INDUSTRIAL MOBILIZATION IN RUSSIA
23 April 1946.

CONTENTS

Page

Introduction--Brigadier General Donald Armstrong, Commandant, The Army Industrial College 1

Guest speaker--Mr. Ernest C. Ropes, U.S. Department of Commerce 1

General discussion 10

General Armstrong

Mr. Ropes

Students

Lt. Colonel Jackson K. Fairchild, The Army Industrial College

Dr. Louis C. Hunter, The Army Industrial College

Colonel Bonneville L. Neis, The Army Industrial College

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GENERAL ARMSTRONG:

Gentlemen, Russia is a subject, that all of us are more concerned with today, I think, than any other that faces the Industrial College or any other group.

We are extremely fortunate this morning in having Mr. Ropes as our speaker. He spent ten years in Russia. As a boy he was educated in the schools of St. Petersburg, although he came back and completed his education in Brooklyn, New York. He has, therefore, a knowledge of Russia that few other Americans have. His knowledge is not only profound, but he also brings with it an attitude that is fair. I think that is something we must all bear in mind. Our prejudices sometimes run away with us and prevent our being as objective in this outlook on Russia as we ought to be and as we must be if we are going to make sound estimates for the future.

Mr. Ropes is a graduate of Columbia University, class of 1899. I do not have to go into the other details of his life except to tell you he is in the Department of Commerce at the present time in charge of the Russian section. His subject this morning is Industrial Mobilization in Russia.

Gentlemen, it is a privilege to present to you Mr. Ernest C. Ropes of the Department of Commerce. Mr. Ropes.

MR. ROPES:

It is a great pleasure to be invited to address this assembly and I wish to thank General Armstrong for including me in the unofficial faculty of the Army Industrial College, with which I have been similarly associated ever since its formation in the late twenties. This is the first time, however, that I have been asked to lecture to the student group. I welcome the privilege.

The subject you have assigned to me, "Industrial Mobilization in Russia", is of particular importance as an illustration of the functioning of a socialist economy. It has developed by trial and error and it has assumed a definite pattern which may well be an example for us and other countries to study because of its remarkable and deliberate adaptation to war as well as peace.

The structure of Soviet industry, owned of course and controlled by the State, is four-fold. It begins with the large so-called all-Union plants of Federal importance, which represent the investment of Federal money, the planning by Federal authorities and the management by Federal appointees according to a definite system, which is too involved to bring up today. Those are called the "census" industries and the statistics reported by census industries are always characterized in that way.

Below that, on a lower level, are the "republican" industries, whose operations are confined to the republics in which they are situated. They are branches, if you wish, of the census industries but they have a separate field of activity of their own.

Still lower are the local industries, which may include a collective farm which has industrial development possibilities.

Below them still are the producers' cooperative industries, which are very varied in their kind and tremendously important in the total picture.

The Federal industries are managed through commissariats or, as they now call them, ministries. There were some forty of them before the war. We just received a new list from Moscow yesterday of the present organization of these industrial commissariats. I did not count them but there must be more than forty of them now because of the split-up of the war commissariats that has taken place.

There are also industries that carry over from Federal to Republican, a natural joining up of effort that is adapted to the system and to which the system is adapted.

The Council of Peoples' Ministers, commissars, is the supreme managing body, operating through individual ministries and then individual trusts and plants. These trusts aggregate plants of a certain type into groups, usually by locality, and the management is by trusts and groups down to the individual factory, which is in the hands of a director. That director shares his responsibility, his duties, and his work with the labor unions, that are represented in what we might call the directorate of the factory.

Similarly, there is an inter-relationship in the matter of supply. The supplying of raw materials or semi-finished materials is by contract from other agencies producing the kinds of materials necessary. On an annual contract basis, A supplies B, B supplies C, and so on up to the finished goods, which are turned out by the last agency in the chain.

In the beginning there was an effort on the part of the Soviet government to build the largest plants of a particular kind, if not in the world at least in Europe, and many plants of such types were built. But that was just a passing phase because of the difficulty of managing, supplying, and running plants of huge size. The tendency for the last ten years has been to separate plants according to locality, in accordance with the desire--a very natural one--on the part of the government to make each part of the enormous area covered by the Soviet Union self-supporting so far as it can be done.

That includes a search for raw materials in every part of the Union, the development by local forces (even using local funds) of those resources, and then production for the needs of the local population from the particular plant concerned. An instance would be cement plants, where the large unit was built before the war, a million barrels a year unit,

at Novorossiisk. Since then literally hundreds of much smaller plants, from 10 thousand barrels a year up, have been located in various parts of the country.

Part of the system involves taking advantage of the interrelationship I have suggested, as a means of enabling every industry in every branch of work to gain by the experience of other industries and branches. Thus there is--at least in theory again; many of these things are not carried out 100 percent yet--an exchange of information between plants, between industries, to their common advantage, a very necessary point in order to avoid destructive competition and to enable all industries to grow at a similar pace by utilizing all the knowledge that is available to any of them.

