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Gerschenkron's Secret: A Research Note¹

Marcel van der Linden

Translated from Dutch and German by Jurriaan Bendien

The American economic historian Alexander Gerschenkron (1904–1978) gained fame as the creator of the theory of the ‘advantages of backwardness’, according to which latecomers in the industrialization process could obtain important advantages from their later start. The parallel with the theory of combined and uneven development in historical materialism has already been noted by many scholars. It was usually dismissed as a coincidence, and Gerschenkron himself said that he also regarded it that way; he never mentioned Marxist precursors in this connection. This article proves, however, that Gerschenkron, as a student and academic in Vienna (1924–1938), was in fact a committed Marxist—at first in the left opposition within the Social Democratic Workers’ Party, and later in the Communist Party. It was as good as impossible for a scholar in his position not to have read Rudolf Hilferding’s famous book on Finance Capital (1910); and it is likewise highly improbable that Gerschenkron, the omnivorous expert on the USSR, would not have read the 1931 German translation of Trotsky’s History of the Russian Revolution. Both books developed the idea of the ‘advantages of backwardness’ long before Gerschenkron did. After his emigration to the United States in 1938 Gerschenkron always kept very quiet about his left-wing past, thus effectively killing two birds with one stone: he was not linked to Marxism, and he could claim more scientific originality than was due to him.

Keywords: Gerschenkron; development; Hilferding; Trotsky

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The riddle

The American economic historian Alexander Gerschenkron (1904–1978), born in the Ukraine and resident in Austria during the 1920s and 1930s, undoubtedly was among the central 20th-century representatives of his discipline. He was one of the most important figures in economic Sovietology,² who discovered what came to be known as the ‘Gerschenkron effect’³ and who, more importantly, gained fame as the creator of the theory of the ‘advantages of backwardness’, according to which latecomers in the industrialization process could obtain important advantages from their later start.⁴ The literature on the economics of development is ‘replete with references’ to Gerschenkron’s work.⁵

The literature commenting on Gerschenkron’s oeuvre is extensive. In addition, a well-written biography by his grandson Nicholas Dawidoff, titled *The Fly Swatter*, became available some years ago.⁶ All these publications, however, suffer from two lacunae. First, they do not tell us who Gerschenkron’s teachers were. Charles Maier rightly concludes: ‘Gerschenkron did not admit to intellectual debts easily, and it is difficult to reconstruct the influences on his thinking’.⁷ And second, part of Gerschenkron’s biography remains remarkably vague: it is never made clear anywhere what *exactly* Gerschenkron’s scientific and political activities were during his years in Vienna (1921–1938). That omission need not surprise us; as his pupil Henry Rosovsky remarked, ‘he was reticent about his own life and background’.⁸ The manuscript of Gerschenkron’s memoir *The Uses of Adversity* ends around the time of his secondary school exams; if Gerschenkron later talked about his life, the stories were mainly about his experiences *after* his arrival in the United States in 1938. The two lacunae, I intend to demonstrate here, were in reality connected with each other.

The Fly Swatter does contain information about Gerschenkron’s Austrian period, but it is—as shown here—at times inaccurate, sometimes incomplete and, as a whole, misleading. Dawidoff reports that in the 1920s Gerschenkron became a member of

² D.C. Engerman, ‘The Price of Success: Economic Sovietology, Development, and the Costs of Interdisciplinarity’, *History of Political Economy*, 42:1 (2010), pp. 234–260, at 235.

³ The basic idea is that changing the base year for an index determines the growth rate of the index. For a critical review see P. Jonas and H. Sardy, ‘The Gerschenkron Effect: A Re-examination’, *Review of Economics and Statistics*, 52:1 (February 1970), pp. 82–96.

⁴ Of central importance was Gerschenkron’s essay, ‘Economic Backwardness in Historical Perspective’, in: B.F. Hoselitz (ed.), *The Progress of Underdeveloped Areas* (Chicago: University of Chicago Press, 1952), pp. 3–29, reprinted in Gerschenkron’s *Economic Backwardness in Historical Perspective. A Book of Essays* (Cambridge, MA: The Belknap Press, 1962).

⁵ C.P. Chandrasekhar, ‘Alexander Gerschenkron and Late Industrialization’, in K.S. Jomo (ed.) *The Pioneers of Development Economics* (New Delhi: Tulika, 2005), pp. 181–192, at 181.

