

Dear Raya:

August 13, 1967.

I enclose "my chapter" I have finished yesterday - fighting hard against time. I am not satisfied with my work, far from that - but I had to finish it, otherwise it would grow in my hands and I am afraid it could become more extended but not better in ideas. The second part is patchy indeed, but I don't think you wish to repeat what others have already said so often. Also, I am sorry I could not use some more up-to-date statistics but what I took was the best I had at hand.

You will be kind enough to let me know as usually that this letter has reached you safely.

I have told you I suppose that I had ordered a copy of your ~~book for the library of my institute. Now I saw it last week on~~ the list of new publications and it is going to have its first readers. I shall report if there is any discussion later on.

I have read carefully Perspectives /draft thesis/. My comments will reach you with next letter that will most probably include a short information on the writers' congress with some salient passages from the most interesting speeches.

Yours,
S.

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Contributed by an East European friend

8/13/67

A. STATE PLANNING

By making it possible to avoid major economic crises, state planning has essentially contributed both to economic growth and to containing labor movement from achieving any decisive political or economic victory.

The reconstruction following World War II in Europe was unthinkable without government interference in any economic sector - though in a different degree. In Western Europe, there was no real proposition of planning as a comprehensive system of state intervention with a definite set of goals. In Eastern Europe, where even the non-Communist left and in some cases / as in Czechoslovakia or Hungary / also other political parties fell under the spell of "socialism" most of the political parties represented in parliaments voted for the introduction of state planning systems. Here, no real alternative to the Soviet type of planning could be offered - and, indeed, no other system could have been accepted under the prevailing circumstances.

In the West, the word 'planning' itself seemed soon to be banned as the term was becoming associated with fettering controls. Nevertheless, state interventions continued becoming more often and growing in scope.

This was, however, but the surface of things. The underlying causes were the development of production forces - though thrown back by the war - and the technological revolution presenting itself under the guise of a militarily successful atomic research.

Atomic research was part of U.S. war production program and was taken over for non-military purposes by /private/ civilian companies step by step only. The militarization of economics grew, however, during peace time and some of the new inventions were either originally discovered by military use by men employed in military institutions or used and developed first by military agencies.

Research on the scale first seen after World War II could not have been carried out without either state help or - in extreme cases - without the State "guiding" or planning it. This was both because of the immense and still growing research costs and because the development of science reached a stage on which research had to be concentrated should it be successful. Thus science development and the needs of research including technological revolution that announced its coming by means of atomic research and the development stage of the production forces of atomic research and the development stage of the production forces as well combined to force the State to take the role of the leader and planner. This was enhanced in Western Europe by the ravaged economy which needed a concerted concentration of means for quick reconstruction.

The U.S.A. presented a different picture insofar as government intervention was neither as open as that of the European governments nor did it take the form of overall planning. The American variant appeared for a great part as military expenditure stimulating economic growth without specific goals.

The tables 1a, 1b present a picture of the governmental share in gross domestic product of some industrialized states as seen in government expenditure and revenue.

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Table 1a
Government Current Expenditure on Goods and Services as a Proportion of G.N.P. at Current Prices

	1938	1950	1960
France	13.0	12.9	13.3
Germany	23.1	14.4	13.5
Italy	16.3	11.1	14.5
Sweden	10.4	13.9	17.7
United Kingdom	13.5	15.6	16.6
Canada	10.9	10.6	14.4
U.S.	10.1	10.6	17.2

/Source: A. Maddison, Economic Growth in the West, Twentieth Century Fund, New York 1964, p. 103/

Table 1b
Categories of Government Revenue as a Proportion of G.N.P. in 1957

France	32.7
Germany	36.9
Italy	29.3
Sweden	31.7
United Kingdom	31.0
Canada	27.1
U.S.	27.7

/Source: A. Maddison, op. cit., p. 114/

It was the state's dominating position in the economy that enabled it to stimulate the economy, keep its pace of growth and prevent major economic crises. 1/ The rate of growth of total output of major West European countries and the U.S.A, and Canada is shown below. / Note the difference between the first period on the one hand and the second and third on the other/

Table 2
Annual Rate of Growth of Total Output

	1913-50	1950-60	1956-61
France	0.7	4.4	4.2
Germany	1.2	7.6	5.9
Italy	1.3	5.9	6.7
Sweden	2.2	3.3	4.0
United Kingdom	1.7	2.6	2.1
Canada	2.8	3.9	1.8
U.S.A.	2.9	3.2	2.3
Average	1.9	4.2	3.9

/Source: A. Maddison, op. cit., p. 28/

/Note 1 on following page/

It is not only the size of the rate that is remarkable; still more remarkable is its steadiness and the length of the period it takes. Economists are right in speaking no more of "crises" but of "recessions" for it is more than a change of a technical term that is involved as the dogmatists would like

to make us believe, it rather mirrors the actual change in economic phenomena.

