

**Endre J. Nagy**

**AFTER BROTHERHOOD'S GOLDEN AGE:  
KARL AND MICHAEL POLANYI [\[1\]](#)**

When former students and interested researchers encounter Hungarians at Polanyi Conferences, they often enquire about the nature of the relationship between Karl and his brother Michael. [\[2\]](#) For it is a fact, as Michael and his wife, as well as some of the more knowledgeable in Budapest, have confirmed, that the relationship was somewhat on the cool side. The possible differences of opinion existing between the two eminent brothers, and when and why they occurred, were questions which came to interest me, all the more so following my initial acquaintance with Karl at his last reception in Hungary, as well as on meeting other participants at the 1986 First International Karl Polanyi Conference in Budapest. [\[3\]](#) Subsequently, I embarked on a study of the life and work of Michael, and this took me on several occasions to consult the Polanyi papers housed in forty-six boxes at the Regenstein Library, University of Chicago. In 1992 I had access to the correspondence of Karl and Ilona Duczynska (Mrs. Polanyi) which consists of some fifteen hundred items in fifteen folders in the Karl Polanyi Institute at Concordia University in Montréal. The letters were addressed to Michael, but there are a large number from other family members to each other. Very few are *from* Michael, because in most instances he did not make copies of his correspondence with Karl. However, those that exist are of great importance, as will soon become clear. Even so, one sometimes has to reconstruct Michael's position through a study of Karl's replies. Certainly, the correspondence requires further research, but already five characteristics have become apparent.

First, one notices that the letters touch upon a wide range of issues and events: everyday life, the family's financial situation, and also political, philosophical and moral questions. Second, the correspondence consists almost exclusively of postcards and letters from Karl, in addition to letters from "Cecil-Mama," Ilona Duczynska, and other family members and relatives, as well as Michael's relatively few letters. The third thing observed is that the brothers appear always to have remained in close touch through correspondence and personal meetings, especially after they moved to England. In addition, they reported to each other and commented on new ideas and recent political events, also exchanging off-prints and proofs. However, there are significant gaps in the documentation which cannot but be a source of regret to the researcher. For example, there is nothing to indicate Michael's reaction to such key writings of Karl's as "The Essence of Fascism"[\[4\]](#) or "Our Obsolete Market Mentality";[\[5\]](#) neither is there any comment from Karl on Michael's *The Logic of Liberty*.[\[6\]](#) The fourth and most surprising thing that becomes apparent is the brothers' inability to exert any influence on each other's theoretical development. Though they exchanged remarks, critiques and interpretations of their own and each other's writings, the reader may feel that these all too often appear to miss the point. This is not to say that one cannot distinguish certain fragments of thought revealing something of the other's influence; but these always fit into a different theoretical framework of their own, within which meaning undergoes essential change. This may be illustrated by passages from a letter of Karl's in which he reports that he has been drawing upon the tenets of Michael's *Personal Knowledge*.[\[7\]](#) "Unless I have badly

misunderstood you this might be a hint how to use your argument on 'science + the moral disciplines' as a K.O. blow with a US audience." Then follows a paragraph in which Karl argues, by virtue of Michael's notions of "skill" and "experience," against behaviourism. Finally, he adds over-scrupulously: "Or have I misunderstood you all together?" (K.P., 1953) If we turn to Michael's reply, we read: "I was much amused and pleased by your hints about using my ideas in the fight against our great modern philistinism. You have certainly understood me quite correctly, but the argument as I see it runs along a good many dimensions and I hesitate to follow it too sharply along one of them at the expense of the others." (M.P., 1953) I think it is clear, then, that Michael does not approve of Karl's interpretation. The fifth and last point concerns the language in which the brothers wrote. Michael always employed the tongue of the country in which he happened to be living at the time: switching from Hungarian when he moved to Germany, and finally to English after moving to England (except when writing to his former German acquaintances). In the folders I found but one letter written in Hungarian, and that was to his sister Laura ("Mausi") on a particularly personal matter. In contrast, Karl would switch languages: beginning a letter in German, say, and then proceeding in Hungarian. From the late 1930s on he usually, though not always, wrote in English. That he preferred to write by hand too often made his letters almost - at times, completely - impossible to decipher.

