36</sup>Radice (1984), p. 292.

<sup>37</sup>Radice (1984), p. 296.

how can we reconcile the dominance of a religious order that imposes a new orthodoxy on all its citizens with the freedom of the human spirit, without which would science - this sublime manifestation of man's curiosity - wither and decay? How to combine religious zeal in action with freedom of thought? This is an issue that we want to resolve when studying the USSR.

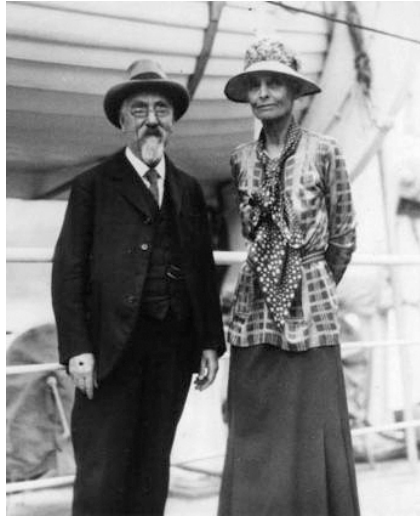


Fig. 3 - Beatrice and Sidney Webb during their trip to the USSR, wm 1932

The visit they made that year to the USSR was therefore in the spirit of pilgrimage, in the sense of discovering a new order. When they returned, they were completely convinced of their faith in the new order of Soviet communism: it

represents a new civilization and a new culture with a new perspective on life - which includes a new pattern of behavior for the individual and his relations with the community, which I believe is destined to extend to many other countries over the next hundred years<sup>38</sup>.

#### **4. POLANYI'S CORRESPONDENCE WITH SIDNEY WEBB A**

few months after the publication of Polanyi's article, Polanyi writes to Lord Passfield (Sidney Webb) by sending him a copy of his critical article from the book. Polanyi

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<sup>38</sup>Radice (1984), p. 298.

invokes HR Tawney's request for this<sup>39</sup> because a mutual friend, Malcolm Muggeridge<sup>40</sup>, whom Polanyi had commissioned, will have forgotten to hand over the copy. Polanyi is interested in knowing Sidney Webb's point of view about his criticism of the work<sup>41</sup>.

About fifteen days later, Sydney Webb responds to Polanyi with a sharp handwritten letter in his characteristic handwriting<sup>42</sup>, where he begins by thanking the criticism sent, which he did not yet know, and adds:

I do not need to say that I am not resentful at all. your comments to our book. In fact, I am pleased with your testimony that "no detail of the narrative is entirely incorrect!". I dare to say that this is a success to mark in our 1200 pages!

Of course, our purpose in writing the book was not to make a long and prodigious enumeration of details, although for our purpose it was necessary that the details were correct. Our aim was to present the British or American reader with an image of the complete social organism, a narrative describing the pattern on which it is built and the direction in which it is going. One might think that it was a presumptuous goal, especially given our multiple limitations. But it turns out that we think that it is only through these descriptive images, patterns and visions - imperfect and individual, as they necessarily are - that real knowledge of our community, or another, can be achieved. We present the image that we were able to paint. Another person may present a different image. Only the future development of the USSR, in the future generation, will allow those who come after us to know what the points, or in what way, is that our image of 1932-5 was accurate or defective. No "image" is strictly precise in detail - it is not an architect's plan, or a technical engineering drawing - because any image is an example of "focus" with the aim of seeking a desired impression.

This last note may seem to you to be a complete justification for our "struggle between truth and propaganda". But the artist who paints an image, choosing its details and organizing them into pictures, is "telling the truth" as much as an assistant to an architect in making a drawing of the elevation designed by his

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<sup>39</sup>HR Tawney was at that time a professor of economic history at the London School of Economics. He was also a director of the WEA Workers Education Association. A member of the Fabian Society, he was its leader in 1921-23. Member of the Labor party since 1918.

<sup>40</sup>Malcolm Muggeridge was married to a sister by Beatrice Webb and was one of the founders of the Fabian Society. He was a correspondent for The Manchester Guardian in Moscow, where he wrote important pieces about the situation in Russia under Stalin and the famine in Ukraine, some of which were not published. He later published a book about that period (Winter in Moscow, 1934).

<sup>41</sup>PRC (3.8), Letter from M. Polanyi to Sidney Webb, 25 February 1937.

<sup>42</sup>PRC (3.8), Letter from Sidney Webb to M. Polanyi, 17 March 1937.

master. I hope you are not suggesting that the image that we have seen of the Soviet Union is not the truth as we have seen it.

I am only concerned with explaining why the sociologist believes that such an image can, in reality, provide a more genuine impression than that given by the mere enumeration of facts and figures, without the selection and arrangement of the social standard that the sociologist is capable of. to discern (which, for example, is not done by enumerating a census).

But I think that his “struggle between truth and propaganda” means that the “propaganda” involved in painting an image of a community is an intentional affirmation of a non-truth. But this is not the original or fundamental meaning of the word propaganda. Of course, there can be propaganda with truth, as well as propaganda as a lie. My wife and I have been propagandists for all of our 50 years as authors. Why does someone need to write? I hope and believe that we always and persistently try to be strictly true. No doubt we have been wrong at times.

Polanyi replies the following day to Lord Passfield<sup>43</sup>:

He showed great kindness in explaining his point of view to me. This question of truth and propaganda is so fateful that I cannot fail to respond briefly to your argument.

In my profession as a scientist, I fully understand that a limitation to the facts, and only to the facts, would be a condemnation to sterile aridity and, without a doubt, to the end of science. Therefore, I fully subscribe to your argument, but that does not alleviate my anxiety about the problem that led me to write my review. How is the balance to be achieved in building truth, and social truth in particular, between its components, such as factual accuracy, the value of interpretation and political tendency? The standard requirements by which these (and other) legitimate elements are introduced determine the difference between propaganda that undoes civilizations and the truth that is the only hope for resurrection. I have witnessed, over twenty years in my forced travels across Europe, the destruction caused by the relaxation of the standards of truth; I saw those who, because of their incessant concern for the truth, provided the world, before and after the war, with a vision of a more generous society, fascinated by their generous feelings but relaxing the standards of truth so that those feelings would triumph. I watched, with despair, how they were abandoning the judicial

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<sup>43</sup>PRC (3.8), Letter from M. Polanyi to Sidney Webb, 18 March 1937.

office that they, and they alone, were destined to fill.

I don't believe that sincerity is the test of truth. If sincerity, together with generous feelings and high ends, becomes the test of truth, then there is nothing that can contain our fall into slavery. The truth is defined by the standards of criticism. Terror does not diminish the principle of truth; judges make mistakes and create cases of injustice; but it is only when they abandon their judicial attitude that justice is lost.

I hope, my dear sir, that you do not feel that I have the presumption to instruct you. I am one among the crowd that despairs at the progressive thinking leadership to which they intend to join. We want great judges to enlighten us. We want them to raise the standards even higher by which they criticize their own inclinations and thus create an independent intellectual power under which to believe in the midst of the complicated issues of our time.

This opportunity to address you is a privilege that I cannot pass up without fully expressing my anxiety.

I also take the liberty of sending you a pamphlet that I wrote about the times that your book refers to. Then I found some errors there, but they don't seem to affect the conclusions.

Sidney Webb replies a few days later, in handwritten text as before<sup>44</sup>, thanking the article on “USSR economy”, which he did not know: “

There is a lot that I agree with - but I'm afraid I disagree with many of your assumptions in the fields of social science.

I am an enthusiast of the scientific method, or the “method of science”. But each science has its own methods. The physicist is not credible in the field of biology. Not a physicist or biologist in the field of sociology!

In other words, my criticism of your assumptions in economic matters is that you seem to ignore the fact that what you are studying is a different entity, a particular social institution! But I must admit that, in the last two pages of your article, it comes close to that.

This exchange of correspondence expresses much of what united and separated these two intellectuals. On the one hand, Polanyi's respect for Sidney is visible, at a time when Polanyi was 45 years old and Sidney was already 78 years old. On the other hand, the differences in cultural frameworks (Polanyi would say “frameworks”) between the two

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<sup>44</sup>PRC (3.8), Letter from Sidney Webb to M. Polanyi, 20 March 1937.

are also visible. Both share the defense of science and the scientific method, but it is clear that Polanyi's quantitative approach to the analysis of reality has a different meaning for the two men.

But Sidney ends up invoking the freedom of creation of the artist who paints an image: it was the “painting (image) that we were able to paint” of a social organism and its movements. Polanyi does not oppose the argument, but Polanyi's vision for the work of a scientist would not go far: the scientist is constantly trying to create an image of reality at the expense of details, observations, facts that are inaccurate and inaccurate, but that the scientist tries to make sense in the general framework of science as a unifying and coherent theory. For that, it uses reason, imagination and even intuition. The process, obviously not completely formal, of forming this image is at the base of the process of discovering the solution of problems in general and raises complicated questions that Polanyi makes explicit in the letter:

How is the balance to be achieved in building truth, and social truth in particular, among its components, such as factual accuracy, the value of interpretation and political tendency?

