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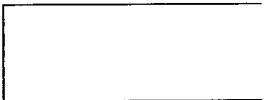
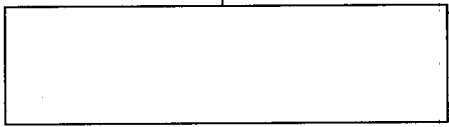
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Intelligence Report

THE PRUSSIAN HERESY: ULBRICHT'S EVOLVING SYSTEM
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THE PRUSSIAN HERESY: ULBRICHT'S EVOLVING SYSTEM

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THE PRUSSIAN HERESY: ULBRICHT'S EVOLVING SYSTEM

MEMORANDUM FOR RECIPIENTS

The idea of Ulbricht suiting up ranks of computers, computer tenders, and systems analysts and sending them forth to tilt with the GDR's hard-core party-machine cadres boggles the imagination. And yet, inherent in Ulbricht's enthusiasm for cybernetics is the potential for an eventual showdown between a new elite of pragmatic technocrats and the old elite of ideologically-motivated party hacks.

This Intelligence Report combines historical research, intelligence analysis, and speculation. It traces Ulbricht's growing fascination with cybernetics and the cultivation of cybernetic capabilities in the GDR with his encouragement. The report analyses the past and possible future ideological and practical political problems resulting from Ulbricht's effort to adopt the new methodologies of scientific management characteristic of the second industrial revolution. And the report also offers some speculative propositions on the extent, nature, and possible future of "cybernetic revisionism".

The study was reviewed extensively by analysts in the Office of National Estimates, the Office of Current Intelligence, the Office of Economic Research, the Central Reference Service, and the Foreign Broadcast Information Service. Many of their suggestions have been included. However, because of the speculative nature of the thesis, the study has not been coordinated. It is offered as an off beat and thought-provoking sidelight on Ulbricht, GDR politics, and the basic "red-or-expert" problem of Communist regimes probing technological frontiers. The research analyst in charge was James V. Ogle.

John Kerry King
Chief, DD/I Special Research Staff

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THE PRUSSIAN HERESY: ULBRICHT'S EVOLVING SYSTEM

Summary: The Prussian Heresy

The shaping of the developed socialist social system has great theoretical significance....It requires our Party to prepare and implement the Marxist-Leninist social design to an extent never before known....What we need is a new way of thinking.

--Walter Ulbricht, 17 April 1967, address to the Seventh Congress of the Socialist Unity Party.

It is vital to inquire whether certain other forms of modern revisionism--such as those involving acceptance of the philosophy of science, of cybernetics, or of behavioristically-oriented sociology--might not hold more adequate and up to date answers to the manifold social and political problems of the highly-industrialized East-bloc countries.

--Peter Ludz, Problems of Communism, July-October 1969.

A skillful opportunist, Walter Ulbricht has always been the first and noisiest proponent of each "new look" in Communist Bloc policy. Many of the past experiments he has tried in this spirit of enthusiasm have proved disastrous and his arrogance has made him one of the most hated of Bloc leaders, an antipathy shared even by his colleagues in other Communist countries. His latest enthusiasm, following the Soviet lead, is for cybernetics. The position of the German Democratic Republic (GDR) as

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the most industrially developed Communist Bloc country, the heritage of previous experiments which brought younger economic specialists into the apparatus of the Socialist Unity Party (Sozialistische Einheitspartei Deutschlands, SED), and the Prussian tradition of which even Marx was to some extent a product, have combined to greatly magnify the potential significance of this latest enthusiasm. It is now possible to speak, however speculatively, of a "Prussian heresy," that is, of "cybernetic revisionism." New approaches to new problems, arising out of the scientific-technological revolution already so advanced in the West, are creating political differences in the GDR, the Soviet Union, and throughout the Bloc. The recent history of the GDR illustrates the conflicting currents in this complex of problems.

Although the term is not yet used in Communist polemics, it is already possible to note some features implicit in "cybernetic revisionism." These include a greatly expanded elite composed of pragmatic technocrats rather than ideologically-motivated Party machine types; institutionalized checks on the decisions of the economic bureaucracy; a rationalization of the economy giving autonomy to self-regulating units; an implicit acceptance of the "convergence" theory--the notion that certain key aspects of the economic systems of East and West are growing increasingly similar; and consequently--the underlying heresy--an implicit denial of the Marxist-Leninist "dialectic" of historical change. Debates now taking place throughout the world Communist movement confirm that conservative Party cadres view this new revisionism as a real danger to themselves and their ideology, inherent in the proposed cybernation of management even though the Communist countries lack the equipment and experience to do in this regard what is already routine in the West.

East Germany's predilection for this heresy has historical antecedents. The SED can and does claim to be the Party of Marx and Engels, symbolizing a recurrent tendency to downgrade the Leninist example of the Communist Party of the Soviet Union. Proponents of a special

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German road have arisen from time to time throughout the history of the GDR, and they have been punished more mildly than similar heretics elsewhere in the Bloc. For years, however, any possible heretical evolution was subordinated to Ulbricht's desire for personal power and to the exigencies of East Germany's economic and political survival. The Seventh Congress of the SED in April 1967 put the GDR on a new track, implicitly diverging from Soviet tutelage. Ulbricht's statements since that congress have referred again and again to the new "system" thinking and he has not denied his debt to such Western authorities as Norbert Wiener and John Kenneth Galbraith. No other bloc leader has made such statements.

Giving substance to this theory is another matter, for implementation takes place within a web of Party controls and personal rivalries which obscure the principles involved.

[redacted]
[redacted]
[redacted] has now provided some details concerning the ebb and flow of these clashing forces. The story is contradictory. While the source eventually fell victim to Party traditionalists, his rise in the state apparatus and the organizational changes he witnessed and participated in testify to the growing strength of the specialists, who, in the tradition of the American technostucture described by Galbraith, were increasingly tending to become the real decision-makers.

Whatever substance there had been to East German liberalization was frozen, even reversed, by the SED reaction to the Czechoslovak crisis of 1968. But there were some signs, by mid-1969, that the reform movement had been renewed, possibly as a result of a new understanding with the Soviets. The GDR has become a pace-setter for the bloc in matters of scientific leadership; legislation implementing some small rights guaranteed in the 1968 Constitution is being passed; and the 1970 economic plan was prepared after an alleged "tremendous ideological process of rethinking." The never-abandoned effort to train new cadres in new management techniques, adopted from those of American corporations, is proceeding on a massive scale--a scale much greater than that in any other bloc country.

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The full impact of the tendencies described here has yet to be felt in practice. The "revisionist" label may not be appropriate until they progress much further. But the 1970's may see such progress. New institutional changes and guarantees in the GDR may facilitate a greater shift away from totalitarianism toward what has been termed "consultative authoritarianism." The role of the traditional party-machine cadres would then radically change. Such changes could lead to factional fighting in the SED Politburo or to renewed friction with the Soviet Union. But, on the other hand, if such an example were set by the GDR, it could eventually presage changes in the Soviet Union itself.

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THE PRUSSIAN HERESY: ULBRICHT'S EVOLVING SYSTEM

I. CYBERNETIC REVISIONISM: THEORY

A First Approximation

The bloodless invasion of Czechoslovakia in 1968 had many casualties, many of them neither Czechs nor Slovaks. Roger Garaudy, expelled from the Politburo and Central Committee of the French Communist Party in 1970, was one of them. Polish sources have complained (perhaps insincerely) that great reforms could have taken place in Poland if the Czech liberals had only been more cautious. The threat to Hungarian liberalization was quite real and much more generally appreciated. Liberals in Communist parties throughout the world have been subjected to new Soviet pressures.

One of the casualties, at least temporarily incapacitated, was an East German liberalization program which had been sponsored by Ulbricht himself, despite the fact that it was Ulbricht who helped to call the Soviet tanks into Prague. Understanding this anomalous role requires a new look at revisionism in general and at East Germany in particular. It requires the definition of a new form of revisionism that might be called "cybernetic revisionism," which is slowly emerging throughout the world Communist movement in the wake of the scientific and technological revolution.*

*Garaudy is one representative of this new revisionism. His crimes included, according to one perceptive if slightly facetious journalistic account, an attempt to inscribe a computer in place of the hammer and sickle on the red banner of Communism. That is, he proposed that the Party woo the scientists and engineers and decrease its reliance on the "worker."

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Marxism has always been subject to heresies from the left (dogmatism or sectarianism) and from the right (revisionism). Originally, the revisionists were those who abandoned the revolutionary road, opting for parliament and reform and playing down the class struggle. Their successors today in Western Europe are the Social Democrats. What might be referred to as "classical revisionism" is the fairly widespread attempt, found in Bloc countries as well as Western Communist parties, to remove the bloody taint of Stalinist excesses, return to the true (usually the young) Marx, and restore a "human face" to socialism. But for rare exceptions (Dubcek being the most recent and most dramatic), classical revisionism is the work of artists, writers, and philosophers deriving their inspiration from the humanism and romanticism of the 19th century. Cybernetic revisionism is based, quite differently, upon the technological achievements of the 20th century. But it is just as much a revision of Marxism as was classical revisionism--it erodes the ideological justification for Party dictatorship and proposes a new organization for more human goals.

The different inspirations and different organizational approaches of "classical" and "cybernetic" revisionism should not lead to the conclusion that the people involved are necessarily different, much less opposed to one another. Engineers and scientists in the Bloc countries are often supporters of avant garde art, for example, while Bloc literary journals are often the first to publish expositions of previously proscribed scientific ideas. As "classical" revisionism is again eclipsed, partly because it has failed to carry its program against the primitive resistance of the Soviet leadership, an alliance of writers and philosophers, on the one hand, and engineers and scientists, on the other, can be predicted.

However cynical their arguments, however naked the realities of power, it remains true that the old Bolsheviks and their Eastern European recruits of the mid-twentieth century were sincere in their faith that they were the wave of the future and that the thesis and

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antithesis of state and class struggle justified any means used to attain Communist Utopia, the new synthesis. Their faith, derived from the dialectical view of historical development, is fundamentally irrational. How cybernetics erodes this orthodox ideological faith can be seen from a brief review of the history of cybernetics in the Soviet Bloc.

