

Oskar Lange's Neoclassical Marxism Revealed the Limits of Capitalism

Polish economist Oskar Lange blended Marxist theory with mathematical brilliance to make a vital contribution to neoclassical economics. But his main concern was to demonstrate the inherent flaws of capitalism and the viability of a socialist alternative.



Polish economist Oskar Lange, ca. 1956. (Fox Photos / Hulton Archive / Getty Images)

The work of Poland's Oskar Lange is a vital antidote to the dominant approach of twenty-first-century economics, in which economists, divided by doctrines and methodologies, operate in siloed communities of shared assumptions and data. This framework insulates the standard thinking in each community from the critical input of those who do not share its dogmas, while exaggerating the significance of the data on which that school grazes.

Lange's intellectual legacy challenges the distinction between the mostly neoclassical field of mainstream economics and that of Marxism. He insisted that Marxism needed the neoclassical insights of Léon Walras to complete Karl Marx's economic theory, and made outstanding contributions to neoclassical welfare economics and the economics of information that now form essential parts of both neoclassical and New Keynesian economic traditions.

For Lange, this scholarship was not meant to complete an academic project. It had the revolutionary purpose of showing how, in the twentieth century, capitalism had reached a dead end, and the only way forward was to socialism.

Age of Revolution

It helped that Lange lived through revolutionary times. Born in 1904, he witnessed the Russian Revolution and the collapse of the three empires (Russia, Austria-Hungary, and Germany) that had partitioned his native Poland before he was twenty. The interwar period brought the disintegration of the gold standard on which capitalism relied for its international payments, followed by the Great Depression of the 1930s, in which Poland's levels of impoverishment and unemployment exceeded those of any other industrial country.

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All over the world, democratic governments, pursuing the dull routine of daily political and economic compromise, found the tasks of restoring international payments and domestic economic activity beyond the scope of any such compromises. Industrialists and financiers dabbled in fascism to hold back the socialist tide and redirect the political agenda toward shoring up the existing business hierarchy.

There is a widespread belief that Franklin Roosevelt's pioneering New Deal saved the day for democracy and led the way to a postwar, Keynesian model of "managed capitalism" that preserved the best of capitalism, provided welfare and employment, and retained democracy. The cost of this "golden age," in the shape of the Cold War, imperial wars, and social stagnation, is rarely recognized in radical circles today. Yet Oskar Lange, working on his neoclassical Marxist synthesis, saw it coming, and he drew revolutionary conclusions.

Between Three Empires

Lange was born in Tomaszów Mazowiecki in the part of Poland then ruled by the Russian Empire, where his father was a textile manufacturer. The Lange family originated in Germany but had integrated into the Polish community over the course of generations, retaining only their Lutheran faith, into which young Oskar was baptized. When he was seven years old, he was diagnosed as having tuberculosis in his right hip joint. Treatment left him with a shorter leg and a limp for the rest of his life.

After convalescence in Graz in Austria, he entered school in Tomaszów. Polish schools at the time, as in the rest of the Russian Empire, were riddled with conspiracies of all kinds, reflecting the divisions in society outside the school gates. Nationalists and socialists of various radical strands as well as Catholics and Jews organized in secret to keep out of the way of the tsarist secret police.

"Lange came out as a Marxist in 1918, with a small lecture to his friends in celebration of the centenary of Marx's birth."

At the outbreak of World War I, the police were still trying to contain and suppress the movements of the 1905 revolution that had rocked the tsarist regime. From 1915, tsarist repression gave way to the German occupation of the Tomaszów region.

Lange came out as a Marxist in 1918, with a small lecture to his friends in celebration of the centenary of Marx's birth. Later that year, the teenager took part in disarming the German garrison in Tomaszów and welcoming the local Council of Workers' Delegates, the equivalent of the soviets that were being set up by workers and soldiers in Russia. He joined the local socialist youth movement.