⁶ N. Dawidoff, *The Fly Swatter. How My Grandfather Made His Way in the World* (New York: Pantheon, 2002).

⁷ C.S. Maier, ‘Foreword to the Cornell University Edition’, in A. Gerschenkron, *Bread and Democracy in Germany* (Ithaca: Cornell University Press, 1989), pp. vii–xxx, at xxii.

⁸ H. Rosovsky, ‘Alexander Gerschenkron: A Personal and Fond Recollection’, *Journal of Economic History*, 39:4 (December 1979), pp. 1009–1013, at 1010.

the Austrian Social Democratic Party (the SDAPÖ)⁹ and that he worked for the party in 1931–1934, ‘as everything from an accountant to a carpenter’s assistant to a polemicist for *Der Kampf*, the leading theoretical journal of Austrian Marxism, to a contributor to *Arbeiter Zeitung*, his father-in-law’s Social Democratic newspaper’.¹⁰ But aside from this political ‘fling’, Dawidoff creates the impression that Gerschenkron never had any lasting interest in Marxism, and wanted nothing to do with communism. About the whole 1924–1938 period—from Gerschenkron’s student years until Austria’s *Anschluss* with Nazi Germany—Dawidoff says that he could find little information:

‘There are only fragments, and fitting them together isn’t easy. What is certain is that his young manhood was not [...] crowned by great felicity. He didn’t much talk about the period from 1924 to 1938 because that was for him a period of growing frustration and disappointment that culminated in catastrophe’.¹¹

In 1934, when the dictator Dolfuss had seized power in Austria and the armed resistance of the left-wing *Schutzbund* had no effect, Gerschenkron’s world fell apart according to Dawidoff:

‘Shura [Gerschenkron] must have felt devastated watching the end of a movement that had meant so much to him. The boyish optimism that even the Russian Revolution hadn’t compromised now seems to have retreated into equivocation. [...] At a certain point Shura elided his time in the Social Democratic party from the narrative of his life’.¹²

The archives however tell a different story.

The Evidence

In December 1920 or January 1921, the 16-year-old Gerschenkron arrived in Austria, together with his father Paul (Pavel). Paul Gerschenkron had been the director of ‘a large factory for those days’ in Odessa: ‘it was nationalized the first time the Bolsheviks came into the town when the policy of nationalization was still very selective, being applied mostly to rather important enterprises. When the Bolsheviks left, the factory naturally became de-nationalized automatically’. When, however, the Bolsheviks returned, they discovered that dividends had been distributed by the enterprise, which they considered treason. Paul Gerschenkron was therefore under threat from the *Cheka*, and the family decided to escape while they could. First, the father and his son Alexander would leave; the mother and the two other children would follow later.¹³ Their intention had been to travel via Austria to France, but this plan was abandoned

⁹ Dawidoff, op. cit., p. 94.

¹⁰ Ibid., p. 102.

¹¹ Ibid., p. 83.

¹² Ibid., p. 104.

¹³ All quotes taken from A. Gerschenkron, ‘The Uses of Adversity’, manuscript, part I, Harvard Pusey Library, HUG (FP) 45.4, pp. 105, 107.

when, within a few weeks, Paul was offered a position as director of the Heid turbine factory in the township of Stockerau, about 14 miles North of Vienna.

Gerschenkron attended gymnasium in Vienna, where he made the acquaintance of Erika Matschnigg, a fellow student from a committed social-democratic family. Later he would marry her, and stay with her for the rest of his life. Erika's father, the medical doctor Michael Schacherl (1869–1939), was a prominent party member and chief editor of the party daily, the *Arbeiter Zeitung*.¹⁴ Probably under the influence of his in-laws, Gerschenkron developed in a socialist direction. When, after succeeding in his final school exams in 1924, he commenced studies for a law degree at the University of Vienna, he soon overtook Schacherl on the left. He was influenced at that time by the Kantian Marxist philosopher Max Adler (1877–1937), who was one of his teachers at the university. Adler was known as one of the most important representatives of the left wing in the SDAPÖ, and he had a basically positive attitude towards the Soviet Union.¹⁵ During the winter semester 1924–1925, Gerschenkron attended Adler's course 'Introduction to the history and theory of socialism' and in his fourth semester, the summer semester of 1926, 'The Marxist doctrine of the state'. Gerschenkron completed his degree in six semesters (three years), not unusual at the time.¹⁶

