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# Soviet Statistics

The drive for industrialization and for the collectivization of agriculture with the expropriation of poor devils who operated their few hectares with one tiny horse and the "extinction of the kulako (they mostly had 2-3 horses) as a class" as the principal means signified also the end of neutral, i.e. fact-finding, unbiased statistics. Fartty, class, or markian statistics took their place. Discontinued statistics, and graveyard in the Union. Correct data have been twisted by selecting unrepresentative years (only good or only poor crop years; only upswings or downswings; by treating data in roubles of declining value as if they were in roubles of constant value; by having data for part of the phenomenon to represent the whole phenomenon; by otherwise concealing the unfavorable portion of the data; by disregarding changes in boundaries but only when this makes the picture more favorable; and the like. Data have been simply produced ad hoc on a large scale. That in Soviet Eussia is published as statistics is figures corresponding to the Party line. Meither does a science of economics exist, rearranging acience.

Institute of Agriculture and to a large extent also official statistical offices of individual countries believe it impossible to uge any but official statistics of the respective countries, and thus put their authority behind the biased Soviet statistics. The estimate by the League of Nations of the share of the USSR in world industrial output in 1936-78, higher than that of a for all practical purposes official Soviet pub-

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lications by about 75 per cent, is only the most formidable case.

The Soviets are not loath to make full use of this support by exthe formal handling of the statistics with extensively quoting those institutions as source of data computed with the
use of their own statistics. USGR and the Capitalist Countries (Moscow,
1939, p.91) gives the International Labor Office as source for their
wage indexes, according to which wages rose in 1928-30 by 293 per cent
in the UGGR and fell by 13 per cent in the UGA, by 17 per cent in Germany,
and so on (see page....below on the nature of these indexes). The same
source (p.128) used the indexes of industrial output of the League of
Nations, similar to those mentioned on the preceeding page, while or its
international comparisons of yields and output of grain, the incorrectness of which is discussed below on p...., the International Institute of
Agriculture in Rome is quoted as source.

Quite a few private investigators abide to the Soviet request that their statistics be given as they are, without any prowling. The great majority, even including people antagonistic to the Soviets, simply cannot wade through all the intricacies of the Soviet statistics and unwillingly make themselves to their speaking-trumpets. All in all, the published statistical evidence (and its interpretation in the Soviet Union) is almost as greatly biased outside as inside of the iron curtain.

The tempering with statistics in the Union started almost twenty years ago. It testefies to the immense propaganda ability of the Communists, to their phenomenal success in frightening most everybody with being stamped reactionary, fashist and the like, that A. Bergson of Mull See N.Jasny, "Intricasies of Russian Pational Income Indexes", Journal of Political Economy, IV, 1947, pp.307-10.

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Columbia University, is able to make the statement: "There seems to be a near consentionse among students of Soviet statistics that the government does not deliberately distort what it publishes.".

The present writer was one of those whose existence caused Bergson to qualify his statement with "near". He goes even further when he believes incorrect the attitude of those, who, while not whitewashing directly a festimanial of them as if they were statistics like those of other countries. These writers not only mislead the American reader as to the real nature of Soviet statistics of the 'thirties and 'forties but commit also a grave unjustice to the Russian statistics and statisticians of the 'twenties.

Fortunately the rank of those necessitating a qualification in 2)
Bergson's statement is increasing. Harry Schwartz of Syracuse University
says that "purposely ambiguous data are published" in Soviet Russia. Prof.
3)
Harris of Harvard has to be congratulated that, while having as his
collaborators Bergson and Jugov, the latter a contributor to Russkii Golos,
a for all purposes communist paper in New York, could see "an intention
tox present biased statistics" in the official computations of national
income.

# Pre-Revolution Statistics.

Statistics were on the whole in a very backward state in Tsarist time. The Central Statistical Committee, attached to the Ministry of

1) The Fourth Five Year Plan: Heavy Versus Consumers' Goods Industries",
Political Science Quarterly, LXII, 1947,p.198.

2) Russia's Postwar Economy, Syracuse University Press, 1947,p.5.

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Interior, Russia's principal statistical office, was definitely a muffy institution. There were, however, also some good statistics assembled and other published by were finistries. But it has the "Semstvo" statistics, of which Russia will be proud forever.

"Semstvos" were selfgoverning provincial organizations with limited functions, but these included statistics. While the semstvos were in the hands of the nobility, this left the statistical work to the intelligenzia. There was no opportunity of legal political activity for the liberal intelligenzia in Tsarist Russia. Lotential ministers and congressmen were spread over such deap provinces as Voronezh, Ryasan, and Samara in the modest role of chiefs or staff-members of Jemstvo statistical offices and did an excellent job. Detailed statistical surveys of the whole peasant life were made extensively by Jemstvo statisticians already in the 'eighties, and in any other country of the world.

### The Golden Ere

The econ my had to be a planned one and for this much more statistics indispensable were needed than had been collected under the Tear. Lenin's pronouncement "Socialism is count", "Count and control are the key, the basis of forcialism" and the like were quoted endlessly by the demand obeyed. The demand for statistics and statisticians was insatiable.

The nobility of the semstvos was unable to do the statistics them selves, and entrusted it to the intelligenzia. In a similar way the by no means numerous bolsheviks filled up the leading positions in the government and had to leave the statistical and even the planning work to the

mensheviks, narodniks, and the like. The mensheviks naturally concentrated on industrial statistics and general planning, the narodniks were busk, the hereas with the peasant problems.

The statistics of that time clearly is all the matter of the statistics. The concept of the national income, for example, was developed strictly in accordance with the Parxian doctrine and differently from the rest of the world. The classing inx the statistics of a peasant with 2-3 horses and 2 cows, both together yielding 200-2000 quarts of milk per year, and who hired a helper for two months a year, as entrepreneur, a kind of exploiter, would certainly not be accepted by the statisticians under another government. There were also Communists placed in responsible positions to guard over those doing the actual work. But even these did not visualize statistics as anything but truthful fact-finding.