Taking the initiative in establishing industry is an old Russian custom. The railroads were always built by the government; the roads were usually built by the government, the main roads, the canals, and a number of other industrial efforts orginated under the Czarist government; its representatives provided perhaps only the initial incentive by starting the thing themselves and then inviting private capital to carry on. When the sources of foreign capital were available to the Czar, many industries were thus started and then taken over by foreigners. The Revolution, of course, eliminated that and all the industries were "inherited", as they very tactfully put it, but the same principle remained in effect and was carried out to a much greater degree than ever before.

The major industries in the country are evolved, planned, constructed and financed by the government. The first investment provides the buildings, the trackage to connect the particular plant with existing railroads, and then the materials necessary to start the factory going; also the labor is assigned to the particular plant. From then on it becomes a financing proposition, such as we would have here where a bank provides the necessary capital with which to operate.

It is through the banks that the Soviet government in Moscow keeps track of and controls the operations of their industries. They are put on their feet by a preliminary investment by the government. After that, they are expected to carry on by themselves and to make a profit as quickly as possible. Through the banks their operations are checked; their profitability is watched. When there are profits, as so far in most cases there have been, in constantly increasing volume, the State takes 50 percent, leaving 50 percent to the individual trust or plant, to be invested by it as it deems best.

As illustration of how that money is spent from the so-called Director's Fund, I may point out that all improvements made with that money must be for the benefit of all the workers. The Director does not personally benefit by the profits made by his plant except as an individual enjoying better conditions of one kind or another. The money may be spent, for instance, on a better restaurant; a larger club; a better furnished library; more opportunity for sports and other similar improvements financed for the benefit of all the workers by the profits all those workers have succeeded in making by their own efforts.

The control of operations is rather ingenious. There must be a continuous flow of information to the center from every producing unit. That is achieved by establishing in the particular town, or even small city, a branch bank of the State Bank in Moscow, which has the duty and obligation of following up the operations of every single industry within the area.

As all of you can readily imagine, most of the transactions carried out by the Soviet trusts or plants are bookkeeping entries. They represent a credit to A and a debit to B, or vice versa. They are carried through the bank on that basis, which is thus in touch with every single operation by every single unit through its reports, its checks, its receipts, etc.

There are, in addition to the clerks watching the ledgers, definitely appointed inspectors who travel continually around through the area, checking up on the spot, giving advice, and watching, above all, how closely the particular plant adheres to the instructions it has received.

The first process that was undertaken after the Revolution was the modernizing of all of the old plants in the Donets Basin. That was a tremendous effort. It took the better part of ten years of concentrated financial and industrial investigation, expansion and perfection of processes as well as the training of workers. That naturally led to the adoption of a confirmed principle which has given the Soviet Union a tremendous advantage for a new country, as you might regard it following the Revolution, in that it began its industrial work where other countries had left off. They bought nothing but the most modern and perfected industrial equipment. They adopted nothing but the latest processes which they might have developed or other countries had already done.

As a result, the Donets Basin represented not a reproduction of the old plants as of the Revolution, but a new aggregation of high-grade, highly productive, efficient industrial units based on what they had learned from us, from Germany, from England and other countries on whose experience they drew. That principle has been continued in effect ever since. Right now, in Washington, they are making contracts (the Purchasing Commission) with people who have, during the war, improved, sometimes for the War Department and the Navy, processes which they had had in operation for years and now have perfected to a point that very few of us even imagined, say, six or seven years ago as possible. An instance of that would be radar where several companies have already agreed to supply to Russia the latest developments--nonsecret, of course--that they have to report in their industries.

That is all tied together, this entire modernization and rendering plants more efficient and more productive, by a series of scientific research institutes, a phenomenon that, so far as I know, is not duplicated in any other country in the world. We may be tending in that direction here, but the Soviet government established years ago, and has continued to operate, a complete system of industrial research institutes, all of them working under the general aegis and direction of the Academy of Sciences, and all reporting to the government the results of their work.

I think that emphasizes and illustrates the cooperative spirit that exists between Soviet industries. Where one institute discovers, say in

the synthetic rubber manufacture, a more suitable process than it had before, it at once passes the information on to other plants in the same field; and so on down the line. Several of the larger industries have divided their institutes into three, six, or whatever is necessary, groups, each one studying a particular branch of manufacturing process, or processes, in that industry.

They, like our own research institutes, are constantly experimenting, inventing, discovering and trying new things. Very often they may be--in some cases probably are--ahead of our own institutions which, except during the war as you know, have been entirely private and have bottled up in the Patent Office everything they have invented or discovered for their own personal benefit.

During the war we adopted the general principle of sharing. The Soviet government has always shared and it has given, as I see it, an extraordinary flexibility to Russia's industrial machine, and has also enabled them to modernize at a more even rate than they could have done under a system which tends sometimes to bottle up information instead of making it immediately applicable.