It is around this time (1936) that Polanyi published, in a prestigious British journal of philosophy of science, his note on “the value of the inaccurate in science” where he wrote that

It therefore seems surprisingly unreasonable to claim that through precise measurements and mathematical treatment, that is, by the accuracy of physics, one can discover a vital knowledge and command of objects such as living organisms and social bodies. All these highly complex fields stand to gain only by discovering specific behavioral trends incorporated into their functional results<sup>45</sup>.

This seminal text by Polanyi already shows essential aspects of Polanyi's future reflection on science and, in particular, on the social and biological sciences. But Sidney's defense is hardly consistent with his traditional positivism when he writes that “the artist who paints an image, choosing its details and organizing them in pictures”, is “telling the truth” “. In reality, the Webbs painted an image with their truth about Soviet communism, choosing the details of the painting and the way to paint the painting. The final picture made sense to the Webb, no doubt - in reality it crystallized some of their

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<sup>45</sup>Polanyi (1936). See translation in Beira (2013).

ideals in a lyrical image of a largely utopian society, which certainly made a lot of sense to them as a theoretical construction and even from the point of view of a possible positivist religion. .

The essential point is well clarified in Polanyi's letter: "I do not believe that sincerity is the test of truth". Because "if sincerity, combined with generous feelings and high ends, becomes the test of truth then there is nothing that can contain our fall to slavery". Indeed, "the truth is defined by the standards of criticism". Indirectly Sidney ends up indirectly subscribing to the idea when, in his first letter, he wrote that "only the future development of the USSR, in the future generation, will allow those who come after us to know what the points are, or how, our 1932-5 image was accurate or defective ". In this sentence, Sidney is admitting the consensus of a community as setting the standard of criticism. For Polanyi, scientific truth results from the dynamic consensus of the scientific community, free and in permanent interaction through mutual adjustments. As it is clear, the evidence has a role in the formation of this consensus - but not only with an absolute veto character<sup>46</sup>. This consensus of the scientific community, established by a permanent critical confrontation, requires "an independent intellectual power under which to believe in the midst of the complicated issues of our time". That same free and independent intellectual power is at the base of science and justice through "spontaneous orders"<sup>47</sup> of specialists in society. In the Polanyi letter he recalls especially the problems of the perversion of justice - a spontaneous order especially vulnerable to totalitarian pressures. "Terror does not diminish the principle of truth," wrote Polanyi - but it certainly diminishes opportunities to discover the truth.

Was the Webbs' book propaganda? For Polanyi, no doubt. Sidney agrees - but it is clear that both are talking about different perspectives on advertising. Advertising involves cognitive and ethical aspects. Sidney wrote that "there can be propaganda with truth, as well as propaganda as a lie". For Polanyi, it is a case of "propaganda as a lie" that does not pass criticism and confrontation with reality. But for Sidney it was "propaganda as truth" because it was written with sincerity, "the truth as we saw it", as Sidney wrote in his first letter, with an underline. Sidney's candid remark ("My wife and I have been propagandists for all of our 50 years as authors") reflects the "missionary" spirit of his public life and the expectation of Soviet Communism.

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<sup>46</sup>Raymond Aron (1961) defined this idea by a happy formula, in an essay dedicated to Polanyi: "It is not reasonable to sacrifice what is interesting to what is demonstrable, in the name of objectivity". On top of that, "in history and sociology the most interesting issues are also those that involve greater uncertainty and that therefore allow very divergent and even contradictory interpretations".

<sup>47</sup>The usual reference on hierarchical order and spontaneous order in society is the essay "The Growth of Thought in Society", Polanyi (1941). But the theme appears already developed in one of the essays in *The Contempt of Freedom* (chap. 2, Collective planning).

Finally, at the end of the second letter, Sidney writes that “I must admit that, in the last two pages of your article, it comes close to that”, that is, to take into account the non-purely quantitative aspects of the entity under study, of this “social institution in particular”, that is, the Soviet Union. In fact, the last two pages of Polanyi's previous essay on the Soviet economy constitute the essence of the last section, “the guiding force of the USSR”, where he discussed the spirit of “community of pioneers”, as well as “the great spiritual advantage that workers take from the unification of economic conscience”.

## 5. THE SECOND EDITION OF THE WEBBS BOOK

The Webbs remained convinced of the goodness of Soviet communism until the end. In November 1940 Beatrice wrote in the diary that “communism is correct with its idea of scientific humanism and with its production method planned for communal consumption, based on its multiform democracy”. It recognizes some “disease of orthodoxy” but attributes it to the revolutionary period experienced, “to the relatively primitive character of many of the races within the USSR” and to the “low standards of conduct inherent in the orthodox church and the autocratic and corrupt tsarist regime”. And he still hopes that Soviet communism will incorporate Western values of freedom: “the new civilization needs to accept and develop freedom of thought and expression, as well as the free press, as the contribution of Western civilization if permanent progress is to be made. be maintained”<sup>48</sup>. We will find these ideas in the writings complementary to the edition that the Webbs published already in the 1940s.

A new edition of *Soviet Communism* appeared during the war, in 1941<sup>49</sup>, with an additional introduction written by Beatrice and with a substantial postscript signed by both, although in that by the time Sidney's working skills were already substantially diminished, so it is admitted that the afterword was also written by Beatrice. Since 1938, Sidney had lost almost all ability to work, referring to the obsessive reading of fiction books, following an attack that left him partially paralyzed.

A new advertisement (figure 5) appeared in *The Manchester Guardian* about two

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<sup>48</sup>Radice (1984), p. 319, daily 12 November 1940.

<sup>49</sup>Technically the second edition was in 1937, according to the publisher. The 1941 edition was announced as a reissue “with a new introduction and at a cheaper price”, as it is mentioned, for example, in the third edition, which came out in 1944, with the novelty of now appearing all together in a single volume with 1007 + lii pages. In the literature, the “second edition” is generally considered to be the 1941 edition.

years later, when a second, extended edition of the book was published (this time without a question mark at the end of the title)<sup>50</sup>. The laudatory phrases are now different:



“Absolutely unique” (Bernard Shaw)

“A sweeping work” (JM Keynes)

“Courageous and defiantly controversial” (Sir Walter Citrine)

There is no other book on the Soviet system that can be remotely compared with this, both in depth and in intellectual caliber (Harold Laski)

The last section of the new afterword (“a new civilization”) begins by clarifying the famous question of the question mark in the title:

In 1933, when establishing the title of the future book, we chose *Soviet Communism* to describe our purpose of describing the current organization of the USSR. Before publication, in 1935, we added the question: “a new civilization?”. What we learned from the developments in 1936-1937 persuaded us to remove the question mark. We saw no sign of a weakening in the USSR of the severe ban on profitable activities. ... In addition, fifteen years of experience from three successive five-year plans have demonstrated the viability of what the Western world has declared to be beyond human capacity, in particular the advanced planning of wealth production and the cultural activities of an immense population together with the deliberate organization of the entire

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<sup>50</sup>The Manchester Guardian 29 October 1941, p. 7.

supply and service of the community without the guidance of “market prices” obtained by bargaining between buyers and sellers<sup>51</sup>.

The afterword concludes with a mystical and idealistic reaffirmation of the new communist civilization:

The old axiom "love your neighbor as yourself" is not incorporated in economic calculation but in the calculation of utility, in particular in the valuation of what leads to well-being human race. Therefore, in the USSR, there is no difference between the code professed on Sundays and the one practiced during the week. In his factory or farm, the citizen acts according to the same scale of values as he does in his family, in his sports or in his voting in elections. The secular and the religious are the same. The only good life he aspires to is a life that is also good for all his comrades, regardless of age or sex, religion or race

<sup>52</sup>.

In the middle, the afterword addresses several issues: the new constitution (from 1936) and its meaning, the trials of traitors, the “Stakhanov” movement, the success of agricultural collectivization, the retailing of consumer goods, the control of abortions and some criticisms "that friends and enemies" have directed at the USSR, "especially in view of developments in recent years" (the continuity of income inequalities, the growth of bureaucracy and the repression of independent thinking or individual freedom of thought) .

The discussion of criticism of Soviet communism takes less than six pages out of a total of 64 pages<sup>53</sup>. Regarding inequalities, they acknowledge the persistence of some, but point to “continuous progress towards increasingly complete social equality” and therefore “the people of the USSR complain very little about the differences in personal income”<sup>54</sup>. About bureaucracy, what surprises, “for those who study the subject” and compares the Soviet case with the cases of the United States, France and Italy, is not exactly the Soviet bureaucracy, but “the successive efforts made to suppress and diminish its inconvenience to the public ”<sup>55</sup>. Regarding freedom of thought, the expectation is that "as the imminent danger of foreign counter-revolution and

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<sup>51</sup>Webb (1944), p. 971.

<sup>52</sup>Webb (1944), p. 973.

<sup>53</sup>Here we follow the layout of the third edition, Webb (1944).

<sup>54</sup>Webb (1944), p. 968.

<sup>55</sup>Webb (1941), p. 970.

aggression decreases, the repression and discouragement of independent thinking, even on the most fundamental issues, will be silently discontinued"<sup>56</sup>.

Of the remaining sections, we highlight the almost new defense pages of the Stalinist terror trials<sup>57</sup> where they say they want to make a presentation of "the facts" before trying to explain. After all, what surprises "foreigners, Americans and British in particular, is the Russian practice of applying the epithets of trotkista, divisional, even bourgeois, to all the accused, when after all they appear to be nothing more than ordinary thieves". More: the increase in cases must have been the direct result of an increase in inspections and audits by Gosplan and Gosbank. Moreover, the judicial procedures will not have been very different from those in the West.