The course of the developing relationship between the brothers may be discussed in terms of three periods - indeed, movements of a musical composition come to mind. The first, which I call "Brotherhood's Golden Age", lasted until 1934. During this period the brothers were in basic agreement with respect to the main elements of their Weltanschauung, until Michael's book on the Soviet economy caused Karl to criticize his attitude towards the Russian experiment. The second period, that I entitle "The Plaintive Split and how it Widened," lasted from 1935 up to 1951 when Michael published *The Logic of Liberty* four years after Karl's seminal article "Our Obsolete Market Mentality." This, if nothing else, would define the theoretical basis of the brothers' differences. Now and through the 1940s Michael was at pains to elaborate the ordering principles of a free society, for which he took as a model Adam Smith's "invisible hand" tempered by Keynesian concepts. In the third period, "The Wise and Resignative Reconciliation," the brothers came to accept that they were unable to impose their diametrically opposed views on each other. Michael was working on his *Personal Knowledge* (1958) which appeared a year after Karl's *Trade and Market in the Early Empires*.<sup>[8]</sup> Here again Michael revealed the liberal conviction integral to his social theory, abhorring any kind of socialism after the terrifying experiences of the Stalinist era. However, Karl was proceeding with his distinction between formal and substantive economy, in tandem with his stern attack, as Harry Pearson puts it in his Introduction to *The Livelihood of Man*, "on the prevailing market system bias."<sup>[9]</sup> Yet, much as they were mutually estranged, their sense of brotherhood was preserved.

On the whole, despite their diffuse nature, the letters do facilitate a better understanding of the two correspondents' respective published works. Yet there is more to be said. As a young sociologist, I learned from György Lukács' historical and aesthetic works that the ideas of philosophers could turn into ideologies, becoming intellectual weapons with which opposing classes fought out their all too real battles of class war. By now, though, to equate class interests with ideas seems overly simplistic - a failing, by the way, of "*vulgarmarxisten*" rather than of the author of *History and Class Consciousness*. Nevertheless, it still remains true that ideas are clues pointing to their "parents," and not only to material

but spiritual (geistig) interests (where parents, of course, signify not only classes but all kinds of fractions determined by the social structure). Also there are ideas which are in the Aristotelian sense "prime movers," gaining strength from their relatively autonomous historical development, capable of initiating genuine social currents, or else acting upon them in Max Weber's terms as railway switches aligning the direction of history's course.

## II

As students, Karl and Michael were devoted members of the Galilei Circle of which Karl was the first president. The organization attracted free-thinking, anti-clerical students accepting a naturwissenschaftliche Weltanschauung as a kind of scientism.[\[10\]](#) The Circle followed no particular political party line. Later, Karl wrote that its members plainly and publicly declared their commitment to the quest *for*, and to the life *of*, truth. They took a stand against superstition, not only of the past but also of the present. Their knowledge of languages gave them access to the latest intellectual developments, such as Ernst Mach's epistemology and William James's psychology. Karl also observed that, while running counter to the deterministic materialism prevalent in the socialism of the time, they represented an activist idealism quite new in Europe. Yet he goes on to insist that they did not deny the values of faith, rejecting only credulity, as well as, of course, clericalism.

