

MATERIALS FOR A
BALANCE OF THE
SOVIET NATIONAL
ECONOMY
1928–1930

edited by

S. G. WHEATCROFT

*Research Fellow, Centre for Russian and East European Studies,
University of Birmingham*

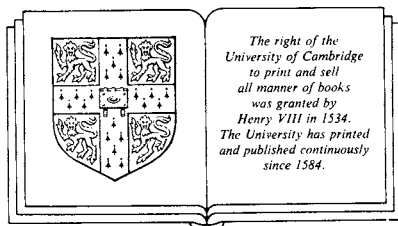
and

R. W. DAVIES

*Professor of Soviet Economic Studies,
Centre for Russian and East European Studies,
University of Birmingham*

with a foreword by

RICHARD STONE



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Contents

<i>Foreword by Richard Stone</i>	<i>page</i>	ix
<i>Preface by the Editors</i>		xxiii
EDITORS' INTRODUCTION		
by S. G. Wheatcroft and R. W. Davies		1
1 THE STRUCTURE AND CONTENT OF THE 'MATERIALY'		3
1.1 General structure of the <i>Materialy</i>		3
1.2 The balances		6
1.3 National income		9
1.4 The balance of reproduction as a whole		12
1.5 Estimates in constant prices		13
2 THE 'MATERIALY' AS A SOURCE OF INFORMATION ON SOVIET ECONOMIC DEVELOPMENT		16
3 A BRIEF HISTORY OF THE BALANCE OF THE NATIONAL ECONOMY		34
MATERIALY		
translated by B. Pearce, S. G. Wheatcroft and R. W. Davies		49
1 INTRODUCTION: by S. Minaev		53
2 ARTICLES		55
I General results of the national economic balance for 1928, 1929 and 1930: by A. Petrov		57
II Methodological questions concerning the balance of the national economy: by A. Pervukhin		100
3 TABLES AND NOTES		125
I General results of the balance of the national economy (summary tables)		125
II Constituent elements in the balance of the national economy		151
		vii

III	Basic integrated tables in the balance of the national economy	221
IV	Explanatory notes on the calculation of articles in the balance	256
V	Appendices (tables)	312
VI	Notes to tables	441
	<i>Glossary</i>	461
	<i>Index</i>	465

1

The structure and content of the *Materialy*

The ultimate aim of *Materials for a Balance of the Soviet National Economy 1928–1930* was to produce an elaborate *tableau économique* for the whole Soviet economy. The work as completed in 1932 was, as the authors declare in their preface, ‘only a first attempt’. The methodology was not fully worked out. Data were often inadequate. The volume was produced in haste. While the authors seek to explain what they are doing quite fully, their explanations are often confused, and they are distributed more or less stochastically between Pervukhin’s article and the notes on pp. 256–311, 441–60. The tables themselves are presented in four bundles, reproduced in chapter 3 of *Materialy*: section I (Summary tables), section II (Constituent elements in the balance), section III (Integrated tables in the balance) and the four tabular appendixes of section V. This division has a certain logic, but the logic proves to be complicated and elusive.

We resisted the temptation to rearrange all the tables and the explanatory notes into a systematic order. *Materialy* is an important collection of documents in the history of Soviet planning, and in the circumstances of its time was an outstanding achievement. We have no right to tamper with it; the reader will wish to explore it in its original form.¹ But to spare you from some of the agonies we have suffered in trying to understand the interconnection between the tables and their statistical foundation, we have provided this summary guide to the tables and the explanatory notes.

I. I GENERAL STRUCTURE OF THE ‘MATERIALY’

The process of reproduction in the Soviet economy is examined in a series of linked tables showing the flows of resources between sectors both in money terms (at current prices) and where possible also in real terms (at constant prices). The tables were constructed on the basis of a chess-board division of economic activity, which classified the data in five different ways:

- (1) By sector of origin (industry – large-scale and small-scale; building (construction); agriculture; forestry; domestic production; transport; trade).
- (2) By product-group (products of building work, or building products; industrial products; agricultural products).²
- (3) By ‘economic end-use’³ corresponding to the major categories of the Marxist repro-