Persons who under the Tear had to limit their activities to one guberniya got a country-wide scope of operation. V.C.Groman, the former chief of the Ryasan statistical office, became chief of the economic section of the Gosplan (State Flanning Commission). P.I. opov, the former chief of the Tula statistical office, was made chief of the Central Statistical Office. M.D.Fondratjev got a chance to organize the Institute for Business Research. The situation for research, collecting data, planning, was indeed so favorable, that such prominent economists as A.F.Chelinzev and R.P.Dakarov, who had exiled themselves, returned to Russia.

It may seem unbelievable now but the statisticians of the Cosplan were suffered to raise the standing estimate of the pre-revolution grain production by 10 per cent, although the outputs of the Tsarist time -6-

served as a yardstick of Bolshevik successes. The grain output of the fu-uvolution later 'twenties was above the unrevised date; the revision put them below the latter. The bolshevik S.G. Strumilin, chief of the statistical section of the Gosplan and its fice-precident had a big hand in this action.

It is easy to find shortcomings in the 1st Five-Year Flan, but, as a statistical and planning effort, it was a great achievment, especially if time and place are considered. Statistical Handbook USSR 1926 is likewise a publication of which its compilers can justly be proud. Other publications of such kind could be named.

# The New Requests and the Purges.

when in the lats 'twenties the Party embarked on the great industrialization and collectovezation drive with "the extinction of the fulak; as a class" as one of the principal means, it could not entrust the planning of this work to former, open or secret, menshevik; or narodnik;. But the statistical apparatus need not be tempered with, unless the usual methods of collecting and analysing statistical data had to be abandonfed.

The principal attack was indeed not against planning but a purely statistical problem - the estimate of the 1000 grain crop by the Expert Committee at the Central Statistical Board, of which V.C. Groman of the Gosplan was a member. The estimate of the Committee, which was below that 1) of 1925, was declared too low. Abusear of the offective scrence, never and statistical and then followed as an avalanche.

Statistical problem - the estimate of the Committee, which was below that 1) and statistical too low. Abusear of the offective scrence, never a statistical applicant then followed as an avalanche.

Statistical problem - the estimate of the Committee, which was definitely condended and statistical problems.

A.I. Mikoyan, commisser of Foreign Trade, spoke of "the bankrupcy of the liberal methods in statistics" and demanded a bolshevist line in them. Objective science, newtral statistics, apolitical statistics - all that was definitely condemned and it became customary to write those terms as well as such one as scholarly science in quotation marks. The summit was reached, when in a meeting Yastremsky of the Farxist statisticans, of professor in statistics, and F.F. Omit, who worked under Groman before the kevolution and did not make much headway owing to lack of knowledge and qualifications, wellcomed the CFU for the liquidation of the non-Farxian statisticians.

The GPU was not praised for nothing; it had done a full job. Some of the culprits, in the first place Groman, were sentenced on the accusation of demaging activities. The bulk simply disappeared tracelessly.

Disappeared Groman's collaborators V.A.Basarov and F.Gukhman. The Communist S.G. Strumilin, who did not want to participate in the slaughter, was made an Academichian but deprived of any influence; his collaborator the communist F.F. Folf, responsible for the agricultural part of the 1st Flan, is said to have lost his life. Among the big ones who disappeared may be furthermore mentioned: I.F. Yurovsky, one of the stabilizers of the Soviet currency; L.E. Tafendous and A.Ginsburg, active in the industry; F.Y. Kaufman, the economist of the Commissariat of Foreign Trade; and A.F. Weinstein and A.F. Finn-Jenotagevsky, prominent economists. The whole group

<sup>1)</sup>Pravda. Dec.7,1929
2) See for example the article of 1. delaberg, the very title of which is significant, Objective Science of the Gosplan Damagers, the Frice of Scholarly Conscience", Planned Aconomy, Oct. - Nov. 1930, pp. 27-59.
3) M. M. Smit, "Malignancy and the Statistical Theory", Planned Aconomy, Oct. - Nov. 1930, pp. 167-66.

of highly able agricultural economists centered around N.D. Fondratjev (known abroad for his work on the long waves of business), A.V. Chayandh (known abroad for his standard work on farm sizes), A.F. Chelinzev, and N.D. Oganovsky and including N.F. Fakarov, A.A. Rybnikov, and L.F. Litoshenko, vanished tracelessly.

The Gosplan was fully reorganized and the statistics deprived even of formal independence by making the renamed statistical office part of the Gosplan. V.V.Ossinsky-Obolensky got Popov's job as chief of the statistical office. The results were not long to swait. Important branches of statistics vanished. Numerous economic megazines were discontinued. The 1930 grain-crop estimate showed the desired great jump. Although the now severely abused traditions of the fematvo statistics could not be broken down in one thrust, Paul Czechowicz was justified in writing early in 1932: "The economic press of the USSR had become a biased press of hardly to exaggerate discipline".

even those who do not read Bussian, can check it. The Russian delegation to the World Social Economic Congress in Amsterdam, August 1931, consisting of V.V.Ossinsky, S.L.Ronin, A.Gayster and I.A.Fraval, presented a report published in English in New York. The agricultural section of the report startet with these words:

New York, 1931. 3) Op.cit., p.106.

<sup>1) &</sup>quot;Die Prise der Wirtschaftlichen Information und der Wirtschaftsstatist: in der USSR", Wirtschaftsdienst, XVII, 1932, p.217.
2) Social Economic Flanning in the Union of Soviet Socialist Republics. Advance print by the International Industrial Relations Association,

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In contrast to the course of agricultural evolution in other countries, agriculture in the Soviet Union has in recent years entered a period of unusually rapid growth.

The presented evidence included a computation according to which incomes increased in 1978-31 (in per cent):

Farm proletariat 91.8
Kolkhoz members 61.4
Individual peasants
Kulaks - 30.1

farming and other shortcomings, the need for biased statistics became ever more urgent. Ossinsky was replaced by Fraval. The great purge era of 1936-37 swept away the latter. The Central Statistical Office was again reorganized, renamed, and repeopled. Under I.V. Taktin Soviet statistics reached their mature form of something fundamentally different from the phenomenon known as statistics in the outside world but still called statistics in the Union. It is as much statistics, as the Union's political regime is a democracy.

