

authoritative head of the Fourth Five-Year Plan. Voznessensky himself at one time had directed a purge of Russian economists resulting in the removal of Varga as head of the World Institute of Economics and Politics and the liquidation of that institution into the Economic Institute. For close students of Soviet life, this move did not come as a complete surprise. It had been foreshadowed in January when the Central Statistical Administration was separated from the State Planning Commission and put directly under the Council of Ministers. Without the Central Statistical Administration available at his beck and call "to prove" his line, Voznessensky reaped a hollow victory in the attack on Varga.

The thorough purge that is proceeding on all fronts had, in the economic field, originally taken the form of counterposition of the "realist" against permeating Voznessensky's "book" against the "bourgeois ideology" exhibited in Varga's *Changes in the Economy of Capitalism Resulting from the Second World War*. It is, therefore, to take a second look at Voznessensky's work which was first published in the Soviet Union in 1946 under the title of *The War Economy of the USSR During the Great Patriotic War*.

When the American edition of the press set up such a howl about Voznessensky's underestimation of the amount of lend-lease that the result of the book was lost. There is, of course, an understatement of the amount of lend-lease. But what is of far greater importance is that out of this ideology of the war economy of the USSR there emerges the following plan for the conditions of the Russian workers:

1. "Compulsory overtime work" introduced in all enterprises.
2. "Production on the assembly-line basis was developed on a mass scale and with the introduction of the assembly-line technique 'progressive rates' become the standard of work."
3. A 12 percent reduction in foreign trade, "prepared under an assignment from Comrade Stalin," was achieved.
4. Martial law was imposed on transportation. Any infringement of the law resulted in the workers being sent to penal companies at the front lines. They are subject to more severe punishment.

It is important to emphasize that Voznessensky's work is the only work there is on the Soviet economy during the war. Hence it is important to turn to it also for a description of the toll the war took. Voznessensky

A Bureaucrat's Fate

THE ECONOMY OF THE USSR DURING WORLD WAR II by Nikolai Voznessensky, Public Affairs Press, 1948.

On March 17, 1949 the Supreme Soviet of the USSR announced that Nikolai Voznessensky had been relieved of his duties as Chairman of the State Planning Commission of Foreign Affairs. This followed the announcement that Molotov and Mikoyan had also been removed from their posts as Minister of Foreign Affairs and Minister of Foreign Trade. However, while Molotov and Mikoyan retained membership on the all-important Political Bureau, Voznessensky had been removed from that powerful institution.

The outside world immediately began to speculate on the reason for this sudden shift in the fortunes of the former

that soon after the Nazi attack on Soviet Russia:

"The territory of the USSR which was occupied by November 1941 included before the war about 40 percent of the total population of the country, produced 63 percent of the pre-war total of coal mined, 68 percent of the total pig iron output, 58 percent of the steel output, and 60 percent of the aluminum output. The territory temporarily occupied by Hitlerite Germany by November 1941 produced 35 percent of the total gross grain harvest, 84 percent of the total pre-war sugar production; contained 38 percent of the total number of cattle and 60 percent of the total number of hogs. The length of the railroad lines in the territory occupied by November 1941 constituted 41 percent of the total length of the railroad lines in the USSR."

On the other hand, over 1,000 plants were evacuated and the labor force moved with it to the Urals, Western Siberia, Central Asia and Kazakhstan. "The relocation of industry to the East under the direction of the Stalinist State Defense Committee," writes Voznessensky, had the remarkable result, that the hitherto nonindustrial region was producing 40 percent of the war material within the brief span of two years. But the fall of labor productivity was great in comparison to pre-war years.

1943 was what the Russians call *god-korennoye pereloma* ("the year of the great turning point"). The victories at the front plus the introduction of the conveyor-belt system reversed the previous trend of decline in labor productivity. There was not only a rise in the hours worked but in the output per hour. At this point Voznessensky claims that production was only 15 percent below pre-war. This hardly tallies with the other sections of the book, especially where he reveals that the number of workers and salaried employees in 1943 "was 38 percent below 1940."

Moreover the plans in the postwar period hardly call for more than restoration of the pre-war economic levels; what rise is called for, almost wholly related to heavy industry, is below the original targets set for the end of the Third Five-Year Plan for 1942. Our picture of the Russian economy remains thus contradictory and quite incomplete. Nevertheless this work is an invaluable source for anyone who wants to unearth the facts beneath Stalinist verbiage and percentage statistics.

Although Voznessensky fails to give a picture of physical production and speaks only in terms of percentages,

sometimes in regard to years for which we have no figures at all, we nevertheless can get some conception of the situation of the workers from the relationship of consumption to production in the context of the economy as a whole. Thus, in the case of the aggregate social product, the percentage form of description reveals that while productive consumption retained the high place of 43 percent of the aggregate social product, personal consumption, including consumption by the members of the armed forces, fell from 42 percent to 35 percent of the aggregate product. Meanwhile war expenditures, excluding personal consumption by members of the armed forces, rose from 4 percent to 13 percent of the total product. Since consumption was not much above subsistence levels even before the war, one stands aghast before the terrific drop in this already low level.

Voznessensky tries to show that there has been some improvement in the standard of living of the Russian masses, if not in conditions of work, at least in pay. To this end, he cites the fact that the average monthly earnings of a Russian worker rose from 375 rubles in 1940 to 573 rubles in 1944, or 53 percent. However, he fails to relate this to the cost of living. The impression given is that the land of "socialism" did not suffer from inflation, and thus the rise in money wages was an actual rise in living standards. However, after the publication of his book, the Russian bureaucracy itself gave the lie to its claims by announcing the devaluation of the ruble. The composition of the aggregate social product reveals a truer picture of the Russian working class than do the labored statements of Voznessensky.

Neither does the curious method of Soviet statistics hide the fact that there was no increase in many lines of pro-

duction, much as Voznessensky tries to convey that impression. For a bureaucrat must always show an increase in production, an increase in consumption, an increase in the standard of living, and other improvements. One method to accomplish this is to speak of production not in physical terms, but in terms of 1926-27 prices. Since the ruble has no standing on the international market, and no inflation is admitted as existing within the country, not to speak of the necessary upward distortion resulting from the pricing of commodities not produced in 1926-27 at the current prices of the first year of production, there is no way of checking the figures and indeed the method is worthless.

Voznessensky adds still another method. In the chapter on the state of the economy at the outbreak of the war, it is simply impossible to show any increase in the livestock during the period, 1928-40. "The great slaughter" (Voznessensky's admission) of cattle following the collectivization has never been compensated for, much less any increase recorded. Nevertheless, Voznessensky contrives to show an increase. How? Simple, where there is no danger of exposure. Voznessensky takes the livestock on collective farms in 1928 when practically no kolkhozi were yet in existence, compares that to the livestock on collective farms in 1940 when the majority of farms were collectivized, and thus achieves an increase—on paper.

Despite the miraculous achievement of increases in all lines of production and the fact that the work was quoted as "the general line" to be followed in the economic field, Voznessensky, as we know, has lost both the chairmanship of the State Planning Commission and his place on the Politburo. Varga, on the other hand, although made to recant, retains an important place among the political economists of the country.

—F. FOREST

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