On completing his secondary education, Lange began studying economics at the University of Poznań. However, he found the atmosphere there too conservative, and after one year he moved to

complete his studies at the ancient Jagiellonian University in the old Polish capital, Kraków.

Along with economics, he continued his interests in mathematics and statistics, but also in philosophy, anthropology, and sociology. In 1927, he joined the Polish Socialist Party, only to be suspended from membership (twice!) in the 1930s because he refused to renounce the idea of political collaboration with communists.

Statistics and Socialism

After finishing his undergraduate studies, Lange tried to find work as a teaching assistant, while he worked on his doctorate. However, his very public political engagement meant that there was some reluctance to appoint him to teach political economy. Instead, the university employed him to teach statistics, while he worked on his doctoral thesis on Polish business cycles.

He became particularly active in an organization affiliated to the Polish Socialist Party, the Union of Independent Socialist Youth. It brought together younger intellectuals who were sympathetic to Marxism, but too critical and independent to submit to the Communist Party's Leninist discipline in the sphere of ideas.

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Several of the union's members went on to make brilliant careers in journalism, international organizations, and — like Lange — at universities. Among them was Władysław Malinowski — no relation of the famous anthropologist Bronisław. After World War II, Malinowski worked in the United Nations and established the UN Conference on Trade and Development (UNCTAD).

At the end of 1931, the union started a monthly journal, the *Socialist Review* (*Przeegląd Socjalistyczny*). Virtually every issue of the publication, until the Polish authorities shut it down at the end of 1932, contained a novel article by [Michał Kalecki](#), another brilliant young economist who was overthrowing the accepted wisdom of his elders.

Neoclassical Marxism

Kalecki was working at the time with a monetary economist called Marek Breit. Born in 1907, Breit had completed his doctoral studies in Kraków with a thesis on the theory of interest. He was later murdered by the Nazis in 1942.

Lange and Breit got together to write a contribution to a volume that would serve as a manifesto for the Union of Independent Socialist Youth. Their essay, under the title “The Road to a Socialist Planned Economy,” combined Marxist economics with neoclassical market analysis in a way that was characteristic of Lange.

“For Lange and Marek Breit, the only way to secure a return to economic dynamism was by progressing to socialism.”

Put simply, their argument was that capitalism had fallen into depression after the Wall Street Crash because the mechanisms of competition that were supposed to bring markets (including the labor market) into equilibrium — that is, a situation of full employment — had broken down with the rise of monopoly. Contrary to the view of “bourgeois” economists, they maintained, the advance of imperfect competition could not be reversed.

For Lange and Breit, the only way to secure a return to economic dynamism was by progressing to socialism. Under this system, factories would be controlled not so much by the state as by boards representing what we would today call the “stakeholders” in each enterprise: principally the

workers, but also representatives of consumers, the government, and finance.

In their desired model, there would be an obligation placed on every enterprise to employ any person who applied to work in the firm in order to guarantee full employment. This, according to the two authors, would also keep a lid on wage inflation, since each enterprise would have an interest in keeping wages low enough to avoid attracting labor that could not be profitably employed.

Lange's political activism continued to hinder his attempts to secure permanent academic employment. In 1934, help came with the award of a Rockefeller Foundation Fellowship for two years of research in Britain and the United States.

The Socialist Calculation Debate

On his way to America, Lange published the first part of a two-part article, "On the Economic Theory of Socialism," for which he is perhaps best known today. This was his contribution to a debate that the Italian scholars Vilfredo Pareto and Enrico Barone had started at the end of the nineteenth century over the scope and significance of prices under socialism.

In the 1920s, Ludwig von Mises, Lionel Robbins, and Friedrich Hayek argued that the state could not replace the market as a mechanism for generating prices that would bring supply into equilibrium with demand in markets. Therefore, they insisted, attempts to introduce socialism could only give rise to economic disorder, shortages, and waste.