<sup>1)</sup> Agriculture USER 1935, p.221, and other official sources.

The changes introduced since 1937 are reflected even in the outer appearance of the statistical data. Volumes dwindled almost to broshures. Reutral titles like "living standards" were replaces in statistical publications with such as "Rise in Living Standards". The 1st table of the Stotistical Mandbook USBR and the Capitalist Countries (p.3) carries the title "The Victory of Gocialism in the USSE". Table 1 of Goc. Agr. USSE 1938 is entitled "The Socialist System of Production fully reigns in the Economy of the USSA". Even more significant is the appearance of planks over or under the titles, mostly quotations from Stalin. Socialist Agriculture USSR 1938, the latest official agricultural yearbook, contains ... such planks, the total number of tables in it being 151.

### Population

They had apparently some presumption about the cost of industrialization-collectivization drive in human life, The publication of vital statistics had been discontinued for good already since 1928, i.e. in the earliest shage of the drive. The birth and death rates in 1938 and the relation between the birth rates of different years in 1935-38 for the country as a whole and without absolute figures) in newspaper articles, is all had been published since. The data of the 1037 population census were data destroyed. The data of the population census 1939 were never published in detail. The 3rd and 4th, lars did not state the population even in one figure - not even for the base years 1937 and 1945. Can such documents be called plans?

Soc.Constr. MSSS 1936, the official statistical yearbook,p.XXX, gave the total population on January 1.1934, at 168 million. According to the census 1939 and other official data, it was 166.9 million on January 1) about 1,1437
1,1938. The 1934 figure as well as the official data on total population in 1931-34 and most likely deliberate exaggerations brought about by reluctance to acknowledge that the drives had adversely affected population growth. The Russian vital statistics are not that bad to bring about a mistake in the total population by 8 million, or more, involved in the official 1934 estimate. The greatly exaggerated official figures on total population in the years were never revised, explained, or even mentioned later.

### Territory.

Mussia lost considerable territories after World Far I and all data, which could be recalculated to the new terrotiry, were as a matter of course recalculated. The Russian territory was considerably expanded in the Assk connection with Forld Far II but they want to disregard this increase in the statistics and are acting as if the territory remained unchanged.

The released portion of the 4th lan frequently states the relation of the 1950 goal to prewar. Frewar is 1940. But not a hint can be found as to the territory to which the prewar data pertain (it is agredd that 1950 goals apply to present territory). Solomon Schwartz expressed the by the large correct opinion, accepted also by the London Economist, that the prewar data of the 4th Plan pertain to pre-1939 boundaries and that consequently the increases shown by the plan in the first place originate from the expanded terrotiries and are not real increases, as I Frank London. The Pupulation of the Soviet Union History and Praspect, Lease of A. 4 and 1946 p. 134.

is claimed they are. With a delay of a full year after the approval of the 4th lan, in an article directed against the London Recommist, a l) Soviet megazine came out with the statement that all 1940 figures of the plan pertain to the new boundaries. The article did not contain any proofs. Nor are braham Berson's proofs in support of the same opinion adequate.

The 1940 figure for the grain output apparently includes most of the new territories. So probably does the figure for flax. But this is unlikely with reference to the items tabulated in Table..., especially if the 1940 figures are compared with the goals of the 3rd Flan for 1942, which it is claimed was fulfilled in that part which pertained to the peaceful 31 years of it. Tumber, for example, is an important product in the added part of Foland and in the Baltic States; the acceptance of Bergson's interpretation would imply a large decline in its output in the pre-1939 territory in 1937-40. Considerable declines would have been involved also in all other specified products, as well as in total labor force, while in transportation of goods the rapid increase of the proceeding years could have come to an almost complete standstill.

The decision as o the territory, to which the 1940 figures of the 4th lan pertain, does not affect the point we are making in this section. N.A. Voznesensky, the President of the Gosplan, in his speech 1) E. Granovsky, "The London Sconomist on the new Stalin Five-Year-Plan", Sorld Sconomics and World Politics, March 1947, pp. 102 and 108.

2) Op. Cit., p. 229.
3) See for example G. Sorokin, Stalin Five-Year-Plans, Moscow, 1946, p. 36.

Exclusive use is made in the 4th Five-Year-Plan of the data for 1940, without even a hint as to the terrotity to which the data pertain. Solomon Schwarz of the New School for Pocial Research in New York and after him the London Economist assumed that the 1940 data pertained to the pre-1939 territory. Bergson (op.cit.,p.227) believes that the 1940 data take into account the incorporation in the USSE of a good part, if not all, of the territory it has accuired since 1935"; in his same Table I, p.199, he treats the 1940 data as comparable, without any adjustments, with those of 1945 and 1950.

This dispute, important as it is, is beside the point made in this section, which involves the use of the 1940 figures in the 4th Flan, in the speech of N. Voznesensky, president of the Gosplan, introducing the 4thx Flan, and in the Soviet press in general. This peculiar use makes it inevitable to avoid the smallest indication as to the territory 1) involved in the 1940 figures.

The 4th Plan (section II) gaves the industrial output of 1940 and 1950 (goal) at 138.5 and 205 billion roubles st (1926/27 prices) and computes from these figures the expected increase from 1940 to 1950 with 1960 figure undoubtedly pertains to the postwar territory, that the same is true of the 1940 figure. Voznesensky, however, said in his

<sup>1)</sup> the only exception is an article in Morld Economics and Torld Politics (March 1947, pp.102 and 108), attacking the London Economist and insisting that the 1940 data pertain to the postwar territory.

