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Review Of "The Soviet Budget" By R. Hutchings

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Review

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system ensures that no countervailing influence filters up to disturb the deliberations of the Politburo. A substantial volume of trade and frequent, highly publicized visits of American millionaires to Moscow create the illusion of improving relations while the intransigent policies of the Soviet Union ensure that no real change will take place. This trade helps to strengthen the Soviet industrial and military base, thus improving the Soviet competitive position vis-à-vis the United States. Trade also aids the Politburo in managing the internal tensions of Soviet society by allowing a small elite to indulge its taste for Western goods and feel prosperous in comparison to the vast majority of the population. This contributes substantially to what Finder considers "a shrewd public relations gimmick" because the content Soviet minority "mingle[s] with visitors from the West, who then see a Tiffany's-display-window Russia that seems happy and quite Western, and, therefore, not at all threatening." Western visitors who leave Moscow with this impression are unlikely to ponder the fundamental nature of Soviet foreign or domestic policy.

If trade is neither profitable nor politically advantageous, why do hard-headed American businessmen engage in it? They do so, Finder claims, because in the Soviet Union "American capitalists are treated like royalty." The Soviets have "made a high art of the custom of extending regal hospitality to distinguished visitors." They quite literally roll out the red carpet, and the "mere" bankers and industrialists of the United States love it. They may have anything their own society offers, but a royal reception and respectful attention from the mighty rulers of the second superpower is available only in Moscow. Finder believes that too high a price is paid for this prestige. His work explicitly rejects all the assumptions on which "détente" was based and breathes the spirit of our more troubled decade.

RICHARD K. DEBO
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THE SOVIET BUDGET. By *Raymond Hutchings*. Albany: State University of New York Press, 1983. viii, 204 pp. Figures. Tables. \$29.50, cloth. \$9.95, paper.

Surveying the available data on the Soviet budget, primarily in the years following World War II, Hutchings analyzes the role of the budget within the context of the planning mechanism. His study is divided into two parts: the first is a discussion of the economic, institutional, and historical setting of the budget; the second, an empirical analysis of growth, fluctuation, and variation in visibility of various components of the budget.

The author's major contributions, found in the second part, are based on his carefully collected series showing planned and realized magnitudes of various components of budgetary expenditures and revenues. By examining these series over time and also within the context of the complete budget, he is able to extract many interesting observations from the data which have hitherto escaped notice by Soviet specialists. Further, by comparing budgetary expenditures for various purposes (for instance, social-cultural measures of financing the national economy) with total expenditures for the same purposes (some of which are financed from nonbudgetary funds), he provides a useful perspective for understanding the operation of a number of obscure aspects of the Soviet economy. Although he is unable to solve certain mysteries of the budget, for example, the magnitude of defense expenditures or the meaning of administrative expenditures, he clarifies many aspects of these expenditures. But in this short book he does not address certain issues which might interest some of his readers, for instance, the variations in unspecified budgetary residuals at local, republic, and state levels for each type of large expenditure category.

The first part of the book, which focuses on institutional aspects of the budget, covers ground which has been discussed by others more thoroughly, especially by Daniel Gallik

and his associates.¹ Certain parts of Hutchings's discussion, for example, the analysis of the relationship of the dates of the budget laws and resulting relationships between planned and actual magnitudes, make an original and useful contribution.

To use a distinction made by stock market analysts, Hutchings focuses on the technical, rather than on the fundamental, aspects of the various budget series. He does not attempt to isolate causal factors underlying changes in particular taxes or expenditures or to analyze the relation between various physical and financial magnitudes (for example, the relation between the size of the Soviet armed forces and the reported defense expenditures). Further, he does not recalculate various series in order to make them more comparable over time but in many instances accepts the data at face value. He also does not devote much space to the impact of the budget or the financial system on the rest of the economy; and, indeed, some of his remarks on the subject, for instance, those on the increasing amount of personal savings, are based on a comparison of a stock (of savings) with a flow (of income), a point which gives rise to many serious objections.

Although it is possible to take issue with much of his analysis, Hutchings has provided an important service in illuminating this murky corner of the Soviet economic system. How depressing it is that a nation with such pretensions about democracy should provide so little information to its citizens about the financial activities of their government.

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PROSPECTS FOR SOVIET AGRICULTURE IN THE 1980s. By *D. Gale Johnson* and *Karen McConnell Brooks*. Bloomington: Indiana University Press, 1983. x, 214 pp. Tables. \$17.50, cloth. \$8.95, paper.

The combination of an "old pro," D. Gale Johnson, and a young scholar, Karen McConnell Brooks, offers an unusual double-barreled evaluation of Soviet agriculture in the 1980s. This is not a coauthored volume in the usual sense, but rather two monographs under a single cover. An advantage is the presentation of complementary views on many subjects. The advantage is offset somewhat, however, by the radical differences in style and presentation, which reflect a generational difference between the two authors. Judged by comprehensiveness of coverage and sober professionalism, the volume is required reading for anyone preparing an article or lecture on contemporary Soviet agriculture. Stylistically, however, the book is flawed. Many who should read it will give up in despair. Others, particularly those who keep up with the literature on Soviet agriculture, will find it repetitive both internally and with material published elsewhere by the authors.

The book is unevenly divided between the two authors. D. Gale Johnson is responsible for part 1 (pp. 1–114) and the conclusion (pp. 195–204). Those who have kept abreast of Johnson's publications on Soviet agriculture over the years will find few surprises in his contributions to this volume. They will also immediately recognize the scrupulous impartiality and the steady hand of a veteran agricultural economist. In view of the many myths that still circulate about Soviet agricultural performance, Johnson's balanced evaluations cannot be broadcast too widely.

Johnson identifies three critical shortcomings of Soviet agriculture. First, although output has grown rapidly since 1950, it has not kept up with demand. Second, the cost

1. Daniel Gallik, *et al.*, *The Soviet Financial System: Structure, Operation, and Statistics*, U.S. Bureau of the Census, International Population Statistics Report, Series P-90, No. 23 (Washington, D.C.: Government Printing Office, 1968). While this is probably the most serious omission in Hutchings's bibliography, a number of other monographs and articles in East and West that would have been useful to his analysis are also missing.