When the Academy of Sciences was incorporated into the Soviet system, it was made a working organization. All the highly theoretical work that had been done before was temporarily shelved in favor of the practical or applied work that it could do. It took on, for the first time in Russian history, not only the enormous job of exploring the country, discovering and reporting on and testing out new deposits of valuable minerals, metals, or whatever they might be looking for, but also that of guiding industry into the actual manufacture of the goods that could be made from those discovered materials.

The Academy of Sciences exercises general supervisory capacity over all industry. There is a constant flow, from what the Russians call the periphery to the center, of information as to coal discoveries, iron-ore deposits, or whatever the 30 thousand men sent out every year may have located in new sections of the country, often never trodden before by white men. In return there is a constant flow out from the Academy of Sciences of exact information, through these institutes, of manufacturing data and guidance, with the result of--again I must point out "in theory" because too much of this is still on paper; it is a desire rather than a fulfillment--knitting the country together to develop all the country has in the way of natural resources.

The record is very remarkable. I have watched and reported on the development for the last 20 years. I venture to say that in the sparse though very voluminous reports I have written and published in our own bureau, for a very limited circulation, there are more details about the actual growth of Russian industry, the exploration of the resources of the country, the operation of this new industrial system, than there are in any book one can find or that now can be written, because they represent the stages through which the Soviet Union went from 1928 to 1940. I sometimes wonder how I managed it myself. I still do not know very much about many of the things of which I wrote, but I knew enough to describe from month to month and year to year what was taking place.

Of course all of you know this industrial management, development and operation is according to plan--not in the old German sense where even the mishaps were "according to plan", but according to a schedule adopted, the latest one quite recently (the Fourth Five-Year Plan), in great detail, covering the entire country.

In the early days, when planning was first introduced in the electrical field only, there were more errors than successes. It was a new theory. The country was unaccustomed to being directed in any way. After the Revolution there was considerable chaos all throughout the land. But gradually the principles became established, the studies became more complete and detailed, and the plans have successively achieved a higher degree of what you might call workability.

They did not inflate the figures in the hope that perhaps by some miracle they could reach the planned totals of production. They actually calculated, on the basis of experience, what could be expected and set the figures not too much higher than the final result. The figures in each industry are a goal to shoot at; not a figure set up as a point that must be reached "or else". As a result, these goals are now accepted, as they must be legally, as the law of the land. They are passed down from the top to the individual plant, which posts its returns, the accomplishment or failure to accomplish, every week, month, quarter and so on. The reports flow in to Moscow as to the accomplishments of the plant.

Lest you think that this plan is directed and imposed by a series of detached authorities in Moscow, who present the country with a complete picture which must be painted by the country, I must call attention to a fact which is very often overlooked, that no plan is ever drawn up and issued without preparation literally for months or years. That preparation consists of aggregating in Moscow all the information that can be obtained from the places to which the plan is to apply. It is thus a two-way street. Actually the plan comes from Moscow, but it has been built up on the information provided by the rest of the country. If a factory or a collective farm, because they are also included, finds it impossible on its record to accomplish a particular result, it is not expected to produce it.

The figures set, the goals appointed, can be reached. Of course there is a reward, first, for reaching those goals and even more for exceeding them. The record in the war is remarkable in this respect. Under the pressure of patriotism, in the spirit of self-sacrifice that pervaded the country, where men, women and children all pitched in to do their part to win, most of the records were exceeded by 25, by 50, by 100 percent.

That I bring out merely to show that the goals are not unattainable, with an average amount of energy and intelligence applied to their execution. It is to the interest of the people to reach those goals, for the final, the basic, the dominating objective of the Soviet Union, on the realization of which the strength and influence of the government in the final analysis depends, is the constant improvement of the conditions of living of the entire people--not only one class, not the people in Moscow only, but all the people from west to east and north to south.

There is quite an extraordinary feeling of paternalism on the part of the government, which always existed for the individual in Russia. It has never been applied on such an enormous scale in any country before, certainly not in Russia, where, under the Czarist government, if five percent or a maximum of 10 percent of the population lived well, the Czarist government was satisfied. Now, the government cannot base its support on any one class, or on any limited number. It must appeal in its policies and its work to the whole people or it will lose the support of its people. It has never yet lost it, as the war very clearly demonstrated.

It is to the war record that I want to draw particular attention. We have tried in our Commerce Department publications to give a picture of the operation of this system in wartime. I have with me copies of two articles which were written specifically for the purpose of pointing out what was accomplished during the war, industrially and otherwise, in two comparatively new areas: One, Uzbekistan, which is the cotton belt of Russia and has been for a thousand years, but where war industries were deliberately developed during the war to a remarkable extent.