In the years following the Russian Revolution, and later as capitalist economies descended into depression during the 1930s, this was more than just an academic discussion. It was a highly politicized critique of the Russian experience and indeed any state intervention intended to override the "natural" forces of supply and demand in markets.

"Lange pointed out that capitalism was not a permanent regime of equilibrium prices. Markets are frequently in disequilibrium."

Lange's answer to this, in brief, was disarmingly simple. He pointed out that capitalism was not a permanent regime of equilibrium prices. Markets are frequently in disequilibrium. But the forces of supply and demand may adjust prices to bring markets into equilibrium.

Similarly, in a socialist economy, all that would be necessary for markets to function properly would be for the central planners to announce prices, and observe where shortages arose, or unwanted stocks were accumulating. Prices could then be raised to eliminate the shortages or lowered to get rid of unwanted stocks.

In this way, a planned economy could "mimic" the market and bring the economy into equilibrium — and probably faster than could happen under capitalism, with its widespread price-fixing. Consumer choice would remain sovereign, and the labor market could function to allow free choice of one's profession or trade.

The debate continued into the 1940s. Hayek's last word on this subject, in 1948, cast doubt on the reliability of any economic information available to central planners. According to Hayek, only entrepreneurs had the necessary "feel" for what was going on in markets. For his part, Lange's final contribution, shortly before he died in 1965, was to argue that the new electronic computers could perform the necessary calculations.

The Formalist Revolution

Lange's contribution to what came to be called the socialist calculation debate displayed his

credentials as a fully paid-up disciple of the neoclassical cult of the market, without retreating from his conviction that capitalism could not make the market work effectively. The only way out of this bind, Lange believed, was socialism.

The essays on socialist planning became Lange's calling card in America. However, what really opened US universities to him were his mathematical skills. Economics in America and Europe was (and still is) in the grip of what we might call the "Formalist Revolution." This consisted of rendering down economic arguments into mathematical models, and then using statistics on economic and business activity to "verify" such models.

Since the 1930s, formalism has become the core method of economics, questioned only by critical spirits on the fringes of the professional field. When Lange crossed the Atlantic, it was considered the economics of the future.

"Mathematical modeling seemed to offer the framework for planning a socialist economy to replace the 'market chaos' of capitalism."

The Econometric Society had been set up in 1931, sponsored by leading economists such as Irving Fisher and Joseph Schumpeter. The following year, the businessman Alfred C. Cowles set up what became the Cowles Commission to finance research into stock prices — following the catastrophe of 1929, this research remained in obscurity — but also mathematical modeling and economic data.

Younger, more radical economists such as Lange were attracted to mathematical modeling because it seemed to offer the framework for planning a socialist economy to replace the "market chaos" of capitalism. With his mathematical and statistical skills, Lange was welcome in all but the most conservative American universities.

The Neoclassical Synthesis

Lange made good use of his abilities. Over the next ten years, he published papers formalizing standard elements of the neoclassical economics in which the economy is brought into equilibrium by changes in prices, fundamental papers on welfare economics, and interest rates. After his fellowship was concluded, he returned briefly to Poland, before going back to the United States for appointments at the University of California, Stanford, and then from 1939, a tenured position at Chicago University.

When John Maynard Keynes published his *General Theory of Employment, Interest, and Money* in 1936, Lange produced mathematical accounts of it that helped lay the foundations of what came to be known as the "neoclassical synthesis." These were simplified models of elements of Keynes's theory in which price or wage flexibility would bring the economy to full employment, but such flexibility could also be replaced by government spending or interest rate policy.

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This crude version of Keynesianism is the most widely known variety of the doctrine. However, it was denounced as a travesty of the British economist's ideas, not only by close associates of Keynes such as Joan Robinson and Richard Kahn, but also by Lange's colleague from Poland, Kalecki, who was now in Britain working with Keynes and Robinson.