Gerschenkron then began to work almost straightaway at his PhD dissertation, which was supervised by the jurist Adolf Menzel. In February 1928 he had finished the manuscript, and on 25 June 1928 he was awarded the degree of *doctor rerum politicarum*. The title of his dissertation was 'The Crisis of Democracy and the Political Parties'.¹⁷

At the hand of an analysis of the recent history of the German and Austrian social-democratic parties, Gerschenkron argued that there was an alarming loss of internal democracy: oppositional minorities were thwarted in all kinds of ways, and the party press was tied closely to the apron strings of the leadership.¹⁸ Moreover, the social-democratic parties were in danger of losing their character as class organizations. Gerschenkron illustrated this point with the example of the SDAPÖ:

'That this party until now really did base itself on the 'ideological' class of the proletariat cannot be denied. In keeping with its aspiration to gain a majority in the

¹⁴ *Österreichisches Biographisches Lexikon 1815–1950*, 10 (1994), pp. 16–17. Erika Matschnigg was named after her mother Maria Matschnigg, because she was born before her mother married her father. Notice MA 8 - Me 3100/2008 by Mr Erich Denk, Wiener Stadt- und Landesarchiv.

¹⁵ A. Pfabigan, *Max Adler. Eine politische Biographie* (Frankfurt am Main and New York: Campus Verlag, 1982).

¹⁶ *Nationale für ordentliche Hörer der juristischen Fakultät*, for the individual semesters; Universitätsarchiv Wien. In total, Gerschenkron attended a comparatively large number of courses (roughly 35) on psychology, law, sociology, economics and history.

¹⁷ A. Gerschenkron, 'Die Krisis der Demokratie und die politischen Parteien' (typoscript, Universitätsarchiv Wien, L 285). Note that the title of the dissertation was therefore not 'The Crisis of Democracy and the Party System', as Dawidoff claims in op. cit., p. 100.

¹⁸ Ibid., pp. 84–112. The remark that 'Tendenz zur Identität zwischen Führer und Redakteur' [a tendential identity of leader and editor] exists, can perhaps be interpreted as a sneer aimed at his future father-in-law (ibid., p. 105).

government (cf. the Linz party congress of 1926), however, the party abandoned the path followed until then, and also tried to recruit other classes in the population, such as the poorer farmers and especially the small bourgeoisie.¹⁹

This tendency would in all probability lead to the result

‘that the workers opposed to the capitalist order are hindered from fighting energetically against that order. Because the allied small bourgeoisie would in that case leave the party in a panic, such a stance leads ultimately to the complete and inevitable transformation of the principle of proletarian hegemony into its opposite. In this way, the party’s internal democracy is destroyed at the same time.’²⁰

All in all, Gerschenkron’s study provided a theoretical foundation for the criticism of the leftwing opposition in the SDAPÖ. His supervisor Menzel obviously understood this context and wrote that he wanted to assess the research as ‘good’, ‘although I cannot agree with this doctrine associated with Max Adler.’²¹

After gaining his doctoral degree, Gerschenkron began to write for the party press regularly, profiling himself as expert on the history and economy of Russia and the USSR. Among his first publications was a book review of Pitirim Sorokin’s *Sociology of Revolution*, in which he offered a spirited defence of the Russian revolution.²² In the years that followed, he regularly reviewed books about the Soviet Union, especially in the theoretical journal *Der Kampf*.²³ In the daily *Arbeiter Zeitung*, Gerschenkron published some historical reflections that aimed to demonstrate how justifiable the fight of the Bolsheviks had been. Thus, he wrote a major article in 1931 about the first Duma that, 25 years earlier, had assembled for the first time. He ended with the words: ‘But the Russian proletariat, which had gone through the harsh school of the revolution, found itself in its storms. It was now internally armed, and could not wait until the hands of the clock of history would indicate the beginning of its reign.’²⁴ A year later, he referred to the Lena massacre of April 1912, and concluded: ‘And it would only take five years, until the old society – of which the foundation stones were cemented with the blood of the workers and laid over the corpses of the workers – was to collapse under the gigantic storming of the Russian working class.’²⁵

¹⁹ Ibid., p. 115.

²⁰ Ibid., p. 116.

²¹ Gutachten attached to the doctoral thesis.

