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Volume Title: Some Observations on Soviet Industrial Growth

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Volume Publisher: NBER

Volume ISBN: 0-87014-369-7

Volume URL: <http://www.nber.org/books/nutt57-1>

Publication Date: 1957

Chapter Title: chapter 4

Chapter Author: G. Warren Nutter

Chapter URL: <http://www.nber.org/chapters/c2679>

Chapter pages in book: (p. 628 - 630)

that the decline of some industries in the United States—as coal, soap, and railway equipment—is in a real sense a sign of progress: the supplanting of worse by better means of doing the job. Are, then, gains by the Soviet Union on the United States in output of coal, for instance, to be viewed as indicating more rapid industrial advance?

IV

Even in a discussion as incomplete as this one admittedly has been, it would be improper to conclude without emphasizing once again that we have been looking, from a few restricted points of view, at the record of industrial achievement posted by the Soviet Union over the entire period of its existence. The years under review include the two world wars, a violent revolution, and a severe civil war—altogether some eleven years of turbulence, a fourth of the period. They also cover experience under both a planned and an “unplanned” economy, and these in turn have had disturbances of a severity that may not be encountered again. There are obviously questions raised about how trends are to be interpreted over times such as these.

At a minimum, account must be taken of the best years of growth, which come down essentially to the periods 1928-37 and 1948-55. These short spurts of growth have, of course, been much more rapid than growth over the Soviet period as a whole. As already mentioned, there are good reasons for doubting that the performance in these short periods can be sustained over the long haul. A number of unique circumstances that favored rapid expansion are not likely to be encountered again—including, for instance, the absorption of a vast idle labor force and the sudden inheritance of Western technology. However this might be, any judgment of Soviet industrial development should give all due weight to performance under the best of conditions.⁵

products. This is, of course, an oversimplification, but it serves well enough here to point up a significant difference. As a few specific examples of the austere path of Soviet development, one might note the persistently limited varieties of textiles, the retention of basic tractor models for two to three decades, and the slow progress made in packaging consumer products. When one leaves the realm of “industry,” the contrast is sharpened. Nothing remotely similar to the expansion of service trades in this country has taken place in the Soviet Union. It is perhaps well to stress that these remarks are directed to the question of “general” industrial development, not to performance in special areas. In particular, nothing that has been said is inconsistent with Soviet successes in developing new and increasingly deadly weapons of war, and in producing them in large quantity.

⁵It is difficult to understand the argument that only the recent years of growth are of any interest; i.e., that long-range performance is irrelevant for assessing growth trends. However, in view of comments on this paper by Professor Grossman, it may be well to indicate the general behavior of lags with 1928 as a bench mark year. For total output, the median lag was 28 years in 1913, 45 years in 1928, and 34 years in 1955; the median change in lags was an increase of 15 years for 1913-28 (based on data for 31 industries) and a decrease of 9 years for 1928-55 (based on data for 32 industries). For per capita output, the median change in lags was an increase of 15 years for 1913-28 (based on data for 17 industries) and an increase of 0 years for 1928-55 (based on data for 24 industries). That is to say, of the 24 industries for which changes in per capita lags can be computed over the period 1928-55, half showed an increase and half a decrease.

Some hint of what may come—and how it may differ from what has been—is contained in Table 4, which gives the Soviet lags that will exist in 1960 if the current Five-Year Plan is fulfilled. A quick comparison with Tables 1 and 2 will show that the Russians expect to gain ground generally over these five years, but the ground-gaining would not be sufficient in some industries to prevent their still being further behind us than in 1913. It remains to be seen to what extent the plans will be

TABLE 4
LAG OF THE SOVIET UNION BEHIND THE UNITED STATES IN TOTAL AND PER CAPITA
OUTPUT AS IMPLIED BY THE SOVIET PLAN FOR 1960, 24 INDUSTRIES*

| | "PLANNED" LAG FOR 1960 (Number of years) | |
|---------------------------------|---|-------------------|
| | Total Output | Per Capita Output |
| Iron ore..... | † | 51 |
| Pig iron..... | 13 | 55 |
| Steel ingots..... | 17 | 47 |
| Rolled steel..... | 16 | 47 |
| Electric power..... | 13 | 20 |
| Coal..... | † | 63 |
| Crude petroleum..... | 26 | 39 |
| Soda ash..... | 22 | 33 |
| Caustic soda..... | 22 | 30 |
| Paper..... | 52 | 69 |
| Sawn wood..... | 62 | 115 |
| Cement..... | † | 10 |
| Window glass..... | † | † |
| Railroad passenger cars..... | 54 | 66 |
| Railroad freight cars..... | 72 | 80+ |
| Butter..... | 31 | 49 |
| Vegetable oils..... | 15 | 37 |
| Fish catch..... | † | † |
| Sugar..... | † | 31 |
| Canned food..... | 40 | 56 |
| Boots and shoes..... | 18 | 70+ |
| Cotton fabrics..... | 46 | 87 |
| Silk and synthetic fabrics..... | 23 | 28 |
| Woolen and worsted fabrics..... | 23 | 90+ |
| Median..... | 20 | 48 |

* See same note, Table 1, Soviet population in 1960 taken as 218 million.

† Soviet output, if achieved, will exceed U.S. output through 1955.

met. Experience suggests the most likely failures will be in the realm of consumer goods, particularly those based on agriculture. There is no reason to suppose goals will not be reached in areas of high priority; for, unless we have been massively deceived, they apparently have been reached in the past. If the goal for steel ingots is reached, the lag in total output will have fallen from 29 years in 1955 to 17 years in 1960, which is 4 years less than the lag in 1913; in something of a contrast, the lag in per capita output—as based on the population projected ahead by Soviet authorities—will have fallen only from 49 years to 47 years, which still exceeds the lag in 1913 by 17 years.

If I may now end up where I started, I should like to call attention once again to the heavy cloud of doubt and suspicion that must hang over any study involving Soviet data. The recent de-Stalinizing period has brought with it hopeful signs that Russian statistics may some day move toward the standards of completeness and frankness met by Western statistics, but it has also brought blistering internal indictments of wholesale deception practiced in the past. Thus we may read the following about industrial development in Poland, which may have some application to developments in the Soviet Union:

It is necessary to stop the race for purely quantitative indices which are attained thanks to low quality and to high own costs. This brings about purely fictitious results, the usage of raw materials and of human labour for production of goods which do not produce the intended economic, and often even the intended technical effects (e.g., agricultural machinery improper to any use after a few weeks).⁶

These words come from an economist who four years ago was outdone by no one in the tribute he paid to Stalin and the Soviet system.⁷ If the ebb and flow of political fortune can bring such a complete reversal in the position taken by Oskar Lange, we may only speculate on what the truth really is in the Soviet world.

⁶ Oskar Lange, "For a New Economic Program," translated from the Polish by J. Vanek and reproduced for private circulation by the Center for International Studies, Massachusetts Institute of Technology, October, 1956. The article originally appeared in *Zycie Gospodarcze* (Warsaw) for July 16, 1956. The quotation is taken from p. 5 of the translation.

⁷ See, e.g., Oskar Lange, "The Economic Laws of Socialist Society in the Light of Joseph Stalin's Last Work," *International Economic Papers*, No. 4 (London and New York: Macmillan, 1954), pp. 145-180, a translation of an article appearing originally in Polish in *Nauka Polska*, No. 1 (Warsaw, 1953).