The more dogmatic adherents of Soviet-type communism present the Soviet system as an economic order that does not know any sort of crisis and never did. They would be right only if one equals a crisis to the depression of the thirties which is an untenable presumption. Since what they are used to call Marxism they have learnt in the Stalin school they are unable to recognize the many crises Soviet economy / and society/ have gone through since 1928.

That neither planning nor a "socialist" - owned and managed economy can prevent the occurrence of even a major recession is proved by the case of Czechoslovakia. Without going into details we present the following illuminating table on Czechoslovak national income during the past few years.

Table 3

National Income of Czechoslovakia
/1955 - 100/
1959 1960 1961 1962 1963 1964 1965

130.0	140.5	150.1	152.2	148.9	149.8	155.3
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/Source: Statistical Yearbook /in Czech/ 1966, p. 127/

If it was planning that helped in a decisive manner to stave off economic crises, so it was technology, too. Both of these causes, however, have aggravated internal crises other than economic: the unrest of labor - with living standards increasing yet exploitation growing the more - became permanent.

Both planning and technology seem to have helped in generating economic growth, steadying it and preventing it from assuming disastrous proportions. They could not, however, help in avoiding crises to occur at all: the form changed from the economic to a rather social and political one.

/Note 1 from the preceding page/

- 1/ "Government has assumed so important a role in the economy that its own operations largely determine the general economic momentum, and what appears as the business cycle is nowadays mainly a reflection of phases in government policy" says A. Maddison whom we have quoted already and who has besides observed the functioning of these policies as a member of the O.E.C.D. staff in Paris.

As much as the "welfare state" cares for eradicating misery it still leaves very much poverty in existence. Any "war on poverty" program notwithstanding the state cannot master it: the least that can be said is that there are "pockets of poverty" and millions of unskilled illiterates. (1) This is due to a great part to the rapidly changing technology. Since no state really considers development of human values, development of man its actual aim, men are held to be functions of production / "production factor" / and, therefore, also - or primarily - functions of technology. Any program of education or upgrading is being connected with some deficiencies of a profession or industry as uneven development of technology makes this industry surging up today and another tomorrow. It is for this reason that no education program can be comprehensive enough and the same basic failure keeps to be repeated again and again.

Political dissatisfaction is piling up in the social and economic. None of the "traditional" parties or systems offers anything more but the solution of some momentary, transitional, short-term problems. While living standards - measured by consumption of easily accessible goods - may rise, so does the exploitation.

Added to these internal crises are the international tensions.

B. ANALYSIS OF THE THIRD WORLD

Following World War II a new group of states emerged as colonies acquired the status of independent countries / India, Pakistan, Burma, Indonesia / or wholly new states have been constituted / Israel, African States /. This process came to a certain halt in the early sixties when most of the African colonies were "granted" independence and thus changed the face of a whole continent almost overnight.

- (1) The leading power of the capitalist world has had 34.1 million persons defined as poor in 1964. "The total number of poor, unrelated individuals over 65 years of age increased by 300,000 during the 1959-64 period . . . The number of large families with 5 or more children living in poverty also showed no decline . . . "The Annual Report of the Council of Economic Advisers, Washington 1966, p. 113. However, after 20 years of "socialism, some south-western regions of Poland or eastern-most Czechoslovakia present problems very similar to the American.

This group of very loosely connected countries was later to be called the "third" world because of their "non-alignment". They are indeed distinct from the other two camps of the state capitalist world, i.e. the capitalist as well as the socialist one. (1) Nevertheless, they remain within the imperialist orbit not only owing to their origins that connect them directly with the capitalist world, but according to their later development as well. Whatever actions they may have carried out in the UN or whatever success their particular members may have won in trying to bring the other two worlds together their common ground was always an uneasy and narrow one.

This is understandable since the Third World itself can be divided roughly into three groups in accordance with their geographic position: it is the group of Latin American, Asian and African states, respectively.

It is the African nations that make the group of the poorest members of this community. What makes them really poor indeed, however, is not their poverty, but the low stage of development / industrialization/ and the speeding up of the development of the industrialized/countries that leaves them even more behind and more backward.

(1) The difference is roughly yet clearly to be seen from table 4.

Table 4
Dynamics of Gross National Product According to
Two Groups of the Capitalist World, 1950-1957
and 1965/estimated/

Year	Advanced Industrialized countries ^{SH}		GNP in bill./1957	GNP per head
	GNP bill./1957	GNP per head 1957		
1950	579.1	1.113.5	89.4	107.0
1951	619.2	1.173.8	92.8	109.3
1952	639.3	1.199.9	96.8	111.9
1953	671.1	1.243.0	102.5	116.5
1954	672.9	1.230.8	107.3	120.0
1955	722.8	1.306.0	110.8	121.7
1956	754.7	1.346.9	114.6	123.8
1957	763.6	1.345.4	117.4	124.6
1965	1.060.0	1.713.8	165.5	149.2

/Source UN Economic and Social Council General Review of the Development and Coordination of the Economic, Social and Human Rights Programs and Activities of the United Nations and the Specialized Agencies as a Whole, 5 May 1960, p. 20/

The growth of the developing countries during the two post-war decades was not only uneven, but very slow indeed.