²² A. Gerschenkron, review of Pitirim Sorokin, *Die Soziologie der Revolution*, *Der Kampf*, XXII (1929), pp. 46–47. Sorokin’s book was originally published as *The Sociology of Revolution* (Philadelphia and London: J.B. Lippincott, 1925).

²³ See, among others, A. Gerschenkron, review of *Die Krise des Kapitalismus und die Aufgabe der Arbeiterklasse*, *Der Kampf*, XXIV (1931), pp. 237–238; review of Otto Schiller, *Die Kollektivbewegung in der Sowjetunion*, *Der Kampf*, XXIV (1931), pp. 456–457; review of Michael Farbman, ‘Piatiletka’, *Der Fünfjahrplan, die neue Offensive des Bolschewismus*, *Der Kampf*, XXV (1932), p. 42; review of Ludwig Birkenfeld, *Fünfjahrplan und Sozialismus. Wege der Planung und Erfüllung*, *Der Kampf*, XXV (1932), pp. 140–141; review of Boris Brutzkus, *Der Fünfjahrplan und seine Erfüllung*, *Der Kampf*, XXV (1932), pp. 326–328; review of Martin Böckenhauer, *Die Genossenschaften im Wirtschaftssystem des Sowjetstaates*, *Der Kampf*, XXV (1932), pp. 530–531.

²⁴ A. Gerschenkron, ‘Die erste Duma’, *Arbeiter Zeitung*, 10 May 1931.

²⁵ A. Gerschenkron, ‘Die Erschießungen an der Lena. Am 17. April 1912’, *Arbeiter Zeitung*, 17 April 1932.

In this period, Gerschenkron also collaborated in writing a book for the left-wing oppositions in the German and Austrian social democracies, where the position was defended that it was the duty of the social democrats 'to defend the Russian revolution, also in its current guise, against all hostile efforts of capitalism and bourgeois reaction'.²⁶ In his own contribution, Gerschenkron argued:

'[T]he Soviet Constitution (obviously interpreted as what it is, namely a number of prescriptions for how things ought to work and not as declarations about actual processes) can indeed be characterized as the rule of democracy. In that sense, Lenin was undoubtedly right when he regarded the Soviet state as the realization of a new, higher form of democracy – the Soviet democracy – the rule of the broad masses of the toilers'.²⁷

A few months later, Gerschenkron attacked the former Austrian Chancellor and prominent SDAPÖ leader Karl Renner in print because in a commentary on the German *Reichstag*-elections in July 1932 (when the Nazis gained more than 37 per cent of the votes) Renner had defended parliamentary democracy as a value in its own right.²⁸ Gerschenkron replied that, for the proletariat, democracy was not an end in itself, but that the issue was 'to what extent democracy promotes the aims of proletarian class struggle'. With justification 'the Austrian working class has always refused to regard the democratic road *under all circumstances* as the only correct one'.²⁹

After the Austrofascist Engelbert Dollfuss was sworn in as chancellor of the Austrian republic in May 1932, parliamentary democracy was rapidly abolished. Because the leadership of the SDAPÖ offered insufficient resistance to this development, a radical opposition emerged in the party. It included not only two editors of the *Arbeiter Zeitung* (Ernst Fischer and Ludwig Wagner) but also members of the youth organization and the Marxist 'Studiengemeinschaft' (studies association).³⁰ After the dissolution of parliament in March 1933, it became an organized opposition, 'Die Linke in der Sozialdemokratie'. When in February 1934 the SDAPÖ was definitely destroyed (partly because the party leadership had hardly supported the armed resistance of the paramilitary party organization), quite a few members of the left-wing SDAPÖ opposition joined the Austrian Communist Party, the KPÖ. Gerschenkron was among them. In June 1935, he wrote to the famous SDAPÖ-theoretician Otto Bauer (who meanwhile lived in exile, in Brno/Brünn):

²⁶ According to Max Adler in the final chapter, 'Unsere Stellung zu Sowjetrußland', in Th. Hartwig, F. Lewy, A. Gerschenkron, *Unsere Stellung zu Sowjet-Russland. Lehren und Perspektiven der Russischen Revolution* (Berlin-Tempelhof: Verlag der Marxistischen Verlagsgesellschaft, no year [probably 1931]), pp. 157–189, at 188.

²⁷ A. Gerschenkron, 'Die Verfassung Sowjetrusslands', in Hartwig *et al.*, op. cit., pp. 60–74, at 71. On the cooperation between the Austrian left-wing opposition and the left-wing current in the SPD after 1927, see: Pfabigan, op. cit., pp. 227ff.