Soviet introducing the 4th Plan, said: before the Supreme

> In 1913 the national income of Russia amounted to 21 billion roubles; during the 1st Five-Year Plan period it increased to 45.5 billion; during the 2nd Five-Year Period to 96.3 billion roubles; during the 3rd Five-Year Flan Period ft grew to 128.3 billion, and shall in 1950 amount to 177 billion roubles (at 1926/7 prices).

Similar comparisons have been made by him for gross agricultural production and for the total transportation of goods,

Table....

Pre-1939 Boundaries, Postwar-Boundaries as Reflected in data for Specified Items.

Item	Unit	1933 pre-1	1938 .939 indaries	Goal for	1940 unknown boundar ies	194 195	ease 10- Goa 50 for
Workers and employees	million	22.3	27.02	32.0	30.4	ber c	33.5
Paper	1000 metr. tons	560.1	834.1	1.300	812	65	1340
Lumber	million meters	27.3	33.8 <sup>6</sup> )	<b>45.</b> 0	34.2	14	<b>3</b> 9.0
Cement	1000 metr.tons	27 <b>1</b> 0	5696	10.000	5.830	80	10500
Window glass	1000 meters (00	9 <b>78</b> 8	9550	not stated	44.444	80	80000
Fish catch	1000 metr.tons	1313	1560	2.252	1.467	50	2200
Railroad transportat.	million ton kilometers	169.5	370.5	510.0	416	28	1532

x) Data for 1933 and 1938 from Soc. Constr. USCR 1933-38, pp.40-67,70 and 77. Goal for 1942 from 3rd glan, various pages. Data for 1940 and 1950 (goal) from 4th Plan.

If the 1940 figures of the 4th Flan pertain mostly to the postwar territory, Voznesensky was not justified in comparing the 1950 goal and the 1940 figures with those for 1913, 1937, and 1937. By this comparison the increase ix potential due to the added areas appears as if it originspeech that the average annual increase in industrial output in the first 3 years of the 3rd Plan Period (1938-1940) was equivalent to 14,316 million roubles or, in 3 years, 42,946 million roubles. This figure, added to 95.7 billion, the value of the industrial output in 1937, yields for 1940 exactly the familiar figure of 138.5 billion roubles. Since the figure of 95.7 billions undoubtedly pertains to the pre-1939 territory, the same must be true of the 1940 figure of 138.5 billion roubles.

That was not an isolated case. The 1940 figures are related to the 1950 goals throughout the whole 4th Plan and treated as comparable, and hense as pertaining to the postwar territory. Semiltanemously, however, the 4th Plan insists (Section I,2) that "the basic goals of...(the 3rd Plan) have been successfully fulfilled in the first 30 years of the plan period (1938-41)." This statement could have been made with any degree of justification only if the 1940 figures pertained to the pre-1939 territory.

It was entirely in line with the procedure followed in the 4th Plan, when Voznesensky in his speech commerced the national income in 1913, 1932, 1937, 1940 and 1950 (goal); tatal transports of goods in 1930, 1937, 1940 and 1950 'goal); and the average yearly increase in industrial output in 1928-32, 1933-37, 1938-40, 1946-50 (goal). In all those comparisons the data for the years before 1940 definitely pertained to the pre-1939 territory, those of 1950 to the postwar territory and those of 1940 - well to the territory to which they pertain.

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The 4th Plan and Voznesensky gave the signal of disregarding the l) territorial expansion. It was only natural that a Party publication not only compared the outputs of the most important industrial products in 1939, 1937 and 1950 (goal), of which those for 1930 and 1937 definitely pertained to the pre-1939 territory and that for 1950 to the postwar territory, but designated them a "comparable".

<sup>1)</sup> On the Pive Year Plan of Development of the Economy of the USER in 1946-50 (Materials for lectors and propagandists), Moscow, no date, but apparently 1946, p.79.

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### Price-Statistics.

The very start of the big drive in the late 'thirties caused a meteor-like rise in prices of all goods. Remedy - discontinuation of the publication of all price statistics, including the numerous price indexes, since April 1936. The Institute of Business Research had been closed still earlier; the journal Aconomic Review, which had published the price indexes currently, disappeared simultaneously with the price statistics.

An investigator is stupefied with the number ax of various prices, used in computing the various economic values in 'oviet statistics, namely current prices, 1932, 1933, 1937, 1941, 1944 prices, comparable prices, and finally unchangeable uniform 1926/7 prices.

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The unchangeable 1926/27 prices are used for computing the indexes of production, transportation, and so on; labor productivity and national income. They were discussed in some detail in another study of the present 1) writer. It was shown that the goods, the output of which was rapidly expanding in the 'thirties and 'fourties, were so immensely overvalued in 1926/27 prices, that all indexes computes with the help of those unchangeable prices showed greatly exaggerated increases. The prices of munitions, not discussed there, appear to be even more overvalued than the most overvalued civilian goods with the same, only even stronger, effect on the indexes.

<sup>1) &</sup>quot;Intricacies etc.", on.cit., pp. 305-11.

It is ineisted that Soviet economists recognize that the prices of industrial goods, the production of which started after 1926/27, are too high. But there are only a fewr - I believe, only - such statements. has been They were made in discussions of cost accounting, which wantham greatly and the hactic state of prices, and, moreover, were made in such indefinite form that nobody could visualize overevaluation of individual industrial products by 3 and more times (see writer's other article, pp.305-06) with the effect that national income from industry as a whole would be almost doubled, otherwise those data would not have been published and used, without adjustments, for comparison, with reasonably correct data for other countries by such agencies as the League of lations or even by some of the very writers who now insist that Soviet economists re-

<sup>1) &</sup>quot;Intricacies of Russian Fational Income Indexes", The Journal of Folitical Economy, EV, 1947, pp. 30%-13.

2) Paul Studentsky and Julius /yler, "National Income Estimates of Soviet Russia - Their Distinguishing Characteristics and Iroblems", American Economic Review, KXXVII, 1947, p. 605.

3) The principal such statement was by S. Turetsky "Cost Accounting", lanned Economy, January 1939. It is a mistake when the title of Turetsky serticis is given by Studentsky and Syler (Op. Lit., p. 598) as "Dynamics of rices". Such title would be impossible in the Soviet Union.

