

Czechoslovakia at the Breaking Point

The Human Face of Socialism: The Political Economy of Change in Czechoslovakia, by George Shaw Wheeler, Lawrence Hill and Company, \$7.50.

Five years have passed since autumn and Soviet troops arrived simultaneously in Prague: a coincidence that, in the words of Dr. Gustav Husak, the Czechoslovak Communist leader, "brought a bitter awakening from . . . euphoria."

The vaunted therapy of time does not subsume the enduring effects of the Czechoslovak experience, and one manifestation of this is a continuing flow of books. Many are marked by the passion that attended the transition from spring to autumn, or by the bitterness of the awakening. Among the more dispassionate and more valuable recent additions to this literature is a modest volume by George Shaw Wheeler, an American economist and cold war exile who settled in Czechoslovakia in 1947 and remained there until 1971.

Wheeler was appointed to the Economic Institute of Czechoslovak Academy of Sciences in 1954, and in 1962 he was elected a corresponding member of the Academy, one of the only three economists so honored. Unlike most exiles and journalists, Wheeler was not simply an observer, living on the periphery of the resident society; he was intimately involved in it. He can call upon the small, significant experience to illuminate big social phenomena, like censorship.

Once he wrote a brief article for *Zemědělské noviny* (Agricultural News), which referred to a U.S. Department of Agriculture warning that the sex hormone, silbestrol, could be dangerous to pregnant women and children. He suggested, therefore, that

Al Richmond, long-time leader of the Communist Party USA, and editor of the party newspaper, broke with the party over the Russian invasion of Czechoslovakia. He recently published his memoirs, Long View From the Left (Houghton Mifflin).

tests be made before this hormone was used on chickens that are sold for human consumption. The censor killed the article. Why? "Because silbestrol is already being used here."

In killing another article about a congress of agricultural cooperatives, which contained some critical observations, the censor explained, "If he [Wheeler] had started out with a different standpoint he would have arrived at different conclusions."

The anecdotes bring the force of reality to his contention that censorship was not exercised to protect socialism, but to shield bureaucracy not only from criticism, but even from sticky problems. The book, however, is not anecdotal; its true flavor is conveyed by the subtitle, "The Political Economy of Change in Czechoslovakia," and it offers an uncommonly lucid, concise primer in socialist economics generally, as well as insight into what happened in Czechoslovakia.

To begin with, Wheeler provides a philosophical framework for his study with a citation from Frederick Engels: "For it [dialectical philosophy] nothing is final, absolute or sacred. It reveals the transitory character of everything and in everything; nothing can endure before it except the uninterrupted process of becoming and passing away, of the endless ascendancy from the lower to the higher."

As is illustrated most recently in an intense international debate among Marxist philosophers, perhaps the most challenging problem for Marxism is the application of its own principles to itself, and especially those principles encompassed in that statement by Engels. Wheeler's book, however, is primarily concerned not with philosophy but with economics. Assuming that change is the irresistible force of economic development, what happens when it encounters seemingly immovable obstacles in institutions that once were the instruments of change, but having outlived the rationales for their creation, become bureaucratic fetters?

Before proceeding with Wheeler's treatment of this dilemma in the specific Czechoslovak context, a general observation is pertinent: not a few changes in the existing socialist countries have tended to be wrenching, ex-

plosive, abrupt, and even violent. One may recall the Hungarian explosion of 1956, the Polish upheaval that same year and the bloodier events 14 years later, the Chinese Cultural Revolution, Khrushchev's revelations about Stalin and Khrushchev's own deposition, and, of course, Czechoslovakia.

In official post mortems there is a heavy emphasis on personal dereliction or villainy to explain what went awry. In Poland, for example, after demonstrating workers were shot down by armed forces in 1970, it was suddenly discovered that Wladislaw Gomulka and his associates had "lost touch" with the workers. In Czechoslovakia, the ponderous document on the 1968 events, issued by the Communist Central Committee in December 1970, declared that pre-1968 "the political course was determined primarily by the standpoints of A. Novotny," who had faults that "stemmed from some of his personal qualities, from his violation of collective leadership, his conceit, subjectivism, megalomania and suspicion of people . . ."

