

LETTERS

GROWTH OF SOVIET LARGE-SCALE INDUSTRY, 1928-37, AND THE HODGMAN INDEX

Dear Sir:

The February issue of your journal contained a review of Professor Hodgman's study *Soviet Industrial Production 1928-1951* (Harvard, 1954) by the present writer. In it, a considerable emphasis was laid on the fact that the Hodgman index for the years 1928-37 referred ostensibly to output of Soviet *large-scale* industry only and that, in consequence, it measured a rate of growth substantially in excess of that which occurred for *all* Soviet industry. I have subsequently had the benefit of reading another review of the same study by Francis Seton in *Soviet Studies*, No. 2, 1955. Among the interesting views and insights set forth was an observation which had eluded me and which seems of such importance as to require further comment. Seton points out, correctly, that Hodgman's weights refer only to large-scale industry, but that many of his output figures for the earliest years, 1928-34, are for all industry. He suggests, on various grounds, that this causes the Hodgman index to understate the growth in output not only for *large-scale* industry, but for *all* industry as well. In this light, I reviewed the sources cited by Hodgman for output of 1928 and concluded that the growth he measured between the two years 1928 and 1937 is nonetheless substantially that of large-scale industry only. (The years other than 1928 were not investigated.) The evidence is as follows: 1) The distribution of output by small-scale industry for 1928/9 and, in less detail, for 1926/7 is given in TsUNKhU, *Melkaja promyshlennost' SSSR* (Moscow, 1933), pp. 14-17, and TsUNKhU, *Narodnoe khozjajstvo* (Moscow, 1932), pp. 84-85. These show that small-scale industry in 1928 accounted for no significant share of the producers' goods included in Hodgman's index except for building bricks. For example, small-scale metal working consisted of blacksmithing, machinery repair, production of pots, samovars, scissors, hand tools, etc., none of which enter the index. Similarly, small-scale output of chemicals was mainly consumers' goods—soap and cosmetics—or items not covered by Hodgman, like tar distillates. 2) For consumers' goods, those areas, in which small-scale output was most important, are the ones for which Hodgman's series specifically exclude small-scale output, like shoemaking or cotton cloth, or the ones which he omitted for 1928 altogether, like milling, baking or slaughtering. For a number of other consumers' goods, small-scale output, although nominally included in Hodgman's index, was negligible, e.g. sugar, oils, margarine, beer, salt. 3) Thus the series which include any significant amount of small-scale output are: building bricks, soap, tanning, paper, cotton ginning, wool, linen, silk, butter, confections, starches and syrup. These account for about 8 percent of his weights and about 6 percent of all output by small-scale industry; see, respectively, Hodgman, *op. cit.*, pp. 73 and 215-21, and TsUNKhU, *Melkaja promyshlennost' SSSR*, pp. v and 14-17. They can, therefore, have only a minor effect on his index.

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