The other, Kazakhstan, which was an uncharted waste about a thousand miles across and some 1,500 miles north to south, very sparsely populated, but discovered a long time ago, even before the Revolution, to contain vast stores of "useful" minerals--so the Russians called them; useful things to be dug out of the ground. The Kazakhstan development is an extraordinary feature of modern Russian industrial life.

These articles, I believe, will be of interest to anyone who wishes to see how this system actually worked under the most adverse circumstances, with shortages of labor, tremendously overloaded transport, and even shortages of food, clothing and shelter.

That brings me to another point in the total picture which is of great importance, and that is the labor that accomplishes these results which in some cases have been spectacular and in other cases very poor--as the Russians point out when they are. During the war, mobilization of labor was definite and strict. It began with the ten-year-old children and ran up to the men of eighty. It was concentrated toward the end of the war on the women because there were no more men left available either on the farms or in the factories. From 30 percent, for women in industry, the figure jumped to 60, and in many cases higher. From not more than that in agriculture the figure jumped to nearly 100 percent, and in some cases entirely to 100 percent. American friends of mine who have flown over farms or visited them during the war reported farm after farm with small boys and aged gray-beards, but no other man in sight. The women did the work.

The labor is trained for industry. During the last 25 years the emphasis in all their educational systems has been on turning out men and women who could do things with their hands, with their heads--be producers, because of the enormous needs, in quantity and variety, for goods which otherwise could not have been produced, and actually never were in sufficient quantity to satisfy the population. That is still a goal to be reached, not in this Fourth Five-Year Plan but perhaps in a number of Five-Year Plans subsequent to 1950.

In the war, in order to speed up this operation, as early as 1940, they established special short-term wartime schools where the boys, and later the girls, of fourteen years of age and up were trained to go straight from school to the factory, from school to the railroad, from school to a seat on a tractor, whatever they might prefer, and where boy and girl power could replace man and woman power.

You may readily ask--most people do, in this country at least--how this was all accomplished. That, of course, makes it necessary to point out the control of propaganda which rests completely in the hands of the Soviet government. They have, as we all know, the press, the radio, and word of mouth completely devoted to carrying out the plan and to applying on the spot, personally and individually, the principles of operation of this enormous country which the government has undertaken to run.

That propaganda is very intelligent. We may not agree with it, but it works. That is, I think, the final test. They know the Russians. They know the individual peculiarities of the tremendous number of non-Russians that make up a large proportion of the population. Their appeal has been extremely intelligent and ingenious. It has resulted, and only that could have resulted, in my opinion, in the complete unification of the country for war as it had been gradually unified for peace.

Building now on this accomplished fact, the instruction to all the people, in certain directions, to work for their own benefit under this ingenious and comprehensive system that has proved its worth, it does seem likely, almost inevitable, that the country will continue under these new Five-Year Plans to carry on the effort which it has already demonstrated its ability to make as a country, as a conglomeration of nationalities, all devoted in the final analysis to raising the level of the people throughout the country, whether they are Russian, Uzbek, Kazak or Mongols.

I allowed, I think, time enough to sketch very rapidly the six or seven main industrial areas which have resulted from this peacetime and wartime development by the Soviet government of its planned industry.

The first, and in many respects the most important limited areas, are those around Leningrad and Moscow. Leningrad always was an industrial town. It was the first city, I remember from my childhood, that introduced an electric railroad in any Russian city; it happened to have been put in by Westinghouse. It has always remained a tremendous industrial area, stretching up the Neva, out into the Gulf of Finland, and back into the country. Around it there are several other towns which are all purely industrial.

When Moscow became the capital, that town changed from a city which was not exactly flatteringly characterized as the site of the dwelling place of the typical Russian merchant, who never moved from his home but sat there and waited until people came to buy from him or sell to him. It has changed into a tremendous industrial city. It is now being remodeled and redesigned to eliminate industry so far as possible from the city proper; to limit the population to five million (it is now seven million

under crowded wartime conditions); to put all the factories as rapidly as they may be moved, or as new ones are built, outside of the green belt around the city.

This move has resulted, even before it actually happens except as a principle and a plan, in the growth of a number of cities within 10, 20 and even 50 miles of Moscow, which are classed as "the Moscow industrial district". That includes the textile town of Ivanovo, which is the largest city of its type in the country, and until quite recently produced all the textile goods that were turned out in the country. It goes back to Czarist times, where it seemed to be a natural point for the development of a textile industry, and it continued to be the chief focus for that industry until they made the same shift we did and moved their factories to, or rather built new factories in the cotton belt itself. This particular planned development took place with much less friction than developments did in our own country and not a single mill was closed in Ivanovo, because the demand by that time had increased so that the complete supply by all the old and new mills is still short of the needs of the country.

The next large development, of course, is the Donets Basin, based on the coal, iron and manganese which have been known to exist there for generations, and where industry was first developed under the Czar, then by foreign capital, on a large scale. It was the heavy industrial center of the country until the Germans came in and took it over, when the heavy industry was moved into the Urals. Its production is of great variety and in tremendous quantity. That entire productive system is now being built up again on a larger, more modern and more efficient scale than ever before. An illustration, which you are all familiar with undoubtedly, is the Dnieper dam with five new industrial cities built around that particular center before the war and in the process of restoration at the present time.