Cybernetics was born as a separate discipline in the West with the publication of Norbert Wiener's book in 1948.* In his book Wiener outlined a theory of control based on the observed similarity between the behavior of ineffective target calculating equipment of anti-aircraft artillery and certain nervous disorders. The new discipline immediately proved its value not only in the design of electronic computers but in understanding complex self-regulating systems of all sorts. Cybernetics, or information theory, and the related disciplines of operations research and systems analysis and the new technology of digital computers, have since become key terms in the second industrial revolution.

Stalin's earlier proscription of "bourgeois science" was renewed, throughout the Bloc and with increased emphasis, in 1947. The first Soviet mention of cybernetics was to condemn it as a "science of obscurantists, a pseudoscience wedded to idealist epistemology." Soviet literary and philosophical publications continued such attacks until the death of Stalin in 1953. The first defense of cybernetics in a Soviet publication appeared in 1954; a CPSU plenum in 1955 called for utilization of cybernetics; the 20th congress, in 1956, proposed the complete automation of Soviet plants; articles deploring the neglect of cybernetics appeared in 1957; and Soviet work in the field began to be published in 1958 with the establishment of a Scientific Council on Cybernetics in the Soviet Academy of Sciences and the creation of a new journal, Problemy Kibernetiki.

*Cybernetics: or Control and Communication in the Animal and the Machine.

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As a result of the interest thus sanctioned by the Party, Soviet and East Bloc mathematicians and electronic specialists gained access to the Western literature. It became obvious to them that the logic which could be broken down into machine-manipulable elements was not the dialectical logic of the Party. What is more, all the related disciplines of systems research had taken form in the Western tradition and had in common with this tradition the ideal identity of decision-maker and customer, the idea that the customer, though he might be manipulated, was always right. Cybernetics itself is not the science of control from without but rather the science of self-regulating systems. Conscious of these dangers, the orthodox ideologues sought to isolate cybernetics and attacked any more general discussion of its applicability and especially any suggestion that it was antithetical to or superior to the dialectic.

These sometimes muted issues were addressed directly by the East German Georg Klaus. Born in 1912, a member of the SED, an acknowledged expert on mathematical logic, and long time director of the Philosophical Institute of the Academy of Sciences of the GDR, Klaus published in 1963 a collection of papers on "Cybernetics in Science, Technology, and Economics in the GDR." His own contribution, "Philosophy and Cybernetics," equated the emergence of cybernetics to the appearance of relativity in physics and the publication of Lenin's "Materialism and Empirio-Criticism." Klaus described cybernetics as a "science of action designed to change the world" and as a "dialectic materialist science par excellence" capable of being transferred to historical materialism as well. Klaus continued: "The theory of stability in cybernetic systems also applies to economic and political systems. The general theses of game theory also apply to the class struggle....Cybernetics can assist in the deliberate formation of a social system stable by nature such as socialism." Klaus, who had wielded the Party cudgels against the classical revisionist Robert Havemann in 1956, was being cited as a new and more effective Havemann by East German defectors in 1964, as a result of his

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interest in cybernetics. After fighting a running battle with bureaucracy in the journals from 1963 on, Klaus was asked to prepare a "Cybernetic Dictionary" as his contribution to the Seventh Congress of the SED in 1967.

Klaus' freedom to interpret cybernetics in this fashion was connected with the organizational changes instituted by the SED leadership as early as 1954. Klaus is a representative of what the West German Peter Ludz calls the "counter-elite" created by Ulbricht in a shift from totalitarianism to consultative authoritarianism. Ludz' 1968 book Parteielite im Wandel* is devoted very largely to a survey of changes in the makeup of the SED Central Committee from 1954 to 1963, changes which Ludz attributes to a conscious turn from a party organization based on 18th and 19th Century secret political societies to an organization determined by the needs of a developed industrial society. This meant bringing experts into the power structure, not as decision-makers but as advisers in the Central Committee and in the central and regional bureaus for industry and construction. The decision-making "strategic leadership" (i.e., Politburo, Secretariat, and regional first secretaries) of Ludz' analysis is presented as first having initiated and then having tried to reverse this development, a development which increasingly assumed a force of its own. Crucial to Ludz' thesis is an ever-increasing importance of government, as opposed to Party, organizations.

Concerning Klaus, Ludz wrote:

"One cannot deny that Marxist system theory, as understood by Klaus, confronts the questions and the experience content of industrial society more openly than do numerous revisionist thinkers, especially

*Summary portions of this work are available in JPRS/L 3150, "West German Examines Changes in SED Elite Structure", 9 October 1969, Government Use Only. An English language edition of the book is slated to appear in late 1970.

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those who are deeply rooted in historical materialism....The relevance of information theory, as Klaus understands it, to the organizational theory of Marxism and the organizational reality in the GDR is quite unmistakable....The representatives of institutionalized revisionism, that is of the institutionalized counter-elite, seek to rationalize power and society. To that extent they can be considered to be critics of the system which, to be sure, they approve in principle...."*

Conscious of their reliance on concepts developed in the West, the Bloc cyberneticists have sought to protect themselves against orthodox Marxist attack by arguing that while cybernetics is being developed in the West in a vain attempt to "save" capitalism, cybernetics and the systems approach can be realized fully only in the socialist countries. This argument finds its corollary in the Western view that cybernetics will be used in the Bloc to save central control from the onslaughts of the market mechanism economics of the classical revisionists.

In a sense, Ulbricht himself subscribes to the latter argument. But his enthusiasm for the cybernetic revolution sponsored in the West has led him at times to take what some Soviet ideologues have apparently considered

*Most recently, in a lecture delivered on 17 March 1970, Ludz categorized the SED leaders sponsoring the system theory or cybernetic trend (Mittag, Halbritter, Kleiber, Jarowinsky, and, though to a lesser degree, Stoph) as "neo-conservative pragmatists." Thus, Ludz would balk at calling them revisionists, arguing that economic reforms need not lead to political reforms. This shifts a defense of the "revisionist" label to arguments concerning the point at which such reforms could be stopped or to the nature of the support on which the "neo-conservative pragmatists" must depend.

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a dangerously ambiguous position on the theory of the "convergence" of Eastern and Western economies. To be sure, Ulbricht does not accept "convergence" in the sense of increased planning in the West and increased freedom for market forces in the East. Instead, he seems to suggest an increasing similarity in the application of cybernetic systems to both economies. It is for this reason that Ulbricht, alone of all bloc leaders, has frequently praised and cited the economic writings of John Galbraith, a U.S. advocate of the convergence theory whose arguments Soviet ideologues have described as extremely dangerous.*

A working definition of cybernetic revisionism would include the following:

Implicit denial of the dialectic of history which apotheosizes class struggle and thus justifies Party rule;

Acceptance of central control and the primacy of an expanded elite, which includes the technocrats, coupled with a critique of "bureaucracy" and acceptance of an institutionalized check on the elites by popular economic desires (feedback);

Acceptance of the planned economy coupled with a rational attempt to give autonomy to self-regulated subsystems and an attempt to put planning on a new basis with a model rather than a directive orientation;

Finally, an implicit acceptance of convergence theory, the entire orientation being forward into the post-industrial society and the second industrial revolution.

*Galbraith's position on convergence theory bears repetition here: "There is no tendency for the Soviet and the Western systems to convergence by the return of the former to the market. Both have outgrown that. There is measureable convergence to the same form of planning." The New Industrial State, 1967.

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The Growing Debate

The diffuse nature of the manifestations of cybernetic revisionism up to the present make it difficult to find instances fitting this definition. The very term has yet to appear in Bloc literature. But debates behind the Iron Curtain (and recently in the French Communist Party) are blocking out the issues. An examination of some of these debates is in order, even if the protestations of the protagonists should not always be taken at face value.

In the Soviet Union, for example, in late 1969, A.V. Bachurin, deputy chairman of the State Planning Commission and chairman of a commission in charge of implementing the economic reform, wrote an article attacking N.P. Fedorenko, director of the Central Mathematical-Economic Institute and leader of a school of economists seeking to use mathematics to arrive at optimal solutions to problems solved by the market in the West. Bachurin compared Fedorenko with the Czech reformer Ota Sik and condemned the "consumer approach" of Fedorenko and his school.

The counter-argument--the cybernetic revisionist viewpoint--was published in Izvestiya, Moscow, 5 December 1969, in an article on the "automated system of management." Corresponding member of the Academy of Sciences N. Moyseyev argued:

"Leaders of certain organizations... surreptitiously propose to leave the entire control structure as it is...The real purpose of computerization should be to reconstruct the management process itself...A program is a certain list of goals...In general, scientists specializing in the humanities and the natural sciences must engage in scientific formulation of the procedure for program compilation. In particular, a vast field of activity unfolds before economists, sociologists, specialists in social psychology, and

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historians...Thus, the formulation and substantiation of program plans demands the creation of consultative organs which must play an auxiliary and consultative role. Their task is to compare and evaluate possible decisions. The final decision is adopted by the leading organs of the state..." (Emphasis added.)*

An article by V. Afanasyev, editor for questions of theory, in the 4 December 1969 issue of Pravda treats the questions raised by Moyseyev from the Party's point of view. Afanasyev's article, "V.I. Lenin and the Problems of Scientific Control of Society," begins with praise of democratic centralism, emphasizing that "there can be no socialism without the Communist Party's leading role in society." Afanasyev alludes to ideas current "in the West" that the systems approach replaces "allegedly 'obsolete' dialectics." (This issue, of course, is hardly a much debated one in the West.) He insists that the systems approach is an "integral feature of the Marxist dialectical method." Computer technology must be used, he concludes, but he cautions against making "absolute" what is only auxiliary to the "law governed phenomena... revealed by Marxist-Leninist science." It should be noted that Afanasyev himself is a moderate, not a reactionary, in the Soviet political spectrum.

An editorial in the Moscow Kommunist, Number 3, 1970, restates the orthodox Soviet position in no uncertain terms. "Party-mindedness," the editorial emphasizes,

*The author also deplors the lack of training facilities for the "new type leaders," noting the recent creation of an applied mathematics and control systems faculty at the Moscow Physico-Technical Institute which will produce only a "few dozen specialists." Similar complaints about personnel shortages appear elsewhere in the Bloc. This situation contrasts with the massive training efforts and university reform undertaken in the GDR as discussed below.