However, Karl's thought soon underwent radical change. In a short article published in 1909 in the important periodical *Huszadik Század* (Twentieth Century) entitled "The Crisis of our Ideologies" - which he always considered important, for an English version can be found in the Archive bequest - Karl's fundamental ideas are shown to be in transition. He starts by asserting that the previous phase of capitalist society was grounded in a culture of consciousness, i.e. "personality." By contrast, the next period, he says, will be characterized by increasing organization and regulation of the labour market that will serve to stabilize capitalism. Accordingly, consciousness will be replaced by bureaucratic management, and thereby "personality becomes redundant." Thus the individual will not be valued any more according to his "individuality," but rather in terms of his objective adjusting to the needs of others. Consequently, in the coming period of a "stable capitalism, the ruling ideology will be socialist." (K.P., 1909) Theory and the working-class movement, formerly united by Marx, would become separate, and socialism as a doctrine will return to its origin, the middle classes. Christianity repeats itself - capitalism elevates socialism to a State-religion, just as the Roman Empire had raised up the religion of the slaves.

Among the essay's surprisingly original insights into the future is Karl's conjecture as to the fate of socialism as it becomes incorporated within "welfare State" social policy.[\[11\]](#) But for our present purposes what is more interesting is that he already presents certain elements of his later sociology. First, the "impersonal aspect" of organized capitalism will re-appear as a fundamental component of fascism, against which he will draw upon the personality concept of Christianity. Second, though Karl realizes the imminent failure of the working class on the ideological level, he sees a new ideological tendency emerging that will play a part in the struggle against capitalist society. This distinctively new working-class ideology is the syndicalism forged by George Sorel to combat the bureaucracy of social

democratic parties in Europe. It was quickly adopted in Hungary by Ervin Szabó, the leading Marxist of the time. As Karl was a close relative of his, they must have discussed the syndicalist programme of "direct action" against those parliamentary and party activities within which the working-class movement had seemed to lose its "revolutionary spirit." In his *Syndicalism and Social Democracy* - published in 1908, incidentally[12] - Szabó argues that enthusiasm, freedom and the unfolding of the worker's human capacities are more important than the preservation of mere institutions, including those of a future socialist State. Thus Max Weber identified syndicalism, in his *Sociology of Religion*, as the last real religious movement of the West, because it sought a *moral revolution* irrespective of success or failure. Karl clearly subscribed to this idea, which prepared him for his later turn towards religion, as well as his future conception of "functional socialism." [13]

In her 1967 essay on Karl's writings, in *Magyar Filozófiai Szemle* (Hungarian Philosophical Review), Ilona Duczynska wrote that, from 1919 to 1921, Karl "was close to Tolstoy in his views and world view." [14] However, several of Karl's essays from around that time, published in the emigré *Bécsi Magyar Újság* (Viennese Hungarian News) show that he was very much preoccupied with Christianity also throughout 1922 and 1923. Thus, he celebrated Saint-Simon and the English Catholic writer G.K. Chesterton for their Christianity, designating his own views as "Socialist Christianity" as distinct from the currently "odious" Christian Socialism. [15] However, Karl still maintained elements of his former world view: for example, he remained opposed to any institutionalized church, and believed neither in the divinity nor the resurrection of Jesus. This accorded with the Tolstoyan religious conception that was both anti-institutional (Tolstoy was excommunicated by the Russian Orthodox Church) and focused on the moral self-completion of the individual. Therefore, Duczynska's statement concerning Karl's transcending of the individualist Christian ethic in the late 1920s should be understood rather as a transcending of the Tolstoyan *individualistic* ethic and his further developing towards actually combining Christianity and socialism, which he began to achieve in the early twenties.