Any decent respect for Marxism poses the obvious questions. How was it possible for the leadership of a workers' state and a workers' party to get so completely out of touch with the workers? How was it possible for a man with Novotny's obnoxious traits, which were no secret by the early 1960's, not only to acquire power, but to concentrate so much of it in his own hands and to hold on to it for such an inordinately long time?

Patently the focus on personalities, if at all useful, is useful mostly in evading the more profound challenge of analyzing the social structure, the institutions and methods of power. This is the challenge that Wheeler tries to meet.

In Wheeler's grand design, the pivotal institutions of Czechoslovak socialism—centralized economic management and "the dictatorship of the proletariat"—generated enormous economic and social progress, but after a time, in their actual structure and function, they became obstacles to the realization of the socialist potential.

He offers ample data on the "fundamental advance in the life of the working people" after the "consolidation of working class state power"

by Al Richmond

through the bloodless completion of the socialist revolution in February 1948. He cites an abundance of statistics to measure truly dramatic gains in industrial production, gross national output, labor productivity, and personal consumption. Improvements in the standard of living were further enhanced by vastly increased public expenditures for health, education, and culture; by economic security (no unemployment), frozen low rents, and social legislation.

Simultaneously, workers acquired a sense of their own power, which is well illustrated in two incidents, even though Wheeler relates them in another context to show resistance to technological innovation. In one instance, workers severely limited operation of a new packaging machine; in the other, because the union hadn't been consulted, they just refused to man a new automatic lathe and finally compelled its removal. One can certainly dispute the social motivation and wisdom of these workers, but one can hardly dispute the reality of the power they exercised.

That sense of power, coupled with the tangible economic and social gains and the stated aims of the society, accounts for the visceral attachment of Czechoslovak workers to socialism. To those I talked with in Prague factories in the autumn of 1968, a suggestion that they consider a resolution of their grievances and problems outside of a socialist framework would have seemed like a preposterous anachronism. This common attitude was a primary source of their deep resentment against the rationale that military intervention was necessary because they were about to succumb to counter-revolution and capitalist restoration.

One cannot truly comprehend the disappointments and frustrations that exploded with such force in 1968 without first understanding working class enthusiasm in the seizure of power in 1948, the great expectations aroused, and the confirmation of these expectations in the initial surge of the new society.

In the economic sphere, not until 1962-63 did the contradictions between the centralized structure and the expanded economy it helped create reach a crisis point. The Third

Five-Year Plan, which was to run from 1961 through 1965, had to be abandoned in 1962. Instead of going up, as called for, such vital indices as labor productivity and national income went down. A key to the crisis, in Wheeler's analysis (and it's not original with him), may be sketched as follows: Czechoslovakia had relied heavily on *extensive* economic growth. If you wanted more steel, for example, you built additional productive facilities and employed additional workers to operate them. But this sort of growth reaches a point of diminishing returns. For one thing, the labor supply is not inexhaustible. Then you have to shift your reliance on *intensive* growth; that is, the more efficient use of plant and labor, which means innovation, technological and organizational. Pressures of necessity aside, that's the more rational path to economic advance, especially in this age of technological revolution.

But, and here Wheeler's evidence and arguments are most persuasive, a highly centralized administration which tries to direct a fairly large and diversified economy is least capable of generating intensive growth. Indeed, it is most prone to inhibit growth. Bureaucratic edict can decree that where there was one steel plant, there shall be two, but it cannot decree the imagination, initiative, innovation and motivation to bring about a qualitative increase in output without the addition of plant and work force.