Table 1 *Main stages in preparation of balances in current prices*

Material used for estimation	Main sources of data	Tables in:	Tables appear on pp.	Notes appear on pp.
(1) Balances of products of industry and agriculture in physical and value terms	Industrial and agricultural statistics; family budget surveys	Appendices A and B	314-404	451-60
(2) Production-consumption data for products not available in physical terms	As above	Sections II.C II.D	179-91 192-220	284-309
(3) Trade and transport mark-ups	NKPS and trade data, etc.	Appendices A and B (partial only)	314-404	309-10
(4) Stocks	Various	-	-	285-7, 299-300, 308 (partial)
(5) List of product-groups by type of product-group and economic purpose	-	Appendix D	437-9	101-2
(6) Balance of production and consumption	Compiled from all balances listed above (1)-(5)	III.4 and III.2 (summary)	225-46	448-51
(7) Distribution of annual product	Mainly derived from Table III.4 (item (6) above)	III.3	227-8	450-1
(8) Balances of fixed capital	Industrial census of 1925; various agricultural surveys and censuses; depreciation allowances	II.B Appendix C	167-78 413-22	263-78

(9) Balance of production, consumption and accumulation	Derived from table III.4 (item (6) above) and balances of fixed capital (item (8) above)	III.1	222-4	100-5, 448-50
(10) National income by sector of origin	Derived from table III.4 (item (6) above) and table II.A.4	II.A.1	155	105-10
(11) Production by social sector	Only partially stated	II.A.5-6	160-1	293-8 (Agric.)
(12) National income by social sector	Derived from table II.A.1 (item (10) above) and item (11) above	II.A.2-3	156-8	260-3
(13) Accumulation	From table III.1 (item (9) above)	I.1	127	117-21
(14) 'Real accumulation'	From table III.1 (item (9) above)	I.3 I.4	131-4	121-2
(15) National income by classes and groups of the population	Labour statistics, urban family budgets, rural family budgets, insurance, data, state and local budgets (for social and cultural income in kind)	III.5 II.A.7	247-9 162	110-7, 260-3, 460 } }
(16) Balance of principal indicators of reproduction by social sector	From other balances and national income table	I.2	129-30	122-4

duction schemes (means of production, in turn divided into fixed and circulating means of production; objects of consumption).

- (4) By social ownership (the public sector, in turn divided into state and cooperative; and the private sector).
- (5) Using this fourfold framework of classification, economic activity in each year was then 'unrolled' into the categories: stocks at beginning of year; production; imports; distribution (consumption) (*a*) in production, (*b*) final consumption by individuals and organisations, (*c*) losses, (*d*) exports; stocks at end of year; production entering into fixed capital.

The exercise of obtaining the data and classifying them in these five ways resulted in a complex series of balances. These are the heart of the *Materialy*, and will be described further below. The balances were used in turn to derive two series of tables showing national income classified by sector of origin and by end-use. The tables showing national income by end-use divided it into consumption (referred to as 'non-productive consumption') and net investment (referred to as 'accumulation'). Accumulation was in turn further divided into net increases in fixed capital ('funds') and in circulating capital ('funds'), each shown separately for the two sectors 'means of production' and 'objects of consumption'. One of the main aims, if not the main aim, of the whole study was to display accumulation and its sources in an economically meaningful way.

Finally, national income was also analysed in terms of the incomes received by different classes and groups of the population, and an attempt was made to tie these estimates in with the estimates of national income by sector of origin and by end-use.

The following account of the way in which these various sets of tables were compiled is summarised in Table 1.

1.2 THE BALANCES

The crucial table in the whole collection is the largest in the volume, table III.4, pp. 229–46, modestly entitled 'The balance of production and consumption'; a summary of this table appears as table III.2. It will be noted that the balance presents in a single table four of the five forms of data classification. The columns of the table unroll the economic activity in each year into stocks, production, consumption, etc. (classification (5) above), dividing each heading by sector of origin (classification (1)). The rows of the table divide economic activities in terms of both product-group (classification (2)) and economic purpose (classification (3)). A categorisation by social ownership (classification (4)) is not presented in this table.

The table in this extended form is presented in the *Materialy* only in current prices; only abbreviated versions of it, and particular sub-sections, are also available in constant prices. Two sets of current prices are used. Production is initially given in producers' prices. Transport and trading costs (as recorded in the transport and trade 'mark-ups' (*nakidki*) on producers' prices) (col. 26), and (where applicable) customs and other duties (col. 27) and excises (col. 28) are then added. Distribution (consumption) is therefore given in consumer prices (producers' prices *plus* cols. 26, 27, 28).