Meanwhile, Michael Polanyi was laying the foundations of a distinguished scientific career. He studied medicine at the University of Budapest, then chemistry in Karlsruhe where, after receiving his doctorate in 1917, his professor gave his paper on the third law of thermodynamics to Albert Einstein who pronounced in its author's favour. After 1919 Michael worked at the University in Budapest, then again in Karlsruhe, before taking up an appointment in Berlin. In the autumn of 1932 he was invited to assume the headship of the Department of Physical Chemistry at the University of Manchester. Soon, though, despite his international scientific reputation, Michael turned to issues in the social sciences. He several times visited the Soviet Union where State control, to his mind, was resulting in the corruption of the sciences, thus causing him to rethink the nature of socialist economics and knowledge in his *USSR Economics* (1936)[16] and later on in *The Contempt of Freedom* (1940). [17] His own original ideas in economics, sociology and political science were expressed in *Full Employment and Free Trade* (1945), [18] *Science, Faith and Society* (1946), [19] and *The Logic of Liberty* (1951). In these works Michael establishes himself as an implacable enemy of both the planned economy and planned science, and stalwart advocate of a free society. In 1948 Michael resigned from the Department in Manchester, renouncing his career as a scientist. Between 1951 and 1958 he wrote what is regarded as his crowning achievement, *Personal Knowledge* (1958), in which he attempted to elaborate a new "post-critical"

paradigm for a theory of knowledge. Thereafter he elaborated his theory in *The Study of Man* [20] and *The Tacit Dimension* [21] and also in essays later published in the two volumes *Knowing and Being* (1969) [22] and *Scientific Thought and Social Reality* (1974). [23] His last work, *Meaning* (1975), [24] written in collaboration with Harry Prosch, presents a detailed analysis of the various kinds of knowledge: scientific, artistic and religious.

The early views of Michael Polanyi are documented in his own writings and also in an essay by a contemporary witness, Paul Ignatus. The latter depicts the young Michael, then a member of the Galilei Circle, as a "distinguished foreigner" who "had the courage to dissent from the dissenters; in a flock of black sheep he shocked many by seeming almost white," and as such earned a certain "reverence." [25] There is also a letter from Michael to Karl Mannheim in 1944, that reported on his conversion:

...as a boy and young man I was a materialist and eager disciple of H.G. Wells. My religious interests were awakened by reading *The Brothers Karamazov* in 1913. I was then 22. For the following ten years I was continuously striving for religious understanding and for a time, particularly from 1915 to 1920, I was a converted Christian on the lines of Tolstoy's confession of faith. Towards the middle twenties my religious convictions began to weaken and it was only in the last 10 years that I have returned to them with any degree of conviction. My faith in God never failed me entirely since 1913, but my faith in the divinity of Christ (for example) has been with me only for rare moments. (M.P., 1944/I)

This then was the basis of the brothers' early joint world view. The anti-materialist tendency in Michael's thought presented itself even more strikingly in his first book *To the Peace Makers* (1917). [26] In this he launched a sharp criticism of the "materialist prejudice" that would ascribe the causes of the War to such entities as the "interests of the ruling classes," "war profiteers," "bureaucratic and military ambition," and "economic expansionism." Instead, Michael argues, we have to seek the cause in an idea shared by all nations: the popular conviction that the greatness and welfare of one's own State must take precedence over those of all others. This had become the religious faith of the masses embodied in the cult of sovereignty which had brought about the War.

This anti-materialist world view united the brothers during this "golden age." However, some slight difference seems to have arisen between them by the mid-twenties. They were seemingly in close touch via correspondence, and there exists a letter in which Karl queries Michael's stance, foreshadowing the conflict yet to come. It concerns their joint religious convictions and is "hermeneutical" in nature, touching upon the "logical consequences" of the Sermon on the Mount in terms of its practical relation to society. In it, Karl recalls Michael's earlier views, then goes on to present critical comments on his newer ideas.