The new introduction written by Beatrice is basically a deepening of the explanations and theses of the 1935 book<sup>58</sup>, explicitly reaffirming the most relevant convictions:

Why did I exhaust the already weak forces of a person over eighty to argue that Stalin is not a dictator ...; that the USSR is not only a fully developed political democracy but also an industrial democracy, with a powerful trade union and consumer cooperative movement, with a new invented type of producer owner associations on collective farms and industrial cooperatives, all equally under the control of the central and local government of a representative democracy, regardless of gender, class or race? And finally, that through production planned for community consumption and the elimination of the profit motive, the Soviet Union has increased, in the short space of twenty years, the opportunities for living, freedom and the search for happiness for the vast majority of the nearly two hundred million inhabitants dispersed over about one sixth of the earth's surface?

Is Stalin a dictator? The answer is almost surprisingly naive:

The communist party, unlike the Roman Catholic or Anglican church, is not an oligarchy; it is democratic in its internal structure, with a representative congress that elects a central committee that, in turn, chooses a politburo and the other executive bodies of the communist party. Stalin never claimed a position of dictator or "fuehrer". On the contrary, he is a mere colleague of thirty

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<sup>56</sup>Webb (1944), p. 971.

<sup>57</sup>Webb (1941), p. 923-931.

<sup>58</sup>In addition to these two essays, the book also includes a translation of the new constitution of the USSR and a postscript on the basic rights and duties of man according to the Soviet constitution of 1936.

other members and, as far as the communist party is concerned, he acts only as secretary-general under the orders of an executive.

Under the new constitution, meanwhile proclaimed in 1936, they write that it is "based on the rights and duties of man" and "a document that needs to be studied by all scholars of sociology". More:

The new constitution resulted from the most spectacular and widespread discussion that has ever taken place in history regarding government action. ... In all factories and farms and in all unions, consumer cooperatives and meetings of the local soviets there is an endless discussion by the people interested in what should or should not be done, whether in national legislation or in local administration. It is through these discussions about what is happening, or what should happen, in the factory or mine, on the railways or on collective farms, in schools or at university, or even within the communist party, that men and women become involved. become active citizens.

However, it characterizes the communist party as something similar to a professional order of managers and political leaders:

There is nowadays ... a political, intellectual and legislative elite that enjoys the confidence of people for their disinterested attitude, for their higher education and for their practical ability on the immediate needs of the situation, able to guide people's uncertainties throughout the first period of their new freedom. ...

The communist party is a complicated type of self-government ... it is a democratic organization, similar to that which is recognized in the United Kingdom by doctors and surgeons, lawyers and solicitors, and which admits new members after an examination to test their ability to practice the chosen vocation. But it differs from professional organizations by the rigor and total inclusiveness of the conditions imposed on its members, as well as by the variety and importance of their activities. ...

Further back to the religious character of the party:

In fact, in the nature of its mentality, as well as in the code of personal conduct, the communist party is more like a religious order than the

organization of cultured professions in western Europe. , such as those of lawyers and doctors, engineers and accountants.

The apology for scientific humanism with the rejection of any supernatural notion is seen "in contrast to the civilization of the western world". Soviet communism

is based on intellectual unity through all its activities and definitively rejects any remaining superstition and magic that man of the 20th century, in capitalist democracies, continues to have in his conception of the universe and the role of man. In other words, Soviet communism is a new ideology as well as a new economy. ... This new living philosophy, called scientific humanism, is creating the ethics of a new civilization from its own experience of social life.

And as for the disease of orthodoxy: I

venture to prophesy that intolerance - what I call the disease of orthodoxy - will ultimately prove to be mere growing pains of a new social order that fought for its existence in a hostile world. ...

Without a doubt, with the growing prosperity of the USSR and at peace with the world, the communist party, whose philosophy depends on the scientific method, will gradually lift the restrictions for free discussion in the press about rival conceptions of political and economic systems

In 1942 , during the war and about a year before Beatrice's death, the same publisher (Longmans) published *The Truth about Soviet Russia*, a small book that brings together the new introduction that had appeared in the second edition of *Soviet Communism* with the translation of the text complete of the Soviet constitution of 1936 and also a postscript on "the basic rights and duties of man as established in the constitution" (from 1936).

The main novelty of the book was a short initial essay by Bernard Shaw on the Webbs, a heartfelt and intimate essay on the couple and their work. There Shaw refers to the work *Soviet Communism* in enthusiastic terms, considering it as the pinnacle of the Webbs' career, the work that "those who believe in divine providence may like to see their finger there", "the first really scientific analysis of the Soviet state "after" in the past twenty years, the British and American press have had a record of prejudiced and irresponsible begging "about communist Russia. Shaw also writes that the Webbs "gave their support to the Soviet system without hesitation and announced it definitively as a

new civilization"<sup>59</sup>.

Bernard Shaw was, as we have seen, a lifelong close friend and ideological accomplice to the Webbs. The friendship between Shaw and the Webbs was old and prevailed throughout life. The editors of the correspondence between the three thus conclude the preface to their book:

What is revealing and illuminating is Shaw's intense relationship with Beatrice and Sidney Webb, as the three strove to build a more equitable and humane society, an inspiring story of one of the most celebrated and influential partnerships in modern British political history<sup>60</sup>.

## 6. CRITICAL REVIEWS OF THE WEBBS BOOK

Figure 4 reproduces an advertisement published during 1936 in *The Manchester Guardian* by Longmans, about the Webbs book<sup>61</sup>. For the practice of height, the size and graphics of the ad are noteworthy.

The opinions mentioned in the ad also reflect the spirit of the time about the "Russian experience" and the acceptance of the book:



<sup>59</sup>Shaw (1942), p. 13.

<sup>60</sup>Michalos and Poff (2002), px

<sup>61</sup>The Manchester Guardian, February 21, 1936, p. 7.

... it will immediately become the reference work (*Observer*)

A treasure trove of information about one of the most exciting experiences in the adventure of man (*Times*)

... a work that from its comprehensive point of view, range of knowledge and inspiring humanity must continue for a long time as Lenin's reference work on Russia (*News Chronicle*)

There is no other book about the Russian system that can be compared remotely with this one, either for its depth as for the intellectual caliber. It will mark a time in the western understanding of its vital theme (Professor Harold J. Laski)

On the eve of the book's official publication date, *The Manchester Guardian* made a first comment<sup>62</sup>, a public relations exercise for the launch:

Two experts ... whose reputation is such that after half a century of experience in social research, *Soviet communism: a new civilization?*, by Sidney and Beatrice Webb, will immediately become the reference work. This two-volume encyclopedia (there are no other words that seem appropriate) will be published by Longmans next Monday.

And he added:

The first objective of the book is an explanation of the entire structure of the USSR, with a detailed analysis of its administration. The activities of the commissioners, unions, collective farms, fisheries and the cooperative movement are described with great scope by the testimonies of the authors. The second volume contains a chapter on "production planned for community consumption", which makes the pursuit of profits superfluous and explains how producers are encouraged to obtain the best possible results. Education and advertising during the past ten years has been geared towards "remaking man". They are ambitious phrases and we have heard them before, but they have never been explained with such authority. Soviet ethics is analyzed in a chapter entitled "the good life" and the Soviet claim to a "new civilization" leads you and Mrs. de Passfield to consider its possibilities in other countries. There is criticism here, but there is also sympathy. All readers, whatever their prejudices, will quickly appreciate the book's purpose.

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<sup>62</sup>The Manchester Guardian, 24 November 1935, p.6.

We do not intend to make an exhaustive review of the numerous criticisms published of the Webbs' book, from the most enthusiastic support to the virulent rejection. But we will review a selection of reviews published by a significant group of authors, considering their role in the intellectual landscape of the time. The various reviews generally reflect the friendly welcome of the Webbs' effort to organize and report on the USSR. His long career, experience and prestige in the social and political sciences helped a lot to this first movement of good acceptance widespread by British intellectuals (and not only) at a time when public curiosity and the rhetorical struggle about the "Russian experience" were very lit in Western societies.

Polanyi's criticism was a forerunner and courageous, breaking the cloak of benevolence and (almost) unanimity with which the book was received in the United Kingdom. Today we know more and it is recognized that the Webbs contributed to transforming the book into a precious piece of propaganda for the Soviets - who contributed more than a disinterested help in providing official texts.

#### **a) Harold Laski (1936)**

The day after the book was released, *The Manchester Guardian* published a critical review with a strong title: "SOVIET RUSSIA / Structure and spirit / WEBB RESEARCH / A book that marks an era / Reviewed by Harold J. Laski"<sup>63</sup>. The first sentence sets the general tone of the review:

The Webbs' book on Russia, which is published today, will certainly be among the main successes of its distinguished authors. Written on a massive scale, based not only on personal exploration but also on a broad and careful scrutiny of relevant literature in half a dozen languages. It addresses the main problems in a balanced and direct way. Although they are essentially favorable to the great experience they analyze, it is not written in an uncritical way. For example, there are pages on the "disease of Soviet orthodoxy" that are expected to be taken seriously in Moscow. There is no other book on the Soviet system that can be remotely compared to this one, either in depth or in intellectual caliber. It should mark a time in the western understanding of its vital theme.