²⁸ K. Renner, 'Versagt oder bewährt sich die Demokratie? Bemerkungen zur politischen Krise in Deutschland', *Der Kampf*, XXV (1932), pp. 401–405.

²⁹ A. Gerschenkron, 'Die deutsche Demokratie und das deutsche Proletariat', *Der Kampf*, XXV (1932), pp. 465–469, quotations on 467 and 468.

³⁰ W. Fischer, 'Von der "Jungfront" zur KPÖ', in *Aus der Vergangenheit der KPÖ* (Vienna: KPÖ, 1961), pp. 55–60.

'In November last year, I joined the C.P. together with some comrades. Central to our political aspirations was the proletarian United Front. In order to work for the realization of the United Front, which we have recognized to be one of the most important preconditions of the revolution, we went at that time to the C.P. At this moment I have to say that we were not disappointed. We have found the serious will and the honest preparedness to build the United Front; we have been able to conclude – not in the last place under the influence of formerly social-democratic comrades, with some exceptions – that the old sectarian mentality has made room for a new attitude which is fitting for a proletarian mass party. And we have also gained the opportunity to be independently active in the press and in the organizations. We have made abundant use of this possibility, and also believe that we have accomplished some things for the United Front'.³¹

Notes by Joseph Buttinger, a leader of the illegal Social Democracy, confirm Gerschenkron's entry to the KPÖ.³²

While Gerschenkron secretly joined the political underground in this way, he profiled himself publicly more and more as a respectable economist, be it one with a still-to-be-weaned junior status. From 1931 to 1935, he worked as a research analyst with the Austrian Wholesale Cooperative society.³³ From 1934, he published regularly

³¹ 'Ich bin im November v.J. zusammen mit einigen Genossen der K.P. beigetreten. Im Mittelpunkt unserer politischen Bestrebungen stand die prol. Einheitsfront. Um für die Verwirklichung der Einheitsfront, die wir als eine der wichtigsten Voraussetzungen der Revolution [erkannt?] haben, zu wirken, sind wir damals zur K.P. gegangen. Ich muss heute sagen, dass wir keine Enttäuschung erlebt haben. Wir haben ernsten Willen und ehrliche Bereitschaft zur Einheitsfront gefunden, wir haben feststellen können, dass, nicht zuletzt unter dem Einfluss der ehemaligen soz. dem. Genossen, von gewissen Ausnahmen abgesehen, der alte Geist der Sekte einer neuen, einer proletarischen Massenpartei entsprechenden Einstellung Platz gemacht hat und wir haben auch die Möglichkeit, selbständiger Arbeit in der Presse und in den Organisationen erhalten. Wir haben von dieser Möglichkeit ausgiebigsten Gebrauch gemacht und glauben, auch einiges für die E.F. geleistet zu haben.' – Letter by Gerschenkron to Otto Bauer, dated 'London, am 10. Juni 1935', Dokumentationsarchiv des Österreichischen Widerstandes [hereafter: DÖW], 10692. I am grateful to Christian Fleck, who drew my attention to this crucial document.

³² Joseph Buttinger Materialien, Ringbuch: Durchsetzung der RS 10. Schulung II (unpaged). DÖW 18.911/2. Buttinger writes: 'The Red Front was one of the numerous initiatives, through which the best people among the younger generation listened to their revolutionary conscience, without transferring to the CP. Their first leader was Schuster. He joined the CP rather quickly and sat out the largest part of the illegality in jail. Neubauer likewise joined the CP quickly, just as Gerschenkron who had been active under the name of "Türk"'. [Die Rote Front war eine jener zahlreichen Gründungen, durch die die vom Februar aufgewählten besten Menschen der jüngeren Generation ihrem rev. Gewissen entsprachen, ohne zur KP überzugehen. Ihr erster Führer war Schuster. Er ging bald zur KP und verbrachte den größten Teil der Illegalität in Haft. Neubauer ging ebenfalls bald zur KP, ebenso Gerschenkron, der unter dem Namen Türk gearbeitet hatte.] Note that, at the Viennese gymnasium, Gerschenkron was nicknamed 'Russ' [Russian]. Gerschenkron, 'The Uses of Adversity', part II, Harvard Pusey Library, HUG (FP) 45.4, p. 284.

