

Europe. "The only realistic alternative for Western Europe" the author writes, "is to build up close relations of industrial division of labour (specialization and cooperation) with the European socialist countries" (p. 725). Kozma emphasizes that the alternative is realistic since the European socialist countries are interested in massive imports of modern technology. Interests meet on this point. So the fundamental equation is simple: Western Europe has a market problem and Eastern Europe has a demand for modern industrial technology. If Western Europe supplies Eastern Europe with technology, both sides will be satisfied.

However, the fundamental equation must be adapted to the very complex relations of concrete reality. Analysis has shown that there are many unknown factors to be determined in the equation. "What shall we pay with for the modern technology purchased? Can our national economies produce what Western Europe needs, and at what cost? Formulated from the other aspects, does Western Europe need what our countries presently produce for export, and if so, at what price? The other question: do we need the technology which Western Europe can give us (or is willing to give us) and how can we be sure that we get the technology we really need? Isn't there a danger that in the course of cooperation we find ourselves stabilized on a third level of technological development, as the recipients of a technology of 'the day before yesterday'?" (p. 727.) It is to these questions that the author tries to seek answers through high-level analysis in the last part of the book.

A. SIPOS

*25 év. Ipar, mezőgazdaság, életszínvonal, kultúra.* (25 years. Industry, agriculture, living standards, culture.) Budapest, 1970. Kossuth Könyvkiadó. 316 p.

In general we feel certain prejudice against books appearing on the occasion of anniversaries: has not the anniversary

enticed the author into ceremoniousness at the expense of realism? Our worries are even stronger in the case of an anthology by more than one author, and this is not entirely unfounded for they frequently lack a unified concept, and even more important, they lack the original personality of an author, which can compensate for so much else. But in the present case, even though the work was published for an anniversary, it can be called anything but ceremoniousness in the degrading sense of the term. It contains no platitudes, no pathos, but simply the facts of reality, collected and evaluated in strict orderliness. It provides the reader with an almost complete cross-section of 25 years of socio-economic development, not only of achievements, but at least as much of the difficulties in progress, and of the complex process of development.

The first study, written by Mrs. V. Nyitrai, discusses the 25 year development of Hungarian industry, primarily through a comparison of the situations in 1938, 1949–50, and at present. She studies the structural changes in industry, changes in efficiency and productivity and the international situation. In this connection she reviews the production and productivity levels of the Hungarian and Austrian industries, and many interesting results of a comparison between the Bulgarian and Hungarian industries. (I would mention, simply as an example that, according to the study, the productivity of Austrian industry is 36–38 per cent higher than that of Hungary. The greatest difference in Austria's favour is in engineering and electric energy production. In contrast with this, productivity in the industry and light industry is higher in Hungary. An obviously very important factor in the difference in productivity levels is the fact that Austrian electric energy consumption per worker is roughly 2.3 times as high as in Hungary, and this indicates a much higher level of mechanization. However, Hungarian industry is much more highly concentrated than the

Austrian one. In comparison to Bulgarian industry, Hungary's productivity is higher than that of Bulgaria, primarily in mining, but the productivity level of electric production and the food industry is also higher.)

The study also sketches out expected trends in the further development of Hungarian industry. The author does this with the true *thoroughness of the statistician*, supporting what she has to say with series of figures, and applying modern methods of analysis. For example, along with traditional productivity indices she also shows the *changes in national economic level productivity*, with the aid of input-output methods in a simple and clear form.

The study by Ferenc *Erdei* and Béla *Fazekas* deals with 25 years of Hungarian agriculture. The authors review the development of agriculture primarily in connection with the food industry, as a part of a unified food economy. They also analyze the development of the agricultural population and its income relations, changes in land area and utilization, supply with agricultural fixed and circulating assets, and the problems related to the mechanization and chemization of agriculture. Finally, they draw up separate studies of the major branches of agriculture: of the development of horticulture, fruit and vegetable production, and animal husbandry.

