

This reviewer's heart is with Ståhlberg, not Mannerheim, but even he found it difficult to finish Blomstedt's monstrously long book. The author devotes too much space to providing a general history of Finnish politics, and far too little space to his subject. The general history is generally accurate, but one can read whole pages without encountering Ståhlberg's name or even learning what the relevance of those pages is to understanding Ståhlberg. The patient reader can eventually discover most of the important biographical facts for the years before 1919, but only if he is good at spotting needles in haystacks. After 1919, however, the search becomes almost impossible. President Ståhlberg gets totally lost among the frequent cabinet changes and party realignments. This may be the fate of most individuals in modern democracies, but it was certainly not Ståhlberg's fate. He was not only the first Finnish president, but probably the most successful in achieving those policy goals he had set out to reach. Blomstedt, quite unjustifiably, seems to feel that Ståhlberg in 1919 had no specific policy goals and that he did not use the powers of the presidential office to the full. If ever a politician knew when he took office what he wanted to accomplish in that office, it was K. J. Ståhlberg in 1919, and if any president of any republic used his constitutional powers, it was K. J. Ståhlberg between 1919 and 1925. As the chief author of the Finnish Constitution, and a former professor of law, he knew every nook and cranny of that document. As a man who enjoyed the exercise of power, he did not permit his knowledge to go unused.

Blomstedt's book has other weaknesses. The footnote citations are peculiar in form and inadequate in number. In many crucial places even standard published sources are not mentioned. The literary quality of the author's prose leaves a great deal to be desired. There are far too few scholarly judgments on controversial matters. The book sounds as if it were written by a committee, and indeed the preface reveals that the author was commissioned to write the book by a committee of scholars, which was in turn created by the Finnish Cabinet, which realized at the time of Ståhlberg's centennial in 1965 that there was no authoritative biography of the Finnish statesman whose name is probably the one most universally respected in Finland. There is still, alas, no such authoritative biography. This well-intentioned act of piety would have been much more appropriately directed to publication of Ståhlberg's papers. Those papers would reveal a politician who always sounded like a human being, not a committee, a politician worthy of being ranked in competence and integrity with another strong-willed nineteenth-century liberal president for whom 1919 was a fateful year. Ståhlberg deserves better.

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WIRTSCHAFTSREFORMEN IN OSTEUROPA. Edited by *Karl C. Thalheim* and *Hans-Hermann Höhmann*. Cologne: Verlag Wissenschaft und Politik, 1968. 309 pp. DM 32.

DIE SOZIALISTISCHE MARKTWIRTSCHAFT IN DER TSCHECHOSLOWAKEI. By *K. Paul Hensel* et al. Stuttgart: Gustav Fischer Verlag, 1968. 379 pp.

These two volumes represent a worthy sample of West German scholarship—with a sprinkling of non-German contributors—in the area of Soviet and East European

economies. Both are concerned with the initial phases of East European economic reforms which fall into the second half of the sixties. They provide an interim report on these first attempts at either cautiously grafting selected market elements upon the centrally planned command systems or boldly converting them into largely autoregulated variants of "market socialism."

The tentative appraisals and predictions, and the underlying analytic reasoning, are the most exciting portions of the two works, especially for the reader who has the benefit of discerning, to some extent, the outcome of developments which, for the authors, lay largely in the future. For example, most of the skepticism which greeted the 1965 Soviet reforms has been confirmed by events; the optimistic hopes which accompanied the Czechoslovak reform have been disappointed.

Some of the nine specialized single-country studies which form the core of the Thalheim-Höhmman volume are little more than a pedestrian survey of technicalities, even though one notices the valiant effort to follow editorial instructions which had apparently asked the contributors to pay attention to theoretical discussions preceding the reforms (Lieberman, Brus, Šik, etc.). It takes a special talent to present the formal points in a live context of economic issues and behind-the-scenes political and social-class conflicts, and in a broader perspective. The most sophisticated presentation is Hans-Hermann Höhmman's essay on the Soviet reform. The prologue to the book is a general theoretical essay by Alfred Zauberman, "The Model Concepts of the Reformers"; and a synthesizing stock-taking of East European reforms by Gregory Grossman (reprinted from *Problems of Communism*, 1966) provides the conclusion.