These critics rejected the interpretations of Keynes's theory that were handed down by Lange as well as leading figures such as John Hicks and Paul Samuelson, who went on to win Nobel Prizes for their work. They argued that such interpretations were essentially based on static general equilibrium models. Such models took no account of the instability and unemployment that were inherent in any capitalist economy, as amply demonstrated in the interwar period.

In one respect, Lange did not lose his radicalism. On the one hand, he argued that price and wage flexibility would bring an economy to full employment equilibrium under conditions of perfect competition. However, Lange maintained that such rapid market adjustment could no longer take place in an economy dominated by monopolies and price-fixing in cartels.

Industrial Feudalism

On the eve of US entry into World War II, Lange circulated among his socialist friends and sympathizers "A Democratic Program for Full Employment." The program was an assessment of the New Deal and the measures that would be needed to take America toward greater prosperity and socialism.

Lange's program started off with a summary of what he regarded as the obstacles to economic expansion. Such expansion was necessary to overcome the mass unemployment that did not disappear in the United States until there was wartime mobilization of its productive resources from December 1941 onward. The Great Depression, he argued, was rooted in the monopolistic practices that dominated the US economy.

Lange commended the New Deal, but he criticized Roosevelt's suspension of earlier antitrust legislation. This suspension had now given rise to an unprecedented degree of industrial concentration and centralization that for Lange lay at the foundation of America's economic depression. Control was further centralized by the system of part-time directors on boards of more than one corporation, and the control of corporate finances by a small group of investment banks: JP Morgan allied with First National Bank, Kuhn-Loeb with Rockefeller, Mellon with du Pont.

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In Lange's view, the economic stimulus that the fiscal provisions of the New Deal had provided could compensate for the deflationary effects of these monopolies. But the economy could no longer break out of the depression with a return to industrial competition through effective antitrust measures. The predominance of monopolies had created an unusual political situation in which the only way for competitive "outsiders" to secure their economic position was to form their own cartel-like agreements and obtain support for them from the government, in much the same way that political patronage supported the existing monopolies.

In this context, political support became a way of guaranteeing prices, but it also led to the proliferation of monopoly. The market degenerated into a system of organized withholding of production in which the state was called in to give particular interest groups the right to prices and production.

The result was a kind of financial and industrial feudalism in which the government guaranteed monopoly privilege and profits. In such a society, any incentives to progress disappeared while unemployment and economic insecurity bred discrimination, intolerance, fanaticism, and narrowness of outlook, as the state bureaucracy integrated with the oligarchy of *haute finance* and big business.

The American Way

Lange concluded that this system was politically weak and would be unable to resist pressure from the "totalitarian powers," because such a hierarchical regime could not organize the defense of the nation effectively. As evidence of this, he pointed across the Atlantic to Great Britain.

Lange argued that monopoly restrictions and fear of democratic forces had brought the country to “its present difficulties” — this was a reference to the ineffectiveness of Britain’s war effort, before the United States and the USSR joined the struggle against Nazi Germany. In his view, much the same prospect awaited the United States, where society could either use its democratic rights to challenge monopoly control, or else abandon itself to totalitarian dictatorship.

This was more than political hyperbole. The New Deal nostalgia that celebrates Roosevelt’s unquestionable economic achievements commonly overlooks his administration’s support for big business. It was a generation after the New Deal before the mobilization of African Americans and their supporters forced civil rights onto the political agenda in the United States.

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Lange’s “Democratic Program” was never published in full, although as the war progressed, he circulated various versions of the program to other economists sympathetic to the socialist cause. They included his colleague at Chicago, the monetary economist Maynard Krueger, who was the vice-presidential candidate of the Socialist Party of America in the 1940 presidential election.

Parts of the program eventually found their way into a booklet that he coauthored with Abba P. Lerner, *The American Way of Business*. This work was not so much an exposition of how American capitalism actually functioned, as its title might suggest, but rather a manifesto for a more efficient form of capitalism.