Dear Misi, - once upon a time...you justified the exclusive anarchism of productive minds. Now, though, you think otherwise. First of all, because you hold that the most important thing, namely, the right interpretation of Life, has already come into being in the Sermon on the Mount. And no matter what may be produced in the future, this cannot be outdone. Nonetheless, the other half of

your ideas - e.g. the distinction between the "outstanding" and the "other" people that is rooted in an exclusive anarchism - is still alive with you, it seems to me. Undoubtedly, you apparently think of another dualism: that of the teachings of Confucius and Lao-Tsu. However, if you think it over well, you will find, I believe, that the basic thought remains, i.e. the necessity of an external, and of another, namely an internal codex. This dualism still remains, I believe, wrongly. Because all kinds of dualism in this field are based on the misconception that there are two kinds of men: the better and the worse. Yet, this is false.... The real problem is how people, being better or worse, may live a sounder life sooner rather than later. (K.P., 1923)

The early dualism in Michael's thought to which Karl refers appeared in an essay entitled "The New Scepticism" published in the Galilei Circle's periodical *Szabad Gondolat* (Free Thought).<sup>[27]</sup> While it does not mark a new philosophical trend, it is in the noble tradition of Antiquity to which scientists and artists, "men of spirit," must become attached. Their task is to erect the church of the new scepticism, and await the coming of those enlightened ones who no longer believe in politics. It was politics which had entangled the world in war. Accordingly, men of spirit must not intervene in politics, but must enlighten people as to the fallacies in all types of politics. For ordinary folk are able to perceive society only in obscure outline. "Politics is a blind eruption of horror and hope; thus, social materialism, according to which people follow their interests in public affairs, and the democracy that this theory justifies, are in themselves but mere illusions."

This is the dualism to which Karl refers. Michael's position is a somewhat strange mixture of Nietzsche's *Ueberschensch* theory that was widespread in intellectual circles, and the Christian ethic. If one extracts the anti-Christian fervour from Nietzsche's thought, while retaining his demand for a new ethics, we are left with a real dualism between those who are "called" and the "sons of the world" (in the language of the Gospels). However, this distinction between the two types of men exists only at the moral level; because, if Michael's conception is rightly understood - unfortunately, we do not have the original letter - it differentiates between people according to their ability to hear the World and understand it. It goes without saying that inequality here is not a matter of social status. According to the Jesus, the poor man may achieve salvation more easily than the rich, yet the latter is not excluded. Nor does human dignity, which is the due of all, matter. Thus, Karl would appear to be in error in transposing Michael's distinction, between the two kinds of codes and the two kinds of men, from the ethical plane to the social. That is why he is so markedly repelled by Michael's classification of people into "outstanding" and "others." He believed that the "other" in Michael's terminology meant "vile." But Michael's concept actually refers only to the difference with respect to one's "calling" in society, the function one fulfils in society. This is not an odious distinction but a "neutral" one. The "men of spirit" have a special function, to discover truth and convey it to the people by enlightening them as to the fallacies of ordinary politics. This is a programme of *moral revolution* in which the leading role is ascribed to the intellectuals, a concept close to Tolstoy's "moral self-completion."

By contrast, this was the time when Karl was moving towards a "Christian sociology." In the midst of the social - that is, institutional - revolution, he would introduce the moral element. This development in his theory is represented as follows:

Thus my diagnosis is the following: the moral demands of people today surpass by far the degree of their gratification. That's why they are not satisfied and see - rightly - the roots of the predicament in social causes. Rightly, for the right way is the one which also offers the hope of a complete solution (since the improvement of our own lives could never and completely eliminate the *objective injustices* of our contemporary existence). They are wrong, for they roughly equate the "social causes" with State power or possession of capital, albeit both State and capital are "alien elements" which are not to be transferred into the possession of others, but should be eliminated and *dissolved* in the way that a puzzle "is solved." We are the State, we are capital - but in what way? We shall remain slaves until we understand it. It will, however, be possible to understand if we create forms of life from which we can see beyond these symbols. But how do we create them? That is the question! I would say by means of a Christian-spirited guild life. (K. P., 1923)

[Next part](#)