In the monograph on Czechoslovakia the theoretical framework is much more closely integrated with the analysis of the documentary material, thanks to the leadership of K. Paul Hensel, head of the research institute for comparative study of economic systems at the University of Marburg, who wrote the portions dealing with the most interesting general issues of economic planning and its integration with the market.

While Zauberman's standard of reference remains the general abstract model of economic optimization, so popular with Anglo-Saxon economists, Hensel—a follower of Walter Eucken—incorporates in his analysis a much more down-to-earth institutionalist approach. Particularly, he pays due attention to the problems of creative economic "statesmanship" in the plan-market synthesis aimed at by the Czech reformers, rather than only to the improvement of the objective automatism of parametric market signals. Altogether, the Marburg volume is remarkable for its combination of scientific zest, critical sympathy with the reforms, documentary thoroughness and reliability, and an extremely useful full-text reproduction, in German translation, of principal documents related to the reform, which fill 207 pages. (It should be noted that even though the postinvasion refreeze in Czechoslovakia has thrown the reform off the path it was taking in 1968–69, the current stage does not amount to a return to the *status quo ante*. The 1967–68 reforms, with all their errors and imperfections, remain the most significant breakthrough to which reference will continue to be made. It would be wrong to assume that the Soviet invasion and its aftermath had made studies like Hensel's obsolete.)

All participating authors of both volumes have deliberately restricted their vision almost entirely to the problems of system functions and their changes. Except for intermittent references, they have left out issues of substantive economic policies having to do with the real economy (allocation of the national product, standard

of living, industrial structure, growth and productivity policies, etc.). Thus, they will appeal more to the student of systemic changes than to a general reader interested in aspects of the real economic situation and development.

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LECTURES: ON THE THEORY OF SOCIALIST PLANNING. By J. G. Zielinski. Published for the Nigerian Institute of Social and Economic Research. Ibadan and London: Oxford University Press, 1968. xiii, 170 pp. \$6.75.

More than thirty years ago Oskar Lange proved that it was possible to make economic calculations in a socialist type market economy. The work of J. G. Zielinski (professor at the Central School of Planning and Statistics in Warsaw), partly inspired by Lange's ideas, attempts to solve a similar problem—not for an ideal, utopian socialist economy, however, but for centrally planned “command” economies such as have functioned for many years in Eastern Europe. Zielinski's conclusions are formal: an economy in which human and material resources are allocated by administrative directives is incompatible with elaboration and implementation of “optimal” economic plans on a national level.

During the process of plan elaboration, the impossibility of obtaining an optimum solution through a “direct economic calculation” (Zielinski uses this term in a broad sense to include the whole system of direct administrative allocation of human and material resources) is due to a number of factors: the transition from aggregated data on the national level to detailed data on the enterprise level (and vice versa) requires a long iterative process, which is not possible; there is no uniformity in prices and the technical coefficients; and the investment effectiveness indexes are misleading. Further, one cannot construct a planned input-output table that could be used for operational planning. This would be the only way in which the coherence and optimality of plans could be tested.

Zielinski stresses also that the instruments used to implement the plan are not efficient. The multiple success criteria that are adopted (incentives based on value of gross production, profit, or value added, the system of “complex” and specific incentives, etc.) do not stimulate producers to adhere to a centrally planned structure of production.

A special chapter is devoted to the consumption plan. Effective demand has only an indirect influence on plan elaboration, which is done centrally and according to the general objectives of economic policy. Since there is no real relation between changes in effective demand and the allocation of resources, actual consumer sovereignty is a euphemism.

The description of how planned economies in Eastern Europe function is particularly interesting in that the author stresses the inadequacies of the “internal logic” of the system. His study can give only partial answers, however, since the tools of analysis used are similar to those of the school of market socialism. He examines only the merits of the economic methods used for plan elaboration and implementation (essentially prices and incentives based on profit) and not the nonparametric administrative methods used by central planners, which he himself stresses as being of primary importance. The failure of prices and of economic tools in general to stimulate the planned structure of production only reinforces the practice of planning by means of administrative directives. The question therefore