Lange drew the criteria of efficiency from his well-known welfare economics, which were derived in turn from Pareto. In this approach, efficiency would be secured by setting the prices of produced output equal to marginal utility and the marginal cost of production.

Mission to Moscow

On the outbreak of World War II, Lange supported Roosevelt’s policy of internationalist neutrality, arguing that political divisions within US society were so finely balanced that war against the Axis powers of Germany and Italy would encourage the rise of American fascism. But he lobbied hard to secure visas for Polish and Jewish socialists stuck in the Soviet-occupied part of Poland and the Baltic states.

US entry into the war, following Japan’s attack on Pearl Harbor, clarified Lange’s allegiances. He became an ardent advocate of international cooperation to defeat fascism. This commitment was tested in April 1943, when the Nazi regime announced that its soldiers had uncovered the graves in Katyń, near Smolensk, of thousands of Polish officers and civilians who had been executed by the Soviet secret police, the NKVD.

The Polish government-in-exile, which was based in London, demanded an inquiry by the International Red Cross. The Soviet leadership, which claimed that the Nazis were responsible for the massacre, then broke off diplomatic relations with the London-based government. The latter included representatives of the Polish Socialist Party.

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The party leadership in London started to become anxious about the activities of Lange. Although he now had American citizenship, the economist was actively campaigning among the Polish community in the United States in support of continued cooperation with the Soviet war effort, with or even without the active participation of the government-in-exile.

Following the Tehran Conference between Roosevelt, Joseph Stalin, and Winston Churchill at the

end of November 1943, the Soviet authorities indicated that they would be willing to receive a visit from Lange and another Polish supporter of cooperation, Father Stanisław Orlemański. However, since the two would require passports, the Soviet ambassador to Washington, Andrei Gromyko, made a formal request to the US authorities to facilitate this. Roosevelt agreed, but on the condition that the forthcoming visit was treated entirely as a private initiative of Orlemański and Lange.

In April 1944, Lange flew from Chicago to Alaska, where he was picked up by a Soviet military airplane, to be taken on to Moscow. He stayed for five weeks in the Soviet Union, visiting Polish military units and organizations preparing for the liberation of Poland. Lange also had meetings with Stalin and the Soviet foreign minister Vyacheslav Molotov, as well as British, American, and other allied diplomats in Moscow.

While the visit caused outrage among the London Poles and their supporters, it was also a sign that their diplomatic leverage was coming to an end. Yet so, too, was Lange's. At that time, Lange had high hopes of being appointed as foreign minister in a postwar Polish government. While his political career certainly took off, he never regained his intellectual momentum.

Shifting Ground

When Soviet armed forces and allied Polish troops reached Polish territory, they formed a new Polish government that the Western allies eventually recognized at the expense of the London-based exiles. After completing lectures in Chicago, toward the end of 1945, Lange made a brief visit to Poland before returning to the United States as the new government's first ambassador to Washington.

Only after his appointment did he realize that he would have to renounce his American citizenship. This was a blow to his optimistic hopes of mediating between the two global superpowers. In the following year, he was appointed as Polish ambassador to the newly formed United Nations. He participated in meetings of the UN Security Council when Poland became a nonpermanent member and was even elected president of the council. Lange led, it seemed, the diplomatic effort in the West of the new Polish government, dominated by the Polish Workers' Party (PPR).

This party had been reconstituted in Moscow from the remnants of the prewar Polish Communist Party (KPP). The Comintern had dissolved the KPP in 1938, and the NKVD executed its Soviet-based leaders amid accusations of treachery and "Luxemburgism" (in reference to the Polish Marxist Rosa Luxemburg, a posthumous *bête noire* of Stalin).

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Allied to the PPR in the new government was the Polish Socialist Party, which had reemerged in Poland after the war. The reconstitution of the party went against instructions from its prewar leadership in London. However, it held the allegiance of the bulk of the Polish working class. Lange and other surviving members of his Union of Independent Socialist Youth were active in the leadership of the new organization.