4) Industrialization and Foreign Trade, 1945, p. 12.

cognize this short-coming.

The leading Soviet statisticians know the real extent of exaggerat ion involves in the indexes computed with the help of the markix so-calle "unchangeable 1926/07 prices." They know that such computations do not deserve the name indexes and that concealment of this fact from the users is implied for the unchangeable 1026/27 prices work miracles. They prove that has to be proven, the immense superiority of the Soviet system in the growth of national income, industrial output, and labor productivity. The use of any other date for these indexes would be unthinkable in the Union. Unthinkable would be also an attempt to make the necessary adjustments. For even a hint can indeed be found in the statistical and practically any other publication that the widely used indexes are greatly brased and need fundamental adjustments.

The huge increase in Soviet Russian national income in the 'thirties and 'fourties and its artificial character are discussed in the article of the writer. According to <u>USSR</u> and the <u>Capitalost Countries</u>, an official Soviet publication (p.188), the industrial output increased in 1919-37 in 1826/84 (by per cent):

USSR 328.9
Capitalist world 3.5
USA 7.8
Great Britain 24.0
Germany 17.2
France 27.6

<sup>1)</sup> Paul Studensky, "Hethods of Estimating Pational Income in Soviet Russia", Studies in Income and Wealth, VIII, New York, 1946, p.197.

A page-large chart in Soc. Constr. USSR 1933-38, p.65, shows for machinery, the products with the mos exaggerated 1976/27 prices, a more than elevenfold increase in 1929-38.

It is an averthess to say that the overstatement of the Soviet industrial output "materialized mainly in the prewar period, and probably for the most part in the period of the lat Five-Year rlan." The principation exaggerating bias remains effective, so long as the output of goods particularly overvalued in 1906/97 roubles rises more rapidly than the total output. One has, moreover, be permanently on guard that goods, now newly taken into production, be overvaluated even more than those they replace.

only 8 per cent below 1940; output of means of production, which includes termaments , even increased by 14 per cent. nalysis of the official data on the labor force, productivity per man, output of steel and coal, and effectiveness in the utilization of coal, with the necessary adjustments for traditional changes, leaven no doubt that the decline in industrial output was not less than by 25 per cent and possibly exceeded 30 per cent. Aside from the incomparable territoxry, the overestimation of the 1945 industrial output was brought about by the particularly high leafur prices of armament the output of which apparently was still very large in that year.

Space excludes discussing the goals of the 4th rlan in detail. This an increase of the total industrial and agricultural output by 43 per cent is scheduled according to official statistics, a realistic figure would be an increase not exceeding 10 per cent.

1) Bergson, op. cit., p. 200.

A huge volume entitled <u>Development of Soviet Economy</u> (Moscow, 1940), having at its head "Academy of Sciences, Institute of Economics" and furthermore "Fermitted as textbook in colleges", said (p.478): "As-a whole their productivity increased during the 2nd Flan Feriod (X (1933-37)) by 6° per cent - not a hint that adjustment would be needed by the draggerated prices used in the computation. According to <u>USSR</u> and the Capitalist <u>Jountries</u>. p.75, the output in the industry per man and year and hour changed during 1928-37 as follows (in per cent):

	<u>per year</u>	per hour
ษอมเ	+ 149.9	+ 169.4
MGA	<u> </u>	20.4
Great Britain	+ 34.0	
Germany	+ 14.7	<b>→</b> 30.4

The Introduction to the publication (p.XIII) said that great difficulties were encountered in making the comparisons, because "the capitalist countries falsify a great deal of their statistics". The old cry of a thief; "Hold the thief".

Soviet statistical publications, except that the prices pertaining to one year are higher, partly many times higher, than the pre-collectivisation prices and that such prices as current prices or prices of the respective years are rising prices, Yet the latter prices are exclusively used - in comparisons of immense importance - as if they were constants

prices and, when so used, not a hint can be found that adjustments are badly needed.

The comparison of tenfold increase in the total wage fund with a little more than doubling of the labor force in 1928-37 is standard in the Union. The textbook <u>Development of Goviet Economy</u>, p.558, makes the comparison in a chart. Again - not a hint to the nature of the currency involved.

Noc. Constr. 1933-30, p.139, brings the following comparison of the changes in the average wage level in 1929-38 (in per cent):

USOR (total industry) - 289

USA (industry) - 15

Germany (industry and transportation) - 21

Foland (industry) - 21

Japan - 14.

The comparison, between wares in rapidly depreciating currency for the USSR and such in appreciating currency for the other countries, but who cares as long as what has to be proven is proven. Pigures in values are the most unreliable ones in Soviet statistics. The quoting of such data as the goals for industrial output and the national income in 1950 of 205 and 177 billion roubles at 1926/27 prices respectively can contribute to nothing but confudion. Pigures in current roubles, although even further from the facts, are less dangerous. Even a blind one should see through them.

<sup>1)</sup> A. Bergson, op.cit., p.109.

wery figure in Soviet statistics has to be checked before it is used. But the figures in values are the worst. The figures in unchangeable roubles, used for the computation of output, national income, productivity of labor, and the like, are the most dangerous, because an appearance of comparability is preserved. The reproduction of such data in tables without at least a fortnote that the data are greatly biased, is misleading, even if somewhere in the text the necessity of adjustments is pointed out. In general, it is not enough to mention the need of adjustments, but the adjustments have to be actually made.

The figures in current roubles, although mostly even further from the facts than those in unchangeable 1826/27 roubles, are less harmful. Even a blind one shoul' see through them.