Harold Laski (1893-1950) was one of the most influential British intellectuals in the defense of Marxist socialism, in the period between the two wars. Economist, he was an executive at the Fabian Society (1922-1936) and professor of political science at the

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<sup>63</sup>Laski (1935).

London School of Economics (from 1920). He was therefore close to the Webb couple<sup>64</sup>. Laski had been active in the Socialist League since 1932, a left-wing faction within the labor party and even became involved in the attempt, in 1937, but without success, to form a popular front against the conservative government. He later became president of the labor party at the end of World War II, but his defense of the revolutionary, possibly violent path<sup>65</sup>, led to his removal.

Later, Laski deals with the “psychological and material foundations of the regime” and points out that “all photography is made in striking contrast to the formula of Western civilization as we know it, which gives a special meaning to the whole”. And he concludes:

In the end, there remains the unshakable conviction that Soviet communism opened a new era in the history of the world. He redefined the canons of human behavior, as securely and impressively as the Reformation or the French Revolution. Like these great movements, it did so in the name of a doctrine that seeks to prove by events. It has its attempts, its hesitations, its setbacks, but in the end, it advances in a magnificent way.

But Laski, in spite of everything, defends himself from some Webbs positions: “This does not mean that he can gain acceptance for all the points of view that they expose”, in particular the rudeness of the dictatorship of the proletariat on the individual achievement of citizens, Stalin's methods and the Kirov trial<sup>66</sup>: in which many people were executed “without any evidence that had associated them with the murder”. One gets the feeling that there was more unworthy revenge than meticulous justice.

Laski again wrote a book review for *The Manchester Guardian* in 1941, this time on the second edition<sup>67</sup>. At that time Laski was politically very active in the labor party. Despite maintaining part of the laudatory tone of the first revision, this time Laski is more critical of the Webbs' omissions:

The new edition of the Webbs' well-known book includes a new preface by Mrs. Webb, marked by all its former vigor and poignancy. Some of your points

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<sup>64</sup>In the Webbs' correspondence several letters of these appear to Laski. See Mackenzie (2008).

<sup>65</sup>“If socialists want to ensure a state built on the principles of their faith, they can only achieve it by revolutionary means” he wrote in Laski (1932).

<sup>66</sup>Reference to the trials of those allegedly responsible for the murder of Kirov in 1934, when he was responsible for the communist party in Leningrad, which later degenerated into the trial and execution of many alleged Trotskyists.

<sup>67</sup>Laski (1941).

are good, for example, when you note that the Prime Minister carefully explained, in his radio broadcast on July 22, his disagreement with communism, he was essentially doing something different than he thought it necessary when he announced support for the neo-fascist regimes in Greece and Yugoslavia. Since she is a person of great experience and insight, there are many things of interest in this introduction. Despite this, I deeply regret the lines on which it was written. We are all moved by the heroic defense of the Russian people against the Nazi invaders. Many of us recognize in the Soviet Union significant successes for the world, without equivalents in modern history. But Mrs. Webb is not satisfied with staying here. He denies that there is a dictatorship in Russia. Stalin's power has stronger democratic foundations than Churchill or President Roosevelt. It assumes that the 1936 constitution is fully operational. Neither purges nor trials are a problem for her.

It even goes so far as to suggest that a single-party state is compatible with democracy, although it is obvious that one of the serious consequences is to make opposition easily and naturally taken as treason. The affection and respect for the eminent authors of this book cannot blind the criticism to the fact that they have abandoned the realism of their previous work here for a state of ecstatic acceptance that blinds them to the facts that simply cannot be denied. No student of the Soviet Union can fail to read this book, but no one should read it without carefully taking into account that many of its conclusions are far more doubtful than the faith of its authors would have us believe.

## **b) Arthur Pigou (1936)**

Arthur Pigou (1877-1959), one of the most influential British economists of the first half of the 20th century, a professor at Cambridge University, where he inherited Alfred Marshall's position<sup>68</sup>. The topic of unemployment was one of his favorite themes, having argued with Keynes about the subject. He was never a socialist.

In 1936 Pigou published a long review of the Webbs' book in *The Economic Journal*<sup>69</sup>. Right at the opening, Pigou advances a verdict: the book is "a monument ... written with extraordinary clarity and lived with the ardor of the perennial youth that wins, once again, our enthusiastic gratitude", making then a long quote from final text of the Webbs preface. And he comments that "the book is admirably built ... the arrangement is excellent .., the journey itself is an adventure", before a long summary of the two volumes of the work.

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<sup>68</sup>D. Collard in Rutherford (2004), p. 938-942.

<sup>69</sup>Pigou (1936).

Perhaps with some surprise we read that “the technical efficiency of the Soviet economy is, after all, a secondary issue in relation to the purpose it is made to serve”, highlighting the “enthusiastic development of health services, medical research, healthcare childhood, the benefits of unparalleled motherhood elsewhere, and the huge increase in the number of doctors as community workers”, as well as education services. And the role of science as a cornerstone of the “new Bolshevik world”.

But Pigou regrets the "unfortunate omission of money and credit machinery in the USSR" in the treatment of the Soviet economy, as well as of the relationship between centralized planning of the economy and the banking system. The question of price mechanisms is also referred to: "The present author, who is part of the Western world and believes that he is an economist - perhaps even a deductive economist, if the expression makes sense - confesses his astonishment" before the argument according to which the balance under free competition does not imply maximum satisfaction.

In the end Pigou declares himself incompetent to judge whether the image the Webbs present of the Soviet Union respects its true proportions and whether the colors have the correct degree of brightness. "They speak frankly as admirers of the great constructive work that is being tried there". It may be that your “impressions are overly favorable and your experiences are overly optimistic”. But in the end, we will remember with great gratitude “the splendid service provided to the social sciences”, even though they are part of this “myopic strangeness” group of “western deductive economists”.

The Webbs were especially pleased with Pigou's criticism. When opening a letter to Pigou<sup>70</sup>, they write:

Of course we were delighted with your review of *Soviet Communism* - not least because your very warm and overly appreciative explanation was accompanied by a delicious sense of humor! It is certainly one of the best reviews to “sell” that we have because it makes a description as well as a review of the book. We also agree with one or two of your objections. Events will show whether we overestimate the successes of the USSR.

### **c) New York Times (1936): Florinsky and Thompson**

Michael Florinsky (1894-1981) was professor emeritus of economic history at Columbia University, in the United States, before retiring to Switzerland. He has authored several relevant books on Russia and Europe. Before the USA, he lived in the United Kingdom

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<sup>70</sup>See McKenzie (2008), p. 411, 1 February 1936.

(1921), after the First World War and the seizure of power by the Bolsheviks.<sup>71</sup>

In 1936 he published a review of the Webbs' book in *The New York Times*<sup>72</sup>, where he begins by pointing out a "great number of distortions and completely false statements of facts that are easily verifiable", as well as the omission of others. But he acknowledges that "the monumental work on the Soviet Union is the most auspicious attempt to date, in any language, to interpret the stupendous changes that have taken place in the empire of the tsars during the last fifteen years".

The Webbs' prestige is recognized:

as they approach the end of a long and magnificent life journey, with brilliant results and successes, the Webbs seem to be determined to convince themselves and their readers that they have discovered the living incarnation of the great ideal of social justice that they spent their lives preaching.

But the

Webbs seem to approach the Soviet Union from a very British point of view and deal with the Soviet Union as if it were going to live in that England which is characterized by the rule of law and the fundamental spirit of freedom.

On the other hand,

the communist party receives most of the Webbs' sympathetic attention, although they think it should not be called a party. They prefer to describe it as an order, a camaraderie or even as "a highly organized leadership vocation". "If the party influences or directs individuals or public authorities, it does so only through persuasion." ... The Webbs find it difficult to be consistent with their eulogy of Soviet democracy ... After all, the land of Soviet communism and their new civilization are the utopia of the Fabian dream.

Florinsky's review was not the only one published by the *New York Times at the time*. About a week later he published another review, signed by Ralph Thompson (1904-1979), a journalist and famous regular book critic, who led the operations of the influential American Book of the Month Club since 1951 until his death<sup>73</sup>. Thompson

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<sup>71</sup>Montgomery, P. (1981)

<sup>72</sup>Florinski, M (1936).

<sup>73</sup>Mitgang (1979).

writes that the work "has no rival" and naively points out that

The Webbs believe that modern Russia has developed not only a new civilization but also a valuable, permanent and contagious one ... The book could prove the zeal and diligence of young researchers, but as the work of people well over 70 years old it is an unbelievable performance. ... I have no reason to doubt that the Webbs applied the same qualities to their Soviet investigations that made them well known as the most reliable and well-trained investigators we have. If they are unable to give us an undistorted image, no one can.<sup>74</sup>

But the reality does not seem to be so. Thomson first points out the contradictions with a book recently published<sup>75</sup> with testimony of the experience of working in a Soviet factory and the "unpleasant consequences of living in a regimented society" and the Webbs "have difficulty proving that there is no dictatorship in the USSR". Thompson raises some serious questions about the association of violence and the Soviet regime: Isn't

a nation that cannot, by relatively peaceful methods, overthrow a set of rulers (or rascals, if they prefer) in favor of an entirely different set? Isn't it true that the Webbs recognize that "Stalin will remain in his leadership position as long as he wants to do so, save for a revolution or murder"?