Yet the ground supporting Lange's newfound political preeminence was shifting. The ultimate foundation of that preeminence was the wartime Allied cooperation to defeat fascism. Lange's position depended upon how much the Communist authorities could still obtain from such cooperation, and how long Western governments were willing to continue the alliance with the Soviet Union.

With the onset of the Cold War, the Communists had less to gain, as Western governments went on the offensive against the Communist subversion in Europe and Asia that those governments saw as being behind the movements for decolonization. In 1948, Lange returned to Poland to discuss

unification of the PPS and the PPR.

Single Party, Single Model

The outcome of these deliberations were not in doubt. Many Polish socialists had come out of concentration camps in which the Communists ran the only effective underground protection networks for trade unionists and socialists. They owed their lives to the Communists and to the Red Army, while the struggle against fascism had in their eyes vindicated the need for unity on the Left.

At the same time, the marginalization of the Left and the launch of anti-communist witch hunts in the West encouraged a growing belief among Marxists that capitalism could only survive by becoming fascist. From this perspective, to stand against working-class unity was to play into the hands of the new fascism.

Lange went further than this. Only three years earlier, in articles about Soviet economic management completed while he was finishing his Chicago lectures, Lange had argued that Soviet economic planning could not work effectively without use of the price mechanism. Now, as the Yugoslav leader Josip Tito fell out with Moscow, paranoia spread in Eastern Europe over what was called "nationalist deviation."

At a final meeting of the PPS, Lange renounced his earlier efforts to promote a road to socialism that differed from the path laid out by Vladimir Lenin and the Bolshevik Party after 1917. He now argued that Luxemburg had been wrong in her criticisms of the Russian Revolution.

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Lange also believed that Polish socialists had failed to recognize the pioneering experience of the Soviet Union in socialist construction. This failure was for him epitomized by the way that the central planning bureau, which was controlled by the PPS, departed from Marx's theory in calculating national income.

However, this question of definition was merely a pretext for Lange to denounce the planning bureau's strategy of planning for three sectors in the economy: a state sector, a cooperative sector, but also a private sector. As Lange now saw things, the working class and the Soviet-led bloc of socialist states should stand together. But in that case, the need for any distinctive Polish view on (or in) Washington disappeared.

Lange assisted in drawing up the joint program of the PPS and PPR for the new Polish United Workers' Party (PZPR). He found himself enlisted, formally, with comrades from the former PPS in the leadership of the new party. However, the PPR faction that followed Moscow's lead did not trust Lange and soon marginalized him.

Economic Problems of Socialism

Once again, Lange was denied the opportunity to teach political economy, this time at Warsaw University, where he lectured in statistics instead. At the PZPR school for party activists, he taught the history of economic thought. The setbacks were more than just professional. His marriage broke up as his wife Irena, who refused to renounce her US citizenship, returned to America with their son Christopher.

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In 1952, Stalin published a booklet, *The Economic Problems of Socialism in the USSR*, in which he

criticized those who believed that the abolition of capitalism also removed all the “economic laws” of capitalism. Lange saw an opportunity to return to some of his earlier ideas by making Stalin’s intervention the pretext to restart the debate about the management of the socialist economy. Accusations of ideological deviation had previously frustrated that discussion.

However, Lange had to duly acknowledge the progenitor of the debate. In a review for the Polish journal *Nauka Polska (Polish Science)*, he hailed Stalin’s new work as

a great event in the history of learning and particularly in that of Political Economy. It is an event of profound theoretical significance as well as of far-reaching practical importance. That work sums up the contemporary experiences of nations and defines the fundamental laws governing their behavior.

Lange’s praise for *The Economic Problems of Socialism in the USSR* continued as follows:

Apart from the discovery of the basic economic law of contemporary capitalism and of its consequences in the current world situation, the greatest contribution of Stalin’s last work to Political Economy is the clarification of the nature of economic laws under socialist conditions together with a formulation of the most important economic laws characteristic of a socialist system of production.