The third important European-Russian center is the Caucasus, which, of course, has for a hundred years been the chief oil region. Since the Revolution, contrary to the policy of the Czars, there has been a definite and deliberate development of industry also, aside from oil. They have harnessed the waterpower which was a wasted resource for an indefinite time; they have developed local coal mines and other mines of minerals and metals, and they have gone heavily into modern farming of a type never introduced in Russia anywhere before and which is suitable particularly for the Caucasus. That includes tea and citrus fruits never raised in the country previously.

The Urals is an old industrial region, 200 years old, but its possibilities were never realized until the war forced the evacuation of industry from the west to the east and the concentration of armament production in the Urals and east of it. That was so important and so varied in its accomplishment during the war that we have already in type an article which will be published in "The Foreign Commerce Weekly", we hope, in the near future, and which will give at least a superficial picture of what the Urals had before the Revolution and what it is now after the war-concentrated development.

Beyond the Urals, eastward, is the Kuznetsk Basin which, with its ramifications, has produced another Pittsburgh, based on coal first, with iron discovered only later and the ferrous metallurgical industries that naturally follow from such a combination.

And, finally, the central Asiatic Uzbek-Kazakhstan development, which I mentioned earlier as being described in these two articles, is an extraordinary feat of concentrated effort directed by the government according to plan, carried out through this organized industrial machine which has gradually been evolved after 25 years of hard work, with its products distributed through the regular distribution system, which someone else ought to give a special lecture on in this course so you can get a picture of how goods are actually moved from one place to another over that enormous area. Compared to that problem, our own retail and wholesale distribution mechanism is childishly simple. It is not amiss here to say they have an even longer way to go in distribution in Russia than they have in production. If they have an adequate distribution system, with railroads, highways and airways necessary for satisfying all the people all over the country with the goods that are available, in fifty years, I shall be surprised.

I must not leave out of consideration what is still a comparatively unimportant area so far as development is concerned, but one which will undoubtedly occupy a great deal of the world's attention in the next ten years or so, and that is the Far East including, for productive purposes, Manchuria. That, I think, I will merely mention and leave to someone else to speculate about because the military angle is too complicated and important. Until we and the Russians can settle Korea, I do not think we will try anything very much in Manchuria. It will be left to the Russians to arrange with Chiang-Kai-shek, the Communist Chinese, and other elements. But it is going to be important in the development of trade channels and movements during the next ten years, for Russia, for the Pacific in general, and for the United States. It is a matter I merely direct your attention to as something worth following.

I am now prepared, for an indefinite time, to answer questions.

GENERAL ARMSTRONG:

Mr. Ropes, could you tell us what the sources of your information are and whether or not you consider them adequate to draw completely sound conclusions about the industrial resources and production figures in Russia?

MR. ROPES:

With pleasure. The sources are Russian. We read, and always have read, the Russian press. We check the Russian press against itself. For example, if in January 1927 there was a plan announced to build a particular plant in a certain place, to produce such and such a thing, at such and such a time, we watch that plant; we report on the stages of its development. From those Russian reports, which point out the faults as well as the gains, I believe a picture can be built up. We have built it up without

writing about it, except in pieces as I have described, over a period of years which is as accurate as the Russians themselves have in Moscow.

In this connection I might say we have the advantage of their own figures, which are published for each Five-Year Plan, describing first the basis on which the plan was made, the accomplishments up to the beginning of that plan and then the plans for the subsequent years, including all the accomplishments during those years as they roll around.

On that basis, which is the same as the Russians use, I believe a complete and reasonably accurate picture can be built up--at least as accurate as our own industrial picture used to be to our own Government until we began to dig a little deeper and find out the things we have discovered during the war and I hope will continue to discover after the war, which has not stopped yet.

GENERAL ARMSTRONG:

One more question, sir: Is the Russian aviation industry concentrated or is it widely dispersed?

MR. ROPES:

It is widely dispersed, to such an extent we do not know where the plants are. They were in city "N", and city "N" might be in the Urals; it might be in the Far East; it might be in the Arctic. We never could pick them out. It was just a city.

Judging from more recent reports, they are going to have plane factories, tractor factories, automobile factories, from west to east, right straight along, in each case, as I pointed out, supplying the needs of the immediate district. They may be manufacturing plants, when it is possible to put them up. They will depend on local resources. They may be merely assembly plants. In other words, they have adopted our own system and applied it on this scale and the more American ideas they adopt, I think, the better off they will be.

A STUDENT:

In recent years we have had Mr. White and Mr. Johnston go to Russia. They both came out with very divergent views. At the present time we have the heads of about four of the largest newspapers in Russia in this country making a rather protracted tour. Do you personally feel, from reading their press, they will be as free to speak to the Russians about this country as our own people were to express their views on Russia?

