

THE U.S.S.R. AND THE U.S.A.

In this era of the "cold war" there is need for objective comparisons between economic and social conditions in Communist Russia and those in the United States as the chief world exponent of the free enterprise ideology. The United States is an "open book" for anyone who will take the trouble to read its pages; but, for Russia, the lack of trustworthy statistical and other information is notorious. One is forced to rely largely on scattered and fragmentary data, reinforced by the reports of publicists and official government representatives who have been eyewitnesses of the Russian drama.

Personal observation is, of course, subject to the disadvantage that one tends to see what one wants to see and to be blind to those things which do not fit in with one's political leanings or social prejudices. A picture, for instance, of living conditions in the Soviet Union drawn by a Communist sympathiser, would, to the average person, be far less convincing than one prepared by an observer distinguished by his political impartiality. Equally, a glowing account of standards of life in the United States by a passionate supporter of free enterprise, or a representative of large-scale business, would hardly carry as much weight as a similar report made by a trade unionist.

Reports on the United States and the U.S.S.R. made recently by delegations of Norwegian workers and labour leaders

*are, therefore, of particular interest and importance.** These reports were considered to be of such significance that they have been republished, in abridged form, by the Office of Information of the Economic Co-operation Administration in a booklet with the title, "Norwegian Labour Looks at the United States of America and the Union of Soviet Socialist Republics."

Of almost equal significance is a most informative series of 44 articles on Russia recently published in "The Christian Science Monitor," a paper with an outstanding reputation for impartial, accurate reporting. They were written by Edmund Stevens, a journalist, who spent many years in the Soviet Union before his press visa was cancelled in 1949 by the Russian Government as part of its policy of curtailing the activities of foreign correspondents in the Soviet.

As few people in Australia may have the opportunity of studying the important material in these reports and articles, we make no apologies for drawing attention here to some of the main conclusions reached. We have endeavoured to supplement this information with statistical data on production and comparative standards of living in the U.S. and the U.S.S.R. culled from various sources.

*The members of these delegations were chosen by individual unions in collaboration with the Norwegian National Trade Union Congress, the parent body of organised labour in Norway.

Living Standards.

The Norwegian delegation reported that the general average wage level in Russia is sufficient only for purchasing the absolute necessities for the maintenance of life. The majority in the main industrial centres subsist on simple foods such as bread, potatoes, and vegetables; the prices of meat, butter, canned goods, etc., are beyond all but the elite. Little is left for clothes and footwear which are particularly expensive. Partly because of the insufficiency of their husbands' earnings, women are forced to take such unaccustomed tasks as dock, road, and construction workers.

Mr. Stevens' articles indicate that there was a steady improvement in consumer goods in Moscow in 1949, largely as the result of imports, particularly from Czechoslovakia, but prices were still very high despite price cuts. The high cost of living in Moscow is illustrated in the comparative tables on page 80. These are based on Mr. Stevens' figures of retail prices in Moscow, on information recently released by the British Foreign Office, and on figures published by the U.S. Bureau of Labour Statistics.

The report of the Norwegian delegation draws attention to the low level of rentals in Russia, but comments: "The shortage of housing is frightful, and therefore the majority of the population can draw no great advantage from low rents." In the reconstruction areas, such as Stalingrad, people live in ruins, in primitive provisional houses, and even in earthen caves. While the report gives the impression that the delegation were appalled by the general standards of living, it has high praise for the progress in reconstruction

taking place in such cities as Stalingrad and Leningrad. It points out that the restoration and expansion of production and construction of public buildings and developmental works are the first objectives of Soviet policy, and that these necessarily entail a conscious suppression of the standards of life of the Russian people.

Despite a background which would certainly not predispose them towards the United States, the Norwegian trade unionists were enthusiastic about the achievements and living standards of the U.S.A. They state:—

"The American worker to-day is the best paid in the world. The purchasing power of his income places him in a class by himself. The period of work is shorter than in other countries, but with respect to vacations several countries have better systems. The high level of income and production have in large parts of the country resulted in a standard of living which far exceeds anything we know in our hemisphere. The American standard rests on high production. It has become clear to the American worker and employee that the future of their country depends on their ability to produce."