### Agriculture

The situation in Coviet agriculture has been much more difficult than in industry. Industrial output rapidly expanded in prewar years. There were also genuine substantial imcreases in industrial output per man and in national income from industry. In agriculture, however, the expropriation of about 100 million persents and millions of famine deaths first brought about a considerable decline in farm output and ultimately (by 1930) an increase by only 15 to 20 per cent, partly caused by the release of horse feed by mechanization. But the unchangeable 1997/37 prices, which crove so immensely effective in boosting industrial output beyond its real extent, are almost useless here. The principal form products are few; their prices are well known and any tempering would be disclosed at once. The prices of new minor farm products are probably exaggerated, but this helps little. Those, who insist that Soviet statistics are not deliberately manipulated, probably have in mind the output figures in physical terms. This may be true of industrial products in transportation, although the data on the output in small industrial establishments in earlier years are incomplete, while the industrial output in later years may almost certainly include unusable and poor-quality goods and Rather data have been adjusted to be comparable. The premise of absence of deliberate manipulation is fully wrong with reference to the ferm output. The output of grain, Aussia's by far most important farm product, was overestimated right from the beginning of the big drive. Acrenges in vegetables of the early 'thirties were overestimated greatly and the same probably was the case also with the acrespos of some other crops.

The estimates of grain crops in the 'twenties, supported by detailed consumption surveys and analyses could not have been tempered with, but the upward revision of the pre-revolution grain crops was nullified and the estimates of the Central Statistical Committee restored. The estimates of the acreages in hay and of the output of meat pertaining to years before the start of the drive were likewise revised downward.

Since 1933 the estimates of the grain crops are made in the field prior to the harvest, until 1937 a discount up to 10 per cent was permitted for losses in harvesting. Fince 1937 the grain estimates include every subsequent loss. The official estimates of the grain crops of 1933 and on the armage later years exceed the actual harvest by about 25 per cent. Since 1939 or 1940 the same method has been applied to all other crops. The product remaining on the field or in the ground is specified as subject to inclusion in the crop estimate 5.

The changes in the method of crop estimating are not manipulation in themselves. But pretending that the crops determined in the field prior to the harvest are real crops is. Denipulation is certainly present in comparisons - wothout any adjustments - of the estimates which include unharvested portions with those which (Maclude these and in triumphantly proclaiming that because of its higher yields socialized agriculture is superior to that of Tsarist times, pre-collectivization times

<sup>1)</sup> Such comparisons - without adjustments - of after-1932 grain yields and crops with those of Tsarist time are made in Soc.Agr.USER 1938,pp. 38,47,60,61,96; Soc.Constr.USER.1933-38,pp.97,98;100; and USER and the Cap.Countries,pp. and 248,249,250,252,253,255,256,258,259,261 and 262.

1) Such comparisons - without adjustments - of after-1932 grain yields and crops with those before collectivization are made in Soc.Agr.USER.1938 pp.38,47,60,61,62,63,64; Soc.Constr.USER 1933-38,pp.97,98,99,100; and USER and the Cap.Countries,pp.248,250,252,255,256,258,259,261 and 262.

and to agriculture of central foreign countries. To other comparisons are not a cuffered in the Union; no word or xkhex hint is permitted that an adjustment would be needed to make the figures comparable. Kanothex/compaxked/a ranipulation also is to include the never harvested portions of the crops in the value of farm production and in the national income from agriculture, werybody, who is not satisfied to repeat the figures found in the sources, knows that this is done. At Even larger manipulation is implied in the following official figures (in billion roubles at 1926/27 prices):

	1007/28	1937
gross agricultural production	14.5 5.6 <b>3</b> )	20.1 5.2
National income from agriculture	3.03 ; ೧.೪	14.9
Beductions	5.6	5.2

those years, but the deductions, consisting of the seed, feed, fuel, depreciation and the like, declined by 0.4 billion roubles. Pagic, pure magic. Helian like, declined by 0.4 billion roubles. Pagic, pure magic. Helian like, and deductions and descript seeded from for 1901/19 or sent to the collectivisation drive, almost half of the livestock disappeared in 1998-33. First statistics disappeared also. Jater they very disaster was made to serve as proof of the immense adventages of

<sup>1)</sup> Such comparisons - without adjustments - of after-1932 grain yields and crops with those of foreign countries, mostly also of those of the US, are made in Sec. Agr. WSGR 1938, pp. 62, 63, 64; Sov. Constr. USGR 1933-38, pm. 69; and USGR and the Cap. Countries, pp. 246, 249, 250, 252, 753, 755, 256, 256, 256, 261 and 262.

<sup>2)</sup> Data for 1927/98 in <u>lst Plan, I</u>, pp.87,133,144, and 158; for 1937 in <u>3rd Plan, p.198</u>.

<sup>3)</sup> later officially revised to 15.1 and 9.5 billion roubles respectively.

regained agriculture: Thile the pre-collectivization | level was never regained for the livestock as a whole, the herds increased rather rapidly for a few years after 1934. In statistical and economic publications the large average amount rates of increase in livestock in 1933-38 for 1934-38 are compared with similar but smalley rates in Tsarist time, pre-collectivization time and foreign countries - for periods not following upon disastrous losses and hence worm not in need of large increases.

centralized one in the world. The existence of 15 million farm businesses of the kolkhoz members have the ignored for the purpose of this boast, The statistics of other countries used in these comparisons include as a matter of course all farms, even the tiniest. Similar is the value of the boast that Soviet agriculture is the most mechanized one, and operates with most modern techniques.

The year 1937 was exceptionally favorable climatically. The data of that year are extensively, indeed almost exclus vely used as representing collectivized agriculture. For example, <a href="Soc.Agr.USSR,1938">Soc.Agr.USSR,1938</a>, p.96,contains a table entitled "Cutput of grain per household" with the plank "Former poor and average peasants, united in kolyhozy, now garner 2½ times more grain per household than in Tsarist Russia.

<sup>1)</sup> See Soc. Agr. USSR 1938, p. 72 or USSR and the Cap. Countries, pp. 230-31.
2) Stalin, Report on the draft of the Constitution of the USSE; Soc. Agr. USSR 1938, p. 16; Agrad se on.