Table 5
Per Capita Gross Domestic Products by Major Regions, 1950, 1955 and 1960

	Average annual compound rate of growth		
	1950-60	1950-55	1955-60
Developed market economies	2.7	3.4	2.0
North America	1.5	2.5	0.5
Western Europe	3.7	4.2	3.3
Japan	8.0	9.6	8.5
Developing market economies	2.2	2.5	1.8
Latin America	1.8	1.9	1.6
Africa	1.9	2.2	1.6
Far East	2.1	2.4	1.8
West Asia	2.7	3.0	2.4

/Source: World Economic Survey, UN, New York 1965, p. 21/

Naturally, the differences are great not only between the geographic groups, but among particular members of these groups as well. Some Latin American countries seem to have arrived on the threshold of sustained growth / Brazil, Argentina/; a few Asian nations like India may soon arrive at this moment, too. Yet in the most favorable cases this process takes very long and its goal is by no means certain.

The differentiation will probably proceed, with occasional lapses into previous development stages. But without an internationally concerted action during a reasonably long period the end of this millennium would be very far from seeing the underdevelopment overcome. With the onrushing demographic explosion the problem of developing countries will rather take alarming dimensions.

C. RELATIONSHIP OF INDUSTRIALIZED WORLD TO UNDERDEVELOPED

The relationship of the industrialized world to the underdeveloped may be briefly summarized in the following table:

	Terms of trade 1960-100		Table 6	
	1961	1962	1963	1964
Latin America	99	97	101	106
Africa	96	92	94	96
West Asia	98	98	98	97
Southern and south- eastern Asia	96	94	93	92
Developing countries	98	96	98	99

/Source: World Economic Survey, DN, New York 1965, p. 222/

Whatever may have been the development of the "underdeveloped" countries, their position compared with that of the industrialized nations remains rather the same. UN statisticians put it this way in 1961: "The considerable gaps in level of activity and extent of industrialization between the industrialized and developing countries, each considered as a whole, remained essentially of the same dimensions in 1961 as in 1938." (1)

Every aspect of the relationship between the advanced and the developing countries confirms the basic facts that change and evolve in time but leave the essential relation untouched: the "primary producing countries" supply the "advanced" with raw materials the prices of which tend to fall. To quote again the UN statisticians comments: "And against this probably slow growth of export earnings, the need for a rapid increase in imports, especially of capital equipment, to sustain an adequate rate of economic development, stands in marked contrast." (2)

In 1961, for instance, this moments were as follows:
Table 7

	Trade of Developing Market Economies with Developed Market Economies /1950 = 100/	Index, 1961
Unit value of exports		98
Unit value of imports		113
Terms of trade		86
Unit value of exports, excl. fuels		95
Terms of trade, excl. exports of fuels		83

/Source: World Economic Survey, UN, New York 1963, p. 7/

- (1) The Growth of World Industry, 1938-1961, International Analyses and Tables, UN, New York 1965, p. 234
- (2) World Economic Survey, UN, New York 1965, p. 145
- (3) Commitments by the "socialist economics" to the developing countries went from \$316 million in 1962 to 341 million in 1963, to \$1,296 million in 1964; to 685 million with a further falling tendency (International Flow, l.c. p. 22)
- (4) As the service payments have almost invariably to be made in convertible currencies, the relative burden is probably somewhat greater than this arithmetic would suggest. "International Flow ... p. 45
- (5) International Flow ... p. 15
- (6) J. Kleer, An Analysis of the Social-Economic Structures of the Third World / in Polish/, PWE, Warsaw 1965, p. 5
- (7) J.W. Burton /ed./, Nonalignment, Deutsch, London 1966, p. 131-132

To offset this unfavorable situation as well as to overcome the difficulties accumulating on the road to the self-sustaining growth the developing countries have to ask for aid of the industrialized nations. The forms of this aid vary yet the main is represented by long-term capital. Others include technical assistance, official donations, etc. Its flow during the last few years is shown in table 8. (3)

Table 8
Net International Flow of Long-Term Capital
/millions of dollars/

	1961	1962	1963	1964
Net receipts of 49 countries	2,849	2,435	3,304	3,370 ^{p/}
Net reported outflow a/	4,666	4,285	4,791	5,264
a/ Outflows from the developed market economies and the international agencies to all developing countries				
p/ preliminary				

/Source: International Flow of Long-term Capital and Official Donations, 1961-1965 UN, New York 1966, p. 41/

