

putation can, I think, be attempted only for the period after 1924. But some comments upon these differentials would have been possible, and Bry should have made them, for instance, in connection with his general remarks on the movement of wages. For he calls his book *Wages in Germany*, and not *Wages in German Industry* (including transport, mining, and building).

The preface is by Leo Wolman who, many years ago, worked on the development of wages in the United States of America. Wolman ranges Bry's book with a whole group of studies published by the National Bureau of Economic Research: Laniel Cramer's *Behavior of Wage Rates During Business Cycles* (1950), Clarence D. Long's *Wages and Earnings in the United States, 1860-1890* (1960) and Albert Rees' *Real Wages in Manufacturing, 1890-1914* (1961).

I do not think that one can characterize Bry's work as complementary. The very working methods of the National Bureau of Economic Research preclude such complementary investigations. To draw comparisons, for a number of countries, between mere bare figures of wages and the movements of real wages is, to my thinking, just as unsatisfactory as to draw comparisons between naked human beings and their social consciousness. It cannot be granted that an assembly of bare facts constitutes social history.

To conclude our review on this negative note would be to underestimate Bry's immense diligence and his zealous quest for data. We prefer to end our remarks with the advice to earnest students of labor conditions in Germany to consult this book most carefully.

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*Politics and Trade Policy*, by Joe R. Wilkinson. Washington, D. C.: Public Affairs Press, 1960. \$3.75. Pp. 151.

Dr. Wilkinson's history of the United States Trade Agreements program lays bare both the political process which forms America's foreign trade policy and the underlying economic reasons for the process itself. Though limited to recording changing party positions in Congress with respect to the Trade Agreements Act and its alterations since 1934, the study reveals, nevertheless, the general discrepancy between theory and practice in capitalist trade relations. This "discrepancy" is nothing new, of

course; it has characterized the whole capitalist development as in the apparent opposition of protectionism to free trade. But while the difference between liberalism and protectionism mainly expressed, at first, different competitive abilities of the unfolding national economies, they now play a part in the political and economic struggles in each capitalist nation separately.

Capital production excludes market equilibrium, nationally as well as internationally, and the free-trade theory as equilibrium theory can serve only ideological needs. More often than not, however, it has been mistaken for an actual possibility. Because economic liberalism has never been in full reign, economic maladjustments were thought to be due to deviations from the "laws of the market" and the solution of economic problems was seen, and is still seen, in the restoration and absolute rule of these "laws." Wilkinson does not question the liberal dogma. He identifies economic liberalism with the "national interest" and the latter with an interest in a well-functioning free world economy. However, these programmatic illusions do not affect his work detrimentally; despite its limitations, self-imposed and otherwise, it remains an important contribution to the current literature on foreign trade.

The world-wide crisis of 1929 strengthened already existing autarchic tendencies in all capitalist nations in their various endeavors to maintain some measure of social stability. In the United States, this came to the fore in the Smoot-Hawley Tariff Act of 1930. But the insulation of the American economy did not prevent its further decline and with the coming of the Roosevelt Administration a reversal of foreign trade policy found expression in the reciprocal Trade Agreements Act of 1934. The Act was thought to lead to greater international trade as an anti-depression measure. The Republican minority continued to favor protectionist policies in defense of the domestic economy against foreign competition. The political struggles between Democrats and Republicans over the extensions and modifications of the Trade Agreements Act down to 1958 take up the larger part of Wilkinson's book and disclose the reasons for both the inconsistencies in the two parties with respect to the Trade program, and for the effected compromise solutions which, finally, destroyed the original character of the Trade Agreements Act.

Subordinated to the exigency of war, traditional trade issues lost their relevance and were relegated to the postwar world which, supposedly, was to lead back to international free trade. American trade policy was to be determined by the "national interest" to foster international economic cooperation and as an expression of America's increased competitive strength and need for export markets. The Trade Agreements

Act gained the semblance of bipartisan support. But not for long; after 1945, international commitments toward freer trade were again sabotaged and the insertion of an "escape clause" in the Trade Act indicated a rising protectionist trend. From then on, and with the aid of Democratic representatives, the liberalization aspects of the Trade Agreements Act were continuously weakened until the Act itself became "the major obstacle to the realization of freer trade objectives," by allowing both "the proponents of protection and the advocates of freer international trade to rally to its support in the hope of furthering their respective causes."

This paradoxical state of affairs Wilkinson explains as a lack of a "consistent and clearly defined rationale" for the Trade Act's existence. Both its supporters and opponents derived their attitudes from immediate, but varying, circumstances, without due regard to the consequences. While the free traders hoped for larger exports which would not affect the structure of the American economy, the protectionists feared that larger imports would aggravate the difficulties of the American economy without improving world economy. With the collapse of the postwar illusion of a restored multilateral system of free world trade, the Trade program was largely interpreted as an instrument for complementing the economic and military efforts of the Western nations in their struggle against the threat of the Soviet Union. But even though recognized as a political necessity, both Democratic and Republican Administrations opposed freer trade wherever it would injure American business interests.

From its very inception, then, the Trade Agreements Act has been confined "to the promotion of American export interests and to the protection of domestic producers' interests." And thus the "basic function of a multilateral system of trade is conveniently circumvented by the provisions of the very instrument that is supposed to foster the system." But how to end this contradiction? Wilkinson thinks that "liberalization of American import policy is today the major test of American leadership in the free world." He recognizes, however, that for some time to come, neither the advocates of freer trade nor their opponents have the political strength to carry through successfully a complete revision of trade policy in one direction or the other and that, consequently, the paradoxes will remain.

In view of these power relations and the particularistic interests which they express, Wilkinson looks for a solution in an "effective political leadership" actually able to balance the opposing economic and political forces in an effort to serve the national interest. On the other hand he also realizes that "the conflict of political and economic inter-

ests over the issues of trade policy and the frequent resolutions of this conflict in favor of special domestic interests often creates the impression that the workings of the democratic process are so incompatible with the realization of a truly national approach to trade policy as to render such a policy unattainable." Not yet ready to accept the implications of his own insight, Wilkinson ends by reiterating his hope for leadership capable of reconciling the irreconcilable.

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*Central Planning in Czechoslovakia: Organization for Growth in a Mature Economy*, by Jan M. Michal. Stanford: Stanford University Press, 1960. \$5.75. Pp. 274.

Revising and manipulating the official statistics of socialist countries has been one of the great professional sports of United States economists in the Cold War period. This book is one of the more sophisticated of these attempts. It is more reasonable in terminology; it cites official sources, admits some progress, and explains, in part, how the author has changed the original material.

At the same time the book is fundamentally inaccurate and misleading. It misses entirely the qualitative transformation of the whole society since 1948 and it reports inaccurately the economic developments. Further, the title is a misnomer since Michal does not discuss at all many of the most important aspects of socialist planning. He does not mention the complex and democratic process by which the plan is first discussed by meetings in the factories and offices, then thoroughly checked by the government, finally approved again at the factory levels and adopted by Parliament. This omission deprives the reader of an insight into the reason why the Plan infuses such vitality into the economy, why it is so carefully adhered to and meets with such great success.

Instead, Michal concerns himself with some of the data indicating the size and growth trends of the economy. He revises these data to indicate a slower rate of development, particularly of real wages, than the official data show. These revisions occur throughout the text, but the central error is in Michal's recalculations of the cost of living index.

Michal seems to be unaware of the fact that J. Mach, who is now in charge of computing the official index, is the same man who computed