---

## Notes

1. The author is grateful for the assistance of Kenneth McRobbie in producing the English version of this paper, for which research was facilitated by a grant from the Central European University.
2. Frequent reference will be made to the letters and manuscripts of Karl and Michael Polanyi. In the text, these will usually be indicated by the initials of the writer - K.P. or M.P. - followed by the year, and sometimes a page number. A chronological listing of the letters by author, year, and location is to be found following the end notes.
3. Endre J. Nagy, "Polanyi's Reception in Hungary," in *The Life and Work of Karl Polanyi*, edited by Kari Polanyi-Levitt (Montréal: Black Rose Books, 1990). This work will henceforth be referred to as *The Life and Work*.
4. Karl Polanyi, "The Essence of Fascism," in *Christianity and the Social Revolution*, edited by John Lewis, Karl Polanyi, and Donald K. Kitchin (London: Victor Gollancz, 1935).
5. Karl Polanyi, "Our Obsolete Market Mentality," *Commentary* (Feb., 1947), 109-117.
6. Michael Polanyi, *The Logic of Liberty* (Chicago: University of Chicago Press, 1951).
7. Michael Polanyi, *Personal Knowledge* (Chicago: University of Chicago Press, 1958).
8. Karl Polanyi, with C.M.Arensberg and H.W.Pearson, *Trade and Market in the Early Empires*

(Glencoe, Illinois: Free Press, 1957).

9. Introduction to *The Livelihood of Man*, edited by H.W.Pearson (New York: Academic Press, 1977).
10. Ferenc Mucsi, "The Start of Karl Polanyi's Career," in *The Life and Work*, pp. 26-29.
11. *Ibid.*, p. 28.
12. Evin Szabó, *Szindikalizmus és szociáldemokrácia* (Budapest: Deutsch, 1908).
13. Lee Congdon, "The Sovereignty of Society: Polanyi in Vienna," in *The Life and Work* pp. 79-80.  
Marguerite Mendell, "Karl Polanyi and Feasible Socialism," in *The Life and Work*, pp. 70-71.
14. Ilona Duczynska, "Polányi Károly: jegyzetek pályájáról" (Karl Polanyi: Notes on his Career), *Magyar Filozófiai Szemle* 5-6 (1967).
15. Endre J. Nagy, "Polányi Károly," *Janus* (University of Pécs) V/2 (Winter 1988), 1-12.
16. Michael Polanyi, *USSR Economics* (Manchester: Manchester University Press, 1936).
17. Michael Polanyi, *The Contempt of Freedom* (London: C.A.Watts, 1940).
18. Michael Polanyi, *Full Employment and Free Trade* (London: Cambridge University Press, 1945).
19. Michael Polanyi, *Science, Faith and Society* (London: Oxford University Press, 1946).
20. Michael Polanyi, *The Study of Man* (Chicago: University of Chicago Press, 1959).
21. Michael Polanyi, *The Tacit Dimension* (Garden City: Doubleday, 1966).
22. Michael Polanyi, *Knowing and Being. Essay by Michael Polanyi*, edited by Marjorie Grene (Chicago: University of Chicago Press, 1969).
23. Michael Polanyi, *Scientific Thought and Social Reality* (New York: International Universities Press, 1974).
24. Michael Polanyi, with Harry Prosch, *Meaning* (Chicago: University of Chicago Press, 1975).
25. Paul Ignotus, "The Hungary of Michael Polanyi," in *The Logic of Personal Knowledge* (Glencoe, Illinois: The Free Press, 1961).

26. Michael Polanyi, *A békeszerzőkhöz* (To the Peace Makers) (Budapest: Benkô Gyula és C. Ker, 1917).

27. Michael Polanyi, "Új szkepticizmus" (The New Scepticism), *Szabad Gondolat* (Free Thought) (February 1919), 53-56.

---

[Next part](#)

[Back to Contents](#)

---

**Polanyiana** Volume 5, Number 1, 1996, pp. 77-100

<http://www.kfki.hu/chemonet/polanyi/>

<http://www.ch.bme.hu/chemonet/polanyi/>