However, not only did the external indebtedness rise as a consequence and put a heavy burden on the developing economies, as seen from table 9. (4)

Table 9
Outstanding Public and Publicly Guaranteed Debt of Developing Countries: End of 1955, 1960 and 1962

Region	1955	1960	1962
Latin America/18 countries/	4.0	6.6	8.9
Asia /9 countries/	1.3	4.0	5.9
Africa /7 countries/	0.7	1.2	1.4
Total, above	6.0	11.8	16.3
Total /60 developing countries/	7.1	..	19.8

/Source: International Flow ... l.c., p. 45/
Relatively to the total output of the industrialized countries, the outflow of funds to the developing economies declines steadily since 1961: it fell from 0.84 of gross domestic product in 1961 to 0.72 in 1962, 0.66 in 1963 and 0.65 in 1964. (5)

Thus the developing countries have been so sucked into the vortex of the advanced industrialized economies that they are stagnating or even retrogressing. "In the Third World countries there is no clear determinant today / economic, social or political/ that would determine the direction of further socio-economic evolution of these countries", a Polish specialist on developing countries states. (6) And Conor Cruise O'Brien writes: "Instead of thinking of a non-aligned Third World, it would be more realistic to think in terms of a world-wide capitalist economy of which the supposedly non-aligned countries form an integral part, ---if this process continues ---the independence of the non-aligned countries is likely to resemble increasingly that of the Latin American countries." (7)

There is indeed a very real danger of these countries becoming "client states" if social revolution does not come up against this process of strangling the independence and economic development.

1. While the share of the population of the developing countries in the world population total rose more and more rapidly, the share of its gross domestic product in the world total rather stagnated /Tab.1/. Also, the growth rate of the domestic product per capita in these countries not only slowed down - it fell from 11 U.S. dollars between 1953-58 to 6 dollars between 1958-61 - but the product itself that has made more than 10 per cent of the per capita product of the industrialized countries in 1938 fell to about 8 per cent in 1961 /Tab.3/.
2. The industrialization, considered by most economists as the only way out of backwardness, practically did not change the relation between the developing and the industrialized countries in the period from 1938 to 1961. After a slackening period from immediately after the war down to the middle fifties the developing countries recovered their position from before the war and arrived at the same share of 9.3 per cent of world manufacturing in 1961. "In view of the larger increase in population in the developing countries than the industrialized countries, the percentage ratio between them in manufacturing value added per capita was somewhat less in 1961 than in 1938 - 4.3 per cent compared to 5.0 per cent."
3. Seen in a longer perspective the contrast between these two groups may widen still more if, as Simon Kuznets puts it, "...entry into modern economic growth, sustained industrialization, affects only a limited proportion of the initially underdeveloped group of countries (or, rather, population).if we consider Japan and the U.S.S.R. as the two countries that shifted over that period /the last half a century/ from the underdeveloped to the developed group.....the population accounted for by this shift is only 0.3 billion out of a total of close to 2 billion in the underdeveloped parts of the world (outside of Latin America and Eastern Europe)."
4. These macroeconomic differences may best be summed up by and are most obviously mirrored in the level of living index as construed for 20 countries by the UN Research Institute for Social Development^{3/}. We reproduce their table 4 arranging the countries concerned according to level of living indices, per capita consumption and gross national product. The differences speak for themselves.

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- 1/ The Growth of World Industry, 1938 - 1961, International Analyses and Tables, UN, New York, 1965
 - 2/ S.Kuznets, Postwar Economic Growth, Harvard University Press, Cambridge, Mass. 1964, p.24
 - 3/ J.Drewnowski - W.Scott, The Level of Living Index, UN Research Institute for Social Development, Report No 4, Geneva 1966, p.70

TAB. 4

PERCENTAGE DISTRIBUTION OF VALUE ADDED IN 1958 U.S. DOLLARS, ACCORDING TO KIND OF INDUSTRIAL ACTIVITY; WORLD EXCLUDING U.S.S.R. AND EASTERN EUROPE

1938, 1948, 1953, 1961

VIB. 24

Area and period	Specified activities as a percent of mining, manufacturing, electricity and gas		
	Mining	Manufacturing	Electricity and gas
1938	12.6	84.4	3.0
1948	10.5	85.8	3.7
1953	9.5	86.4	4.1
1961	8.9	85.7	5.4
Industrialized countries			
1938	12.0	84.9	3.1
1948	9.6	86.6	3.8
1953	8.3	87.6	4.1
1961	6.8	87.6	5.6
Less industrialized countries			
1938	18.1	79.6	2.3
1948	19.0	78.1	2.9
1953	22.4	74.0	3.6
1961	25.0	70.7	4.3

All tables are adjusted tables taken from:

THE GROWTH OF WORLD INDUSTRY, 1938 - 1961, International Analyses and Tables, UN, New York, 1965

