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The author's warrant for excluding these in national capital formation and savings, is that they reflect consumer activity. Consistent with this view, estimates of household production of services are not included in national income (except for the services of dwellings).

The capital-output ratio for the household as a producer undoubtedly is much higher than the capital-output ratio of commercial producers of the corresponding services—since the household is a very “inefficient” plant for such purposes. But this so-called inefficiency also reflects the fact that people do more savings in the form of durable articles than in financial claims (if one could anticipate his retirement needs correctly, he might do even more of his savings for retirement in durable articles). To interpret the welfare implications of these shifts requires a fuller understanding than we have of the economics of the household in the context of uncounted social costs of living, commuting, and working in congested urban centers.

Professor Kuznets probably is quite aware of such gaps and limitations. Caution abounds throughout his admirable book and his own assessment of it is summarized at one point as follows:

“... while we hope that it advances our knowledge a notch, its contribution can be tested only when its results have been absorbed and revised in a more extensive framework in which they will find their proper niche as well as eventual oblivion in the loss of their identity.” (p. 14)

*Allen B. Paul*

### *The Real National Income of Soviet Russia Since 1928*

By Abram Bergson. Harvard University Press, Cambridge, Massachusetts. 472 pages. 1961. \$8.75.

**T**HIS is an important book—and an irritating one. It is important because it provides long awaited measures of Soviet economic growth from 1928, the start of the First Five-Year Plan, to 1955 when the Fifth Five-Year Plan ended. It is irritating because poor organization and heavy, repetitive prose make it very hard to read.

Economic intelligence work of a high order is necessary to penetrate the smoke curtain of official statistics released—or not released—by the Soviet government. Professor Bergson, a leading practitioner of this art, is associated with the Russian Research Center at Harvard University

and also with the Economics Division of the RAND Corporation. His latest work is the culmination of nearly 20 years of research to which many persons contributed.

National income releases by the Soviet government have been limited in scope, usually confined to over-all aggregates, and sometimes given only as percentage changes. Soviet concepts have also been influenced by the artificial Marxian distinction between productive and unproductive activity. Under the circumstances, the “Sovietologists” in this country have felt rather strongly that the construction of social accounts for Soviet Russia was much too important a job to be left entirely to Soviet statisticians.

We share this opinion. But it is harder to accept the bickering that has ensued among multifarious experts—and that is again evident in this book. It is almost as if sluggish growth and excess capacity in this country have provided a surplus of resources to be used in measuring the more efficient performance of another economy. Let us hope that our own performance will soon belie such impressions.

This study is actually concerned with the real gross national product of Soviet Russia, not its real national income, so a better title might have been “Soviet GNP in Constant Prices, 1928–55”. GNP estimates for 1928, 1937, 1940, 1944, 1950, and 1955 were developed in constant ruble prices, using alternative price weights for several widely separated years so as to insure that the analysis would not be vitiated by the index number problem.

This was a tremendous job of developing estimates and analyzing the results. Bergson gives credit in the preface to 22 different persons for important contributions, some of which have already been published as studies of significance in their own right. From the subjects of these separate studies it is evident that the author had some considerable help. But he deserves credit, nevertheless, not alone for the original conception, but also for combining results of the various studies and giving us the first report to express Soviet data in constant ruble values.

Perhaps a simple percentage comparison will help to impress agricultural economists with the many and important implications of this work. Soviet GNP includes an item called “consumption of farm income in kind.” It is the same as our

“value of farm products consumed directly in farm households,” which used to be called “the value of home consumption.” This item represented  $7\frac{1}{2}$  percent of total Soviet GNP in 1955, down from 30 percent in 1928! By contrast, it was only 2 percent of 1928 GNP in the United States, and has since dropped to a quarter of 1 percent.

Four conclusions are worth mentioning:

(1) The Soviet rate of economic growth in the years under consideration has not been notably or even demonstrably higher than that of the United States in a comparable stage of economic development, namely, the last three decades of the 19th century; but (2) it has been definitely and substantially superior to the rate of economic growth in the United States during recent years; and (3) continued Soviet political control of the rate of saving and investment may prevent the tapering off in the growth rate that might otherwise be expected with greater economic maturity; but (4) even so, and despite Khrushchev's boast, the USSR is not likely to catch up with the USA in total output before 1975 at the earliest.

Such nuggets must be extracted from this mine of information by a process almost hydraulic in character, for lack of a summary is the book's major defect. President Kennedy has doubtless been briefed on comparative economic growth rates for the USA and the USSR. Bergson should have briefed his readers too.

*Ernest W. Grove*