Actually, Czechoslovakia's economic directorate produced an alarming deterioration in the output-input ratio. Each unit of gross national output represented more and more capital investment and a constantly greater input of raw materials. The larger, more diversified and sophisticated the economy became, the less susceptible it was to rational management by a highly centralized authority. Here another ratio came into play: the less efficient the centralized management, the more it indulged its bureaucratic proclivities. (One horrid example: in each working day of 1962 the Ministry of Agriculture alone processed and issued 1,000 directives, circulars, instructions and memoranda. Assuming 250 working days, this meant a quarter of a million emissions that not only were produced, but presumably had to be read,

considered, filed or discarded by their recipients.)

Space does not permit the elaboration of other factors examined by Wheeler, such as the priority of quantitative norms over qualitative criteria, and theoretical dogmas that, through a process of mystification, endowed the subjective decisions of the central management with the inexorable powers of objective economic laws.

Nor is it possible to convey his very knowledgeable and thoughtful discussion of alternatives to the highly centralized economic model. This encompasses such problems as price-setting, incentives, competition, decentralization, cost accounting, and the appropriate balance between central planning and the use of the socialist market in the determination of value and the promotion of quality.

In his generally admirable examination of economic problems there is a trace of elitism (or, at least, a construction that invites such an inference), and a juxtaposition of economic efficiency and social value that seems questionable.

On the first point, he cites it as an unmitigated vice that in 1966, of 580 general managers in Czechoslovakia heavy industry, only 49 percent had a college education, and of 921 chemical plant managers only 23 percent were college alumni. Just how much vice or virtue those figures represent can only be determined by more detailed study. Manifestly it would be a great virtue of a socialist society if so many workers at the bench acquired the technological know-how, the administrative skills and the leadership experience to become effective managers. The real question is to what degree those figures represent this sort of process, and to what degree they reflect bureaucratic cronyism or considerations of "political reliability" that does not qualify them for the posts they hold.

In this connection Wheeler quotes a relevant observation of Lenin's: "The idea of building communist society exclusively with Communists is childish, absolutely childish . . . The key feature is that we have not got the right people in the right place; that responsible Communists who acquitted themselves magnificently during the revolution have been given commercial and

industry functions about which they know nothing."

Wheeler asserts in general that the figures indicate what Lenin was talking about, the placement of square political pegs in round political holes, and this might well be so, but he would have done better to adduce more solid evidence than the *a priori* assumption that a college education, per se, is a better qualification than work experience for plant management.

What struck me as a dubious balance between economic and social value cropped up in a comment that questions the wisdom of recruiting mothers with young children into the active labor force. Even when the child is in a nursery, Wheeler says, if it becomes ill, the mother must stay home with it, adding to her tensions and disrupting the work schedule. But why the mother? Why can't the father attend the sick child? As a practical matter, of course, it is the mother who will stay home, but this, like his valid reference to the great strain imposed upon a woman by a nursery-school-working-mother regime, only proves that Czechoslovak society, like other societies, socialist and capitalist, has not created all the conditions for the full participation of women in social and economic life. Withdrawal of working mothers from industry is not the solution.

Reverting to the central theme of thy book, the Czechoslovak socialist economy possessed sufficient resilience and strength, so that despite the "bugs" that surfaced and the underlying contradictions they signified, key indices resumed their upward climb after the crisis of 1962-63. But things could not be the same any more. Complacent satisfaction with quantitative growth was less credible. More fundamental issues, related to efficiency and quality, were raised. Was the economy realizing the potential of modern technology and collective ownership? How well was the socialist economy competing with capitalist economies in product quality and technological progress? Moreover, latent discontent with top-heavy bureaucracy rose sharply in 1962-63, and this was one index that did not go down automatically as other indices rose. Such issues helped motivate the great upheaval of 1968.

By then, of course, defects in rigidly centralized management had been recognized in other socialist countries, and there was a consensus on the need for decentralization. In a socialist society, however, economic policy is subject to political decision; since the economy is state-owned, and the state by definition is political, the economic and political structures are inseparably intertwined. It seemed eminently reasonable to Czechoslovaks in 1968 that significant reform in economic management would require corollary modifications in political structure.

