

SLOVO, VOL. 20, NO. 1, 2008, 54-60

## BOOK REVIEWS

*By Force of Thought, Irregular Memoirs of an Intellectual Journey.* By JÁNOS KORNAI. 461 pp, MIT Press, 2006, ISBN 9780262113021

János Kornai is a Hungarian economist well known for the story of his pilgrimage through economic theory from Marxism, as a planner for the Communist regime, to his appointment as a professor of economics at Harvard teaching the orthodoxies of modern 'capitalist' theory. His memoirs are more than a narrative of the author's past, itself a fascinating subject; they are a self-critical account of an intellectual journey. It is an 'irregular memoir' in that, apart from his early years, the author's private life is left out, although there are many references to the friends and colleagues with whom he worked and debated as an economist. Indeed, he is most generous in acknowledging the help he received from them. The book is far too long; it could without loss have been cut to two thirds of its present length. Nevertheless, it is a fascinating book. It is the story of how a young Jewish boy from a secure *haute bourgeois* background was attracted to communism in 1945 and became an enthusiastic journalist working for the leading party paper under Rákosi, the most appalling of the dictators under whom Hungary has ever suffered. It tells how he then became disillusioned with communism, turned against it and became a leading academic economist who was one of the main theoretical architects of communism's overthrow from within.

Kornai was born in 1928 into a large prosperous family living in the centre of Budapest with servants and a German governess. His father, Dr Pál Kornhauser, was an attorney working for German companies who served in the First World War as a captain and was a proud holder of high decorations. A Hungarian, brought up on German culture, he sent his son to the *Reichsdeutsche Schule* in Budapest in 1933. Today this sounds like a very odd choice for a well-informed Jew, but Kornhauser, like so many other people, did not think that the violently anti-Semitic Hitler would retain power for long. At his German school Kornai met Peter Kende, who became his closest friend. Kende's origins and career paralleled Kornai's own until 1956 when Kornai remained in Hungary while Kende fled to Paris and became a leading intellectual of the émigré community there. Hitler, instead of being eased out of office, consolidated his position. Hungary became a satellite of Germany and the position of the Jews gradually became more and more precarious. There is a harrowing description of how, after the German occupation of Hungary in 1944, the author's father was deported to his death in Auschwitz and his two elder brothers were sent to a labour camp, where one died. Meanwhile Kornai, his mother, and his sister were hiding in separate places constantly facing the danger of discovery. As a boy of sixteen Kornai enthusiastically welcomed the Russian occupation of Budapest in February 1945 as the true liberation of Hungary. Like so many other young Jews, he was attracted by the Communist vision of a new anti-fascist society into which Jews would be fully integrated. 'My Jewish identity vanished almost completely', he observes (p 27). In order to assimilate into a *new* Hungarian society, he changed his name to Kornai.

Because of his talent and dedication, Kornai rose extraordinarily rapidly in 'the nomenklatura'. In 1946 he was recruited to the headquarters of the Communist Youth Movement (*MADISZ*) as a full-time cadre. Kornai closely studied Marx, Lenin, and Stalin. He was also influenced by Georg Lukács's writings. He was captured by the charismatic leadership of József Révai and his devotion to the Soviet Union was unconditional. A 'sleepwalker', Kornai swallowed wholesale the trumped-up charges against the enemies of the regime. As a dependable and reliable apparatchik, he was moved in 1947 to the leading party paper, the *Szabad Nép*.

Within two years he was elevated to economic editor — without any degree in the subject. Yet he soon found out much about the Hungarian economy. Instead of sitting in his office, he visited factories meeting workers, managers, and party secretaries. He interviewed leading ministers and attended meetings of the State Economic Committee chaired by Ernő Gerő, who was the ultimate controller of a strictly centralised economy. In his articles Kornai preached discipline, criticized shortcomings, and spoke out against corruption. 'Never for a moment did I think that the troubles were *systemic*', he observes (p. 51).

After Stalin's death in March 1953, the world in which the author had hitherto lived began to dissolve. It is most instructive to follow the stages of Kornai's mental transformation; his 'waking up'. After the 'New Course' was imposed on Hungary by Moscow and Rákosi was forced to share power with Imre Nagy, Kornai met party members who had been released from prison. It now became obvious that the trials were based on fabricated charges, that the AVH (the secret police) used torture to extract 'confessions' and that innocent party stalwarts were treated brutally in prison. Kornai came to see that Rákosi's system was fundamentally flawed and beyond redemption and he rejected it on moral grounds. The lateness of this realisation is perplexing. Only after the brutalities inflicted on Communists became apparent to the author (and a whole class of other cadres), which had been obvious to most non-Communists all along, did Kornai realize that the regime was a most repulsive police state. Kornai became a supporter of Imre Nagy's 'New Course' for a reformed Communism. Together with other young cadres of the *Szabad Nép*, Kornai organised a conference where criticism of Stalinist leaders was voiced. This rebellion led to the dismissal of the group from the Party paper. After being obliged to undertake some humiliating 'self criticism' in 1955, Kornai enrolled as a postgraduate student in the Institute of Economics of the Hungarian Academy. (He had begun to study economics at university in 1953). He then abandoned Marxist economic theories on the grounds that they were contradictory in themselves and, moreover, had no empirical basis. Kornai nonetheless still believed that socialism could be reformed and he remained a 'naïve reformer' (p. 81). His first academic work, his PhD thesis, *Overcentralization in Economic Administration*, was circulated in September 1956. It was an instant success among fellow economists and the public. This detailed, accurate description of the planning system and the economic management laid the foundations for the New Economic Mechanism introduced much later in 1968.