The number of those tables on which our individual tables are based is given at the right top corner

The order I would like to have the tables arranged in is marked RED

The Communist bloc and the West in the world economy, 1961

Indicator	Unit	Comm. bloc ¹	West ²	Rest of m the world	Total world
Population	Million	1,047	559	1,455	3,061
	Percent	34.2	18.3	47.5	100.0
Gross national product ³	Billion \$	418	982	141	141
	Percent	14.1	14.1	14.1	14.1
Energy consumption ⁵	Million metric tons /HCE/	1,391	2,624	547	4,562
	Percent	30.5	57.5	12.0	100.0
Exports	Billion \$	16.1	81.4	36.3	133.8
	Percent	12.0	60.9	27.1	100.0
Imports	Billion \$	16.3	80.9	42.7	139.9
	Percent	11.7	57.8	30.5	100.0
Production:					
Electric power	Billion kilo- watt-hours	512	1,574	349	2,435
	Percent	21.0	64.6	14.4	100.0
Coal ⁶	Million metric tons /HCE/	1,113	874	233	2,220
	Percent	50.1	39.4	10.5	100.0
Crude steel	Million metric tons	110	203	42	355
	Percent	31.0	57.2	11.8	100.0
Crude petroleum	Million metric tons	185	401	534	1,120
	Percent	16.5	35.8	47.7	100.0
Primary aluminum	Thousand met- ric tons	1,035	3,252	258	4,575
	Percent	23.3	71.1	5.6	100.0
Passenger cars	Thousands	291	10,511	519	11,321
	Percent	2.6	92.8	4.6	100.0
Commercial vehicles	Thousands	494	2,401	740	3,635
	Percent	13.6	66.0	20.4	100.0

1. U.S.S.R., East Germany, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Communist China, North Korea, North Viet-Nam, and Outer Mongolia
2. United States, Canada, and Western Europe
3. Converted at purchasing power equivalents
4. Not available
5. For 1960. Hard coal, lignite, coke, peat, petroleum, natural gas and hydro-power in terms of hard coal equivalents
6. Hard coal and lignite in terms of hard coal equivalents

Leon M. HERMAN, The Political Goals of Soviet Foreign Aid, in: Dimensions of Soviet Economic Power, Hearings of the Joint Economic Committee, Congress of the U.S., U.S. Government Printing Office, Washington 1962, Studies, p.485

SHARE OF SOCIALIST COUNTRIES IN THE WORLD INDUSTRIAL PRODUCTION

- 1917 less than 3 percent.
- 1937 less than 10 percent.
- 1950 ~~about~~ 20 percent.
- 1955 around 27 percent.
- 1965 All socialist countries . about 38 percent.
incl. U.S.S.R. which in itself represents
almost one-fifth of the world industrial
production

Народное хозяйство СССР в 1965 г., Статистический ежегодник, Центрального статистического управления, Москва 1966, p. 82

COMPARATIVE GROWTH RATES OF GNP
/Percentages/

Country	Annual rates						Period rates (annual averages)	
	1958	1959	1960	1961	1962	1963	1950-58	1958-63
U.S.S.R.	3.5	4.2	4.9	6.8	4.3	2.6	7.0	4.5
France	2.5	2.8	7.3	4.3	6.3	4.3	4.4	5.0
Germany /Fede- ral Republic/	3.5	7.1	8.9	5.8	4.1	3.2	7.6	5.9
Italy	4.4	7.3	6.8	8.1	6.0	4.8	5.6	6.6
United Kingdom	1.0	3.6	4.5	3.3	.2	3.5	2.4	3.0
Japan	-0.1	18.3	13.0	15.8	6.9	8.3	6.1	12.5
United States	-1.2	6.7	2.5	1.9	6.1	3.4	2.9	4.1

Stanley H. Stein, in: Current Economic Indicators for the U.S.S.R. /Materials prepared for the Joint Economic Committee/ Washington, D.C. U.S. Government Printing Office, 1965/, reprinted in The Soviet Economy, A Book of Readings, edited by M. Bornstein and D.R. Fusfeld, R.D. Irwin, Inc., Homewood, Ill., 1966, p. 293

NATIONAL INCOME IN THE U.S.S.R. AND FOREIGN COUNTRIES

Years	National income per head		Absolute volume of total national income according to methodology accepted in the U.S.S.R. statistics /in billions of dollars/	
	according to methodology accepted in capitalist countries, i.e. incl. repeated inclusion of incomes obtained in the non-productive sphere //in dollars at official rate//	according to methodology accepted in the U.S.S.R. i.e. without repeated inclusion of incomes obtained in the non-productive sphere in dol- lars at official rate	at official rate of exchange	at relative prices
U.S.S.R. 1965	. . .	928	1 076	214
U.S.A. 1965	2 850	2 060	2 060	248
England 1965	1 447	1 028	1 164	401
France 1964	1 370	1 000	1 304	56,1
Italy 1965	887	656	761	48,4
				33,7
				63,5
				63,1
				39,0