Despite its interconnection with economics, politics also had its autonomous existence. The residue of Stalinist repression (70,000 victims, 178 executions for alleged political crimes) cast a pall over the country. This was deepened by the excruciating slowness of the Novotny regime in releasing victims and making such amends as were possible. As one example, Dr. Husak was imprisoned in 1951 on charges of "Slovak nationalism" and was not released until 1960, four long years after the Stalin disclosures; it took several more years for his political "rehabilitation." Popular bitterness at the perpetrators of those crimes and their efforts to cover up their own complicity also spilled over in 1968.

In Soviet terminology the Stalinist persecutions were "violations of socialist legality," and the problem is solved by stricter observance of legality. But this avoids the issue of institutional context in which such gross violations could occur and proliferate. The primary ingredients of this context are two institutional conceptions: "the dictatorship of the proletariat" and "the leading role of the Communist Party." Actual operation of both conceptions in Czechoslovakia is subjected to critical examination by Wheeler, as it was by what the French Communist philosopher, Louis Althusser, has called "the national mass movement of the Czech people" for "a socialism whose *face* . . . would not be disfigured by practices unworthy both of themselves (the Czech people: a people of high political culture) and of socialism."

Wheeler cites the Czechoslovak Constitution of 1960 that proclaims: "Socialism has triumphed in our coun-

try! . . . There are no longer any exploiting classes, exploitation of man by man has been eliminated forever. In our country all the main problems of the transition from capitalist to socialist society have already been solved."

If this description is accurate, if the bases of capitalist power have been demolished, Wheeler asks, what internal need is served by the repressive methods and apparatus of dictatorship? Who is to be suppressed, who shielded? The experience with censorship is symptomatic. In classical Marxist terms, so profound a transformation at the economic base as the completed transition from capitalism to socialism ought to be complemented by corresponding changes in the political superstructure. But what kind of changes? This was the question posed by the Czechoslovak popular movement of 1968. It was given precious little time to elaborate answers, and no time at all to compile a body of empirical evidence based on practice. Yet the general nature of the answers was indicated: a profound democratization to correspond to socialist aims and the socialist reality created by the labor of the Czechoslovak people.

From the vantage point of their socialist neighbors the stickiest point of all raised by the Czechoslovaks concerned the "leading role of the Communist Party." Being Communists themselves, the Czechoslovak leaders were committed to the exercise of leadership by their party. The question was how the leading role was to be implemented. Through an administrative apparatus that duplicated and superceded the legal institutions of political power and economic management? Or through example, persuasion, moral authority and guidance?

In the economy, Wheeler argues, the dual structure set up a damaging dichotomy between responsibility and power. A plant manager had the responsibility, but the Communist cell secretary wielded the effective power. Such circumstances were hardly designed to stimulate initiative by plant management, which already was constrained by the higher, central authority. An extreme case in point was a 1962 declaration by Novotny: "The Agricultural Commission of the Party Central Committee shall become the

center for the *daily* management of agriculture." Leaving aside the bureaucratic delusion that a commission in Prague could manage agriculture on a day-to-day basis, another question arises: what did this do to the Ministry of Agriculture which even then was exerting incredible bureaucratic zeal and energy to issue 1,000 directives per day?

The party's Agricultural Commission and the government's Ministry of Agriculture perform economic functions, but they are political bodies, and Novotny's edict typifies the pervasive duplication between the party's administrative apparatus and the legally-constituted agencies of government, and the casual way in which the former superceded the latter.

Were such practices effective methods of leadership, or were they an effective negation of leadership in that they stifled the initiative and destroyed the autonomy of vital institutions that, in the case of elected representative assemblies, were supposed to embody the popular will?

Here, too, there was too little time to elaborate answers, or to test them in practice—only time enough in 1968 to indicate some general directions toward a methodology by which the party would lead and not supercede.

Ultimately Wheeler reverts to his initial philosophical premise, one that was propounded by Heraclitus 2,500 years ago: "All is flux, nothing stays still." This does not mean social motion is easy. Every status quo cultivates its own vested interests. Inseparable from any concept of change is a constant conflict between old and new, and what was new yesterday becomes old on the morrow. Unless one views socialism, or any particular institution of it, at some historical standstill, then those truths apply to socialist society.