During the 1956 revolution Kornai worked on a draft policy for the Imre Nagy government, aimed at the dismantling of the system of planning instructions and developing a market economy. But the draft did not envisage the denationalisation of state owned enterprises. (It is possible that I may have missed the reference in this long book, but it remains unclear to me when Kornai accepted the view that a free market requires private property rights for its operation). After the Russian army ended the revolution and Nagy was imprisoned and later executed, Kornai faced a difficult time. His work, devoted to the demonstration that the command economy was failing to achieve its purposes, was denounced by the Party's economists as anti-Marxist and by the press as 'counter-revolutionary.' Kornai declined an offer to work for the Kádár government. He also refused to apply for reinstatement in the Party or to submit himself to the 'self-criticism' that that would have involved. He was then expelled from the Institute and harassed by the police. Meanwhile *Overcentralization in Economic Administration* was translated into English and published by the Oxford University Press in 1959. It enjoyed considerable popularity in the West. Kornai now 'became receptive to the mainstream economic thinking' (p. 124) and, with the help of Tamás Lipták, began to apply mathematical methods in his economic analysis. The Kornai-Lipták study on 'Two-Level Planning' attracted a great deal of interest among economists in the West.

After 1962 political repression eased and Kornai began to work for the National Planning Office apparently free from political interference. If the authorities had understood the significance of mathematical modelling and game theory for the assessment of Hungarian economic management, they might have been less relaxed about his work. As it was, Kornai's work was acclaimed by economists in the West. The Kádár regime, eager to break out of its

international isolation, allowed Kornai to travel to Cambridge in 1963 where he was able to discuss his work with leading economists. Although the secret police were still collecting information on his anti-Marxist views, Kornai's work was no longer obstructed and he was allowed to travel abroad. In 1967 he was invited back to the Economic Institute. In the tolerant atmosphere of the Institute, Kornai and his 'group' flourished. No longer a 'naïve reformer' but a critical analyst, his research led to books and studies which were translated into English and other languages and his international reputation grew rapidly. He was offered a chair in Cambridge, which he declined. After being elected a member of a number of foreign academies he was also invited to join the Hungarian Academy. In the 1980s he worked for extended periods as a professor at Princeton and Harvard, but he never thought to emigrate. What gives this somewhat long and repetitive book its freshness and interest is the author's willingness and ability to confront his political past with great honesty and his penetrating understanding of his own intellectual development.

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#### *Roumanian Stories Online*

Thanks to the University of Washington's Center for Advanced Research in the Arts and Humanities, *Roumanian Stories*, first published in 1921 and reprinted in 1971, is now available on the web at: [http://depts.washington.edu/cartah/text\\_archive/byng/toc\\_pag.shtml](http://depts.washington.edu/cartah/text_archive/byng/toc_pag.shtml). These tales about the dispossessed and the forsaken epitomize what Mircea Eliade calls 'the terror of history'.<sup>1</sup> Now in the public domain and translated in a colloquial style by Lucy Byng, these stories will delight those who seek a fine introduction to Romanian literature.<sup>2</sup>

Constantin Negruzzi's 'Alexandru Lapushneanu, 1564-1569' is about a brutal Moldavian prince. First published in 1840, the story illustrates Lord Acton's famous saying 'power tends to corrupt; absolute power corrupts absolutely'<sup>3</sup> and reveals the deep roots of Romanian totalitarianism. Using foreign mercenaries, Lapushneanu regains the Moldavian throne and consolidates his power through terror. He burns towns, executes subjects on the slightest pretext, and despoils the boyars, the powerful nobles whose large estates might enable them to challenge the prince. Lapushneanu assembles the boyars in a church, urging them to live in peace and love one another. He then invites the boyars to dine at court, where his soldiers massacre them. In the end, Lapushneanu, who cannot trust even his own lackeys, dies poisoned by his wife.

Ioan Alexandru Bratescu-Voineshti's 'The Fledgling' is a fable about a mother quail living with her seven chicks near a plantation. Endowed with anthropomorphic traits, the mother quail teaches her brood the art of survival. The eldest chick tends not to heed to his mother and gets into trouble. One day, the chick fails to react in time to his mother's call, and a boy catches the chick under his cap. Although an old peasant makes the boy release him, tragedy later befalls the wayward chick. A hunter approaches with his dog, Nero, whose name recalls the Roman emperor who persecuted Christians. The hunter is so close that the chicks can see an ant crawling up his boot. When the dog spots the chicks, the mother quail instructs them to remain still. She attempts to distract the dog by pretending to be injured and flying low. Just when the chicks appear to be safe, the eldest chick suddenly takes flight. The hunter turns and shoots; and the chick falls to the ground, its wing broken. The hunter does not even bother to

<sup>1</sup> Mircea Eliade, *Ordeal By Labyrinth*. (Chicago: University of Chicago Press, 1982) p. 128.

<sup>2</sup> I did not provide page numbers for story quotations since this review refers to a web resource. The original print edition is *Roumanian Stories*. Tr. Lucy Byng. (London: John Lane, 1921). This book was reprinted by the Books for Libraries Press (Freeport, New York, 1971) and by Ayer Co. Publishing (New York, 1974).

<sup>3</sup> Quoted in Stephen L. Baehr, 'The Locomotive and the Giant: Power in Chekhov's 'Anna on the Neck''. *Slavic and East European Journal* 39.1 (1995) p. 29.