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remains the most important principle of Marxist-Leninist philosophy. It condemns those who "uncritically utilize terminology mechanically borrowed from other branches of knowledge," who would de-politicize philosophy, and it cautions them to remember that cybernetics and other such methods of system and structural analysis can only supplement, not replace, historical materialism and the dialectic. Discussion of such revisionist ideas is opposed by the editorial as a form of praising with faint condemnation.

One voice representing a similar orthodox opposition was raised during the closing ceremonies at the Ninth Plenum of the East German Central Committee in October 1968. Alfred Kurella, one-time cultural czar, former member of the Russian Communist Party (Bolshevik) and the Russian Komsomol, and student of the dialectic under Lenin, said:

"The commotion in the hall causes me first of all to excuse myself for asking to take the floor a second time. Comrade Hager spoke here about the causes of the mediocrity of many works in the social sciences...I think one of the causes of this lies in our underestimation of dialectics...One cause for the lagging of dialectics..., in my view, is the advancement of new variants of formal and special mathematical logic and cybernetics along with the claim that they are comprehensive, basic sciences. I do not want to start a philosophical argument right now concerning the relationship of these modes of thinking to dialectics...I just want to indicate that I do not think it proper, as regards the application of dialectics to the problems of society in particular, to 'reduce' the dialectical mode of consideration to a chain of formal information or to replace it with the figures or categories of cybernetics."

The alarm sounded by Kurella had its effect. At the Tenth SED Plenum on 28-29 April 1969, Kurt Hager was called on to put the new line in perspective and reassure

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the Central Committee that the theoretical justification for its existence would not be thrown overboard. Hager, who flirted with revisionism in 1956, has seemed in recent years to play a double role--as a check on Ulbricht's enthusiasm and as the disarmer of his opponents. The following are excerpts from Hager's report, titled "Basic Questions of Intellectual Life Under Socialism":

"The decisions of the Seventh Congress and the conclusions drawn by Comrade Walter Ulbricht...constitute an outstanding creative theoretical achievement of the party, a genuine enrichment of Marxism-Leninism in our age... The GDR is correctly programmed.*

"The socialist intelligentsia is increasingly comprised of workers with college and university qualifications who naturally do not lose their membership in the workers class by obtaining their diplomas even though the statistics still fail to express it...."

"Processing information through machines will become a daily, interesting work for thousands of people in the next few years because, as stressed by Walter Ulbricht at the Seventh Congress, the comprehensive application of machine data processing will become a main feature of the future structure of the GDR economy...."

Having thus reaffirmed the creative contribution of Ulbricht and having justified the increased reliance on the intelligentsia (who are discovered to be workers,

*Hager subsequently indicated that this phrase was suggested to him (he used it as a sub-title also) by the West German work titled "Wrongly Programmed." "The GDR is correctly programmed" became one of the slogans of the 20th anniversary celebrations in October 1969.

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too, and on whom the future depends), Hager turns to the crux of the matter--and pleads the orthodox cause:

"The creative fostering of Marxist-Leninist philosophy has always been considered seriously in our party. We regard ourselves, particularly in this vital intellectual field, as the heirs of Marx and Engels, who had a high opinion of the theoretical sense of the German worker class and staked great hopes on it...In the twenty-year history of our struggle we have succeeded in averting any blurring of Marxist-Leninist philosophy....

"In this connection, I think a few words about the relationship of cybernetics and Marxist-Leninist philosophy and social theory would be in order...In the decisions and documents of our party the necessity has been substantiated to use cybernetics and operations research as modern instruments of leadership activity. Comrade Walter Ulbricht pointed this out particularly at the scientific session on the occasion of the 150th birthday of Karl Marx....

"The importance of these young branches of science for leadership activity in the socialist society is indisputable. But it is equally indisputable that these sciences can by no means claim to represent the comprehensive theoretical basis for the scientific leadership of the society, because they investigate important, but not socially decisive, aspects of the social process. Cybernetics, the theory of systems, operations research, and so forth are in their scientific findings fully in line with the basic principles of dialectical materialism. But they are not identical with Marxist Leninist ideology and cannot replace its specific tasks. This must be stressed with all determination. The specific tasks of the scientific ideology of the workers class cannot be replaced by any other science."

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At this point, Hager was interrupted for the first and only time by applause in a speech which occupied 44 pages in the FBIS report.

Despite this unmistakable indication of Central Committee alarm there has been no frontal attack on the "misuse" of cybernetics in GDR propaganda. One atypical article which appeared in the 14 November 1969 issue of Sozialistische Demokratie, East Berlin, is worth mentioning, however, for its clear indication of what cybernetic revisionism involves. Ostensibly the article is a defense of orthodoxy but it could have been published in order to air the arguments it condemns. In his article, Dr. Wolfgang Loose notes that the Seventh SED Congress had called for a new way of thinking, a systems approach:

"Among other things, the significant implication to state leadership is as follows: All decisions and the organizing of social forces should systematically and planfully be based on the fact that all facets of society are inseparably related to each other, that they represent an organic entity, and therefore all decisions are to be based on the requirements of the entire system of socialism. Decisions in every field should consider in advance the consequences in other fields. This makes socialist cooperation on the state leadership level totally indispensable."

This is all well and good, Loose argues, but:

"The requirement to develop a new way of thinking has been interpreted by some individuals as if the time had come to replace dialectic-materialistic thinking and thus simultaneously replace a concrete historical approach to reality which consciously emanates from the class standpoint of the workers and which is rooted in their philosophy--to replace this with an attitude of a generalized system observation and pattern making...Objectively, such thinking ultimately leads to the belief that the

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philosophy of the working class is to be replaced with a neutral attitude, if not a bourgeois ideology in the end...Any attempt, however, to replace materialistic dialectics, historical materialism, the revolutionary philosophy of the working class with a 'cybernetic,' 'system-theory,' 'structural' or however coined way of thinking disarms the working class ideologically and leads away from the tasks to be solved in the class struggle."

The 9th and 10th Plenums, Loose says, should have disabused those who interpreted the new way of thinking in this heretical manner. As an example of how wrong-headed bourgeois cyberneticists can be, Loose quotes three paragraphs from Lawrence K. Frank's The Road to the Year 2000 in which the American author asserted: "We need a new political theory!" Cybernetics, Frank had argued, is misinterpreted if it is thought of as control by outside forces; what should be stressed is the fact "that systems are not only self-organizing, but also auto-directional and self-stabilizing and up to a degree should be credited with self-correction and the capacity of an aimful, goal-oriented behavior." Frank, Loose argues, is 120 years too late--Marx had already formulated the only scientific social theory in 1845.

There has been a resurgence, since the April 1969 SED Plenum, of East German propaganda condemning convergence theory. One such article is Dieter Klein's attack on the Czechoslovak philosopher Radovan Richta, published in the August 1969 issue of Forum, East Berlin, as part of a series on "futurology." Klein wrote: "The prognosis of the (Czech) group consists primarily in the statement that 'industrial civilization' is developing into a 'civilization process of a new type'....According to Richta and his co-workers the transition to this new order is not mediated by the socialist revolution and/or by class conflicts with imperialism, but rather--despite occasional other assurances--directly by the scientific technical revolution itself...."

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Czechoslovak authors are turning more and more in the cybernetic revisionist direction now that market mechanism economics and parliamentary democracy are excluded. Jaroslav Kucera, a professor of dialectical and historical materialism, writing in the 28 December 1969 issue of the Czechoslovak Central Committee party life fortnightly Zivot Strany, argues that the pendulum swings of ideological fashion should not lead to throwing out the baby with the bath in regard to cybernetics and sociology. On the contrary, he says, a Marxist theory of management should be cultivated together with the creation of appropriate cadre and institutional conditions. Kucera concludes:

"Every social branch plans to have its own (management) institutions, and as a matter of fact should have them. It is interesting to note that the Party system does not yet possess any such institution. The Party, as the leading force in society and the directing center of the political system, should begin by scrutinizing itself. And not only that, it should establish within itself a complete system of institutions devoted to scientific analysis...The Party must, sooner or later, take such steps if scientific management is not to deteriorate into an empty propaganda slogan. The Soviet Union, the GDR, and other socialist countries have already moved in this direction and have met with considerable success."

Only in Bulgaria have leadership statements paralleled the East German preoccupation with cybernetic-associated reform. A turning point appears to have been the September 1969 Plenum of the Bulgarian Communist Party Central Committee. As of March 1970, however, neither the decisions of this plenum nor Party chief Todor Zhivkov's report have been published. On 14 January 1970, Rabotnichesko Delo did publish a decision of the Secretariat concerning "improving Party work, in keeping with the decisions of the September Plenum." The Bulgarian Secretariat advises: "While studying and solving the problems connected

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with the development and political leadership of the country, the party organs and organizations should make broader use of social and sociological research, forecasting, programming, model building, and the latest achievements of cybernetics, mathematics, philosophy, sociology, economics, and other sciences....There should be an expansion of the practice of okrug (district) and city party committees to set up--under their jurisdiction and on the basis of public principles--centers, councils, commissions, and other auxillary organs which would unite the efforts and knowledge of the best specialists with a view to successfully utilizing the achievements of cybernetics," etc.

Nevertheless, Bulgaria seems a strange place for such a development. At the other end of the economic development continuum, among Bloc nations, from the GDR, it can hardly justify such concerns on the basis of internal evolution. A [] computer specialist working in Sofia reported in February 1970 that the Party people running the Bulgarian computer program were incapable of making it work because political considerations and Party loyalty came first and suggestions of subordinate specialists were ignored. It was as if, he said, they expected computers to solve their problems by some sort of magic.

Hungary is two years into a reform, the New Economic Mechanism, which has gone a quite different route. But some Hungarian authors also urge increased use of computers to rationalize the economy. One source, in the National Technical Development Committee, told an American computer expert in February 1970 that although the New Economic Mechanism had placed authority in the hands of enterprise managers it was still hoped that a central data center, fed by terminal computers located throughout the country, might restore some measure of control to the ministry level.

Published plans for Hungarian computer acquisition, however, are so modest as to make this a matter for the distant future. The same could be said for most East European countries.