I could not access the archive of the KPÖ in Vienna. However, its keeper verbally assured me that nothing can be found in this archive about Gerschenkron. See, for the historical context: B. McLoughlin, H. Leidinger and V. Moritz, *Kommunismus in Österreich 1918–1938* (Innsbruck: StudienVerlag, 2009), pp. 318–345.

³³ According to what he said himself, Gerschenkron developed a sympathy for cooperatives already as a youth ('The Uses of Adversity', part I, p. 102). See also Gerschenkron's 'Die Genossenschaftstheorie Tugan-Baranowskis', *Vierteljahrshäfte für Genossenschaftswesen*, VII (1929–1930), pp. 121–131, 179–202; *ibid.*, 'Alexander Tschajanoffs Theorie des landwirtschaftlichen Genossenschaftswesens', *Vierteljahrshäfte für Genossenschaftswesen*, VIII (1930–1931), pp. 151–166, 238–245.

in the academic *Zeitschrift für Nationalökonomie*.³⁴ And from 1937 until Austria was annexed in April 1938 by Nazi Germany, he was more or less affiliated with the Austrian Institute for Business Cycle Research, of which Oskar Morgenstern was the director.³⁵ Perhaps via the Institute, Gerschenkron made the acquaintance of the American political scientist Charles A. Gulick, who stayed in Austria for 14 months from June 1936 to work on a major study about the Austrian First Republic. After the *Anschluss* in 1938, Gulick provided him with the much-coveted *Affidavit*, which enabled Gerschenkron and his family to leave the country.³⁶ Via Switzerland they arrived in the United States, where Gerschenkron assisted first Howard Ellis and then Gulick.³⁷

³⁴ A. Gerschenkron, review of A.I. Bukowetzky, *Einführung in die Finanzwissenschaft* (Leningrad, 1929), *Zeitschrift für Nationalökonomie*, 5 (1934), pp. 264–265; review of Werner Alexander, *Kampf um Marx' Entwicklung und Kritik der Akkumulationstheorie* (Potsdam, 1932), *Zeitschrift für Nationalökonomie*, 5 (1934), pp. 407–408; review of Gerhard Dobbert (ed.), *Die rote Wirtschaft: Probleme und Tatsachen. Ein Sammelwerk* (Königsberg und Berlin, 1932), *Zeitschrift für Nationalökonomie*, 5 (1934), pp. 410–412; review of N.W. Dolinski, *Organisazijata na bolgarskoto semledelsko stopanstwo* (Varna, 1932), *Zeitschrift für Nationalökonomie*, 6 (1935), pp. 132–133; review of Gustave Méquet, *Les leçons du plan quinquenal* (Paris, 1934), *Zeitschrift für Nationalökonomie*, 6 (1935), pp. 137–138; review of N.W. Dolinsky, *Rekolitite na sernenite chrani w Bolgarija* (Varna, 1935), *Zeitschrift für Nationalökonomie*, 7 (1936), p. 567; review of A. Stoupnitzky, *Statut international de l'U.R.S.S., état commerçant* (Paris, 1936), *Zeitschrift für Nationalökonomie*, 7 (1936), pp. 700–701. Gerschenkron also did translation work for *Zeitschrift für Nationalökonomie*, especially from Russian and French texts.

³⁵ C. Fleck, 'Rückkehr unerwünscht. Der Weg der österreichischen Sozialforschung ins Exil', in Friedrich Stadler (ed.), *Vertriebene Vernunft, Bd. I: Emigration und Exil* (Münster: LIT Verlag, 2004), pp. 182–213, at 192. Gerschenkron assisted Morgenstern. See the entries of 28 November 1937 and 18 December 1937 in Morgenstern's diary, David M. Rubenstein Book & Manuscript Library, Duke University (the reference is a courtesy of Christian Fleck). The foreign fellows of the institute (financed by the Rockefeller Foundation and the Carnegie Foundation) included Howard Ellis and Hugh Gaitskill, who – according to Gerschenkron's testimony – helped militant Austrian social democrats to leave the country after the consolidation of Austrofascist rule in 1934. M. Mautner-Markhof and F. Nemschak, *40 Jahre Österreichisches Institut für Wirtschaftsforschung 1927–1967* (Vienna, 1967), p. 22; declaration by Shura Gerschenkron (no title), dated September 1970, DÖW 19.586. Through his acquaintance with these scholars Gerschenkron may also have been in touch with the private seminar organized every second Friday by the liberal economist Ludwig von Mises. G. von Haberler, 'Mises's Private Seminar', *Wirtschaftspolitische Blätter*, 28:4 (1981), pp. 121–126.