It should be noted that the 'outputs' of transport and trade appear in the table in the

form of these mark-ups on production cost, not as a direct measurement of the output of an independent sector.

Table III.4 was itself constructed on the basis of data which appear in *Materialy* in three other sets of tables: (i) the appendix tables grouped in Appendices A and B present balances for particular product groups; (ii) section II.C, Production; and (iii) section II.D, Consumption.

The most reliable core of the data is provided by the product balances in Appendices A and B (pp. 314–405). These show 79 products or product groups in kind as well as in value terms, covering over 50 per cent of total production. The coverage is much fuller for agriculture, where 35 products embrace 80 per cent of all production, than for industry, where 44 products embrace only 30–40 per cent of production (see pp. 101–2; and, for a list of the products, pp. 438–40). In industry the coverage of machinery and other complex producer goods is particularly thin: the only balance in kind for machinery is the tractor balance.

It will be seen from the balances that the data are displayed in a form which corresponds to the headings of the columns in table III.4. Each product balance is located in an appropriate product-group in accordance with classification (2) above, and in an appropriate 'economic purpose' group (classification (3)), both operations being carried out on the basis of the list of products in the classification table of Appendix D (pp. 438–40). In the case of industry the data for the balances came from the current industrial statistics supplied regularly to the statistical agencies of industry and Gosplan by enterprises on an annual standard form (Form B) and on monthly report-cards. These forms and report-cards were also used to provide the data in value terms for the large part of industrial output which was not reported both in kind and in value terms. Special procedures were adopted for the year 1930, for which data in appropriate detail were not available, and for small-scale industry. The data from these sources were checked against other data. The methods used are described in some detail in the notes on pp. 284–92, 304–6 and 308–9.⁴

The procedures for assembling data on agricultural production and consumption were more complicated. Production data often had to be estimated indirectly: grain production was estimated by multiplying estimated productive sown area by estimated yield (see pp. 294–50), livestock production by multiplying number of animals by standard coefficients of production per animal (pp. 295–80). Sown area and number of animals were in turn obtained from the data of sample surveys. Consumption of agricultural production and of industrial consumer goods was evaluated by using the data of family budget surveys. Evaluating production and consumption was more difficult for agriculture than for industry: most industrial production was sold at fixed prices, all agricultural production was either sold at a variety of prices, or not sold at all. In the case of agriculture, the practice followed for estimates in current prices such as those in table III.4 was to use the procurement prices paid by official agencies both for that part of production which was sold to official agencies and for all 'on-farm' production; this included not only production consumed within agriculture but also production consumed by the individual or collective-farm household. Only production actually sold on the market was evaluated at the much higher market prices. For details,

see pp. 294–8 (agricultural production), 297–300 (evaluation), 301–7 (consumption), 446–8 (agricultural product balances).

The data on production in industry, construction and agriculture are set out in section II.C (pp. 179–91); the data on the consumption of consumer goods and agricultural products are set out in section II.D (pp. 192–219).

The remaining major items in table III.4 not yet described are the trade and transport mark-ups and the changes in stocks. Trade and transport mark-ups are shown in the product balances for particular products in Appendices A and B, but not in the production tables of section II. Their derivation is described on pp. 309–10. For the economy as a whole the aggregate mark-up was obtained from data on transport incomes, and the trade mark-up by aggregating the trade mark-ups received at various levels of the trading network. Various rather crude devices were used to obtain estimates of the approximate mark-up on a particular product-group. For stocks, the statistical agencies had made increasingly strenuous efforts to record accurate data in the latter half of the 1920s: the procedure and data used in the case of stocks in the trade network are described on pp. 308–9.

We now proceed from table III.4 to the other balances. Table III.3 shows a minor variation on table III.4. It tries to estimate what happens to the annual production of each sector of origin in the course of the year, excluding from the calculations both imports and the stocks at the beginning of the year.

Table III.1, 'Balance of production, consumption and accumulation', is perhaps the most important of the balances. It shows production and consumption by sector of origin (classification (1)) in the rows, and divides economic activity into the three product groups of classification (2) (products of building work, industrial products and agricultural products) in the columns. On the input side, the data on stocks at the beginning of the year, production, imports, trade and transport mark-ups, customs-duties and excises (rows B–G) are taken from table III.4, and on the expenditure side most of the data on 'consumption by the population and institutions', and the data on exports and stocks at the end of the year (rows B, D, E) also come from table III.4. But the table also includes an estimate of the stock of fixed capital at the beginning and end of the year. 'Consumed in production' therefore includes an estimate of the amount of production expended on compensation for depreciation of capital stock during the year, and 'losses' includes an estimate of losses of fixed capital.