MR. ROPES:

Decidedly. Without in any way going into details as to Mr. Johnston's and Mr. White's reports, which could not exactly be amalgamated--I put it mildly--the Soviet press has never hesitated to blow the United States' horn. When Ambassador Troyanovsky came over here, he was tremendously impressed with the United States in many particulars. When he got back to Russia

he was instructed--I take it he was instructed--to write a book on the subject, and then to make speeches and write articles for the daily press playing up the tremendous developments of American Industry, the magnificent living level of the Americans, for the purpose of setting the goals for the Russians to reach.

I may say those particular speeches, even if they were--as they probably were--reprinted from one coast to another, were not so effective as Mr. Stalin's own statistical table which he included in one of his speeches back in 1937, where he gave the per capita production of some ten or a dozen important basic commodities in Russia, as compared with that in other countries. In every single case Russia was behind. I might say that included even Japan.

That is the kind of information they have, and it works. But for most Russians, for all the reports that have come over here, the United States is still an unbelievable thing. I do not think anyone of them sincerely would say they expect to reach and overtake us within the 15 years Mr. Stalin very wisely allowed. He said "15 years, or more".

GENERAL ARMSTRONG:

Mr. Ropes, what do you think the chances are that the secrecy that Russia maintains with regard to foreign observers of her industries might end? Is there any possibility, in your opinion?

MR. ROPES:

There are two ways in which that could end: One is sure; the other, possible. The second is what the newspapermen here in Washington are urging upon the Russian newspapermen, who are declining to answer (it is not in their instructions), and that is to allow newspapermen to flock all over the Soviet Union. My own guess is that most of them would come back, and probably very soon, because of lack of space, which closes the door, as you might say, before you try to open it.

The second is a lack of willingness to cover literally tens of thousands of miles in order to get comparatively simple information which can be obtained in a book in Moscow.

First in importance and in likelihood is the implication of Americans going into Russia to help develop Russian industry as they did in the early thirties, when literally tens of thousands of Americans went there, in one capacity or another, and stayed for one or even ten years.

From those sources I think the public can get, as we have always obtained without any difficulty in our bureau and in the State Department--you could too if you wanted to--a tremendous amount of detailed, factual information about the factories visited. I may say I have in my secret files still a list of some forty American corporations which expect to send from two to forty people each to Russia to work over the next five or ten years, whatever time the contract calls for, in that particular effort.

But I point out again--I am glad you raised the point--that the information is available in published form in Moscow, if you will just learn to read and converse in Russian.

A STUDENT:

Due to the standard of living in Russia, is it possible for you to give us some idea of how the average Russian citizen fares in comparison with an American citizen? In other words, whether in his job the union setup pays him enough; whether he has a certain amount of pressure put on him; or whether he is so tied down to his work in the daytime he is glad to get home in the evening and go straight to bed.

MR. ROPES:

The scale of living in Russia, ever since the Revolution and for years and years before the Revolution, has been from the American standpoint unbelievably low. All one can possible say is that the average living conditions are better now, or were just before World War II, than they were under the Czars for the bulk of the population. But it will be 25 years before they even approach our present level which, by that time, will be considerably above (according to all the prognosticators) what it is now. We will all have three cars each instead of just one. No Russian has an individual, personal car unless it is given to him as a prize for some actual personal accomplishment, or he has won it in a lottery. I think there were only 25 cars issued in the last lottery in the entire country. A car goes with a certain type of job, for only business purposes. They are just as hard on joy riders as we should be and sometimes are.

For that matter, there is no comparison with the scale of living in Europe and ours. Our level is so much higher than that of the rest of the world it is impossible--perhaps in Australia or South Africa, but only for certain classes in those countries--to compare them. As for Russia, they are simply not in the running, but they hope to be.

A STUDENT:

May I ask to what extent the Russian worker is permitted to select or change his employment and place of residence.

MR. ROPES:

The Russian is a loose-foot artist. If you try to chain him in a certain place, that is always the very place he does not want to stay in. Ever since the Soviet government came in, in spite of all the rules and regulations and laws on the subject, the labor turnover has been tremendous. It runs from 40 percent in an average industry to 100 percent in the coal-mining industry. The Russians have tried every measure they can invent or imagine to control this constant flux of labor from one part of the country to another, and from one factory to another.

No system could possibly be carried out that would control the mobility of labor. The only answer to that question is, as good living conditions

in A as in B; otherwise, all the boys in A will go to B--and they do! That is an old Russian custom. During the war, of course, they were frozen. That was a matter of military necessity.