Then Thompson suggests the ascendancy of a new upper class based on the communist party and asks: how is it that the Webbs are so sure that a voluntary limit on personal income has been "consistently observed" by "all members of the communist party?"

#### **d) William Beveridge (1936)**

William Beveridge (1879-1963), economist, had worked with the Webbs on issues of social support and unemployment during the first decade of the 20th century. It was also the Webbs who later chose him to lead the London School of Economics in 1919, where he stayed for almost twenty years until 1937. Next to the Fabians, he underwent governmental activities during World War II. His later works on unemployment became famous and had great popular support, in particular his 1944 report in which he

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<sup>74</sup>Thompson (1936).

<sup>75</sup>Smith and Smith (1936).

defended a Keynesian policy of fiscal regulation<sup>76</sup>. Beveridge's thinking was important for the discussion of public policies of the so-called “radical program” of the Liberal Party, the party he joined in 1944<sup>77</sup>.

In 1936 Beveridge then led the LSE, where he had internal conflicts<sup>78</sup> with a wing to the left where Laski and Lionel Robbins predominated, which Beveridge tried to make up for with a group closer to Hayek. It was at that time that he wrote a critical review of the Webbs book, published in *Political Quarterly*<sup>79</sup>. Beveridge's review is not very laudatory and more critical, dismantling ideas made in the evaluation of the Soviet experience. Unlike Polanyi, he does not seek to argue with contradictions or inconsistencies throughout the text. More than a critique of the Webbs' work, Beveridge's revision itself is a critique of the Soviet system based on the contents of the book.

About the book itself, Beveridge makes an assessment at the end of the essay. Although he regrets that relevant aspects have been ignored, he does not consider this to be essential:

Soviet leaders presented the world with the first large-scale experience of substantially complete socialism and the Webbs provided us with a first large-scale description of that experience. The experience cannot be ignored or its description set aside just because most Britons found it indefensible.

At the beginning of the essay he clarifies that the book is not a “work of decline”, given the age of the authors, but rather a “record of an exploration” in which the Webbs found “a new inspiration with a new subject”.

In the first part, Beveridge argues that the Russian experience can be seen as a set of revolutions in parallel, with different rhythms and depths and with obvious interconnections between them: a technical revolution (industrialization, nothing new), an economic revolution (without exploitation or speculation or price mechanisms as

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<sup>76</sup>Polanyi discusses the report in *Full Employment and Free Trade* (1945), ch. 5.

<sup>77</sup>Sloman (2015), p. 149-159.

<sup>78</sup>Ebenstein (2004). For a biography of Beveridge, see Harris (1997) where he points out that in the last years of his life Beveridge got closer to the Webbs, becoming more intimate during the years when they were preparing the book on Soviet communism. It is worth mentioning the presence of Beveridge in the celebrations reported by Udy (2017) when the book was published.

<sup>79</sup>Beveridge (1936). *Political Quarterly* had also been founded by the Fabians in 1930, looking for a more academic and intellectual audience than *The New Statesman*. Beveridge was one of the co-founders. The newspaper was intended to be a forum for discussing political and social issues from a progressive point of view.

production guides - a novelty), a political revolution (a novelty, without parliamentary democracy and with communist party leadership), a religious revolution (negative: dogmatic atheism) and a domestic revolution (new family organization and responsibilities for children).

Beveridge then chooses to focus only on the economic revolution, where he finds positive and negative aspects in a "new form of social organization that does not correspond exactly to any theory of the past". The economic discussion has frequent points of contact with Polanyi's analysis of the Soviet economy, published at roughly the same time as the Webbs book<sup>80</sup>. Beveridge points out that the book ignores the question of how to know which production lines best satisfy consumers and even the selection of facilities and processes to use. Or the issue of financial and currency problems. Or the question of price formation. He concludes that "substantially, Soviet leaders, as described by the Webbs, ignore the economic problem as it is understood by professional economists":

The Webbs ... are not concerned in these volumes with proving their views by statistics. The objective they set out to do was to describe the Soviet institutions and their purposes and not a strict assessment of their results in terms of human well-being. Nothing in the two volumes serves to show the standard of living for any group of Soviet citizens; no statistics of real or monetary wages or of their movements from year to year, of total or per capita production, of the consumption of basic necessities or for comfort, of housing and accommodation, etc.

Beveridge's comments on the unemployment issue are also similar to Polanyi's:

The Webbs attribute freedom from mass unemployment, which they claim for the Soviet system, to the universal distribution of "effective demand" among consumers. It can be suggested that the demand that is most efficient today to solve unemployment in Russia today is that of the State, for investment and defense. With the government's unlimited demand for labor, without regard to costs, even in capitalist societies mass unemployment can be abolished - as in wartime. It is abolished by giving up on discovering the most advantageous uses of the country's productive powers through economic calculation and prices.

In this sense, Soviet leaders solved the problem of unemployment, but sacrificing the

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<sup>80</sup>Polanyi (1935).

most important problem of efficient use of resources.

Beveridge also protests that there is nothing in the book to show "whether the economic system is being doped or not by perpetual inflation". Polanyi would be in agreement.

In turn, Beveridge's remarks on wages and work are in line with Citrine's during his visit to Russia<sup>81</sup>. On the one hand, the fundamental principle of remuneration for work is "piecemeal", aggressive and, on the other hand, the Soviet unions "have nothing in common with British unions, being rather parts of the government machine under centralized control"

### **e) Redvers Opie (1936)**

Redvers Opie (1900-1984), a British economist, taught at Oxford and worked with Keynes in the British delegation to the Bretton Woods talks, from which the International Monetary Fund and the World Bank later emerged. One of his most famous works was the English translation of the book, now much quoted, by Joseph Schumpeter on economic development theory, which Schumpeter had published in German more than twenty years earlier<sup>82</sup>. At that time, the book was received coldly and even with some hostility<sup>83</sup>. In the preface to the English edition, Schumpeter thanks Opie: "who with infinite and unparalleled patience put his shoulders to the arduous task of translating a text that proved to be very refractory"<sup>84</sup>.

In late 1936 Opie published a critical review of the Webbs' book in the *Quarterly Journal of Economics*<sup>85</sup> where he says it is "an amazing book ... very useful and a careful review of a very vast body of literature", but points out that "the equipment technical information about economics that Webbs bring to the investigation is not adequate for their purposes - and this is a more serious problem "(than any translation problems). Opie's long criticism focuses on these aspects.

Opie spoke Russian and had himself visited the USSR in 1929 and in 1932<sup>86</sup> and made his own observations, which he uses throughout the text. For example, the level of inequalities in income from work: the Webbs report that it was discovered that it was

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<sup>81</sup>Citrine (1938).

<sup>82</sup>Schumpeter (1911) and Schumpeter (1934).

<sup>83</sup>Swedberg (1991) p. 39-40.

<sup>84</sup>Schumpeter (1934), preface to the English edition, p. xii.

<sup>85</sup>Opie (1936).

<sup>86</sup>Opie traveled in 1932 as part of a mission organized by the New Fabian Research Bureau, in which other laborers participated, including Hugh Dalton. The trip took place between July and August 1932 and will have contributed to reinforce the interest of labor in the potential of central planning in the economy (despite the growing concern with Stalin's practices) (Toye, 2003, p. 57).

necessary to pay work for its “social value”, which Opie comments as “the new name found for relative scarcity” [of supply of labor]. Opie estimates that the range of incomes of the Soviets is 10: 1, but highlights the difficulty of using a fact like this, as monetary incomes do not mean the same in the United Kingdom or the USSR, which is ignored by Webbs who, according to Opie, make incomprehensible claims in light of what economic science knows about British income distribution.

The Webbs also do not take seriously the measure of variations in the “national dividend” (where agricultural production is especially important in Russia):

In the problematic issue of the reorganization of agriculture, the Webbs no longer have any pretension that the novelty is in the most important purpose. than in the method of organization: while the objective is to achieve the same type of agricultural technique as in capitalist countries, the method of organization - collective farms - is completely different.

In a footnote, Opie makes a relevant comparison of his personal experience in visits from 1929 and 1932. Under the first, he stresses the ease he found to talk to economists and discuss his most important topic - the issue of price formation. He did not find theoretical literature, but only "descriptive studies". But when he returned in 1932, conditions were very different. The economists I spoke to three years ago had all disappeared from the scene and the new interlocutors did not seem to have a common language with Opie, despite all the facilities that were offered to him to speak with Soviet officials: I

did not find a single person who understood that. I did not even look for any literature related to the subject. I was convinced that the type of study that professional economists can usefully do will have to wait for the appearance of an academic tradition that foreigners can share. A useful participation of foreigners depends on the possibility of visiting the USSR with the same type of ease and freedom, as well as living under the same conditions conducive to academic study that prevail in other countries. Until that happens, the [Webbs] complaint that "Western economists" are not actively interested in Russia has no legitimacy.