³⁶ J. Feichtinger, *Wissenschaft zwischen den Kulturen. Österreichische Hochschullehrer in der Emigration 1933–1945* (Frankfurt am Main: Campus, 2001), p. 251. A somewhat different though compatible account of Gerschenkron's exit from Austria is provided by K.H. Müller, 'Die Idealwelten der österreichischen Nationalökonomien', in F. Stadler (ed.) *Vertriebene Vernunft, vol. I: Emigration und Exil* (Münster: LIT Verlag, 2004), pp. 238–275, at 266.

³⁷ H.S. Ellis, 'Exchange Control in Austria and Hungary', *Quarterly Journal of Economics*, 54:1, Part 2 (November 1939), pp. 1–185, says in the acknowledgments: 'Through his keen analytical powers, resourcefulness, and indefatigable industry, Dr. Alexander Gerschenkron, my assistant during the past year, has in fact become my collaborator'. Charles A. Gulick writes in the foreword of his *Austria from Habsburg to Hitler* (Berkeley: University of California Press, 1948), 2 volumes, p. xvi: 'Of all my debts the greatest by far is to Dr Alexander Gerschenkron. ... Dr Gerschenkron's intimate knowledge of the economic and political problems of the first Austrian republic, his analyses and interpretations of complex relationships, and his fruitful suggestions on innumerable points are integral parts of the book' (p. xvi).

According to Albert Müller, 'it is most probable that Gerschenkron gave more than a simple assistance to Gulick. To put it in the words of Gerschenkron's daughter, Maria Davidoff: 'Whatever Charles Gulick's book is, my father wrote it.' 'And – she added in an interview that she gave me – in return for that, Professor Gulick provided him with affidavit and the job in Berkeley'. A. Mueller, 'Uses of Adversity: Considering Structures, Networks, and Coincidence in the Context of Alexander Gerschenkron's Emigrations and Career', in G. Gemelli

He also published a book of his own for the first time.³⁸ By this route, Gerschenkron integrated rather quickly in the ‘land of unlimited opportunities’. He kept quiet about his Marxist and communist past from that time onward—although he never formally distanced himself from Marxism as such. In the 1950s, Gerschenkron became a valued Cold War scholar, who performed contract research for the Rand Corporation several times.³⁹ In the 1960s, he vehemently opposed the protesting students, whom he later characterized as ‘rowdies’ who, with their ‘criminal escapades’, created ‘unsubtle years of confusion and turmoil’.⁴⁰

Conclusion

Contrary to what Dawidoff would lead us to believe, Gerschenkron was in fact a committed Marxist during the years 1924–1938—at first in the left opposition within the SDAPÖ, and later in the Communist Party. This insight places Gerschenkron’s theory of the ‘advantages of backwardness’ in a somewhat different light. The similarity of this theory with the theory of combined and uneven development in historical materialism has already been noted by many scholars, although Gerschenkron in time developed his own perspective with great professional knowledge in a direction quite different from the traditional Marxist interpretation.⁴¹ The parallel with Marxism was usually dismissed as a coincidence, and Gerschenkron himself said that he also regarded it that way; he never mentioned Marxist precursors in this connection. Dawidoff comments:

‘[Gerschenkron] saw his historical synthesis of industrial development as the great proof of his scholarly supremacy. Nobody else had such an approach to economic history. Intellectually it made Shura his own man. He was not a Marxist or a Keynesian, nor was he obviously indebted to John Stuart Mill or Max Weber. He was the advantages of backwardness’.⁴²

In retrospect, it is much more likely that Gerschenkron’s idea was directly inspired by the Marxist tradition. It was as good as impossible for a scholar in his position *not* to have read a famous work by the Viennese doctor and economist Rudolf Hilferding. Hilferding had written in his *Finance Capital* (1910):

(ed.) *The ‘Unacceptables’. American Foundations and Refugee Scholars between the Two World Wars and After* (Brussels: Lang, 2000), pp. 299–306, at 303. See, as an example of Gulick’s and Gerschenkron’s work their ‘Errors and Traditions: Remarks on Ernst Karl Winter’s Article, “The Rise and Fall of Austrian Labor”’, *Social Research*, 7:1 (February 1940), pp. 45–60. This was a reply to E.K. Winter, ‘The Rise and Fall of Austrian Labor’, *Social Research*, 6:3 (September 1939), pp. 316–340.