But there again the reward was definite. If a man had served continuously in a factory for two, four or six years he was a selected individual and enjoyed special privileges because of his continuity of service. They have adopted long since the system of rewarding the man who does his duty as they see it. That may consist of settling perhaps in some other place. It may consist of going to a place which he never would have gone voluntarily; but if they offer him privileges enough, he will go. That applies to the Far East, where all labor scales are higher than in the West; also in the Arctic, to which devotees do go, and where they like to stay, for some unknown reason. The rewards there are much greater, pecuniarily, than in some other respects. They get quarters, special clothing and, of course, transportation. That applies both to labor in industry and to farmers.

A STUDENT:

In the execution of the successive Five-Year Plans the voice of Mr. Stalin has been practically gospel to the Russians. They have followed his voice much as you would a voice in the wilderness. What will happen when that voice is stilled? What line of succession will take over in his place to carry on his plans?

MR. ROPES:

Mr. Stalin bases his power and influence on Marx and Lenin. The chain will have one more link; that's all. They will simply quote Stalin instead of Lenin or Marx.

There is no reason to suppose that the voice of the organization of the Communist Party, which is the guiding, inspiring and organizing force in the Union, will be stilled because of the passing of one particular individual--even Stalin. They have, as you say, made Stalin into a kind of living saint, but it is not because he is Stalin. It is because the party has popularized him as the voice of the party and of the people and to the people. That organization can be perpetuated indefinitely so long as the discipline in the party continues, and that does not depend upon any one man. After all, it is self-preservation: if they want to hold on to their jobs, they must pull together.

GENERAL ARMSTRONG:

You make a distinction between the party and the people. I wonder, to what extent is the party the greatest beneficiary of the regime in Russia today?

MR. ROPES:

To no extent. The party owes its strength to the fact that it is a part of the people. The people follow its leadership willingly and not

because they are compelled to do so. It expresses most nearly the desires of the people and what the people are willing to take upon themselves in the way of work and duty. Any member of the entire nation can become a Communist Party member if he is good enough. They must adopt all the rules and regulations of what is practically a modern Jesuitical order where the individual's desires and preferences do not count if there is a job to be done. They do not necessarily form themselves into a preferred oligarchy. There are plenty of men in industry whose talents result in their earning more, twice as much, as a member of the Communist Party, particularly in the lower ranks.

There is no segregation of the party from the people because the party is formed from the people, and only to the degree that the people accept their guidance is the party powerful. If a party member loses his touch, he is out. He is no longer of use. That touch consists in persuading, convincing, propagandizing, traveling and showing the people what to do.

To my mind, it is almost an unbreakable combination of an organization and a tremendously scattered body of people, enormously varied in their outlook and their conditions of living, their religions, their cultures and their histories, which is amalgamated to a remarkable degree, as I pointed out, by some form of organization which they all accept. As long as they accept that organization and it continues to operate for the benefit of the entire nation, it would seem as if it would continue indefinitely. It is a one-party system. In other words, it has been adopted as a system because it is the most efficient and the most comprehensively valuable in the building up of the country and in satisfying the peoples' needs.

GENERAL ARMSTRONG:

Mr. Ropes, if conditions were as ideal as that why did the purge become necessary? To what extent was the purge actually carried out? You hear that from 10,000 to 10 million people were involved in the purge which, of course, must be perfectly ridiculous.

MR. ROPES:

You cannot purge 10 million people out of two million. There were only two million until quite recently in the party. There are now four million. They have taken in a number of the Red Army men who showed themselves outstanding in their talents for leadership.

The condition is not ideal, General Armstrong. It is the human element that constantly comes in to upset the best laid plans of Bolsheviks and men. Mr. Kravchenko, referred to by you earlier this morning, is a sample. They devoted themselves to raising him in the ways he should go; they educated him; they gave him important jobs. He gets here in the United States and walks out on them and writes books damning them from here to there. That is just a sample of where human nature is variable. The Russians know it. One of the outlets, one of the safety valves is this same purge, which does not necessarily mean that the man or woman is shot. It simply means they no longer are members of the Communist Party

with the privileges and authority that membership gives them. They have failed to match up to the demands on them; therefore, out they go. They become just ordinary citizens.

A STUDENT:

Is not the Communist Party a sort of aristocracy? Anybody can belong to it; by the same token anybody can be kicked out of it.

MR. ROPES:

It is really a contradiction of the term. You can call it aristocracy if you so desire. I suppose there is no other such aristocracy in history--I know of none. Usually one is an aristocrat because of the father or grandfather. In this case you are perfectly right--anybody can enter and anybody can get fired, even Stalin.

A STUDENT:

If the Communist government is so popular with the people, why do not more belong to the Communist Party?

MR. ROPES:

They are not allowed to; it is a very select organization. When one joins the Communist Party, father, mother, sisters, daughters and everything else are literally given up. The Communist Party's instructions supersede all other things, and most people are not willing to take it.

A STUDENT:

Some information has come out that the various soldiers on the Western Front, when they went back to Russia, showed quite a bit of dissatisfaction on account of the better conditions they had seen the Germans living under. Can you comment on that?