#### **f) Leon Trotsky (1937)**

Trotsky had been expelled from the USSR to Turkey in late January 1929, after the 15th congress declared his views incompatible with the party. Many of his neighbors

renounced their views and were integrated, but others were the object of terror and Stalinist purges during the 1930s (Trotsky was sentenced to death *in absentia*). In 1933 Trotsky went to France and in 1935 to Norway, in increasingly difficult conditions, until he was put on a tanker bound for Mexico in 1937. It was during his exile in Norway that Trotsky wrote *The Revolution Betrayed*<sup>87</sup>, a critic blunt to the USSR under Stalin controlled by an undemocratic bureaucracy, a year before supporting the founding of the Fourth International. For Trotsky, one of the two: either this bureaucracy was deposed by the proletariat to restore the ideal of a workers' democracy or it degenerated into a capitalist class.

Trotsky dedicates a part of the appendix of his book *The Revolution Betrayed* to the "literature of the official" friends "of the Soviet regime", using the Webbs' work as an exemplary case ("the most precious contribution"):

Instead of reporting what was achieved and the direction in which it was achieved, the authors explain beforehand what they contemplated, what was indicated to them by government agencies or exposed in the laws. Its conclusion is: when the projects, plans and laws are fulfilled, then communism will have been realized in the USSR. This is the content of this depressing book, which reorganizes government reports and birthday articles published by the Moscow press.

But friendship with the Soviet bureaucracy is not the same as friendship with the proletarian revolution. On the contrary, it is insurance against it. The Webbs are ready to recognize that the communist system will one day extend to the rest of the world.

Trotsky accuses the Webbs of confusing the reality of the Soviet regime and society with the projects, plans and laws of the ministries in Moscow, in a "depressing" book that "reduces the social reality of the Soviet Union only to administrative mechanisms and bureaucratic plans".

It recalls Lenin's passionate hostility towards British Fabians and does not leave out a personal attack on Fabian elites who "never gave up anything". Trotsky does not skimp on attacks on the Webbs, especially Sidney:

The same people who during the war supported their bourgeoisie but who later accepted the title of Lord Passfield from the hands of the king never renounced anything and changed nothing by joining communism in one country

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<sup>87</sup>Trotsky (1937).

, foreign to the top. Sidney Webb was minister of the colonies - that is, the top leader of the arrests of the British Empire - precisely attime when it approached the Soviet bureaucracy and on which organized the compilation of the two volumes

And again:

By 1923 the Webbs found no difference between Bolshevism and Tsarism (see, for example, *The Decay of Capitalist Civilization*, 1923). But now they have completely reorganized the “democracy” of the Stalin regime. There is no need to point out the contradictions. The Fabians were outraged when the revolutionary proletariat withdrew freedom from "educated" society, but now they feel it is right for bureaucracy to take freedom away from the proletariat. But hasn't that always been a function of labor bureaucracy? The Webbs swear, for example, that criticism in the USSR is completely free. Of course, we cannot expect a sense of humor from these people.

And even more:

Neither Engels nor Lenin considered the Webbs to be naïve. Perhaps respectable. Nevertheless, it is a matter of a respectable regime and respectable guests. With their attitude, the Webbs extremely disapprove of all Marxist criticism of what exists. They are called to preserve the legacy of the October revolution in relation to leftist opposition. For the sake of integrity, we recall that in the Labor government, in which Lord Passfield (Sidney Webb) had a portfolio, he refused the author of this work a visa to enter the United Kingdom. So Sidney Webb, who was working on his book on the Soviet Union in those same days, is theoretically defending the Soviet Union but, in practice, he is defending His Majesty's empire. We can fairly say that in both cases you are being consistent with yourself.

And he concludes:

For a lot of petty bourgeoisie ... a "friendship" officially registered with the Soviet Union is a kind of "certificate of high spiritual interests" that makes it possible to "live two lives at the same time: one everyday life in one circle of common interests and a vacation life evaluating your soul. From time to time,

"friends" visit Moscow. To record their memories of tractors, nurseries, pioneers, parades, young girls parachutists - in a word, everything comes except the new aristocracy.

### **g) Bernard Shaw**

Bernard Shaw (1859-1950) was a Nobel Prize winner for literature (1925) and is considered one of the great playwrights of the English language. A long-winded, controversial author, he played an important role in the Fabian Society, having been one of the Webbs' closest friends throughout his life. In spite of this, he moved away from the gradualism of the Fabians during the 1920s and approached more radical and authoritarian solutions, both communist and fascist.

In the summer of 1931 Shaw visited the USSR with other Fabians for two weeks. Stalin granted him a two-hour interview. A reconstitution of the trip is made by Harry Geduld in the introduction he wrote as editor of the manuscript of *The rationalization of Russia*<sup>88</sup>, written by Shaw during a stay in South Africa in 1934. Shaw did not want a trip with stops, receptions or banquets, but that is not exactly what happened and ended up seeing what they wanted to show you, according to a standardized program for this type of visitors. Despite this, he had the opportunity to surprise with his unorthodox comments at public meetings<sup>89</sup> without ever neglecting to defend the Soviet experience. At the end of the visit, before taking the return train, via Warsaw, he wrote in a farewell note:

There is no country more interesting to visit in the world today than the Soviet Union and I found that traveling there is perfectly safe and pleasant. ... Being in a country where there are no ladies or gentlemen, but everyone is a friend, it is as rare as it is refreshing ... Tomorrow I leave this land of hope and return to our desperate western countries ”<sup>90</sup>

Shaw will never have finished the manuscript and used then several of the ideas in other works. The text, which was only published in 1964, is above all a text of political philosophy and political history, without ever dealing with the journey itself.

But on his return to the United Kingdom he declared that

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<sup>88</sup>Shaw (1964).

<sup>89</sup>For example: "The more proletarians I see, the more I thank God that I am not one" (p. 21); "I suppose it is just a single horse in the race because there is no competition in a socialist state", when I was going to see a horse race in Moscow (p. 27).

<sup>90</sup>Shaw (1964), p. 31.

Soviet communism and Fabian socialism are the same thing: I have preached socialism my whole political life and we have at least one country here that established socialism and that definitely made socialism the basis of the entire political system ... The socialism that was established and is being developed in Russia is Fabian socialism<sup>91</sup>

With other visitors to the USSR<sup>92</sup>, Shaw was then the first subscriber to a letter to the editor of *The Manchester Guardian* in which he defends the social conditions in Russia. The text is very illustrative of the themes of the debate about the Soviet experience in British reality, even before the publication of the Webbs book:

Rising unemployment and the failure of private capital to deal with it, in the rest of the world, is causing people of all classes and parties look to the progress of the Soviet Union with increasing interest. ...

Particularly offensive and ridiculous is the rebirth of old attempts to represent the condition of Russian workers as being of slavery and hunger, the five-year plan as a failure, the new companies as bankrupt and the communist regime as being reeling towards their fall. ...

We, the undersigned, are recent visitors to the USSR. Some of us have traveled through most of their civilized territory. We want to register that, nowhere, we have seen evidence of such economic slavery, deprivation, unemployment and despair for better conditions, as they are accepted as inevitable and ignored by the press as having no "news interest" in our countries. Everywhere we saw an enthusiastic working class, with respect for itself, freed from the limits imposed by nature and the terrible inheritance of the tyranny and incompetence of its previous rulers, to develop public works, to increase health services, to expand education, achieving the economic independence of women and the safety of children and - despite the multiple difficulties and serious errors that all social experiences involve in the beginning (and which they never hid or denied) - setting an example of industry and conduct that very it would enrich us if our system gave workers an incentive to follow it<sup>93</sup>.

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<sup>91</sup>See Udy (2017).

<sup>92</sup>Interestingly, the Webbs do not appear as subscribers to the letter, although they too have already visited the USSR by that time. But they probably would not have had many doubts about joining the letter.

<sup>93</sup>Shaw et al., "Social conditions in Russia. Recent visitor's tribute ", Letter to the editor, *The Manchester*

Shaw wrote an apologetic review of the Webbs' books, published in 1937 in magazine *Left News*<sup>94</sup> and aimed especially at Left Book Club readers, whose ("new and revised") edition Shaw goes through.

For Shaw, the challenge of understanding communism could only be up to the Webbs - "and only them, across the land". Only they "were qualified by a long and arduous apprenticeship" to get their hands on such a work that "rejuvenated them, instead of crushing them":

They rushed to Russia and got to work without a moment's hesitation. They knew where to go and the questions to ask and what to see. No Russian would have that knowledge. They went, saw and asked. They discovered a new civilization ... They understood everything and disentangled the many surprising aspects of the social structure, quite new to the world, which grew almost spontaneously in a society relieved of the pressure of what we call property and which we increasingly understand is a simple theft .

The result of the Webbs' work is, according to Shaw,

absolutely unique as a synopsis and interpretation of this new Russia, which is much more than Russia. No one who has not read it should be allowed to write about Russia, because without this background work, nothing that happens there is really intelligible.

Would Bernard Shaw write again about *Soviet Communism: a new civilization*? a few years later, in the essay he wrote for the opening of *The Truth about Soviet Russia*<sup>95</sup>, the last book published by Sidney and Beatrice Webb, which we will discuss later.

## **h) JM Keynes**

John Maynard Keynes visited the Soviet "experience" in September 1925, shortly after his marriage to ballerina Lydia Lopokova. He returned later in 1928. Keynes (1883-1946) was one of the most influential British economists of the 20th century, especially in the period between the two world wars. His ideas have revolutionized much of economic thought and public policy, and have even created macroeconomics. With a

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Guardian, March 2, 1933.