Source of the preceding table: /

Народное хозяйство СССР в 1965 г., p. 87

AVERAGE ANNUAL RATES AND ABSOLUTE GROWTH OF IMPORTANT KINDS OF INDUSTRIAL PRODUCTION IN THE U.S.S.R. AND U.S.A. between 1951 - 1965

	Average annual increment /percentage/		Average absolute increment	
	U.S.S.R.	U.S.A.	U.S.S.R.	U.S.A.
Electric power /gross output/	12,1	7,5 ¹	27,7 billions kwh	54,0
Crude petroleum	13,2	2,5	13,7 mill. metric t	7,9
Coal /in terms of hard coal/	5,6	- 0,4	18,7 "	- 2,1
Steel	8,4	2,0	4,2 "	1,8
Iron ore	9,4	- 0,6	7,6 "	- 0,5
Sulphuric acid /anhydric/	9,7	4,4	426 "	713
Chemical fibres	20,7	6,0	25,5 "	58,1
Cotton	14,0	3,5	4,1 "	1,8
Cotton fabric /raw/	4,7	- 0,2	199 mill. m ²	- 12,7
Shoes, leather	6,0	1,3	18,9 mill. pairs	7,2
Sugar refined /from domestic raw material/	8,8	2,9	427 thous. metric tons	105,7
Animal fats /incl. production in private economies/	6,2	- 1,25	46,9 thousands metric tons	- 8,7

1. 1951 - 1964

Народное хозяйство, p.93

RELATION BETWEEN BASIC ECONOMIC DEVELOPMENT INDICATORS OF THE U.S.S.R. AND U.S.A.

	U.S.S.R. in percent of U.S.A.
Gross social product in 1965	62
National income in 1965	62
Industrial production: 1913 /in the territory of the former Russian empire/	
1950	12,5
1957	less than 30
1965	47
Production of agriculture: average of 1956 - 1960	65
average of 1961 - 1965	more than 70
Volume of capital investment: about	75
1950	
1965	more than 30
Labour productivity in industry: about	90
1913 /in the territory of the former Russian empire/	
1965	about 11
Labour productivity in agriculture - average for 1959 - 1965	40 - 50
	in the U.S.S.R. about four times lower *

/last item of the preceding table on p.3/

Labour productivity in ~~industry~~ in 1964
(Construction)

in the U.S.S.R. about twice
less than in the U.S.A.

Source: Narodnoe hozjajstvo, p.85

GROSS NATIONAL PRODUCT BY SECTOR OF ORIGIN FOR MAJOR ECONOMIES
/percentage of total at current factor cost/

Country	Year	Agriculture	Industry and con- struction	Transport trade services	Total
France	1956	12,5	44,2	43,0	100
Germany /Federal Rep./	1950	11.4	47.0	41.6	100
	1959	8.0	50.8	41.2	100
	1960	28.3	37.3	34.4	100
Italy	1950	17.1	43.1	39.8	100
	1960	5.7	45.4	48.9	100
United Kingdom	1950	4.2	47.2	48.6	100
	1959	26.0	31.7	42.2	100
Japan	1950	15.4	37.0	47.5	100
	1960	30.7	41.4	27.8	100
U.S.S.R.	1955	7.2	39.5	53.2	100
United States	1950	4.0	38.2	57.8	100
	1960				

Stanley H. Cohn, The Gross National Product in the Soviet Union: Comparative Growth Rates, in: ~~Some~~ Dimensions of Soviet Economic Power, Studies, p. 72

GROSS NATIONAL PRODUCT BY END USE FOR 7 MAJOR ECONOMIES IN 1960
/percentage of total in factor cost/

Country	Private consump.	Govern- ment consump.	Defense	Gross capital invest.	Invento- ry in- vestment	Foreign balance	To- tal
France	58.3	10.7	6.6	20.7	2.3	1.3	100
Germany /FR/	50.4	11.9	3.9	28.0	2.6	3.2	100
Italy	58.7	13.7	...	25.2	1.8	.4	100
United Kingdom	61.3	11.8	7.1	18.3	2.7	-1.2	100
Japan	48.9	9.6	...	35.4	5.5	.6	100
U.S.S.R.	47.1	10.1	10.2	31.4	1.3	/1/	100
United States	60.4	9.8	10.1	17.9	.9	.9	100

/1/ Unknown

Source: Stanley H. Cohn, ibid. p.72

1. 1964
2. 1963

Source: Narodnoe khozjajstvo, p.97

2. COMPARISONS OF PHYSICAL OUTPUT PER PRODUCTION WORKER IN SELECTED INDUSTRIES, UNITED STATES AND U.S.S.R., 1956-57 /U.S.level = 100/