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 $\leq$  - The table shows (in puds):

Tsarist Russia
poor and average peasants
USCR

140

Kolkhoz members in 1937

360 4

Aside from the fact that an exceptionally favorable year was used for the USCR, the table contains not less than four other biases:

- 1) There is no justification to exclude from comparisons the larger peasants for the Tsarist time, while including the richer folkhoz members for 1937;
- 2) The 1937 output was not of the folkhoz members, but of the folkhozy and had in the first place to serve non-peasent needs;
- 3) The 1937 crop is given in on-the-root terms and has to be cut by about 16 per cent to become comparable.
- 4) Poor and average peasants produced about 180 pud per household before the war. The figure 140 puds shown in the table pertains to a bad year, not to the whole country, not to all poor and average peasants, or is otherwise incorrect. The disagreable truth is that about as much was produced per kolkhoz household in the latest prewar years as per peasant household in Tsarist times, but the Folkhoz households had no right to dispose of the produce, while the peasants of Tsarist times had had this right.

## Labor I roductivity.

The task of showing huge increases in labor productivity in the industry is perfectly satisfactory solved by using the output in "unchangeable 1936/97 roubles" (see above p...). It would imply a relatively minor additional exaggeration, if the suspicion proves correct that the output of the concentration-camps inmates is included in the total output

of the industry and construction, while the inmates themselves are not included with the total labor force.

I'uch greater efforts are needed to prove a great superiority of socialized agriculture in output per man, because a substantial superiority of the collective forms over individual peasants exists only in the production of grain and similar crops.

productivity only for grain (official data are available also for some other crops and for livestock), showing that the productivity per man in the collective farms in 1937 exceeded that of individual peacants in 1922-24 by 215 per cent. Geveral corrections would be needed in that computation:

- 1) The years 1920-24, to which the pre-collectivization data pertained, followed directly upon the war, civil war, and especially the disastrous 1921; many peasants did not have even the seed in 1922, not to speak of draft power.
- 2) The data for 1937 are the exaggerated on-the-root yields for a year exceptionally favorable climatically.
- 3) The data for the pre-collectivization peasants include all labor spent by them, while the data for the collective farms do not include the labor used for the care for the workfork and for administration.

  The increase in productivity by 15 per cent melts down to little more than 50 per cent, after the data are more fully comparable.

Tables 54 and 55 of Soc. Agr. USCR 1938 compute the saving attained by the use of tractors and other improved machinery. The attained saving

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we exaggerated by failide to include the huge auxiliary forces used with 1)
the tractors, especially in harvesting with the combine. I. Ferinov,
the apparent author of these computations, had a footnote on this scope,
but the foornote was not taken over into the statistical handbook and
2)
other numerous publications, which reproduced the table.

### Standards of Living.

In the writer's other article it was shown that a substantial deterioration in the diet of the Jussian population occured during the 'thirties, that housing conditions did not improve and that there was little, if any, increase in textiles available per capita (op.cit.,pp. 300-01). The task of showing a considerable increase in living standards in this period is therefore a particularly difficult nut to crack.

To begin with, the surveys of family life, specifically food consumption conducted on a very large scale in the 'twenties, were abruptly stopped. If anything has been published in the 'thirties or later, it always pertained to an exceptionally favorable group or area.

Under the title "Living Standards" or "Increase in Living and the public tions bring all Standards' statistical handbooks all used analytical kinds of either manipulated publications or in any case no representative data, all intended to prove what does not exist actually exist. USCR and the Cap. Countries, p.81 start the respective section with a table showing the 1) See for example the official Jubile publication, Folkhozy in the 2nd Stalin Five-Year Period, Moscow 1939, p. 17

(2) 30c.Agr., July 1939, p. 13.

per capita national income in USCR, USA, Germany and France, according to which there was an increase in the USCR by 249,3 per cent (1998-37) and a decline by 16.4 per cent in the UCA (1998-36), by 11.0 per cent in Germany 1998-35) and by 88.7 per cent in France (1998-34). Then follows (p.82) a table entitled: "Indicators of living standards of the worker's class", showing a tenfold increase in total wages, and a more than fourfold increase in wages, per man in 1998-37 and similar data in rapidly devaluation roubles, without even a hint to the uselessness of such material for an appraisal of the changes in living standards.

are compared with corresponding data for a number of foreign countries. It is shown that for example in thus UTA the wage fund declined from 53.4 billion dollars in 1929 to 41.2 billion in 1936, and that the average wage per person went down by 14 per cent. Not a breath that the price level declined in USA in those years.

The already quoted textbook <u>Developments of Soviet Economy</u> by the Institute of Econômics of the Academy of Sciences presents under the title "Increase of Living Standards" the same date on perm capita national income in "unchangeable 1926/27 roubles" and the total wage sum and per capita wages in current roubles. At reference to the incomes of the folkhoznik! it states (p.563):

Increasing are the incomes of the Yolkhoznikj. Gross income of Yolkhoznikj increased in 1934-37 more than 2.7 times [rapidly rising prifits] ces; exceptionally favorable year elimatically at the end. The money incomes distributed among the kolkhoznikj increased 4.5 times [the same biases]. Distributions in kind per household increased to 17.5 quintals

of grain in 1937 [again the very favorable year climatically] as against 6 quintals in 1932 [millions died from famine in 1932/33; the normal grain requirement of a household for food only was 10.5# quintals in 1932].

The Party publication on the Five Year Plan of Development of the Economy of the USCR in 1946-50 (Materials for lectures and propagandists), released by the highest Party school at the Central Committee of the Communist Party, operates with the same data in roubles of changing value but goes one step further by insisting (p.80) that "the increase in national income represents a general indicator of the rise in living standards".

This does not prevent authors from saying on the next page (p.81) that:

In prewar years with the rapidly and at accelerationed rates increasing national income, the increase in savings was accompanied by an enlargement of people's consumption by 12 to 2 tomes.

This statement could not have been made before the war. An increase in living standards by only 11 to 2 times actually represents acknowledgement that the national income figures are manipulated. (fer capita national income increased more thank fourfold in 1928-40). But under the disastrous postwar conditions an increase by 11 to 2 times in living standard; seems to be extraord sufficiently tempting. Actually even this increase did not occur.