<sup>94</sup>Tyson (1996), p. 485-487.

<sup>95</sup>Webb (1942).

controversial personal life, Keynes has always had strong artistic and literary interests. Politically affiliated with the Liberal Party until 1939, he was always close to progressive themes<sup>96</sup>. He was a friend of the Webbs and the Fabians<sup>97</sup>.

On his first visit to the USSR he represented the University of Cambridge at the bicentenary celebrations of the Academy of Sciences in Leningrad (heir to the former Imperial Academy in St. Petersburg)<sup>98</sup>. Following that visit, Keynes published a set of three essays in the *Nation and Athenaeum*<sup>99</sup>, shortly after his return. Keynes' three articles aroused the interest of other journals. The *Daily Express* asked if Keynes would be interested in writing a series to be published by the newspaper and that "it would allow him to reach the large masses of public"<sup>100</sup>. American publication *The New Republic* also expressed interest: "Your assessment of what the Soviets have done in Russia ... is much more lucid than any other ..." and asks if Keynes had "plans for its publication as a pamphlet ". But it was Hogarth Press's interest<sup>101</sup> that prevailed<sup>102</sup>. Hogarth Press offered itself as an agent for the rights of articles in the United States through a 10% commission<sup>103</sup>. This is how a 27-page pamphlet edited by Leonard and Virginia Woolf entitled "A short view of Russia" is published<sup>104</sup>, which was later partly included in *Essays on Persuasion*<sup>105</sup>.

Keynes's essay says little about the visit itself. It is above all a conceptual essay on the

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<sup>96</sup>For a biography of Keynes, see Skidelsky (2005) or Harrod (1951).

<sup>97</sup>In the Webbs' correspondence (Mackenzie, vol. 3, 2008) several letters appear to Keynes between 1915 and 1931. For an analysis of the influence of the Webbs and Keynes in British economic policy in the period between the two wars, see Warner (1966).

<sup>98</sup>A letter from the perpetual secretary of the Russian Academy of Sciences expresses his gratitude to Keynes for his intention to be present at the celebrations and adds that "Keynes is certainly very well known among us" (25 June 1925, RV / 1/3). A few days later the party program arrived, in French (5-10 September in Leningrad, 11-14 September in Moscow) (RV / 1/4).

<sup>99</sup>October 10, 17 and 25, 1925. *Nation and Athenaeum*: British weekly linked to the Liberal Party, founded in 1921 and acquired by a group led by Keynes in 1923. In 1931 it merged with the *New Statesman* giving rise to the *New Statesman and Nation*, which lasted until 1964.

<sup>100</sup>Letter from A. Baxter to J. Keynes, 3 November 1925 (RV / 1/26).

<sup>101</sup>Hogarth Press was founded in 1913 by Leonard and Virginia Woolf and was influential in publishing modernist authors. Keynes and the Woolfs both belonged to the informal group commonly called the Bloomsbury group (Southworth, 2010).

<sup>102</sup>The contract signed by Leonard Woolf and Keynes provided royalties of 15% for the first 1500 copies and 20% for subsequent copies, with an advance of £ 10 payable on the day of publication. Keynes was also entitled to purchase copies at 1/3 of the sale price (RV / 1/71). On November 18 Keynes received the evidence (RV / 1/79).

<sup>103</sup>Letter from Hogarth Press, London, RV / 1/76.

<sup>104</sup>Keynes (1925).

<sup>105</sup>Keynes (1931), ch. 1 of part IV (policy). Includes chapters I and II of the original essay.

nature of communism. But Keynes reports that traveling in Lenin's USSR gave him, on the one hand, a feeling of progressive oppression and lack of freedom ("I never felt so completely strange in a strange land") and, on the other hand, a feeling of exaltation ("at certain moments it is felt that here is the laboratory of life, despite poverty, stupidity and oppression) ". Refusing to attach an economic value to Soviet communism (he did not "make any contribution with intellectual interest or scientific value to our economic problems"), Keynes argues that Leninist communism needs, above all, to be seen as a religion that seeks to introduce a new social order on earth.

The effect of these social changes was, I think, to bring about a real change in the prevailing attitude towards money, which is likely to be even greater when a new generation, which has not experienced any of this, has grown. ... A society in which this is true, at least partially, is a tremendous innovation.

Keynes speculates that a utopia pursued with "intense religious fervor" and adds that "if communism is successful, it will be like a religion, not a better economic technique".

In June 1936 Keynes commented on the Webbs' book in a BBC radio broadcast, a program on "books and authors" where he recommended the work to his listeners: "a work that every serious citizen will do well to examine":

Until recently, the events in Russia they were moving too fast and the gap between paper statements and real achievements was too great for an appropriate narrative to be possible. But the new system is now sufficiently crystallized to be reviewed. The result is impressive. Russian innovators not only moved beyond the revolutionary stage, but also the doctrinal stage. Little or nothing remains that has a special relationship with Marx and Marxism as distinct from other systems of socialism. They are engaged in a vast administrative work to build a completely new set of successful social and economic institutions in a territory so vast that it covers one sixth of the world's land surface ...

Methods are still changing rapidly in response to experience. A case of empiricism and experimentalism is underway on a scale never attempted by disinterested managers. In the meantime, Webbs allow us to see the direction in which things seem to be moving and how far they have managed to go. ... leave me with a deep desire and hope that in our country it will be possible to discover how to combine unlimited readiness to experience changes in political and economic methods and institutions while preserving traditionalism and a

kind of careful conservatism, frugal in everything that has the human experience behind it and in all branches of feelings and action<sup>106</sup>

## **7. TRUTH AND PROPAGANDA (POLANYI, 1936)**

Most of the essay is dedicated to dismantling the contradictions and inconsistencies in the Webb's book. But the first part of Polanyi's essay is an important introduction to the dictatorial use of the democratic machine - how a dictatorship associates and takes advantage of democratic practices through police violence with arbitrary powers, creating a climate of terror and subjection over citizens<sup>107</sup>. Polanyi concludes that "the use of the democratic machine for the subjection of people thus seems to depend, in the last instance, on the terror of the police".

This perversion of democracy can take many different forms, such as the extension of the public sphere to traditional areas of private life and, especially, the use of the electoral machine of democracy to, through "persuasion, surveillance and intimidation", manage to transform these acts into rituals deprived of loyalty, which then translate into an almost unanimous vote cast (a result that in genuine democracies is hardly credible).

The democratic right to assemble and demonstrate is also unilaterally manipulated and used to promote extensive public rituals of loyalty. Large collective demonstrations are used as powerful conditioning and propaganda tools. Indeed, propaganda activities became increasingly important in the dictatorships after the First World War.

According to Polanyi, the Webbs' description of the Soviet political system traces a "monumental" image of Soviet public life based on:

- a powerful and free democracy,
- with millions of democratic meetings and discussions of everything, for everything and everyone,
- and votes of almost one hundred percent unanimity,
- in an enthusiastic climate of apparent full freedom,

in support of the Soviet model and its institutions and freedoms.

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<sup>106</sup>As mentioned by Raico (2008).

<sup>107</sup>Interestingly, Beatrice Webb would have agreed with Polanyi, a few years earlier. In 1928 she wrote in her diary that Lenin's success in implementing communism was due to an "underground manipulation of the democratic machine" (quoted by Morgan (2006), p. 14).

We believe that this argument about the use of democracy by the dictatorship (for non-democratic purposes, therefore) is a first outing of a theme that Polanyi will continue to address in a progressive and evolutionary manner over the following decades. Later Polanyi will write about “the moral force of immorality”<sup>108</sup> in totalitarian regimes - an obvious but more sophisticated evolution from the initial argument of the 1936 essay.

Now for Polanyi, who was reasonably familiar with Soviet reality, from his own experience and from the study of Soviet texts, this description was not true and the Webbs' thesis was a great fallacy. Polanyi's final thesis is that, under the cover of the intellectual rigor of prestigious protagonists of the social sciences, after all the two so-called monumental volumes of the work are, above all, a propaganda work. But the difference between truth and advertising can be subtle. Almost the entire work is a reproduction of Soviet texts. That is why “literally no detail of this description [of the legal structure of the political system] is incorrect”<sup>109</sup> from a formal point of view - although later on it also says that the book is factually defective and “a catalog of unrelated items”. But the reality of life in Soviet society was quite different from its legal formalism. To confuse the two is, for Polanyi, to confuse truth and propaganda.

One cannot help but recognize the timeliness at the end of the essay when Polanyi writes that many “do not believe the truth and, among those who believe, few consider it correct to tell the truth, regardless of its political consequences”.

The truth can only be imposed on propaganda if intellectuals choose to defend unshakably the truth. That is why Polanyi treats the Webbs' book from the side of factuality and truth about the reality of Soviet communism.

Before finishing, Polanyi also deals with two points. First, who really governs the country of the Soviets? The conclusion is that it is the communist party, under the orders of its central committee, which, in turn, is dominated by Stalin's indisputable power, with the argument of the proletarian dictatorship sustained in the use of force.