Lange supplemented Stalin’s insights into socialist economic planning with extensive citations from the works of Marx and Friedrich Engels, to show that there were laws to which a socialist economy was subject. Such constraints could not be overcome by “voluntarist” efforts on the part of the state administration or the working class, which were doomed to cause chaos and failure.

Lange was alluding to the widespread shortages resulting from the ambitious industrialization projects of Poland’s Six-Year Plan, covering the years from 1949 to 1955. Those shortages were frustrating workers unable to consume and factories unable to fulfill production plans because of insufficient raw materials. An English translation of Lange’s review came out in the United States and referenced his earlier essay “On the Economic Theory of Socialism.”

After Stalin

In the purge of “nationalist deviationists” following Tito’s breach with Stalin, the Polish Communist authorities had imprisoned Władysław Gomułka, the PPR leader with whom Lange drew up the joint program of the PZPR in 1948. Stalin’s death in 1953 combined with the failure of the Six-Year Plan and popular revulsion at the repressive tactics of the PZPR’s ruling faction to make Gomułka into the most popular — perhaps the only popular — Communist leader in Poland.

Gomułka was released from prison and later invited to take the leadership of the PZPR after widespread protests by Polish workers in 1956. Lange was now promoting economic reform among party activists and was appointed chairman of the Economic Council advising the government on the reform of economic administration.

He also had additional state functions. Following the death of Poland’s “mini-Stalin,” Bolesław Bierut, appropriately enough at Stalin’s funeral, the PZPR followed the Soviet Union by installing a “collective leadership” in the form of a Council of State, to replace the previous president of the republic. Lange was appointed vice chairman of that council.

“Lange’s final decade was spent giving formal lectures and occasionally seeing students, in between reviewing and signing state papers.”

Lange now had too little time for academic work. His final decade was spent giving formal lectures and occasionally seeing students, in between reviewing and signing state papers. He embarked on

writing a comprehensive work on political economy.

The bourgeoisie, he maintained, sought “to liquidate political economy when it became a science of the working class and part of scientific socialism.” But “the practical requirements of economic policy under monopoly and state capitalism include a certain amount of true economic knowledge.” Such true knowledge included econometrics, and associated sciences of cybernetics and praxeology (“the science of rational action”).

Legacy

This final phase of Lange’s scholarship lacked the flair and insight that characterized his work before the war. An old friend from the United States, John Kenneth Galbraith, visited him in Warsaw and found a disillusioned man who regretted his return to Poland after the war. Galbraith at least was sympathetic. Others were less charitable.

In July 1964, Lange’s birthday was commemorated with the publication of a Festschrift in his honor, alongside one for the other world-famous Polish economist, Michał Kalecki, on the occasion of the award of an honorary doctorate to Kalecki. Distinguished scholars from all over the world contributed to both collections. However, American scholars among whom Lange had risen to prominence, with the notable exceptions of Paul Baran and Paul Sweezy, boycotted his volume.

It was more than just a professional disagreement. More than one of these scholars were wartime refugees from fascist Europe who had benefitted from Lange’s lobbying of the US authorities to grant entry visas to America, and from his extensive letters of recommendation to the Rockefeller Foundation, which had supported refugee academics. There was no doubt that Lange’s association with Stalin aroused outrage among his erstwhile friends. And maybe their experience of McCarthyism in the United States was too fresh.

In January 1965, Lange traveled to Italy to rest. In Cortina d’Ampezzo, he was taken ill and transferred to a hospital in Venice. At the end of August, he was transferred for treatment to London, where he died in Westminster Hospital on October 2.

Lange left behind a lasting legacy that goes far beyond the socialist calculation debate for which he is best known today among historians of economic thought. A large part of what economics students today find in their textbooks derives from his work. It is not attributed to him. But maybe it would be difficult to explain how such impeccably *bourgeois* economics came from the pen of a Marxist who consorted with Stalin.

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