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A Note on Hardware

No computers need be installed to encompass the organizational changes subsumed under the rubric of cybernetic revisionism--i.e., breaking the power monopoly of the ideologues and party-machine figures, putting decision-making in the hands of those best able to make the decisions, providing institutionalized feedback from the human base of society, and guiding society in accordance with a publicly accessible model of what is desired, a model created by those with the technical expertise to do so. Similarly, thousands of computers could be installed without instituting any such organizational changes. Nevertheless, virtually all proponents of such changes do speak in the context of cybernation. To a certain extent the computer serves in such protestations as an icon, that toward which one points as the objective fact justifying what may be at base a subjective desire.

On the other hand, massive use of computers will be inefficient without some organizational innovation and many of the organizational innovations now contemplated will be ineffective without automatic data processing. A central plan, with all its variants and substantiating detail, will remain arbitrary and will be implemented arbitrarily and clumsily if it relies on traditional data processing methods.

It is the general rule of thumb that the Soviet Bloc is ten years behind the United States and Western Europe in regard to computers. The Soviet Union has approximately one tenth the number of computers the United States has and East Germany has approximately one tenth the number of computers West Germany has. Published plans for Eastern European countries involve an increase in the computer population of only double or triple the present number by 1975. Bloc coordination in production of a third generation (integrated circuit) computer comparable to the IMB 360 is talked of but is apparently lagging. The first model is now scheduled to come off the production line toward the end of 1971. East Germany is programmed to produce peripheral input/output equipment in

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this joint project. But East Germany has gone ahead, on its own but with Soviet "interest," to develop its own IBM 360 counterpart, the R-400, and is devoting considerable funds to purchasing Western and Japanese equipment.*

To sum up, cybernetic revisionism cannot, for the moment, be tied to any actual cybernation of economic or political processes. Nothing like the needed hardware will be available by 1975. It is doubtful if it will be available by 1980. But East Germany, at least, is already moving into the new era.

II. THE GERMAN ROAD

There are several reasons why East Germany should have been the first to draw the conclusions from the coming impact of the scientific-technological revolution on the Bloc and to be the first to formulate and implement cybernetic revisionism. Understanding these reasons, however, necessitates some modification of the stereotypes according to which East Germany is the most orthodox satellite and Ulbricht simply an unreconstructed Stalinist. In the first place, a certain tension derived from the fact that the German Communist Party, the grandfather of the world Communist movement, the party of Marx and Engels (as Ulbricht reminds his Soviet hosts or guests in innumerable speeches), should have come to power as an orphan of the war and a step-child of the Soviet Union.

The GDR, made up of the six provinces of middle Germany (Eastern Germany now lies in the Soviet Union and

*Ulbricht announced at the GDR's 20th anniversary celebrations in October 1969 that production of the second generation R-300, which began in August 1967, had by then reached 100 units.

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Poland) centered on the old province of Brandenburg, has a historically defensible claim to its self-appointed role as the continuer of the German heritage. It was the whim of an emperor in Vienna that attached the term Prussian, with its Slavic connotations, to this geographic area when the Elector of Brandenburg sought the title of king. As prime mover in the confederation and later union of the non-Austrian Germans, Brandenburg-Prussia won its right to be considered, for better or worse, as the most German of the Germanies. The philosophical emphasis was on Order and the State. This heritage left its mark on Marx, and it retains its potential for an "East German" nationalism.

In addition, as a highly industrialized "half-nation" on the capitalist border, the unique situation of the GDR gave impetus to efforts to find a special German road to socialism. With the center of orthodoxy transferred to Lenin and Moscow, the party of Marx and Engels has had a repeated tendency to move toward heresy, however limited this movement might be by the constraints of having fallen in the Soviet sphere. The history of the SED is a history of heretical experiment, characterized by dramatic reversals in the positions taken by key players, many of whom are still active, and by the remarkable leniency shown to defeated factions.

The theory of a special German way to socialism applicable to Germany as a whole was developed by Anton Ackermann in 1946 and was the official line of the party until mid-1948 when the creation of a separate Communist Germany was signaled in an article by Rudolf Herrnstadt. Ackermann engaged in public self-criticism for his "error" but remained in high government and party posts.

Ulbricht's stewardship was confirmed by the Third Congress in 1950, which raised him to General Secretary. His first crisis came with Stalin's death and his resistance to the "New Course" of Stalin's successors. Between the death of Stalin in March and the rebellion of the Berlin workers in June 1953, an anti-Ulbricht faction developed within the SED Politburo, probably with the encouragement of Beria. Ackermann joined his erstwhile critic Herrnstadt

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and security chief Wilhelm Zaisser in returning to the recurring "German road" themes of reunification, a popular party, and a new economic policy. Although almost half of the Politburo supported Ackermann, Herrstadt and Zaisser, the fall of Beria and the Berlin riots sealed their fate--which was characteristically much milder than that of Beria. Not until January 1954 were they expelled from the party.

The 20th Congress of the CPSU brought new shocks. The "classical revisionism" which blossomed in Hungary and Poland had its counterpart in the debates published in the Deutsche Zeitschrift fuer Philosophie, especially in the theses of its editor Wolfgang Harich. Harich's platform had as its goal the elimination of Stalinism, the parliamentary road to socialism, dissolving the State Security Service, and the establishment of workers councils. The opening for Harich's views came in indirect fashion, in a debate over logic in which Harich tried to subordinate the "dialectic" to formal logic. A side issue in this debate was Georg Klaus' contribution on mathematical logic, which caused some dogmatists to lump him with Harich. In a parallel debate about physics, Robert Havemann sought to release scientific research from the grip of the "dialectic"--that is, from ideological control. Klaus' attack on Havemann was apparently seen by Ulbricht as proof of Klaus' orthodoxy, and it was Klaus who was given the last word in the logic debate after the arrest of Harich, for "conspiracy against the GDR," in November 1956.

Harich's arrest opened a party drive against the intellectuals whose appeal to "true" Marxism-Leninism was condemned by Minister for State Security Wollweber. In the meantime, however, Wollweber had joined Karl Schirdewan who, following the 20th Congress of the CPSU, had been encouraged by Khrushchev to develop an alternative to Ulbricht's leadership. Schirdewann's supporters included Kurt Hager who became an exceptionally vocal advocate of liberal reform. Apparently, Khrushchev dropped Schirdewann after the Hungarian revolt, but the dissident faction continued to formulate an opposition program which again returned to the German road. Only in February 1958

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did this Politburo debate between the rigid Ulbricht and the "liberal" Schirdewann come into the open. The charges against the dissidents were read by Erich Honecker.

Again the action taken against the defeated faction was mild by Stalinist standards. There were no arrests and pro-Schirdewann sentiment simmered beneath the surface until September 1960 when President Pieck died. In November 1960, with the creation of the Council of State to replace the presidency, Ulbricht succeeded in concentrating all power formally in his hands. He was never again challenged by a heretic faction. Slowly, however, he began to toy with heresy himself.

The building of the Berlin Wall in August 1961 relieved Ulbricht of the refugee drain which had so long crippled the GDR, and an era of economic improvement and relative self-confidence ensued.* Ulbricht himself opened the discussion of the ideas of the Soviet economic reformist Liberman. The economists purged for association with past anti-Ulbricht factions were rehabilitated. And the apparatchik-technocrats Erich Apel and Guenter Mittag were given key positions in the Planning Commission and Politburo respectively. A comprehensive economic reform was made public in July 1963, fifteen months before the publication of a similar reform in Czechoslovakia, and almost two years before the CPSU approved the pallid Soviet "economic reform."

Ulbricht never permitted the critical public debate which accompanied the reform movement in other countries, but the economic reform did bring some political relaxation in its train, relaxation offensive to the more conservative party elements. The 7th Central Committee

*However, despite the general belief (shared by Ulbricht and most Western commentators alike) that the era of success was due to the Wall, it should be noted that economic statistics as such do not fully confirm this judgment. In fact, economic stagnation persisted well into 1963..

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Plenum, held in December 1964 after the fall of Khrushchev, saw a conservative counterattack led by Erich Honecker. In December 1965, amidst widespread speculation about Soviet sabotage of the GDR economic reform, the father of the New Economic System Erich Apel committed suicide.* The conservative resurgence and apparent Soviet hostility checked the German economic reform, but the organizational measures of 1965, which included the appointment of 17 new ministers, only one of whom was over 45 years old, created the "institutionalized counter-elite" (see above) which was ultimately to share power with the strategic decision makers in the aging Politburo.

The Seventh Congress of the SED in April 1967 put on the agenda the creation of a "developed socialist social system," put the GDR back on a German road, and institutionalized the heresy which had been endemic in the party since its formation.

III. ULBRICHT AS SYSTEMS ANALYST

In his speech to the Seventh Congress on 17 April 1967, Ulbricht said, inter alia:

"The shaping of the developed socialist social system has great theoretical significance.... (It) requires our party to prepare and implement the Marxist-Leninist social

*The Apel affair, which remains quite confused due to West and East German black propaganda manipulation, included the association of his name with an article published at the time of his suicide by Havemann in a West German weekly in which Havemann proposed that the West German Social Democrat Party be permitted to function in the GDR in return for legalizing the German Communist Party in the Federal Republic.

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design to an extent never before known....
What we need is a new way of thinking whose characteristic feature is that all tasks must be set, tackled, and performed with a view to creating a developed socialist social system....The core of the developed socialist social system is the socialist economic system....We must realize that implementation of the socialist economic system requires application of the science of cybernetics....Automation is our key problem."
(Emphasis added.)

These were the themes that were to recur again and again in the public pronouncements of Ulbricht and his lieutenants in the years to come. And what was implicit in them was stated unambiguously in private--the GDR was ahead of the Soviet Union and the SED had thrown over its tutelage to the CPSU.

Ulbricht's speech of May 1968, at the celebration of the 150th birthday of Karl Marx, is often cited by SED spokesmen as a key to the new system, the "model of the evolved socialist society." Ulbricht passed from a consideration of the "economic and political balance of power between socialism and imperialism" some 15 to 20 years hence to the decisive importance of "implementing the scientific-technical revolution," the new phase of which, since 1960, included "the utilization of cybernetics and operations research, the application of electronic data processing, and so forth." The Seventh SED Congress, Ulbricht said, set the strategic task of establishing the "evolved socialist system in its entirety." It is characteristic of the new Ulbricht that he included in a speech dedicated to Karl Marx quotations from Norbert Wiener (his condemnation of capitalist selfishness) and John Kenneth Galbraith (his critique of unlimited free competition). Ulbricht continued: "We are concentrating on the deliberate scientific regulation of complex processes and systems by the people for the people. In this context we are making full use of cybernetics."