Products	U.S.study /United States, 1956; U.S.S.R., 1956/	U.S.S.R. study /United States, 1956; U.S.S.R., 1957/
Coal	35	28.2
Gas	34	42.4
Crude petroleum and natural gas	20	- - -
Petroleum refining	36	42.1
Iron ore	34	37.3
Pig iron, steel, and rolled products	43	53.0
Metal-cutting machine tools	- - -	69.5
Logging	25	30.7
Lumber	35	73.8
Paper and paperboard	23	39.6
Cotton fabrics	27	38.5
Silk and synthetic fabrics	41	41.5
Woolen fabrics	39	42.3
Leather /excl. rubber/	74	44.0
Shoes /footwear	17	78.9
Artificial fiber	12	19.8
Synthetic rubber	27	15.6
Construction brick	34	46.2
Cement	24	32.9
Clay and gypsum	19	22.0
Electric power	39	- - -
Wheat	30	46.5
Dairy products	- - -	53.1
Vegetable oil	17	27.5
Margarine	50	17.1
Flour	39	60.8
Sugar	35	- - -
Beans	- - -	37.8
Macaroni	- - -	55.3
Bread and bakery products	- - -	143.5
Confectionery products	- - -	46.6

Source: G.Schroeder, Soviet Industrial Labor Productivity, in: Dimensions of Soviet Economic Power, Studies, p.156

AVERAGE WAGES OF WORKERS AND EMPLOYEES INCL. RATES AND ADVANTAGES FROM SOCIAL FUNDS IN 1965

	Annual average	Monthly average
All workers and employees in the national economy		
Average wages of workers and employees incl. rates and advantages obtained from social funds	1 543	129
Average money wage of workers and employees of which leave remuneration	1 147 73	96 6
Rates and advantages obtained by workers and employees from social funds /excl. leave remuneration/ - average per head	396	33
Working persons in industry		
Average wage of working persons in industry incl. rates and advantages obtained from social funds	1 659	138
Average money wage of working persons in industry of which leave remuneration	1 215 84	101 7
Rates and advantages obtained by working persons in industry from social funds /excl. leave remuneration/ - average per head	444	37

Source: Narodnoe hozjajstvo, p.566

AVERAGE MONTHLY WAGES OF WORKERS AND EMPLOYEES IN THE NATIONAL ECONOMY INCL. RATES AND ADVANTAGES OBTAINED FROM SOCIAL FUNDS /in rubles/

Year	Average monthly money wage	Average monthly wage incl. rates and advantages	Year	Average money wage	Average monthly wage incl. rates and advantages
1940	33,0	40,6	1960	80,1	107,7
1946	47,5	62,4	1961	83,4	111,7
1950	63,9	82,4	1962	86,2	115,7
1955	71,5	91,8	1963	87,6	118,0
1958	77,8	104,4	1964	90,3	120,8
1959	79,0	106,7	1965	95,6	129

Source: Narodnoe hozjajstvo, p.567

	1959	1965
Ratio of average wages of top 10 per cent of workers and salaried personnel to bottom 10 per cent	5.8 : 1	3.8 : 1
Ratio of average incomes of top 10 per cent of families to bottom 10 per cent /incl. money and non-money incomes/.	4.75 : 1	3 : 1
Minimum wages /in rubles per month/27 - 35	50 - 60
Average wages of workers and salaried personnel /in rubles per month/	79	99

Source: M. Yanowitch, The Soviet Income Revolution, Slavic Review, Vol. XXII, No. 4 /Dec., 1963/, reprinted in The Soviet Economy, A Book of Readings, p. 237

Year	Average Earnings of Engineering-Technical Personnel in Per Cent of Average Earnings of Workers	Average Earnings of Employees in Per Cent of Average Earnings of Workers
1932	263	150
1935	236	126
1940	210	109
1950	175	93
1955	155	88
1960	150	not available

Source: M. Yanowitch, l.c., p. 233

PER CAPITA CONSUMPTION OF SOFT GOODS IN THE U.S.S.R. AND THE UNITED STATES

	Unit of measurement	U.S.S.R.		United States,
		1952	1960	1959
Textiles, total	Square meter	20.0	26.0	70.0
Cotton	do	17.0	19.0	52.0
Wool	do	1.3	2.2	2.7
Silk and artificial fibres	do	.7	3.4	15.0
Linen	do	1.2	1.3	Negligible
Knitted wear	Pieces	116	2.9	11.0
Stockings, hose	Pairs	3.1	4.5	10.0
Leather shoes	do	1.3	1.8	3.4

Source: R. E. Golden, Recent Trends in Soviet Personal Income and Consumption, in: Dimensions of Soviet Economic Power, Studies, p. 363