Consumer goods in the United States are now in abundant supply. The report comments on the very high standard of housing compared with other countries, and on the universality of labour-saving devices. "American homes are furnished with equipment which makes housework far lighter than is customary elsewhere. Washing machines, kitchen sinks, vacuum cleaners, electric refrigerators and telephones are matters of course in the home." *Another section of the report points out*

that an automobile is regarded as part of the normal equipment of the American industrial worker.

Production.

The statistical comparisons on page 80 are based on data extracted from official United States and Russian sources. They demonstrate the great superiority of United States in productive capacity. Both countries are relatively self-sufficient. Mr. Stevens, however, makes the significant observation that shortage of petroleum is likely to become the most crucial gap in the Soviet economy and the factor most mitigating against an early large-scale war. But resources are only the first leg of production; they must be effectively exploited, and here the competitive free enterprise of U.S.A. leaps ahead of the lumbering bureaucracy of the U.S.S.R. In Mr. Stevens' words:—

“Russian progress is seriously handicapped by the absence of free competition—the mainspring that keeps American and British manufacturers on their technological toes. Without the constant tugging urge to outdo their competitors, Soviet industry, when not prodded, tends to crystallize around safe familiar patterns. Management, left on its own, cautiously avoids innovation and attendant uncertainties, the more so because of the personal consequences of failure. The paramount concern of every Soviet factory manager with fulfilling his production plan militates against changes and improvements since these usually involve temporary production stoppages during change-over or retooling and hence a reduction in output that looks bad on the production report.”

Distribution of Income.

Both Mr. Stevens and the Norwegian delegation draw attention to the striking inequality of incomes in Russia. Top party men, writers, playwrights and actors earn 10,000 to 25,000 rubles per month plus special extras and priorities. Incomes of the middle-class intelligentsia, such as professors, doctors, technicians and departmental heads, range from 1,000 to 3,000 rubles a month, whilst take-home pay of white collar and industrial workers ranges from 500 to 1,000 rubles a month. But rewards of shock workers on incentive systems are as high as 14,000 rubles a month. *Inequalities of income in Soviet Russia are possibly greater than in any country in the world, and are of such an extent that they would hardly be tolerated in free enterprise countries.* The Russian leaders are first and foremost realists, and know only too well the value of incentives in encouraging extra personal effort. The Norwegian delegation affirms that Russia's entire wage system is built on individual job rates, so far as this is compatible with the process of work and the means of work available in the industry concerned, and that this system gives rises to astonishing disparities in the incomes received by individual workers.

Social Benefits.

Comparisons of wage levels between different countries are, of course, misleading unless social benefits are taken into account—sickness insurance, old-age pensions, family allowances, education and health services, etc.

In the Soviet Union sickness and old-age insurance and social and cultural activities are administered by the trade unions and financed by employee contri-

butions and factory levies. Information on the scale of social benefits in Russia is meagre, but, according to the Norwegian delegation, old-age pensions amount to 20% or upwards of wages.

The Norwegian delegation observed that as less than 2% of the working population can be accommodated in holiday camps, preference is usually given to the most valuable manpower, such as shock workers, foremen and scientists. It would appear that the standard of social services generally is restricted by the limitations imposed by physical resources.

The standard of American social services varies widely between the States. The Norwegian report indicates that in 1948 when average weekly earnings were \$55, workers' compensation ranged from \$17-36 per week, and unemployment payments averaged \$18 per week over the whole country. Both these benefits are financed from employers' contributions. Old-age benefits average \$39 per month, and widows' pensions \$30 per month; the latter is financed from general State revenues, and the former from employer and employee contributions. Strenuous efforts are being made at the present time by President Truman to extend the scale and range of social services, particularly in the field of health insurance where there are serious gaps.

Full Employment.

Many of the critics of the U.S economy, although forced by the inescapable logic of its achievement to concede the high material standards of life which prevail, point to the insecurity of the average American worker arising from the wide swings in economic activity and the threat

of mass unemployment. This criticism may have been more pertinent before the war than it is to-day. As the Norwegian report makes clear, there have been great improvements in the structure and scale of social benefits; while Congress in passing the Full Employment Act in 1946, has formally accepted responsibility for promoting maximum employment. The delegation frequently asked American workers, civil servants and economists, whether the United States was moving toward another economic crisis and mass unemployment. "We always got the reply that America was to-day far better prepared to meet a recession than it had been in 1929. There was no indication that a depression would ensue, with mass unemployment."