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In his speech to the Ninth Plenum of the SED Central Committee in October 1968, Ulbricht again quoted Galbraith approvingly: "He concludes that the old-style capitalism, with its market mechanism, can no longer function and can no longer exist.... (Galbraith) is no Ivory Tower scholar, he knows what he is talking about."* Ulbricht's Ninth Plenum speech also contained an attack on the revisionist economists who would reintroduce the market mechanism into socialist economics and thus throw away the "unique advantage of socialism," its ability to use the scientific-technological revolution. Ulbricht added: "The people would rather have tasty sausages in modern packages than coffee grounds from anti-socialist intellectuals, 'made in Prague'." Noting that GDR government workers were beginning to complain about the constant organizational changes, Ulbricht continued:

"The long range forecast for the development and application of electronic data processing in the GDR...covers the period up to 1980...This automation includes not only manual functions but also mental activities connected with decision-making, planning, management, and process organization. From this I draw the conclusion that the

*Galbraith's The New Industrial State was published in German translation in West Germany and Switzerland in 1968. References to it by SED Politburo members in speeches shortly thereafter suggest that Ulbricht had made it required reading. These references, those by Hager, for example, suggest further that few shared Ulbricht's enthusiasm; their references to Galbraith were limited to condemnation of his convergence theory. Indeed, one can imagine with what horror Politburo members read such observations as: "When power is exercised by a group, not only does it pass into the organization but it passes irrevocably...Since technology and planning are what accord power to the techno-structure, the latter will have power wherever these are a feature of the productive process. Its power will not be peculiar to what, in the cadenzas of ideology, is called the free enterprise or capitalist system."

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utilization of new equipment in the government management sphere cannot simply be grafted on top of our operating procedure, such as we have employed it so far. The application of new equipment in the 'art of governing' objectively requires the design and build up of a modern dynamic leadership and management system."

Ulbricht carried his new gospel to Moscow to the International Communist Conference in June 1969, where he bragged:

"The working people of the GDR, under the leadership of the united workers class and its Marxist-Leninist party, have shown what creative forces can be brought into play by the socialist system in a developed industrial country....For the first time, the socialist social system was set up in a developed country where the workers class formed the majority of the people....At its Seventh Congress, our party was able to make the next goal: The creation of the developed socialist social system. The essential element of this is that all aspects of the social process are understood and approached in their mutual interdependence, interlacing, and unity. The socialist economic system has now been completely worked out and tested, and it will be comprehensively implemented in the coming years. This will enable us to utilize all the advantages of socialism in mastering the scientific-technological revolution...."
(Emphasis added.)

The GDR 20th anniversary celebrations saw further repeated references by various East German spokesmen to the primacy of the GDR in regard to socialist development, a primacy which Ulbricht, in his 6 October 1969 speech, delivered in the presence of Brezhnev, attributed to "the most prominent German scientists, our revolutionaries Karl Marx and Friedrich Engels."

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In his review of the book Politische Oekonomie des Sozialismus und ihre Anwendung in der DDR (Political Economy of Socialism and its Application in the GDR),* in the September/October 1969 issue of Einheit, Ulbricht said that the book was intended to unveil the "law of motion" of socialist society just as Marx' Das Kapital had unveiled the "law of motion" of capitalist society. He defended the manifest immodesty of this claim as follows:

"The question may be raised whether it is not premature to write this kind of book.... Concerning this, I would like to say: We are in a hurry with the political economy of socialism and its application in the GDR. We should even mention here that the party leadership of the SED encouraged and pressured GDR political economists to start on this difficult study.... Four and a half decades ago, Lenin showed that greater labor productivity is decisive for the superiority of socialism over capitalism.... Today this involves transforming science into a productive force, consistently carrying out the scientific-technical revolution, realizing complex automation, and applying scientific management activity...."

In his speech to the 12th Central Committee Plenum in December 1969, Ulbricht attributed the successes of recent years to the development of "System-Denken" (System thinking) as encouraged by the Party. Citing John Bernal, Ulbricht traced the evolution of science from private science to industrial science to state science. Now, Ulbricht added, with the far-reaching automation of intellectual processes there are new yardsticks "for the shaping

*See Annex.

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of the whole system of socialist leadership and directive work and for the shaping of socialist social relations altogether."

Such ideas as those in the above paragraphs simply cannot be found in the public statements of other Bloc leaders. Even the Hungarian Party chief Janos Kadar plays much closer to his chest any suggestion of government organizational reform. In the Soviet Union ideas similar to those of Ulbricht come primarily from academicians on the fringe of the establishment, and rebuttals from orthodox ideologues or those in the power structure are virtually guaranteed.

It is possible, of course, to accuse Ulbricht of monumental hypocrisy. Granted that the scientific-technological revolution is a matter of priority concern throughout the Bloc, he may simply be attempting to seduce the technocrats whose support he needs. But it appears that Ulbricht has gone further than he need have, had that alone been his motive.

IV. CYBERNETIC REVISIONISM: PRACTICE

Background

While Ulbricht has been making these unsettling pronouncements, an internal struggle apparently has been going on among the second-level cadres working in the central organs of the East German regime. Technically-oriented personnel grouped around the apparatus of the Council of Ministers have sought, amidst constantly changing and contradictory directives, to give organizational life to some of Ulbricht's generalizations. Some of the measures advanced appear to have touched on hitherto sacred prerogatives of the Central Committee apparatus, such as the cherished right to appoint subordinate cadres (the "nomenclature"). Opponents in the regime have struck

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back strongly, with some Politburo support. This hidden struggle has been intermeshed with personal rivalries and has been strongly affected by foreign events, particularly the rise and fall of Dubcek's revisionist regime in Prague.

[redacted] who had worked at the very heart of the organizations charged with implementing the reform, provides a rare insight into this subject. Even a sketch of his career is illustrative of many of the factors involved.

[redacted], had worked his way up to [redacted] when, in the spring of 1960, a conflict with the enterprise Party secretary was resolved by [redacted] receiving a Party reprimand, "for failure to respect the leading role of the Party," and being downgraded to production director in another [redacted] enterprise. In February 1962, when the New Economic System was being prepared and the need for experts became acute, he started to work as an adviser in the Office of the Council of Ministers where his duties included the study of Western economic literature. In the fall of 1965, [redacted] ideas on the economic return (profitability) of capital were incorporated in the 1966-1980 Coal Program. The Program was accepted by the Council of Ministers and the Politburo, thus precluding open opposition, but strong opposition developed nevertheless among dogmatists in the Party aktiv in the Council of Ministers, who felt their political authority threatened by the increasing influence of the economists. [redacted] learned that he was being charged with trying to introduce capitalistic methods into the economy of the GDR.

Despite the intrigues of his enemies (who included Walter Halbritter, chief of the Price Office and later Politburo candidate) [redacted] was promoted to section chief for economic principles in April 1966 and to division chief for state and economic management in April 1967. In September 1967 he became head of the Scientific Management Division within the newly created Department of State

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and Economic Management. In this capacity, in March 1968, [redacted] prepared a report on the work and organization of the Council of Ministers. This report, intended for the eyes of Prime Minister Stoph only, was forwarded to the Central Committee, in Stoph's absence, where it came to the attention of Halbritter, who returned it [redacted] [redacted] with the comment that it did not sufficiently take into account the "economic structural system" [redacted] term for the "economic system of socialism" introduced by the Seventh Congress). From this point on, [redacted] career was at an end. The Party organization in his own division decided that he should leave the Office of the Council of Ministers because of his political attitude. At the end of 1968, [redacted] insisted on resigning without waiting for the Party judicial process to run its course. From January 1969 until [redacted] [redacted] worked as a "scientific supervisory assistant" in the Department of Marxist-Leninist Organizational Science, Economics Research Section, at the Higher School for Economics at Berlin-Karlshorst. It is obvious from this sketch that [redacted] had fallen victim to the web of Party controls which characterizes every Communist state. The leitmotif of [redacted] testimony is the all pervasiveness of suffocating Party rule. And yet the very fact of his rise and the very nature of the disputes in which he found himself testifies as well to changes that have begun within the GDR power structure.

In the standard pattern of a Communist state, the real rulers are the members of the Politburo (or Presidium) and the Secretariat of the Central Committee. The apparatus, through which their rule is exercised consists above all of the departments of the Central Committee, which supervise the various organs of the government bureaucracy.

The party organs or cadre department of the Central Committee is the most powerful organization of all. It selects or passes on all key assignments in the apparatus of the Central Committee itself, in the regional party apparatus, in the front organizations, and in those government posts not reserved to the

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"nomenklatura" of the Politburo.* Central Committee departments dealing with foreign affairs and state security are more powerful than the corresponding ministries under their supervision. These areas are under the personal supervision of the Party first secretary or some other member of the Secretariat, who works primarily through the Central Committee apparatus.

Other departments monitor and indirectly control all other ministries as well. But the lines of command are less distinct. In the first place, a single department may have jurisdiction over more than one ministry. In the second place, the departments also monitor the activities of such organs as the State Planning Commission when these organs deal with problems within the departments jurisdiction. In the third place, the government organs (ministries and commissions, etc.) retain considerable initiative of their own. Thus control is exercised by cooperating with the ministries in the preparation of plans, by departmental control of corresponding departments in the lower echelon Party apparatus, and by guiding the work of the Party groups (or aktivs) within the government organs (ministries) themselves. As a rule, the decisions of the Politburo are based on the recommendations of the Central Committee departments. The government organs can thus be reduced to executive (rather than policy making) functions and the Party groups within them will see to the proper execution of this role.

Any modification of this system with regard to foreign affairs or internal security must await changes

*The "nomenklatura" or "nomenclature" is a list of those positions, both Party and government, the filling of which is assigned to various Party leadership echelons. Ministers, ambassadors, and the like are appointed by the Politburo itself. The Party secretary who supervises the cadre department of the Central Committee is often the most powerful man in the Communist apparatus after the First Secretary himself. In the GDR this man is Erich Honecker.