³⁸ A. Gerschenkron, *Bread and Democracy in Germany* (Berkeley: University of California Press, 1943).

³⁹ See the file ‘The Rand Corporation’, Harvard Pusey Library, HUG (FP) 45.12, Box 4.

⁴⁰ A. Gerschenkron, ‘The Legacies of Evil’, *Daedalus*, 103:4 (Fall 1974), pp. 44–49.

⁴¹ See the clarifying analysis by B. Selwyn, ‘Trotsky, Gerschenkron and the Political Economy of Late Capitalist Development’, *Economy and Society*, 40:3 (2011), pp. 421–450. Selwyn reaches the conclusion, that the approaches of Trotsky and Gerschenkron ‘often complement each other’ (p. 444), although ‘the politics of the two men represent opposed visions and strategies for advancing human development’ (p. 445).

⁴² Dawidoff, op. cit., p. 186.

‘Capitalist development did not take place independently in each individual country, but instead capitalist relations of production and exploitation were imported along with capital from abroad, and indeed imported at the level already attained in the most advanced country. Just as a newly established industry today does not develop from handicraft beginnings and techniques into a modern giant concern, but is established from the outset as an advanced capitalist enterprise, so capitalism is now imported into a new country in its most advanced form and exerts its revolutionary effects far more strongly and in a much shorter time than was the case, for instance, in the capitalist development of Holland and England.’⁴³

It is likewise highly improbable that Gerschenkron, the omnivorous expert on the USSR, would not have read the 1931 German translation of Trotsky’s *History of the Russian Revolution*, which contains this famous passage:

‘Although compelled to follow after the advanced countries, a backward country does not take things in the same order. The privilege of historic backwardness – and such a privilege exists – permits, or rather compels, the adoption of whatever is ready in advance of any specified date, skipping a whole series of intermediate stages. Savages throw away their bows and arrows for rifles all at once, without travelling the road which lay between those two weapons in the past. The European colonists in America did not begin history all over again from the beginning. The fact that Germany and the United States have now economically outstripped England was made possible by the very backwardness of their capitalist development. On the other hand, the conservative anarchy in the British coal industry [...] is a paying-up for the past when England played too long the role of capitalist pathfinder. The development of historically backward nations leads necessarily to a peculiar combination of different stages in the historic process. Their development as a whole acquires a planless, complex, combined character.’⁴⁴

With good reason, his pupil Donald McCloskey once sighed: ‘One never knew much with Gerschenkron.’⁴⁵ By keeping very quiet about his left-wing past, Gerschenkron effectively killed two birds with one stone: he was not linked to Marxism in the United States, and he could claim more scientific originality than was due to him.

⁴³ R. Hilferding, *Finance Capital. A Study of the Latest Phase of Capitalist Development*, trans. M. Watnick and S. Gordon, ed. Tom Bottomore (London: Routledge & Kegan Paul, 1981), pp. 322–323. [Originally: *Das Finanzkapital. Eine Studie über die jüngste Entwicklung des Kapitalismus* (Vienna: Wiener Volksbuchhandlung, 1910)].

⁴⁴ L. Trotsky, *The History of the Russian Revolution*, transl. Max Eastman (London: Pluto Press, 1977), pp. 26–27. The German version was published in 1931 by Fischer in Berlin as *Geschichte der russischen Revolution*. The response to it within the German-speaking social democracy was limited. See, however, among others T. Dan, ‘Zur Geschichte der russischen Revolution’, *Die Gesellschaft*, 8 (1931-I), pp. 440–455. The *Arbeiter Zeitung* now and then published contributions by Trotsky. The last contribution published was: L.N. Trotzky, ‘Meine Ausweisung’, *Arbeiter Zeitung*, 3 March 1929.

Dawidoff wrote to Ben Selwyn: ‘Of course my grandfather read Trotsky, but what specifically he read, when he read it and what he thought of it I cannot say’. Selwyn, op. cit., p. 445, note.

⁴⁵ D. McCloskey, ‘Alexander Gerschenkron: By a Student’, *The American Scholar*, 61:2 (Spring 1992), pp. 241–246, at 242.