The fixed capital tables used for the appropriate rows of table III.1 are set out in Section II.B (pp. 167–78) and Appendix C (pp. 406–37). They are discussed in the notes on pp. 263–78, and the procedures by which they are incorporated in table III.1 are described in Pervukhin's article (pp. 104–5) and in the notes on pp. 449–50. Fixed capital stock in industry as at 1 January 1928, was estimated by applying a standard depreciation allowance (as a percentage) to the estimated value of fixed capital 'at restoration cost' shown in the census of industrial capital of 1 October 1925. Agricultural capital at the same date was estimated on the basis of various sample surveys and censuses described in the text. Similar procedures were used for the other sectors of origin. Then annual data were assembled on capital investment, capital entering into capital stock, and on changes in the amount of incomplete construction in progress at the

end of the year. Fairly reliable data were available for industry and transport; in the case of agriculture, particularly in the private sector, various rough guesses had to be made which are described in the notes. A depreciation allowance was then applied to the value of capital stock (in industry this varied between 7.3 and 8.3 per cent). In the case of agriculture, losses of livestock were estimated separately. With these data, the change in capital stock during the year could then be estimated. The procedures are shown in Appendix table C.4 (pp. 414–7) which shows for 1928 (capital stock on 1 January 1928) + (unfinished construction in progress on 1 January 1928) + (capital investment in 1928) – (depreciation and capital worn-out during 1928) – (unfinished construction on 1 January 1929) = (capital stock on 1 January 1929). The estimates for 1929–31 follow the same pattern.

The annual figures for capital stock, with various minor adjustments, are then incorporated in table III.4 to give table III.1.⁵ Table III.1 thus in effect includes in the row ‘consumed in production’ an estimate of the production which was consumed to compensate for the annual depreciation of fixed capital, as well as the production which was consumed in the course of current production.

1.3 NATIONAL INCOME

The table on national income by sector of origin in current prices (table II.A.1) was directly derived from table III.1. Production consumed in production (output, row A) was deducted from production at producers’ prices (input, row C) to obtain the net production of each sector (see pp. 222–3). To obtain total national income, transport and trade mark-ups and customs duties were added to the net production of the sectors (in 1928, for example, $51,517.5 - 30,527.9 + 5,181.2 + 271.5 = 26,442.3$).

At this stage it may be useful to follow the data through the various tables to demonstrate how a particular set of figures is derived. Let us take census industry in 1928 as an example.

- (1) In table III.4 gross production appears in col. 16, p. 230 (19,245.0). Consumption in production by census industry is in col. 31: 12,981.0 (p. 231), consisting of fixed capital 183.2 (p. 237), circulating capital (11,302.2) (p. 243) and consumer goods 1,495.6 (also p. 243). This reappears in table III.2 (p. 225), where circulating capital is now referred to in col. 4 as ‘raw material, materials and fuel’.
- (2) In table II.A.4, p. 159, gross production and productive consumption are set out again in row 2, but with ‘unfinished production’ shown separately both on the production side and on the consumption side. A depreciation allowance (435.5, col. 6) is also added to productive consumption and deducted from gross production, so as to give net production for the national income series, from which national income used to cover depreciation has already been deducted.
- (3) It is worth noting that the figure for consumption in production which appears in the master table III.1, col. 4 (p. 223) is the same as in table II.A.4, 13,416.5 million rubles in the case of census industry in 1928, as it includes a depreciation allowance in the component product groups (see p. 159, col. 7).
- (4) Net production of census industry in the national income table (table II.A.1, p. 155) is 5,828.5, i.e. gross production of 19,245.0 less consumption in production of 13,416.5,

including unfinished production both in production and in consumption in production, and also including a depreciation allowance in consumption in production.