Encouraged by the impressions received from their tour of inspection in the United States, the Norwegians were constrained to remark in their final conclusion: "A visit to the United States gives one greater confidence in the ability of democracy to solve its problems."

Mr. Stevens freely admits that the sweeping economic powers wielded by the Politbureau over resources and manpower are a source of strength in overcoming the problems of over-production and unemployment which beset free economies in particular industries. But is it worth while bartering personal liberties for an easy path to full employment? *Mr. Stevens emphasises that Russia obtains full employment only at the expense of fettered labour.* "A stringent system of controls binds the Soviet employee to his job, and he has no free choice of occupation or right to strike."

In July, 1949, the British Labour Government released documentary proof of Russian forced labour laws, and charged Russia before the United Nations Economic and Security Council with keeping 10 million people or 10% of the working population in forced labour camps.

Trade Unions.

Genuine trade unionists in Australia must read with astonishment the comments of both Mr. Stevens and the Norwegian trade unionists on the functions of trade unions in Russia.

The Norwegian report points out that Russian trade unions cannot engage in wage disputes since the entire wage structure is determined by the economic planning of the Government. Mr. Stevens is emphatic that the Soviet trade unions have nothing in common with their western counterparts, but "function primarily as an enormous, well-oiled nationwide machinery for transmitting to the great working masses the endless official ballyhoo campaigns aimed at keeping the worker constantly pepped up so that he will exert his utmost effort." They are the organisers and sponsors of the Stakhanovite "speed up" movement.

The Norwegian labour leaders contrast the trade unions of Russia with "the strength and fighting power of the American labour movement," and instance its contribution towards the election of President Truman. About 16 million workers are organised in American trade unions, representing about 35% of all employed

people. The Norwegian report points to the well-disciplined membership and active leadership of the great national unions which do not yield in any sphere their right to free organisation and their right to strike.

"The strong streak of individualism which runs through American life also marks the trade union movement." The Norwegian delegation candidly admits that the great national union organisations, the A.F.L. and the C.I.O., support free enterprise and "wish to work within the framework of the capitalistic system. The feeling that we are in the same boat with the employers has grown as the workers have gained increased influence and responsibility at the places of work."

Way of Life.

Life in civilised communities is not merely a matter of supplying basic food and shelter; it is bound up with a whole range of spiritual and cultural satisfactions. Observations by Mr. Stevens throw doubt on the ability of the Russian system to provide that deep satisfaction which exists for most people in a democratic community. "In the Soviet Union nobody ever tries to sue the Government or test the legality of its actions. Against the overwhelming weight of absolute power the individual has no legal protection or redress whatever; he is at the mercy of the merciless." He describes the Soviet Parliament, each member being elected by majorities graduated in decimals from

99% upwards in order of importance, as the dullest and most unanimous on record.

Mr. Stevens draws attention to the extreme rigidity and exclusiveness of Russian society. The privileged administrators, authors and artists, comprising the cream of Russian society, live in a "forbidden zone" of Moscow, to which access by all outsiders is banned.

Ordinary moral standards are scorned as capitalist humbug. "Truth, falsehood, good and evil, right and wrong, theories, beliefs and personalities in all spheres, climes or ages are judged solely by whether they serve or hinder the communist purpose." This is clearly momentous in its implications.

The party straitjacket stultifies creative art, and Mr. Stevens describes the humiliation and downfall of thinkers who, whether in drama, films, music have run foul of "Culture and Life," the organ of the Communist Party Committee on Propaganda and Agitation. When this journal passes judgment its authority is so absolute and final that everyone choruses agreement, including the author whose work or reputation has been annihilated. Similarly in the field of science the Communist Party Central Committee, not the laboratory, determines whether scientific findings are true or false. For example, Soviet scientists were recently obliged to disown biological findings of

Mendel and Morgan, which are accepted in other parts of the world, in favour of a theory more in line with Marxist concepts.

Mr. Stevens states that the Soviet practice of doctoring facts to fit the party line determines the nature of Soviet news coverage. The Communists frankly regard the press not as a means for disseminating information, but as a propaganda weapon. Provincial editors use certified prefabricated material from Tass with a total fade-out of local news and colour."

Mr. Stevens gives horrifying descriptions of work performed by the M.V.D. (secret police), whose powers and functions are nowhere set out in the Soviet constitution. "It is an unfettered, omnipotent police power reduced to practical organisational form—the state in the full sense of Lenin's definition of the state 'as a machine for suppression'!"