In the past 25 years Hungarian agriculture has undergone a tremendous social change and large-scale technological development. (Hauling power increased by 25 per cent, within this the number of tractors by tenfold, and total agricultural fixed assets by about 150 per cent.) However, the annual rate of production increase did not particularly change in comparison with the period prior to it; in this respect, on the international level, we are lagging behind the achievements of the developed and the less developed countries alike. The authors point out one of the most characteristic features of Hungary's post-

war agricultural development when they call attention to the fact that in this period a substantial proportion of the forces of production were exchanged. The majority of the means of production newly taken into use by agriculture were simply substitutes for the forces of production which had dropped out; for instance, for labour power which left agricultural production for other fields, primarily for industry, and for agricultural areas which dropped out of production (arable land was reduced by 10 per cent between 1938 and 1968) or replaced small farm buildings, tools of work and cart animals deemed unnecessary owing to the socialist reorganization of agriculture. This is one of the reasons for the fact that, in viewing the 25 years as a whole, agriculture only developed at a moderate rate. But, at the same time, it gives rise to the hope that, once this period of development is over, *growth can accelerate substantially*.

The study by Mrs. A. *Mól* analyzes questions regarding the trends in *living standards*, fortunately welding together the strictly economic, statistical, and sociological aspects. Along with the study of general foundations for changes in living standards, as ownership relations and trends in employment and cultural level, she carefully examines the economic foundations of the living standards, the growth in the national income, consumption by the population, housing conditions, wage relations, social benefits and the problem of income differences. She proves convincingly that in pre-1945 Hungarian society, as a result of heavy feudal vestiges, birth and fortune more strongly determined the position and future of the individual than in the developed capitalist countries. Following the Liberation, however, these "still waters" began to flow rapidly, and a social restratification of tremendous proportions took place. Vast masses of the population came into motion, changing classes, trades, occupations, and achieving a much higher cultural level than their parents. But she also calls attention to

the fact that today this upward trend in social movement has greatly slowed down in pace in comparison to what it was one or two decades ago, even between generations. Differences in popular income are showing a strongly levelling trend. There are many positive elements in this, for the strongest factor influencing this levelling is, according to the author, a decrease in the differences between Budapest and the rural areas; and, due to different social policy measures, the disadvantageous position of large families in contrast to small ones has become somewhat less marked. But income differences between those carrying out tasks requiring the lowest and the highest qualifications have also diminished to no small extent, and this can by no means be considered a favourable phenomenon.

János Molnár's study, which surveys the 25 years of *cultural policy*, is perhaps the most readable one in the volume. His almost person-by-person evaluation of the leading figures in cultural policy, his reliving the history of cultural policy with its moments barely known or already forgotten by the public, along with its characteristic events embedded in a unified process, is not only extremely interesting, but highly instructive as well.

The preface to the book was written by Rezső Nyers. He emphasizes in it the importance of an analysis of the past on an objective, scientific basis, from the point of view of building the future, and warmly welcomes the achievements of the book in this direction.

The volume fills the useful function of handbook, for it gives a comprehensive picture of the widely diversified problems of twenty-five years development, containing the most important, fundamental figures in systematized form.

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VARGA, Gy.: *Az amerikai business. Vállalati stratégia és management.* (American business — corporate strategy and manage-

ment.) Budapest, 1970. Közgazdasági és Jogi Könyvkiadó. 437 p.

The book contains nine chapters and an epilogue. The most important of them, from the aspect of volume and interest alike, are the ones dealing with the corporation, its strategy and planning. Chapters on risk, interest, marketing, management, etc. provide excellent additional material, throwing light on the essence and complexity of big business from a number of angles.

The first (and three following) chapters show how big business is the result of large-scale enterprise. It comprises the whole business production spectrum, from the raw material base to the finished product market. Big business endeavours are completed by different companies, working in corporation with one another through the close coordination of interests. The entire enterprise is tied, organized and completed by one "prime contractor" the corporation. This latter is the general form of movement for today's modern enterprise organization.

Leadership within the corporation is strict, yet cooperation between the companies remains flexible. It coordinates company efforts to a maximum, while at the same time it also strives for the greatest attainable decentralization, and ensures local autonomy. Tremendous attention is paid to public relations, human relations, and to increasing interests and incentives. Different forms of performance evaluation and inter-company accounting are worked out, subordinate to the former points of view. Some factors deserving special attention include inter-company fixed price accounting (the Du Pont system), the period costs and absorption costing systems of accounting, along with different supplementary devices the modifying shares based on the ratio of capital according to the risks taken, etc. In this respect the corporation is a more developed form than the trust, concern etc., and this is why it became the ruling form of partnership and cooperation in the United States.