The next step in preparing the national income tables was to obtain a breakdown of table II.A.1 by social sector. The details of the procedure by which this was done are not described in the text. Agriculture was of course the most important sector of the economy which was predominantly privately owned. The procedure by which net production of agriculture by social sector was estimated is displayed in tables II.A.5 and II.A.6. Consumption in production of materials and fuel, and unfinished production at the end of the year, and a depreciation allowance (see table II.A.6) were deducted from gross production for the three separate sectors 'state farms', 'collective farms', and 'private'. Separate statistical series were used to obtain production in each social sector, as explained in the notes (pp. 293–7), so no special procedure was required to obtain this breakdown. It should be noted that the production of the individual collective-farm household was included not with collective-farm production but in the private sector. Some of the data required for the breakdown of the other sectors of the economy by social sector are scattered about the *Materialy* (e.g. figures for housing-construction in the socialist and private sectors) and the raw data used by the compilers almost invariably collected the data for socialist enterprises and the private sector separately.

All the series were now assembled on the basis of which accumulation (i.e. net investment) could be estimated. The procedures are discussed on pp. 117–21 and the results are shown in table I.1, p. 127. The accumulation fund in each year was obtained simply by deducting consumption net of excises from total national income. The data used for consumption were obtained from the figures for 'consumption by the population and institutions' as given in table III.1, in turn derived from the tables in the Consumption section; but excises were deducted from the totals in rows B 1–4, in order to make them compatible with the national income figure.

The accumulation fund was now adjusted in order to obtain 'real accumulation'. First, losses were deducted: this figure, also obtained from table III.1 (row C) consisted mainly of losses due to premature deaths of animals. The difference was substantial, especially in 1929 and 1930, when accumulation was reduced by over 17 per cent as a result of losses, when measured in current prices. Secondly, the net excess or deficit of imports over exports was also added in. Thus, in table I.1 (p. 127) for 1928, 26,442.3 – 21,305.7 gives accumulation fund of 5,136.6. Now deduct losses (800.9) and add excess of imports over exports (153.6) to obtain real accumulation (4,489.3).

'Real accumulation' was also estimated separately as the sum of the net increase in fixed capital (including the net increase in unfinished construction in progress) and the net increase in stocks. The breakdown of real accumulation into these categories and into social sectors is shown in table I.3 (p. 131) and in more detail in table I.4 (p. 133). The data for this table were all obtained from table III.1 (pp. 222–4), with a slight rearrangement, using other sources to break down the data by social sector.

These various estimates thus provided, in broad categories, a breakdown of national income by end-use as well as by sector of origin. A third and more or less independent set of estimates of national income was made by aggregating the personal income of the various classes and groups of the population, adding in 'income in the socialist sector'

not otherwise accounted for. How this was done, and the sources used, are explained in three separate places: pp. 110–7, 260–3 and 460. The basic table is table III.5, ‘Balance of distribution and redistribution of the national income, by classes and groups of the population’, pp. 247–9; this table is then summarised in table II.A.7 on p. 162. As the definition of national income used throughout is the Marxist definition in terms of material production, incomes have to be handled in two stages. Incomes received by participants in the production process are treated as basic incomes, assumed to be received at the stage of the ‘primary distribution’ of the national income. These are taken in practice to include all the incomes received in the ‘productive’ sectors of the economy, including incomes received by non-productive personnel (clerks, accountants, etc.) working in the productive sectors. The total of these basic incomes equals the national income as derived by other methods: thus in table II.A.7 for 1928 the total of col. 1, 26,442.3 equals the total obtained by summing national income by sector of origin in table II.A.1, p. 155, col. 1. To obtain total incomes, ‘derivative incomes’ received in the non-productive sphere have to be estimated separately (i.e. incomes received in the health, education, defence and administration sectors, etc.): these are summarised in col. 2 of table II.A.7. These two columns are made up of a number of separate items – they include not only wages, but also pensions, the estimated value of education and health services, etc. received without payment, interest on loans, etc. The details are shown in table III.5, cols. 1–17, pp. 247–8. The various forms in which incomes are expended are then also estimated, including purchase of goods, value of education and health services (a self-balancing item), taxes, purchase of loans etc: see table III.5, cols. 20–33. The item ‘income of the socialist sector’ is not explained: we do not know if it corresponds to the costs of defence and central administration and of persons maintained at the state expense?