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<sup>108</sup>Polanyi, *Personal Knowledge* (trad. E. Beira, 2013), p. 233. See chap. 7 (User-friendliness), section 11 (The magic of Marxism). This text had originally been published as part of the Science and Freedom newsletter of the committee on Science and Freedom, chaired by Polanyi, of the Congress for Cultural Freedom. The version published in that bulletin included a second part that was not included in *Personal Knowledge* (The next step in history. An appeal for intellectual cooperation). See translation in Beira (2019).

<sup>109</sup>This is a central theme of the later correspondence between Polanyi and Sidney Webb (see section 4).

Polanyi comments that a description based on these facts would be much more consistent and intelligible than to submerge the facts "in a torrent of arguments about freedom and democracy", as the Webbs did.

Second: the socialist economic system, which Polanyi considered impossible to understand until it was clear how prices and production are fixed, a matter about which the Webbs do not provide any clear explanation.

For Polanyi it is, above all, a question between the Soviet regime and the truth and about the role of truth in the life of communities. Now the theme of discovering the truth seems to him to be, in reality, what prevents a response to the Webbs' final call for Western economists to be interested in the study of Soviet economics.

Polanyi's interest in daring to know the truth justifies his criticism of the Webbs. As he wrote in a letter from 1941, two years after the publication of the essay "Truth and propaganda", for physicist Patrick Beckett (Nobel Prize in Physics in 1948 and then one of the most prominent British "red intellectuals"):

In the past I have given myself to the job of searching for the truth about Soviet Russia and I will be equally interested in recognizing it in the future. ... I dare say that if you and your friends had been so insistent on discovering the truth about the Soviet experience, as I did myself, we could now face the future in a different world of mutual trust.<sup>110</sup>

## **ANNEX**

### **THE WEBBS (1923-1947): A SUMMARY CHRONOLOGY**

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<sup>110</sup>PRC (4.7) Letter from Michael Polanyi to Patrick Blackett, October 28, 1941.

The following chronology covers only the years after 1912<sup>111</sup>. At that time the Webbs were over 50 years old and a good part of their intellectual production and their social and political influence was already well established. Even for these years only the most relevant publications are included, far from being exhaustive<sup>112</sup>.

## **1912**

Beatrice is elected to the Fabian Society executive<sup>113</sup> and becomes a dominant figure who sets up the study department and promotes a national campaign for the minimum wage.

## **1913**

Launch of the *New Statesman*.

Sidney and Beatrice Webb Publication: *English Local Government, vol. V - The Story of the King's Highway*.

## **1914**

Sidney joins the War Emergency Workers Committee.

Sidney Webb's publication: *The War and the Workers: handbook of some immediate measures to prevent unemployment and relieve distress*

## **1916**

Sidney becomes a member of the Labor Party executive and begins to prepare Labor's goals for the postwar period.

Sidney Webb and Arnold Freeman: *Great Britain after the War*.

## **1917**

Beatrice is appointed to the Reconstruction Committee, where she addresses social issues and retrieves Poor Law's proposals<sup>114</sup>. Sidney participates in the group leading the new

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<sup>111</sup>It collects several sources, but it was partly inspired by the chronology proposed by Mackenzie (2008).

<sup>112</sup>For a complete bibliography of Webbs, "Webbs on the web" in the LSE Digital Library ([webbs.library.lse.ac.uk](http://webbs.library.lse.ac.uk)) is recommended. After the Webb's death, several Beatrice books were published, including several diaries (the diaries are now digitized on the LSE website). Radice (1984) also includes a good listing of Beatrice and Sidney's books and pamphlets, individually or together (p. 333-335).

<sup>113</sup>Fabian Society: founded in 1884, society still functions today and is relevant (see [fabians.org.uk](http://fabians.org.uk)), continuing to assert itself as "the vanguard of the development of political ideas on the left over the past 130 years". He played a fundamental role in affirming a socialist alternative, based on a gradual social change by progressive measures and was one of the founders of the Labor Party (in 1900). The Webbs were perhaps their most important activists, despite the extraordinary set of protagonists who passed through there.

<sup>114</sup>Poor Law: a set of British laws on social support for the poor, from the 16th century on, which were in

reorganization of the labor party.

Sidney and Beatrice Webb's publication: *The Works Manager To-Day*; Sidney Webb: *When Peace Comes*

## **1918**

Sidney runs for election as a labor candidate from the University of London (came in second) and prepares labor policies on work and the new social order.

Several Fabian intellectuals nominated for key positions on various Labor Party Advisory Committee. Beatriz prepares a report in favor of equal pay for the Committee on Women in Industry.

Sidney Webb's publication: *The Reform of the House of Lords*; Beatrice Webb: *The Abolition of the Poor Law*.

## **1919**

Sidney is one of three miners' representatives on the Sankey commission<sup>115</sup> and takes first place in a poll for the labor executive.

Sidney Webb's publication: *The Teacher in Politics*; Sidney Webb: *National Finances and a Levy on Capital*; Beatrice Webb: *Wages of Men and Women: Should they be equal?*

## **1920**

Sidney is designated a labor candidate by Seaham Harbor.

Sidney and Beatrice Webb Publication: *A Constitution for the Socialist Commonwealth of Great Britain*; Sidney and Beatrice Webb: *The Consumers' Cooperative Movement*

## **1921**

Beatriz forms the Half Circle Club for the wives of labor politicians.

Sidney Webb's publication: *The Story of the Durham Miners, 1662-1921*.

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force until the social support system created after the Second World War.

<sup>115</sup>Sankey Commission: commission appointed by the British Parliament following the Coal Industry Commission Act 1919, led by Justice Sankey, to assess the future of the mining industry, including working conditions and safety. Sidney was one of three economists on the commission, which also included members of industry and unions. The commission was unable to reach consensus and ended up proposing only possible scenarios, including complete nationalization.

## **1922**

Sidney elected to Parliament.

Sidney and Beatrice Webb Publication: *English Local Government: vol IV - Statutory Authorities for Special Purposes*; Sidney and Beatrice Webb: *English Local Government: vol VI -English Prisons Under Local Government*.

## **1923**

The Webbs acquire Passfield Corner<sup>116</sup> for a country residence. Sidney and Beatrice Webb: *The Decay of Capitalist Civilization*.

## **1924**

Sidney enters the first Labor government as chairman of the Board of Trade. The University of Edinburgh gives Beatrice an honorary degree. Sidney organizes the electoral manifesto of the labor party, which, however, is defeated in the elections.

## **1926**

The Webbs oppose the general strike and criticize the miners' union's intransigence. The University of Munich awards an honorary degree to the Webbs.

Beatrice Webb: *My Apprenticeship*.

## **1927**

Sidney and Beatrice Webb: *English Local Government, vols VII-IX- English Poor Law History*.

## **1929**

The labor party wins the elections and forms a minority government. Sidney enters the government as responsible for the colonies and becomes Lord Passfield (but Beatrice refuses to use the title).

Sidney Webb's publication: *The Local Government Act, 1929 - how to make the best of it*.

## **1930**

Sidney responsible for drafting the White Paper on Palestine

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<sup>116</sup>in Southampton, in the south of England.

**1931**

Labor government falls in the wake of the financial crisis. Beatriz starts a friendship with the Soviet ambassador (Sokolnikov<sup>117</sup>).

Beatrice Webb's publication: *A new Reform Bill*.

**1932**

The Webbs visit the USSR in May and June looking for material for their book.

Sidney and Beatrice Webb: *Methods of Social Study*.

**1933**

Beatriz's severe kidney disease.

**1934**

Sidney visits the USSR again

**1935**

Sidney and Beatrice Webb: *Soviet Communism: A New Civilization?*

**1936**

Beatriz assumes the public defense of political purges meanwhile initiated in the USSR

**1937**

Webbs "retirement" party at Passfield Corner.

**1938**

An attack leaves Sidney unable to work. Beatriz takes on the honorary post of president of the society resulting from the merger of the Fabian Society and the New Fabian

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<sup>117</sup>G. Sokolnikov (1888-1939), Soviet politician, was USSR ambassador to the United Kingdom between 1929 and 1932. He was arrested in 1937 in the great Stalinist purge and sentenced to ten years in prison, where he was assassinated in 1939. His successor as London's ambassador was Ivan Maisky, from 1932 to 1943. He, too, was a friend and a frequent visitor to the Webbs, having played an important role in the preparation of the Webbs' book (1935) on Soviet communism. Both ambassadors appear several times mentioned in Beatrice Webb's diaries. Maisky also makes multiple references to Webbs in his memoirs (Maisky et al, 2017). Maisky also had problems after returning from London, including being arrested and convicted of alleged espionage in 1953, shortly before Stalin's death. It was later rehabilitated, as was Sokolnikov.

Research Bureau<sup>118</sup>.

**1941**

Publication of a new edition (2nd): Sidney and Beatrice Webb: *Soviet Communism: A New Civilization*.

**1942**

Publication by Beatrice Webb: *The Truth About Soviet Russia*.

**1943**

Death of Beatriz.

**1944**

Publication of a new edition (3rd): Sidney and Beatrice Webb: *Soviet Communism: A New Civilization*.

**1947**

Sidney's death<sup>119</sup>.

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<sup>118</sup>The New Fabian Research Bureau had been created in 1931 by several social democrats and later reinstated with the Fabian Society.

<sup>119</sup>The remains of the Webbs were initially deposited in the gardens of the house (Passfield Corner) and later moved to Westminster Abbey, thanks to the efforts of Bernard Shaw.

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