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more far-reaching than any envisaged for the GDR at this time. Ulbricht has, however, tinkered with the rest of the apparatus. At the time of the earlier economic reform (1963) this included an imitation of Khrushchev's experiment in setting up Party economic bureaus, which permitted representatives of the economic bureaucracy to cooperate formally with the Central Committee departments under the supervision of a Party secretary. As in the Soviet Union this has been abandoned. The economic specialists brought into the Office of the Council of Ministers as part of this experiment, however, remained. [redacted]

As a result of the earlier reform, the number of decisions for which the Council of Ministers was responsible doubled from 1961 to 1964 and tripled from 1961 to 1966. The increasing work load of the Council of Ministers was met by increasing staffs, by increasing the number of meetings of the ministers, and by streamlining document processing. But the net result of the overload, according to [redacted] was that all members, including Prime Minister Stoph, came to rely predominantly on the judgments incorporated in the presentations of their scientific assistants.* [redacted] makes no mention in his account of desk to desk coordination with the departments of the Central Committee although he does note that such coordination was one of the functions of the Office of the Council of Ministers. Party criticism of the work of the Council of Ministers was relayed from the Politburo by Prime Minister Stoph. It is [redacted] contention that Politburo and Central Committee criticism has increased under Stoph's tenure because Stoph has less prestige in the Party than Grotewohl had.

*The concurrent phenomenon affecting boards of directors and the "technostructure" in the United States industrial system has been noted by Galbraith as follows: "There must always be the question as to how much the individual is deciding and how much has been decided for him by the group which has provided the relevant information; the danger of confusing ratification with decision must again be emphasized." The New Industrial State, John Kenneth Galbraith, 1967.

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According to [redacted] the State Planning Commission had never come to grips with the New Economic System (1963) until a "scandal," precipitated by the study on capital profitability [redacted] came to the attention of the Politburo in November 1965 and was discussed at the 11th Plenum in December 1965. Simultaneously a power struggle between Erich Apel and Alfred Neumann was coming to a head. Apel, in the State Planning Commission, had [redacted] "practically robbed Neumann of his leading position on the Council of Ministers through the planned and impending dissolution of the National Economic Council." By the time this council was abolished, however, Apel had committed suicide (after receiving threats from Neumann and, according to other sources, discovering that members of his own staff were betraying him to Neumann) and the "scandal" involving the incompetence of the State Planning Commission added to its decreasing prestige. Following the 11th Plenum (1965) its decision-making authority was considerably curtailed. The lost prerogatives devolved on the Council of Ministers as a whole or were delegated to the enterprises or individual ministers. In the course of 1966 it was decided to implement a new stage in the economic reform. No sooner, however, were new statutes for the enterprises drafted than the Seventh Congress introduced the Economic System of Socialism.

From the Seventh Congress to the Czech Crisis

The reform envisaged by the Seventh Congress [redacted] [redacted] included such "structural" elements as introduction of standard prices, standard tax rates, and elimination of government subsidies and was to be fully operational by 1970. Completely new regulations were to be drafted for the Council of Ministers, the ministries, the State Planning Commission, and the enterprises.

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[] continues: "This was to be a delegation of duties and responsibility away from the central authorities and to lower authorities, a decentralization of control of the national economy. This is often described as liberalization, as it would have been difficult to interfere with the national economy for political reasons which were not given an economic basis." Control of this reform was to be in the hands of the Council of Ministers.

But, [] reports, criticism of the Council of Ministers and of Stoph in particular increased in the Politburo in 1967 and 1968. There was a personal competition between Stoph and Honecker. And Mittag, as Politburo member and chairman of the Volkskammer Committee for Industry, Construction, and Transport, "put obstacles in Stoph's way." The changeover from the New Economic System to the Economic System of Socialism resulted in a hodgepodge of conflicting regulations which decreased the effectiveness of the Council of Ministers.

In the fall of 1967, a Department of State and Economic Management was created in the Office of the Council of Ministers.* This department was created with the explicit support of Ulbricht to provide Stoph with qualified management personnel, to back him up on professional questions, and "to furnish him with better arguments." According to [], the models for this new department were the "highly qualified advisory team of

* [] speaks of the "Office of the Council of Ministers" in a restricted and a larger sense. In the restricted sense the Department of State and Economic Management is separate from and equal to the Office of the Council of Ministers, i.e., the office charged with housekeeping functions. But in the larger sense the Office of the Council of Ministers includes both of these, plus six other organs including the secretariat for data processing under Politburo candidate Guenther Kleiber.

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President Kennedy," the brain trusts of American corporations, and Stoph's experiences from Army command. As [] notes elsewhere, Stoph had more to draw on than his military staff experiences; his night-time reading included, The World in 1985, Management by Staffwork, Vance Packard's The Status Seekers, Strauss' Outline for Europe, and Servan-Schreiber's The American Challenge. Stoph's intellectual limitations and penchant for technical detail (noted [] as well as others) suggest that this reading list was prepared by Ulbricht, whose citations of Galbraith and Wiener have been noted above.

The department had as its task a study of the effectiveness of the Council of Ministers, making suggestions relative to the work plan of the Council of Ministers, promoting the development of the economic system of socialism, assisting Stoph with lectures and speeches, and making proposals for the application of such modern management methods as operations research, cybernetics, and systems techniques. Divisions within the Department of State and Economic Management included Obst's Scientific Management Division, an Inspection Division (which had worked under the People's Economic Council and then under the State Security Service and which was essentially an industrial and political counter-espionage activity), as well as documentation, training, library, and legal divisions. Most notably, the Department also had a Nomenclature Cadre Division which investigated and reported on the performance of ministers and heads of other organs in the Council of Ministers, commented on appointments of nomenclature cadres of the Council of Ministers "in close cooperation with the Central Committee of the SED," and was even to regroup nomenclature cadres with the aid of computers. The work of this Cadre Division appears likely to have evoked friction with the Party machine figures in the Central Committee Cadre Department.

Also in the fall of 1967, an Economic System of Socialism Group was formed in the Council of Ministers (but outside the Office of the Council of Ministers) "to ease the work of the Council of Ministers and to accelerate

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the development of the economic system." The head of this group is Walter Halbritter. The group is not subordinate to the State Planning Commission but is on an equal level with it. It "prepares and coordinates" (presumably with Central Committee departments) resolutions for passage by the Council of Ministers which deal with the Economic System of Socialism. The new group is "fully dependent" on the "Strategic Committee" of the Central Committee. This committee (presumably the Strategic Committee) is chaired by Ulbricht, [redacted] and thus "the strategy for the further development of the Economic System of Socialism is under the control of the Central Committee." The pejorative tone of this judgment should be qualified, however, by recalling that in what appears to have been an organizational rivalry between Stoph's Department of State and Economic Management [redacted] [redacted] and Ulbricht's Economic System of Socialism Group (under Halbritter) [redacted] fell victim to the long standing animosity of the very senior Halbritter. It seems credible to assume, given the closeness of Ulbricht and Stoph stressed by Obst, that the rivalry between these two organs was less crucial than their cooperation. The organs by-passed would be the State Planning Commission in the government apparatus and the various Central Committee economic departments in the Party apparatus.

In January 1968, Ulbricht moved to firm up his reforms by incorporating them into the basic law of the GDR, the new constitution. The Constitution of October 1949, which the 1968 Constitution replaced, had been drafted as a model for all of Germany. The new Constitution was for the GDR alone, whose people had "implemented socialism" under the leadership of "their Marxist-Leninist Party" (Article 1.) It was pushed through with unseemly haste--only two months elapsed from its first presentation to the People's Chamber, for nationwide discussion, until its approval by referendum. Western comment was uniformly and understandably cynical. Nevertheless, the following excerpts from Ulbricht's presentation speech of 31 January 1968 are worth pondering:

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"The draft constitution also contains a new element in the functioning of the state authority organs under the conditions of the developed social system of socialism.... Our draft constitution provides that the assemblies representing the people shall exercise all power in the state....No one can exercise government or power functions outside or beside them....Implementation itself is carried out by the Council of Ministers, the leading organs of the economy, the bezirk assemblies and councils, and by the local organs....The removal of the economic administrative activities from the elected bodies and their transfer to the responsibility of the enterprises, kombinats, services kombinats, towns, and communes has resulted in more responsible decisions being taken at the base. Within the entire pyramid of the state organs the decision is taken where the best conditions for the solution of the concrete problem exist....The constitution will help to stimulate the work of scientists and engineers....to help to implement the scientific and technological revolution....Complaint committees at bezirk and kreis assemblies....are to be entitled, in cases of obvious infringements of legality, to abrogate decisions of the local administrative organs...."

The only reference in the Constitution to the leading role of the party is in the initial description of the socialist state; it does not name the SED as such and it is in the past tense. Article 3, which specifies the locus of the organized expression of political power, speaks only of the National Front.*

*This might be compared to the 1960 Czechoslovak Constitution which describes the Communist Party of Czechoslovakia as the guiding force in the society and the state (Article 4). Abrogation of this article was one of the goals of the Czechoslovak reformers in the first half of 1968.

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[redacted]

Thus the new Constitution--both in what it says and in what it refrains from saying--appears to have been tailored to fit an anticipated further evolution of many economic decision-making powers away from the party structure and into the government and purely economic hierarchy.

The murder of Czechoslovak liberalism took center stage immediately after passage of the Constitution and SED propaganda thereafter concentrated overwhelmingly on the leading role of the Party. [redacted] confirms that the renewed emphasis on Party supremacy was not mere propaganda. As of December 1967, [redacted] the Central Committee apparatus was still working out a comprehensive plan for the economic structural system to be introduced in 1970, but in February 1968, manifestly under the impact of the Czech crisis, Ulbricht changed the priorities giving first place to scientific management and second place to the economic structural system.* In April 1968, the Council of State decided, [redacted] reports, to postpone the introduction of the economic structural system until 1975. All talk of decentralization and liberalization became taboo and an actual tendency toward greater centralization came to be felt.

"It is completely clear," [redacted] continues, "that the leadership of the SED recognized the connection between the economic reform and the Czechoslovak crisis, even that it had always anticipated and feared the actual consequences." Nevertheless, [redacted] says, the SED found a public retreat unacceptable. Instead there was a concerted effort, in propaganda intended for the Party and

*This distinction, which does not appear in SED leadership statements, is apparently fundamental to [redacted] understanding of the Economic System of Socialism. "Scientific management" refers to the ideological superstructure, the orientation of thinking, while "economic structural system" refers to the more basic changes in price structure, taxes, etc. The next two paragraphs add further light on Obst's distinction.