The great historic merit of the Czechoslovak movement of 1968 is that it indelibly posed those truths as a challenge for all socialist countries, for all partisans of socialism; that it dared to propose qualitative changes that contained the hope of hastening full realization of Engels' prophecy that "the seizure of the means of production by society" will mark "humanity's leap from the realm of necessity into the realm of freedom." ■

The Almanac

1973 was a quietly significant year for labor movements, both in this country and in Europe. Chrysler was hit by wildcat strikes, which caught both the UAW and the auto companies off guard. *Der Spiegel*, the German version of *Time*, recently had a cover story on wildcatting in the auto industry over there. The drawn-out, tenacious labor struggles of black and white pulpwood cutters in Mississippi, Alabama, and Florida, and the Chicano workers in the Farah pants factory in El Paso, Texas, are helping to transform both racial and labor relations in the deep South. Just when we thought the union movement was hopelessly captive to the blue Meanys, it seems to be reviving—from the bottom.

In Europe, the notion of workers' control has begun to have an exciting effect on labor actions. Elsewhere in this issue, Andy Kopkind reports on the extraordinary takeover of a watch factory in Besancon, France, by its employees. French papers recently reported that three large firms in bad financial straits have been pressuring the government for aid, warning that dismissals of workers could lead to new takeovers. In Liege, Belgium, workers took over a bankrupt electrical appliance company, threatening to blow up a whole district of their town if they did not get assurances from the government that their jobs would be protected.

Last April, *The Almanac* devoted a page to resource material about labor movements old and new—back issues are available from *Ramparts* for \$1.50. The Economic Alternatives Program of the American Friends Service Committee has put together an information packet on workers self-management. The packet costs a dollar and includes articles on the history and future of self-management in Europe and North America. (Write: Workers Self-Management Group, American Friends Service Committee, 48 Inman St., Cambridge, Mass. 02139.)

News of political work, including publications, films, slide shows, etc., should be addressed to The Almanac, RAMPARTS magazine, 2054 University Ave., Berkeley, California, 94704.

If you're in the Boston area in January, be sure to attend the first national conference of worker's self-management. The conference, to be held on the weekend of January 12-13, is sponsored by a group called People for Self-Management. "People . . ." was founded by students of Professor Jaroslav Vanek of Cornell, and members of the Boston Area Inter-University Seminar on Self-Management. For details write Conference Director Mary Van Sell, 196 Erie Street, Apt. 2, Cambridge, Mass. 02139. For other information on People for Self-Management, contact Professor David Garson, Dept. of Political Science, Tufts University, Medford, Mass. 92155 (Tel. [617] 528-5000, ext. 350). Professor Vaneck also puts out a People for Self-Management Newsletter, which you can get by writing him at the Department of Economics, Uris Hall, Cornell University, Ithaca, N.Y. 14850.

[ASSASSINALIA]

Ten years have elapsed since JFK's assassination in Dallas gave us our first glimpse of the violence that has since marked American politics. The article in this issue, plus the movie review by Maxwell Robach demonstrate that major questions about the Dallas assassination are still unanswered. There's plenty of work to be done, and a good place to start is the article "The Assassination of JFK—an Annotated Bibliography," by Professor David R. Wrone in the Autumn 1972 issue of the *Wisconsin Magazine of History*.

[LAND REFORM]

If you liked Warren Weber's recent article on Land Reform (*Ramparts*, Aug-Sept 1973), you'll be interested in a fine new newspaper called *People and Land*. The first issue declared the paper is "as yet of undetermined frequency," but a staff member suggests it will probably appear quarterly. The paper is very impressive—readable, attractive, full of good articles, as well as lists of readings and groups that deal with land reform. It is put out by a group called the Center for Rural Studies, an affiliate of the National Coalition for Land Reform. You can get on the newspaper mailing list for