In these tables, the income of the agricultural population includes an estimate of the value of farm production consumed by households (at procurement prices). In these tables, unlike the production tables, the income of collective farmers includes both their income as cooperative producers and their income from their household plots, etc., and they are thus comparable with the incomes of individual peasants. In 1930, for example, the incomes of collective farmers were estimated at:

2,656.9	From cooperative production (table III.5(b) p. 253, col. 5)
1,079.9	As independent producer (col. 6)
321.0	As wages in productive sphere (col. 1)
<u>4,057.8</u>	Basic incomes from ‘distribution’ of national income
10.0	From wages in non-productive sphere (col. 10)
34.0	From insurance (col. 12)
20.0	From pensions etc. (col. 13)
155.4	Estimated value of free social and cultural services (col. 14)
<u>219.4</u>	Derived from ‘redistribution’ of national income
4,277.2	Total income

I.4 THE BALANCE OF REPRODUCTION AS A WHOLE

We have thus seen that the balance of production, consumption and accumulation (table III.1, derived from table III.4 together with data on capital stock) has been used to derive national income by sector of origin, and hence national income by end-use; and that separate estimates of national income in terms of the incomes of the population have been tied in with these national income estimates. Pervukhin comments with some justice that previous estimates of the national income were made 'in isolation, and not as part of the balance of the national economy', while the present study examined national income as part of the balance of the national economy, and was 'an attempt to study the national income in the process of its movement'.

This attempt was completed only partially in the *Materialy*. The balances and the various approaches to the estimates of national income were tied together in a short table, table I.2, 'Balance of the principal indicators of reproduction by sectors of the national economy' (p. 128). This simply shows two social sectors – socialist and private – and does not attempt to give a breakdown by sector of origin, product-group, etc. Pervukhin claims that this is because the statistical material is inadequate; but more elaborate composite tables could be constructed with the existing data, if a few rough guesses were made for missing items.

The construction of table I.2 is explained on pp. 122–4:

Rows 1 and 2, gross production, consumption in production, are from table II.A.4, p. 159, which as explained above derives the data from tables III.4 and III.2 but breaking them down between the two social sectors

Row 3, derived from rows 1 and 2, is national income as in table I.1, p. 127.

Row 4 shows the transfer of incomes from one sector to another as a result of, for example, workers and collective farmers earning incomes from their independent economies, and in the opposite direction, individual peasants earning wages in the socialist sector. The data are evidently derived from table III.5, pp. 247–9, but with various minor adjustments which are not explained.

Row 5 therefore shows the primary income of each sector.

Row 7 shows transfers from the private sector to the socialist sector in the form of taxes, loans, excises, etc. and from the socialist sector to the private sector in the form of pensions, free social and cultural services, etc. These figures are given only partially in the tables elsewhere in *Materialy*, such as table III.5, and their precise derivation is not explained.

Rows 5 and 8 are obtained by addition or subtraction.

Rows 9–12 allocate magnitudes already available in the other table between the two sectors, culminating in the division of 'real accumulation' between the private and the socialist sector already given elsewhere.

While the balances are incomplete, the various streams of data are coordinated; and the national income estimated in various ways comes to the same total. It should be noted that throughout the whole exercise the objective has been to produce 'balances'; and the various estimates have therefore been adjusted at appropriate points so as to bring them into balance. The different approaches to estimating the balances and the different sources of data do not therefore act as independent checks on one another. But the points at which adjustments have been made are described in Pervukhin's article and

Table 2 *Revaluation into constant prices of 1928*

Price-index	Table	Page	Notes on pp.
Individual product prices	Appendices A and B	314-404	Industry: 290-2 Agriculture: 299-300 Consumption: 305-7 General note: 445-6
Producers' prices	I.10	146	
Consumer prices	I.10a	147	
Capital investment	I.10b-I.10c	148-9	278-83
National income by sector of origin	I.1-I.1a	127	106-10

in the notes. While the arithmetic has not been provided in the *Materialy*, the adjustments seem usually to have been made in a commonsense and realistic way.

1.5 ESTIMATES IN CONSTANT PRICES

Revaluation of estimates from current prices into constant prices was essential if the *Materialy* were to provide information about the real changes in the economy in 1928-30. This was not only because this was a period of inflation, but also because the inflation affected different aspects of the economy in different degrees. In industry, producers' prices fell slightly in the producer goods' sector, partly because prices were controlled, including the prices of almost all inputs, and partly because until 1930 wages rose less than productivity. Producers' prices of consumer goods rose only by a few per cent. But the consumer prices of industrial consumer goods increased substantially; and average consumer prices of agricultural products rose as much as 90 per cent in the two years 1928-30 owing to the huge increase in prices on the free market.