MR. ROPES:

It was undoubtedly a fact. What they probably did was take things away from the Germans and carry them back to Russia.

Yesterday I had another report from Moscow which described the development of prices in the so-called commercial stores, where supplies are available in the largest quantity at the highest price. Prices had all been coming down steadily since 1 January 1945. I think they have had four or five cuts in prices in those commercial stores which, of course, reduced the prices in the other markets also.

It is perfectly obvious that when those shops began to stock goods that the people had not seen for years during the war, because of the influx of goods from Germany which the soldiers brought back with them, hell let loose. What they want, however, is domestic production and they will never have enough of anything until they do produce in much larger quantities than heretofore.

COLONEL FAIRCHILD:

Would you care to say something about the educational system in Russia, as compared with our ideas of education here?

MR. ROPES:

That is a regular three-hour talk. But, very briefly, as I think I pointed out, their concentration is on education to do rather than on theoretical or what we call cultural education.

There is at present going on among the authorities in the United States a very, I will not say as yet bitter, heated discussion on that particular point, whether the schools should prepare boys and girls for what is generally called life; in other words, working in a factory in a particular town, or work in some particular kind of industry so as to make them doers; or should concentrate more, as we have tended to do in the past, on what might be called the more cultural phases.

They have the same divergent possibilities there as we do, but because of the enormous need for workers of every type for an indefinite time they undoubtedly will continue to concentrate on education to do. That education is divided up according to specializations to a tremendous extent. These various schools that were set up in wartime, in 1940, had different main lines of training--railroad, agricultural and mechanical. Those general classes were broken down even more into specialized work, like electrical training, machine building or locomotive building, and so on.

Their educational system is distinctly a practical type although there are opportunities in the country, both in the schools and in the universities, for what we call the purest cultural training, the same as there are in the Academy of Sciences for the purely theoretical scientific work.

DR. HUNTER:

Will you say something as to the efficiency of industrial production in Russia and the quality of the products?

MR. ROPES:

Compared to American?

DR. HUNTER:

On any basis.

MR. ROPES:

The best illustration I have seen and which, I think, expresses it as nearly as one can, is that in 1930 it took five Russians to equal one American. Now it takes only two and a half because of their more intensive training. They did train adults during the war even to a greater extent than they had before. They set up a special revised form of what they call

the workers' faculty to teach adults quickly and help improve them in their skills in their particular fields. So that the advance in that specialization has been very notable.

DR. HUNTER:

How successful were they in the production of war materiel?

MR. ROPES:

From all they say, and this is about the only way you can check it, at the end of 1944 they were turning out practically as much as the entire country was turning out in 1941, having replaced the entire Donets Basin which, as I pointed out, was the main production center for heavy industrial wares up to 1941 when the Germans occupied it.

Their increase of production is not yet in all respects equal to 1941, however. We have some recent figures on that, showing, as near as Moscow can possibly work them out (they have not all been published), there was an actual increase during the war in all production. In a number of cases it runs well above prewar, or 1941; in other cases it is below.

By and large, by the end of 1946 they will be producing as much in every respect for peacetime as they did in 1941 for wartime. But there is always an indeterminate element there, as you gentlemen must certainly bear in mind, of armament production, which they just do not talk about. We may have it here too, for all I know.

COLONEL NEIS:

You speak of American communists. Do I understand that you mean a man who has given up all other obligations in the interest of communistic propaganda, as you said the Russians are obliged to do? In other words, do American communists have the same obligations as the Russian communists?

MR. ROPES:

In my opinion there is no such thing as an American communist. He is a member of the American Communist Party, but that does not make him a communist in the Russian sense at all; otherwise, he would not live so well. He would not be a continuous troublemaker in his own party, and he would not be trying to upset conditions which eventually apply to him personally.

In other words, to be an American communist and to be sincere is to be against the entire American system and yet be living in it. That just is not intelligent. So, the American communists are tempted to go overboard and forget. Their political power is almost nil. Their influence, I think, is greatly overrated. Where they have tried to guide or dominate other parties they usually end up by being thrown out. Just now the C.I.O., for instance, is in the process of eliminating all its communists--if they can be found. That is just one evidence, to my mind, of their ineffectiveness

simply because they are not sincere. The Russian communists have to be sincere or they do not stay in the party.

COLONEL NEIS:

Are all members of the Russian diplomatic corps members of the Communist Party?

MR. ROPES:

Not necessarily at all. There is no demand on any one individual that he or she shall be a member of the Communist Party in order to succeed or to be prominent in his or her profession--but it certainly helps!

GENERAL ARMSTRONG:

Mr. Ropes, I am afraid that this question period could go on indefinitely, but I think out of consideration for you we had better bring it to a close, reluctantly.

I want to congratulate you on your profound knowledge of this subject and thank you for your most excellent presentation. We are certainly indebted to you for a very valuable talk.

Thank you very much.

(20 May 1946--200.)s oOo