Despite these accusations and revelations on the Russian system, both Mr. Stevens and the Norwegians write of a friendly, sympathetic and peace-loving people who suffer their present adversities not only because they think that it is worse outside, but because they look forward to a happier stage of development. It is sincerely to be hoped that this eventuates.

TABLE I.
INDICATORS OF LIVING STANDARDS—
U.S.A., U.S.S.R., U.K. AND AUSTRALIA.

	U.S.A.	U.S.S.R.	U.K.	Aust.
1. Real product. per manhour—				
1939	100	17	58	66
1947	119	14	59	67
2. Cost of Food in Hours of Work ..	10.0	55.5	14.1	9.2
3. No. of People per Motor Vehicle ..	4	70	18	7
4. No. of People per Radio Set	2	35	4	4
5. No. of People per Telephone	4	134	11	8

NOTES AND SOURCES.

1. Estimates by Bureau of Industry, Queensland. Comparisons are based on 1939; production in U.S.A. = 100.

2. Compiled by United States Bureau of Labour Statistics. Comparisons apply to late 1948 and early 1949. The index expresses the working time required by the average wage earner to purchase that quantity of common foodstuffs in his own country which would take ten hours' work to purchase in U.S.A.

3-5. Information collated by United States National Industrial Conference Board from official statistics and estimates by the Automobile Journal, Radio and Television Retailing and American Telephone and Telegraph Company. Figures for Australia have been compiled from official sources. All figures relate to the latest year available, and are predominantly for 1948 or 1949.

TABLE II.
PRODUCTION IN U.S.S.R. AND U.S.A.
Output per Head of Population per Year.

	U.S.A.	U.S.S.R.
Coal—Metric Tons ..	4.06	1.25
Petroleum—Metric Tons	1.69	0.18
Steel—Metric Tons ..	0.55	0.13
Cement—Metric Tons ..	0.24	0.05
Grain—Metric Tons ..	1.04	0.61
Electricity—'000 k.w.h.	1.94	0.41
Leather Shoes—Pairs ..	2.7	1.2
Cotton Fabrics—Metres	60.2	23.4
Output per Hundred Persons.		
Motor Vehicles	4.3	0.25

SOURCES.—United Nations Monthly Bulletin of Statistics, Survey of Current Business, Big Soviet Encyclopædia (Moscow, 1948) and statement by Deputy Chairman, Soviet Council of Ministers, November 6, 1949.

NOTE.—All United States data are for 1948 or 1949. The data for U.S.S.R., with the exception of grain which are actual figures for 1949, are the 1950 goals of the current Five Year Plan, and therefore probably overstate actual production figures.

TABLE III.
MINUTES OF WORKING TIME REQUIRED
TO BUY VARIOUS FOODS IN U.S.A.
AND U.S.S.R.

Per lb.	U.S.A.	U.S.S.R.
Flour	4	52
Rice	8	145
Bread	6	25
Beef—Average	29	254
Bacon	30	466
Butter	32	542
Milk	9	59
Apples	7	141
Cabbage	4	9
Potatoes	2	6
Coffee	23	706
Tea	56	1,506
Sugar	4	141
Per Dozen.		
Eggs	27	158

SOURCE.—Monthly Labour Review, November, 1949, U.S. Department of Labour.

NOTE.—The comparisons are based on early 1949. Price reductions announced in Moscow as from March, 1950, would improve the position of the Russian worker, but the discrepancies would still be very great.

TABLE IV.
HOURS OF WORKING TIME REQUIRED TO
BUY VARIOUS COMMODITIES IN U.S.A. AND
U.S.S.R.

	U.S.A.	U.S.S.R.
Man's Suit	28	210
Woman's Dress	7	120
Man's Shoes	6	160
Woman's Shoes	4	180
Man's Shirt	2	20
Woman's Rayon Hose ..	1	10
Radio Set	20	100
Vacuum Cleaner	39	400
Refrigerator	135	1,000
Motor Car	1,100	6,000

NOTE.—The data for U.S.A. were compiled by the U.S. Department of Labour, and the National Industrial Conference Board. The Russian data which are only intended as very approximate are based on prices published by Mr. Stevens and the British Foreign Office and converted to working time at an hourly rate of three rubles per hour. (U.S. Bureau of Labour Statistics estimate.)