The revaluation into constant prices of 1928 appears to have been undertaken with care. The main places in *Materialy* where information is given about this revaluation are summarised in table 2.

In the case of both industrial and agricultural production, the index-numbers used for particular products and product-groups were derived where possible from direct information about price-changes. Thus in the case of electric power the average producers' price per 1,000 kWh declined from 103.2 rubles in 1928 to 83.8 rubles in 1930; and the average consumer price declined from 115.8 to 94.6 rubles (see p. 315). These average prices were in turn derived from prices in particular networks. In the case of sugar, the average producers' price fell from 326.6 to 315.8 rubles per tonne, while the average consumers' price rose from 664.7 to 866.3 rubles, but with wide variations for different types of consumer (see pp. 353-4).

Where information was not available about particular products, price indexes were constructed for each product-group. This particularly affected industry, where for many

product-groups data were available only in value terms. For some product-groups, the price-index was merely that obtained from data about industrial production in current and in constant 1926/7 prices; for others, where the product-group was manufactured in various branches of industry, weighted price-indexes were constructed depending on the weight of the branch in the product-group concerned (see pp. 291–2). Consumers' prices were obtained from urban and rural family budget studies, which recorded purchases both in kind and in value terms.

In the case of the agricultural population, estimated production and consumption in the case of production consumed within the household were evaluated at official procurement prices in order to obtain the various series in current prices (see pp. 299–300 and pp. 306–7 below). Even in 1928, this meant that on-farm production was given a low value, as official procurement prices were already far below market prices. Consumption of the agricultural population, including the consumption of on-farm production, has therefore been separately revalued at urban prices of 1928, which were over 60 per cent higher than rural prices (see p. 213, cf. p. 215); this enables a more accurate comparison of the real level of urban and rural consumption.

The price-indexes given in tables I.10 and I.10a (pp. 146–7) were derived from the above estimates, not independent of them; they are the final weighted indexes used to revalue production and consumption in current prices into 1928 prices (see p. 110).

Capital investment was the other major item in the tables which was revalued at constant prices. The revaluation was of course in terms of the cost inputs into investment, not of its output. The index of the cost of capital investment was obtained as a weighted index of the cost of 'pure construction' (i.e. building work) and of the cost of capital equipment. Separate indexes were obtained for each major sector of origin. The methods and sources are explained on pp. 278–83; the indexes are given in tables I.10b–I.10e, pp. 148–50. It should be noted that the cost-index for equipment was composed of weighted indexes for imported equipment and equipment produced in the USSR: the cost of imported equipment declined by over 20 per cent between 1927/8 and 1931, while the cost of equipment produced in the USSR declined by only 7 per cent (see p. 149). In the case of agriculture, cost increases in 1931 may be significantly underestimated, as the authors assume that the cost of pure construction did not increase, whereas in sectors for which data are available costs rose by between 12.9 and 20.0 per cent (see p. 148).

National income by sector of origin was revalued into 1928 prices by using the price-indexes for each sector. In the case of both industry and agriculture, the price-index for gross production was used. In the case of transport and trade, the real rate of growth was crudely assumed to be the same as the rate of growth of material production obtained from the tables in the production section of *Materialy*, and the 'price-index' was derived accordingly (see pp. 309–10).

The appropriate price-indexes were also used to revalue production and consumption into 1928 prices in sections II.C and II.D, and the accumulation fund and real accumulation in section I. No attempt was made to revalue into constant prices either national income in terms of the incomes of classes and groups of the population, or the various balances in section III. With the data available, such a revaluation could be made with a reasonable degree of accuracy.

NOTES

Throughout notes, the place of publication of works in Russian is Moscow.

- 1 We have however changed the confused and inconsistent hierarchy of the tables and sections and added a few new headings. Editorial changes are marked by square brackets [].
- 2 The list of products in Appendix D is divided both by product-group and by economic end-use and the reader will find it necessary to consult this list when working through the tables.
- 3 Most tables refer to predominant economic end-use, although a few refer to actual economic end-use.
- 4 For industrial statistics generally, see also E. H. Carr and R. W. Davies, *Foundations of a Planned Economy, 1926–1929*, vol. 1, London, 1969, 934–7.
- 5 ‘Unfinished building work in progress’ is incorporated in stocks at the beginning and end of the year in table III.1.