Henry A. /allace, acknowledgingly friendly toward the Soviets,

1)
writes:

The government owns the land, but the collective farm has a lease in perpetuity to the land. In return for this lease and for the tractors and combines furnished by the government tractor stations, the collective farm is obliged to sell 60 percent of its grain to the government one-fourth its market-price,

<sup>1)</sup> Soviet Asia Mission, New York, 1946,p.325.

The figure not exact in the statement, but the fact is generally known that the collective farms and their members are poligated to heavy deliveries to the state and low and partly nominal prices. Yet Table 123 in Soc. Agr. USSR 1936 carries the plank "In Tsarist Russia, the peasants had to give away to the exchequer, estate owners and capitalists one-quarter of their income. In the USSR taxes and payments amount to 2.3 per cent of the incomes of the collective farms and their members." The data table itself contains in addition the information that taxes, payments and land rent paid by the farmers in the MAXX USA in 1935 amounted to 25.7 per cent of their income.

The data for the Tsarist time and USA farmers can not be checked, because it had not been stated what kinds of payments were included. The benefit payments of the state were certainly not deducted in the case of the USA, but this is a minor thing as compared with the method of computing the evidence for the collective farms and their members. The incomes of these groups had to be counted at the prices in the free markets. The payments for the use of machinery to the state had certainly been disregarded. The heavy obligatory deliveries to the state were either entirely neglected or appraised at the prices the government is paying for them, which in 1937, the year involved, for such an important product as grain, were up to 25 times less than the prices in the free markets.

The loss of the collective farms and their members on obligatory deliveries to the state; the taxes in money; and the payments to the stateowned machinestractor stations amounted to not less than 40 per cent of the the incomes of those groups, taken together, in 1937, rather than 2.8 per

the flice light has to be taken as cent. This difference is irrelevant, however, since we have the "near con-

sensus among students of Soviet statistics that the [Sussian] government does not deliberately distort what xk-it publishes".

consumption of various products by the kolkhoznik; in 1930 as compared with poor and average pensents in Secrict times (grain and groats by 25 per cent; meat and fat by 79 per cent; eggs by 300 per cent etc.). This all is simply not true. The per capita consumption of the stated peasants was undoubtedly higher for meat and eggs and about the same for grain and groats. I certain area in a starvation year in Tearist time was ecrivinly picked for that comparison.

Juines and he field out to the field out the same for grain and picked for that comparison.

Leonomics have to be tought and otherwise interpreted according to Marx-Engels-Lenin-Stalin and, moreover, in the latest interpretation. Those, who have they smallest doubt of this scope, should consult the unsigned, i.e. editorial, article "Certain Problems of Teaching Economics" in Munder the Banner of Marxism, philosophic and social-economic monthly, published by Praváa (1943, issue 7-8, pp. 56-76). It is, for example, stated there (pp. 69-63):

In teaching have to be shown the characteristic peculiarities of the monopolistic phase of capitalism, discribed its principal features, demonstrated its historic place as the eve of the Tocialist revolution of the proletariat. Attention has to be given to the law, discovered by Lenin and elaborated by Stalin, on the divergency of the economic and political development of capitalism in the era of imperialism as well as \$to\$ the conslusion, based on that law, that socialism may be victorious in one country. It is necessary to show to the students the theoretical and practical importance of the Lenin-Stalin theory of imperialism...

The most important of the new interpretations found in the article is the condemnation of the idea that the larxian surplus product" exists only in the capitalist system; supplus product according to the new interpretation exists also in the socialist system.

1) Op. (it., pp.70-78).

In 1945 a special committee was entrusted with the task of working 1) out a program for the course in farm economics. F. Taptev, one of the editors of this monthly of the "injectry of Amriculture of the USSE, commented on the work of the Committee as follows:

In the programs on form economics, the study of agriculture as a branch of the economy of the lie is put in the first place. Agriculture of course, it one of the necessary branches of the economy. But the inadequacy of that definition is at once apparent from the fackt that agriculture as such, as a branch of the economy, is made the subject of the science, rather than the study of the socialist system of agriculture, and its advantages.... In accordance with this, there is created a science of the socialist system of agriculture as the best and the most progressive form of development and organization of agriculture.

are taught in practice, the textbook <u>Development of Soviet aconomy</u> of the Academy of Sciences custed above may be used. Section V of the textbook, entitled "Period of Sight for the Collectivization of Agriculture (1930-34)" (pp.331-414) contains 51 footnote references; of these were from:

Otalin	31
other Soviet dignitaries not below commissar USSR	6
History and Resolution, of the erty	77
Laws and decisions	3
<b>_rav</b> da	1
engels	1
Povick statistical yearbooks	2

The files of the Institute of Economics of the Academy of Sciences in the first place apparently consist of a full assembly of Stalin's sayings

<sup>1)</sup> Soc. gr., Sept. 1945, p.3,

unless one is supposed to know them by heart. Even communists in high poswhile
itions, even repeating the latest Party line, take out additional insurance by quotes. As concerns the institute of Economics of the Academy,
it is largely a section of the Party propaganda machine and it is certainly misleading when Studenski wants to ensure particular weight to his
information by mentioning that his so arce is the Academy of Sciences
of the USOR.

After the Soviet statisticians and economists have been degraded to a role which one hesitates to mention by its true name, there is no wonder that every statistician and economist abroad, except those fully following the line, is treated as being in the same humiliating position.

Planned Economy, the official magnetice of the Cosplan (July-August 1947; pp.80-88) brings a review of recent America: economic studies. The works of Benjamin Higgins, Leon Manderson, Alvin Hansen, Bertil Chlin, Hans Neisser, Harold Youlton, Seymour Harris, Yordelai Ezekiel, Clarence Senior, F.J. Lewis, T.G. Elliot, C... Taylor, and in the first place those of J.P. Yeynes are discussed, Now they are discussed, one can easily visualize from the title: "Echolarly Lackeys of American Capitalism".

**STAT**