CONSUMPTION OF BASIC FOOD PRODUCTS /per head of population; kilogram/

	1950	1958	1960	1964	1965
Meat and fats /incl. poultry and subproducts in natura/	26	36	40	38	41
Milk and milk products in terms of milk	172	238	240	238	252
Eggs - pieces	60	108	118	113	124
Fish and fish products	7.0	9.8	9.9	12.2	12.6
Sugar	11.6	24.2	28.0	32.2	34.2
Vegetable butter	2.7	4.7	5.3	6.6	7.1
Potatoes	241	150	143	140	141
Vegetables and field-produce	51	71	70	74	73
Flour products /bread in terms of flour, flour, grits, beans, macaroni/	172	172	164	159	156

Source: Narodnoe khozjajstvo, p. 597

CONSUMPTION OF IMPORTANT NON-FOOD GOODS /per head of population annually/

	1950	1958	1960	1964	1965
Expenditures /outlays of textiles for production of industrial products	16,5	23,7	26,1	25,4	26,1
of which					
cotton	13,9	17,4	19,2	19,0	19,4
wool	1,3	1,9	2,2	1,9	2,1
silk	0,6	3,2	3,4	3,4	3,3
linen	0,7	1,2	1,3	1,1	1,1
Knitted goods - pieces	0,3	0,5	0,6	0,7	0,8
Underwear - pieces	0,8	2,0	2,1	2,9	3,3
Stockings, hose - pairs	2,6	4,3	4,9	5,4	6,2
Leather shoes - pairs	1,1	1,7	1,9	2,2	2,4

Source: Harodnce chozrajstvo, p.597

YIELDS PER ACRE OF MAJOR CROPS

Crop	Year	Unit per acre	U.S.	Soviet Union	U.S.S.R. as percent of United States
Corn for grain	1961	Bushel	61.8	29.0	47
Wheat	1961	do	23.9	12.3	51
Rye	1961	do	17.7	14.6	82
Oats	1961	do	42.1	22.1	52
Barley	1961	do	30.3	18.3	60
Grain sorghum	1961	do	43.8	/2/	- - -
Rice	1961	Pound	3,376	1,837	54
Cotton, lint	1961	do	438	597	136
Soybeans for grain 1961	1961	Bushel	25.3	7.3	- - -
Soybeans f. grain 1959	1959	do	23.7	890	37
Sunflower seeds	1961	Pound	/2/	3.9	- - -
Flaxseed	1961	Bushel	8.7	7.14	45
Sugarcane	1961	Ton	16.5	939	43
Tobacco	1961	Pound	1,723	1,260	54
Makhorka	1961	do	/2/	84.7	- - -
Potatoes	1961	Hundredweight	195.5		43

/2/ Not available

Source: Dimension of Soviet Economic Power, Studies, Statistical Appendix, p.695

CROP PRODUCTION

Crop	Year	Unit	United States	Soviet Union	U.S.S.R. as percent of U.S.
Corn for grain	1961	1,000 bushels	3,524,313	500,000	14
Wheat	1961	do	1,234,705	1,918,000	155
Rye	1961	do	27,262	600,000	2,200
Oats	1961	do	1,012,655	600,000	59
Barley	1961	do	393,384	610,000	155
Grain sorghum	1961	do	482,615	/2/	- - -
Rice	1961	1,000 tons	2,686	264	10
Cotton, lint	1961	1000 bales	14,304	7,100	49
Cotton, seed	1960	1000 tons	10,353	3,265	32
Soybeans	1959	1000 bush.	533,175	8,230	2
Sunflower seed	1961	1000 tons	/2/	4,200	- - -
Peanuts, picked and threshed	1961	do	881	/2/	- - -
Flaxseed	1959	1000 bush.	31,101	15,550	50
Mustard	1959	1000 tons	/2/	34	- - -
Sugarbeets	1961	do	17,966	55,776	310
Sugarcane	1961	do	9,387	/2/	- - -
Sugar production	1960	do	/5,259/	/7,259/	/138/
Tobacco	1961	1000 pounds	2,022,631	230,500	12
Wool	1961	do	/2/	143,500	- - -
Fiber flax	1961	1000 tons	/2/	518	- - -
Wool fiber	1959	do	/2/	133	- - -
Potatoes	1961	1000 hundredweight	290,939	1,651,864	636
Sweet potatoes	1961	do	5,083	/2/	- - -
Vegetables	1961	1000 tons	18,732	17,195	92
Citrus	1960	do	6,500	/2/	- - -
Other fruits and berries, incl.	1960	do	8,960	5,408	60
Grapes	1960	do	18,133	2,062	69
Total fruits /incl. citrus, grapes, and berries/	1959	do	18,133	5,722	32
Tree nuts	1961	do	355	/2/	- - -
Tea	1960	do	/2/	180	- - -
Hay, all kinds	1959	do	113,650	88,674	78

/2/ Not available

Source: Dimensions of Soviet economic power, Studies, Statistical Appendix, p.695