

## LETTERS

To the Editor:

In your issue of April, 1960, you published an interesting and stimulating article, "The Meaningfulness of Soviet Retail Prices," by Doris Lomberg and Lynn Turgeon. They rightly argue that a straight comparison of incomes and prices in shops would form a misleading basis for comparing American and Soviet living standards; it was necessary to take into account taxes, social insurance contributions, rents, transportation, medical and other social services, and number of earners per family. They mentioned other studies which, they allege, failed to take these things into account, quoting my own effort published in the *Bulletin of the Oxford University Institute of Statistics*. May I be permitted to point out that, with varying degrees of emphasis and statistical precision, I referred to every one of the above points in that article. It just is not true that I "simply measured the relationship between wages and price levels."

The authors are perfectly right that any wage and price comparison is in need of correction, but their procedures seem to me to err on the side of giving an over-favourable picture of Soviet living standards. Take, for example, the question of the number of earners per family. It is undeniable that the fact that husband and wife both work in Russia must be taken into account in assessing the purchasing power of a family's income. However, some adequate adjustment has to be made for the fact that the tired Soviet housewife has to go shopping and do her housework after a full day's work in factory or office. The price in terms of leisure foregone cannot be overlooked simply because it is not statistically measureable. One cannot just compare the joint incomes of husband and wife with the earnings of one man, and leave it at that.

I also feel that the authors go too far when they, in effect, compare only the comparable portion of Soviet and American incomes. The proportion of incomes spent on food and simple forms of consumer durables tends to decline when living standards rise. For example, my neighbour's salary is 40% higher than mine and, as a result, he possesses an automobile and takes a holiday in Corsica, whereas I do not. If we were to compare only the comparable portion of our incomes, our living standards would look the same. However, they are not the same. Of course, the authors are aware of this difficulty, yet some of the adjustments which they make tend to eliminate just those items in which a superior standard of living show itself.

Perhaps more important still, the authors overlook the corrections which must be made both for quality and for availability of the desired product. It is not merely that the Soviet citizen has a smaller range of goods to choose from, but that many of the goods nominally available are in fact difficult or impossible to obtain. The American or Englishman chooses commodities he desires at established prices. The Russian consumer still often has to take what he can get, and his relative dissatisfaction in having

to buy cuts of meat or shoes other than those he is looking for cannot be ignored merely because it cannot be measured. To take one minor example, the price table in the article cites frankfurter sausages at 16.50 roubles per kilo. They happen to be of good quality but, when I was in Moscow, I was never able to buy any in the shops. Sometimes there are queues and, worse still, sometimes there are not queues because the goods desired are not there to queue for. Of course, there are many things to buy in Russian shops and nothing should be said to support the stupid propaganda-stereotype picture of empty shops and endless queues; but if one is to correct the false impressions which are left through simply comparing relative prices in the two countries, it is misleading to suggest that the corrections should only be in one direction.

Finally, housing. The authors are, of course, well aware that Soviet housing is poor, but they do not seem to allow adequately for this in their comparisons of living standards. Thus, if, instead of having five rooms each, the authors and their families were moved into one room each and charged 1 dollar per month per room instead of the 60 dollars which they may be paying at present, this would doubtless free 59 dollars of their income for other purposes. It may enable them to buy larger quantities, of, say, books and whiskey. However, if they prefer to spend all or a large part of these dollars not on these commodities but on additional housing space, this would be relevant to the assessment of their real income and living standards. In fact this is a special case of the general question of availability at established prices. It is as if British and American living standards were compared at a time when rationing was still in force in Britain, without any allowance for this fact. If a Russian family lives in one room and shares a kitchen with other similarly-placed families, then, against the low rent one must consider the lack of privacy and other irritations associated with the communal apartment. True, irritations are not capable of statistical measurement, but the whole point of the entire article was to prove that purely statistical comparisons of purchasing power and prices *understate* Soviet living standards in relation to the west. I repeat, in certain respects this is undoubtedly true, but to obtain a balanced picture one should recall some other relevant factors.

Yours faithfully,

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and Political Science

To the Editor:

In the April, 1958, issue of *The American Slavic and East European Review* (XVII, p. 191), in a footnote to an article entitled "The Problem of Generations in Finnish Communism", Mr. Marvin Rintala takes exception to my article on "Russia and the Origins of the Finnish Civil War of 1918",