Dear Raya,

Oct. 17, 1966

Your analysis is of course quite magnificent. It makes clearer in my mind why we do not "stress" economics but rather keep trying to break down the door of philosophy.

The question as I see it is--where does the state capitalist theory arise from. The methodology here seems all important. Bukarin sees it as merely an enlargement of monopoly capitalism, which may be true in the sence of Marx saying concentration in the hands of one single capitalist or capitalist corporation, but it wrong because it ignores the concrete of his own period--a workers' state being born and its relationship to state capitalism. Lenin on the other hand immediately grasps the essence of state capitalism for his time--as a threat to the workers state. He poses the population to a man and going lower and deeper as ways to combat it. Lenin looks for ways to oppose it while Bukharin seeks workers accomodation to it.

Now when we come to our age, first the late 30's and 40', we see the development of a state capitalist theory after 20 years of the Russian state. It is developed by Tony Cliff, by yourself and later by Tushima. But here again the question is--what is the method whereby one develops such a theory. For you, it was related to the workers' resistance. What was it for Cliff? I do not know but I think that this point is as important as the statement of the theory. For even where the theory is correct, the question has to be asked--how has the theoretican checked himself? What is he basing himself on? Thus a brillent economist might arrive at state capitalism based purely on economics, but what would it mean. Again I donot know how Cliff arrived at S=C but what seems interesting is that he can be for Mao over Formosa and can wave an NLF flag at demonstrations.

--With 1956 and Hungry it is again a question of methodology for ones arrival at a state-capitalist theory, otherwise the essence of the Hungrarian Revolution is lost. I am sure Cliff and other state capitalist could point to the Revolution and say--see this re-enforces my theory. But do they know why? Do they see it not just as opposition to Russia but rather as workers' councils as a new form for fighting state capitalism as "decentralization of state power?"

It seems to me that your greatest contribution is not the state-capitalist theory, but the methodology whereby you arrive at such a thory and then can continue to devlop it for the concrete of our age--the humanist of Marxism.

The sentence structures are in general too complex and could stand some simplifying if possible.

Page 18 last parg. first sentence should probably be "that capitalism is or is not about..."

Eugene

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