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[redacted]

government apparatus, to draw an ideological distinction between the German and the Czechoslovak reforms, even when these were of the same character. Throughout 1967 such distinctions had been ignored, they were "merely" ideological. But in 1968 such distinctions became a brake on further theoretical development and on implementation. Open controversy concerning the principles of the economic structural system was avoided but implementation was quietly postponed. What could still be proposed publicly were the principles of modern scientific management--operations research, electronic data processing, cybernetics, marketing research, and a reorganization of combines. [redacted] continues: "Necessary and correct as this orientation may be, the effect of these measures is restricted without a fully operational economic structural system."

Finally, [redacted] "The leadership of the SED is fully aware of the advantages of the economic structural system, so that one can anticipate only a temporary postponement of the system. As soon as the external political situation permits a further application of the principles of the economic structural system, one can anticipate that it will be extended; certainly with a stronger trend toward the character, methods, and principles of the Soviet economic reform." [redacted] day-to-day association with the reform ended in mid-1968. The public evidence is that the reform movement was renewed in mid-1969, [redacted]

The Reforms Renewed

The un-freezing of the reforms in the latter half of 1969 may have resulted from a new understanding with Moscow. Hints of some sort of trouble appeared in the first half of 1969. Ulbricht's address to the 10th Plenum in April 1969 (which heard Hager's detailed discussion of the cybernetic heresy) was published more than a week after delivery. He had just returned from a reportedly disillusioning CEMA session in Moscow and he spoke "off the cuff," adding "perhaps this is even an advantage." He said, inter alia:

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"Certainly we in the GDR are being confronted with more complicated tasks than many other people's democratic countries. Our party, the National Front, and our working people are working not only on solving the problems of the GDR. Beyond this we also have the historical task of solving the problems of social development and of the life of the people, in the name of the vital interests of the whole German nation...."

Ulbricht professed to offer the hand of friendship to the workers, peasants, and intelligentsia of West Germany, insisting that he well understood that they could not follow the path of the GDR. The relations between the two Germanies, he said, could be normalized, if West Germany threw over its "revanchist, presumptuous claim to sole representation." Relations under international law, he added, were "quite possible between sovereign states of the same nation." Whatever this implied for inter-German relations (and Ulbricht's line seems to harden in direct ratio to any possibility for improvement) it was an argument for special solutions to special problems which might have relieved the GDR of some of its CEMA responsibilities and justified ideological innovation.

In mid-July 1969, with Ulbricht ill and rumors of his replacement rife, a high-powered delegation representing all elements of East German political life traveled to Moscow. Ulbricht, who had not gone, discussed this mission at the 11th Plenum at the end of July:

"I do not exaggerate when I maintain that the agreement between the CPSU and the SED and the joint statement will usher in an important, new stage in the ideological work of our party."

Ulbricht had noted earlier in his speech that "criticism and self-criticism, naturally, are indispensable" to the "trusted partnership" with the Soviet Union.

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Ulbricht's July 1969 discussion of the need to use cybernetics to develop "a model for the entire system of state leadership" was prefaced by his noting the need to "utilize the theoretical lead of our Soviet friends" in regard to economic-mathematical models.

One outgrowth of this new understanding may have been Soviet approval of GDR proselyting activities throughout the Bloc. The new GDR book on the political economy of socialism was distributed at the 19-21 November 1969 Prague ideological conference and has become a topic of lively ideological interest. In addition, hardly a week goes by without some Bloc party or government delegation making a study visit to the GDR. In the week of 12 to 20 November 1969, for example, two separate delegations representing the Czechoslovak Communist Party Central Committee arrived in East Berlin, one to study the "development of scientific leadership" (Honecker expalined the "evolved socialist social system" to this delegation, according to press reports) and the other to study "SED experiences in work with mass organizations;" a Bulgarian Central Committee delegation arrived to confer with the SED Party Organs Department; and two Hungarian study delegations arrived to study party work in the "rationalization of administration" and "SED experience in drafting the socialist constitution." According to the report to the 12th Plenum the GDR received twice as many party delegations (51) as it sent out (23) in 1969.

German inspiration might be seen in the 23-24 September 1969 Plenum of the Bulgarian Central Committee, noted earlier. The renewal of the Soviet debate, also noted above, which pits mathematical economists against the more orthodox members of the establishment might also be attributed, in part, to the German example.

On the domestic front, the GDR has recently moved forward with legislation implementing some of the small reforms promised in the 1968 Constitution. For example, the right of "co-determination" guaranteed by the new constitution was cited in passage of the "Petitions Decree" on 1 December 1969. This law authorizes the creation of "complaint committees" in bezirk and kreis

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assemblies and municipal and municipal district councils in the first quarter of 1970. [redacted]

[redacted] who had worked in the Office of the Council of Ministers, noted that even in 1967-1968 this office processed 2,000 to 3,000 petitions per year. Compiling statistics on these complaints was taken very seriously --even if dealing with the problems raised was not. But Obst says that the right of petition should not be discounted as the citizens of the GDR genuinely appreciate it as one of their few political privileges. Such feedback from the popular base of society would be an important part of a "cybernetic" state, providing that check on the economic bureaucracy considered so important by such revisionist sociologists as the Hungarian Andras Hegedus.

There may also have been recent forward movement in liberalizing economic planning. The report of Mittag to the 12th Plenum of the SED Central Committee in December 1969 outlines the new methods used in compiling the 1970 Plan for the GDR. The initial phase was a joint conference of the Politburo and the Council of Ministers in the course of which "the Council of Ministers was directed to work out the plan tasks." An increasing government role is implicit in this joint initial conference, even if it is equally clear that the Politburo retains the initiative in "directing" the Council of Ministers to proceed. The new style, Mittag said, required a "tremendous ideological process of rethinking in the State Planning Commission."

Mittag stated that the main shortcoming of the old planning method "consisted in the fact that no variants were worked out on the decisive problems." Henceforth, procedures were to be changed so that the most important plan proposals were worked out first by the competent ministers, department chiefs of the Central Committee, and deputies of the Chairman of the State Planning Commission. The complex plan proposal worked out by the Chairman of the State Planning Commission was processed by the Council of Ministers prior to submission to the Politburo. Variants for certain areas and branches were prepared by working groups and submitted together with

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the complex plan proposal. A major working group under the leadership of the Chairman of the Council of Ministers established the "basic proportions between the most important sectors of the national economy."

In subsequent portions of his report Mittag gave some hints as to how this planning system will be improved in the future--optimization through the complex application of economic-mathematical models and the use of operations research. "The discussion of the problems of the plan in the Politburo," Mittag concluded, "made it quite clear that a plan can no longer be worked out and carried out today by simply disputing in terms of global sums and in terms of millions." What Mittag did not say is that it is equally clear that the Politburo is so constituted as to limit its debate to "global sums." If the decisive debate is to be conducted in other terms this means that crucial decisions are in the hands of the government organs and the groups of experts attached to government and party organs, a phenomenon noted years earlier by Obst in the Council of Ministers.

In the area of educational policy and cadre training there has been no faltering. In the training of an entirely different type of cadre, proposed at the Seventh Congress, the effort has been massive and all embracing.

Politburo cyberneticist Kleiber stated in 1967 that 100,000 to 120,000 persons would be working in computer centers in the GDR by 1980. Speaking before the GDR State Council on 3 April 1969, which passed a resolution furthering the Third University Reform, Kurt Hager said that the reform is aimed at making Marxist-Leninist sciences of organization and the use of automatic data processing a functional part of higher education and would decisively change the features of the institutions of higher education. Reforms instituted in 1968 had already dissolved the former faculties and institutes to create some 23 new sections, including a section for cybernetics and operations research. Such a section appears on the organizational charts immediately after the section for Marxism-Leninism, which is still number one. According to the October 1969 issue of Die Technik,

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East Berlin, the new sections at the Dresden Technical University now participate in a number of new schools; 15 of the 25 sections or institutes at this university participate in the work of the School of Data Processing--the largest number of sections in any one school. The 1970 plan, as described in Mittag's report to the 12th Plenum, increased the funds for science and technology by more than one billion Marks, from 3.8 to 4.9 billion, and almost doubled investments in the college and technical school system, from 200 to 383 million Marks. Admission quotas for science and technical schools were increased to 119.5 percent.

Date processing and new management techniques are also taught in GDR secondary schools and in further training courses for leading officials in the Party, state, and economy. An Academy of Marxist-Leninist Organizational Science, for leading cadres, created in only 10 months by a decision of the SED Politburo, was opened by Ulbricht, Mittag, and Stoph on 30 September 1969. [redacted], who had worked in the Council of Ministers apparatus, states that great emphasis has been given to higher studies for the 800 cadres of the Council of Ministers in the past 2 to 3 years. Six week and six month courses are given at Berlin-Rahmsdorf and 2-3 day courses on American management techniques are given several times each year for the chiefs of Council of Ministers organs. According to Peter Ludz, tens of thousands of functionaries have graduated already from the Higher School for Economics at Berlin-Karlshorst, the Central Institute for Socialist Business Management of the SED Central Committee at Berlin-Rahmsdorf, the Walter Ulbricht Academy for Political Science and Law at Potsdam-Babelsberg, and other special schools. In his most recent article (Die Zeit, Hamburg, 10 October 1969), Ludz predicts that these new functionaries will have replaced the old guard completely by 1975.

If the hardware should become available to match these new cadres, the GDR would have by 1975 a most powerful administrative-economic machine. Whether or not the hardware is available, the SED may have created a formidable countervailing force resistant to ideological

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control. A mechanical engineer [redacted] [redacted] has provided some insight into the current political attitudes of those on whom Ulbricht is counting so much in his evolving system. In the spring of 1968, the 1,000 employees of VEB ELREMA (designer of the R-300 and R-400 computers), the majority of them "intellectuals" and 20 percent of them members of the SED, applauded the Czechoslovak liberalization and distributed pro-reform literature in the plant. An SED Bezirk official, called in to put down the ferment in early August 1968, was openly laughed at by employees who demanded freedom to receive Western European literature, radio and TV, and freedom to travel in the West. A post-invasion meeting ignored the SED official speaker and many employees, including SED members, denounced the invasion. The control scientists seem to be particularly resistant to control.

V. SCENARIOS FOR THE SEVENTIES

The impact of cybernetic revisionism has hardly been felt thus far, and its future course can hardly be predicted on the basis of past episodes involving what is called here classical revisionism, the humanist revisionism which Ulbricht has repressed so consistently. Some informed guesses at possible future scenarios can, however, be made.

The 1968 Constitution, only now being applied with the passage of implementing legislation, offers at least a hope that the earlier detected trend toward "consultative authoritarianism" (in place of complete totalitarianism) and economic reform (with a technocrat rather than market mechanism orientation) might receive institutionalized guarantees of further development. If this happens, the key offices will continue to go to SED members, but more and more they will take responsible action in their government function and they will be guided in this activity by the overriding necessity to know the real world. The self-deception which characterized the ideology of the past will be seen, more and more, as

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a burdensome hindrance. To the degree that the state becomes the all-embracing mechanism for economic rationalization, the Party apparatus will gradually become less meaningful.

Such an evolution, which would be applauded by non-party people and SED members in responsible government and economic posts (including those in the Council of Ministers), is a threat to party hacks at all levels. It could eventually become a threat to the top echelon of the old leadership in Politburo, Secretariat, and regional committees. But many at this level, including Ulbricht, will not live to see the full impact of the coming changes. There is no evidence that cybernetic revisionism is an issue in Politburo factionalism at this time. Should it become an issue, the most commonly accepted categorization of Politburo members might be translated as follows: Ebert, Warnke, and Matern are time-servers and would carry little weight; Stoph, Mittag, possibly Neumann,* and three of the candidate members, Jarowinsky, Halbritter, and Kleiber, have managerial or technocrat biases which should favor the cybernetic approach; candidate member Ewald would probably join the above six; the remaining "Centrists" Grueneberg and Sindermann probably would not oppose a cybernetic trend; propagandists Norden and candidate member Axen can be presumed to have a vested interest in orthodoxy; Mueckenberger, Verner, and Froelich, and candidate member Muller might be added to the orthodox camp. The swing votes in such a split, presuming Ulbricht removed, go to Honecker and Hager. If Honecker were to back a continuation of the cybernetic line it would be because he believed, as Ulbricht apparently believes, that it guarantees both GDR success and continued SED control. Hager's support, despite the ambiguity of his present position, might involve a much fuller appreciation of the revisionist implications. If a Hager-Stoph coalition, for example, were

* considers Neumann "independent" in the Honecker-Stoph opposition, although supporting Stoph "to a certain extent."

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to spell out the revisionist implications in a bid for popular (technocrat) support, Honecker might call a halt and bring in the Soviets.*

For the time being, Ulbricht appears to have calmed Soviet fears concerning his ideological innovations. His opposition to classical revisionism is so sincere and so intense that he appears to be most orthodox. His earlier (pre-July 1969) claims of German pre-eminence have been toned down somewhat and he may even have won Soviet backing as a pacesetter in the Bloc. Nevertheless, he remains a thorn in the Soviet side, and his pretensions to German or personal superiority still evoke some resentment in the Soviet leadership. The irritation of some Soviet ideologues with Ulbricht's cybernetic plans might spring less from any overt insubordination in the GDR and more from a realization that by letting Ulbricht get away with it they had been giving aid and comfort to the mathematical economists whose behind the scenes debate with the establishment has recently broken out again in the Soviet Union.

On the other hand, what has been treated here as the Prussian heresy may really be the wave of the future in Eastern Europe. If the Soviet system is to survive, it will eventually have to come to terms with its alienated intellectuals, will have to solve its economic problems, will have to move into the scientific-technological revolution and the post-industrial society.** If Ulbricht has found a way to do this without losing his personal grip on the helm he may well be followed by other leaders throughout the Bloc.

*Any defection from an anti-Honecker coalition (for example, [] sees Mittag as opposed to Stopf) would be fatal. Honecker's hold on the Cadre Department is still a key card.

**Zbigniew Brzezinski, "The Soviet Past and Future," Encounter, March 1970, includes a discussion of this problem and also notes the importance of the "Prussian" example.

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ANNEX: THE POLITICAL ECONOMY OF SOCIALISM AND
ITS APPLICATION IN THE GDR

According to the "Authors' Preface," The Political Economy of Socialism and Its Application in the GDR (Politische Oekonomie des Sozialismus and ihre Anwendung in der DDR) was written in seven months by a nine man team headed by Guenter Mittag, with contributions to individual sections by 36 others, and was reviewed by six Politburo members, including Ulbricht. This cooperative effort and the exigencies of politics and ideology in the shadow of the Soviet Union account for the unevenness and repetitiveness of the book, which also suffers from the turgidity of German economists.

Ritualistic references to the primacy of the Communist Party of the Soviet Union, to the leading role of the working class and its party, to the unfailing omniscience of the SED, and to the evils of imperialism and capitalism occur throughout and dominate the first two, largely historical, chapters. Nevertheless, the book does appear to be a serious attempt to apply the systems approach to the problems of an East European society, in keeping with the "strategic task" set by the Seventh Congress of the SED. Throughout the book, but with varying degrees of emphasis, the concept of the proletariat is expanded to include the intelligentsia. Sometimes this appears as a simple restatement of the orthodox "alliance policy" but it is occasionally raised to a higher theoretical level reminiscent of the "collective worker" resurrected by Roger Garaudy* in his Le Grand Tournant Du Socialisme

*The East Germans, of course, do not cite Garaudy --they cite Marx, who introduced the concept in Das Kapital.

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for which, among other things, he was expelled from the Politburo and Central Committee of the French Communist Party.

The following summaries of selected sections (the decimal numbers are those used in the original) use the East German wording to give the flavor of the more heretical portions of the book. The underlined subheadings, which are not taken from the East German book, call attention to the heresy involved.*

The Scientific-Technological Revolution Changes the Meaning of the Leading Role of the Party

The strategic task of fashioning the developed social system of socialism and its core, the economic system, was set by the scientific-technological revolution which intensifies the interconnections of all systems components of the social organism. (3.1.1) Under such conditions, the leading role of the party is sustained by the active cooperation of the workers, cooperative farmers, the intelligentsia, and the other working strata. (3.1.2) The changes brought by the scientific-technological revolution include: science and research become a direct component of the social reproduction process; rationalization and intensification of knowledge dissemination include the utilization of electronic data processing; concentration in industry creates large scale enterprises and combines; and scientifically justified management activity, including economic cybernetics and operations research, becomes a main instrument in the implementation of the economic system of socialism. (3.1.3)

*See JPRS 50381, 23 April 1970, Translations on Eastern Europe Political, Sociological, and Military Affairs, No. 209, for full translations of many of the sections summarized here.

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The Market Becomes The Test of Efficiency, Although The Market Itself is Planned

The SED has turned against views and practices of extreme left-wing ideologists which characterize commodity production under socialism as a remnant of capitalist society. Although labor is no longer a commodity, because of the social ownership of the means of production, production for society still takes place via the exchange of work activities and of work products. The enterprises work according to the economic principles of the optimization of expenditures and the results of production. Thus they have both economic rights and their own capital. Enterprises are both buyers and sellers. The concrete sphere of commodity circulation is the market. Competition between socialism and capitalism becomes visible on the market thus becomes a field of class struggle. The market under socialism is a planned market. New forms of exchange develop, including electronic information transmission and large-scale data processing installations, because the modern market is a source of comprehensive economic information. Because the significance of the market is increasing, its planned development becomes more necessary. (3.2.4)

The Scientific-Technological Revolution Profoundly Changes Marxist-Leninist Categories

The development of production forces at this time takes place above all and primarily through the scientific-technological revolution, the most profound process in the upward development of the production forces which has ever taken place. This involves a change in the character of labor; above all, there is an increase in the element of intellectually creative work. It becomes quite clear that the scientific-technological revolution represents a social category from the viewpoint of Marxist-Leninist political economy. (3.3.1)

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Models of the Social Mechanism Give New Meaning to Socialist Democracy

The application of economic cybernetics and operations research to socialist management activity is objectively justified because they facilitate a correct relationship between objective processes and the management agencies necessary for their regulation. They work out models which express fundamental interconnections in both static and developmental aspects. Operations research and the preparation of models are inseparably connected with the perfection of socialist democracy. This involves the gradual condensing of information in a socialist management pyramid. Here we must start with the idea that the decisions are to be made wherever they can be made most expertly. (3.4.4.2)

The Workers Are No Longer A Separate Leading Class Distinct From the Technical Intelligentsia

Marxist theory of productive labor is not at all, as bourgeois ideologists claim, a theory of manual labor. Marx agreed with Adam Smith that the work of manual laborers, as well as managers, engineers, and scientists, is materialized in the product. Planning, research and development, organizational and technological preparation, etc. become functions of the collective worker. (4.1.2)

Individual Responsibility in the Economy Increases

The individual responsibility of the enterprise and the in-house accumulation of funds for simple and expanded reproduction are essential elements of the socialist planned economy. The scientific-technological revolution increases the requirements of the enterprises as regards the resources to be developed; the enterprises must react to domestic and foreign markets in a forward-looking

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manner. (5.1.1.) The combine management must break down the government quota assignments given it in terms of component enterprises, research installations, and sales organizations. Combines can be under ministries, associations of people-owned enterprises (VVB), or local government agencies. The VVB acts as an economic management agency and implements a uniform scientific-technological and economic policy in the branch of industry. (5.1.2.)

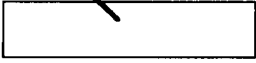
A Minority No Longer Has The Initiative; New Leaders Must Be Recruited

Under socialism, the promoter of initiative in the economy is the working class and the classes allied with it. Prior to the application of the economic system of socialism, particularly right after the war, the economic initiative issued only from a minority. Now, the working class has become the decisive social force, in close alliance with the intelligentsia. Raising labor productivity today means turning science into a production force. This is an essential discovery. The most talented and the most capable individuals must be discovered among the mass of workers who do not yet belong to the political vanguard of the class and these individuals must be prepared for taking over leading functions. The task here is implementing the leading role of the working class in the scientific-technological revolution and at the same time making the alliance with the intelligentsia ever closer. (5.5.)

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