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Central Intelligence Agency



Washington, D.C. 20505

DDI- 60202/1-86

30 Jan 1986

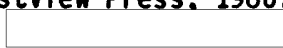
MEMORANDUM FOR: Ambassador Morton I. Abramowitz
Director of Intelligence and Research
Department of State

SUBJECT: Proposed Study on Quality-of-Life Comparisons



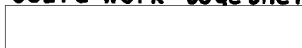
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1. John McMahon asked me to get back to you on your proposal for a Quality-of-Life Comparison Project. As you know, the Directorate of Intelligence has for many years produced comparative assessments of the US and Soviet economies. Recent examples include a 1981 JEC study by Gertrude E. Schroeder entitled Consumption in the USSR: An International Comparison. An updated version of this study will be published soon in Horst Herlemann (ed.), Quality of Life in the USSR, Westview Press, 1986. I am attaching a draft of that study for your inspection.



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2. Our latest comparative assessment of the US and Soviet economies was published last October. A copy of that assessment is also attached. As you will see, the last section of the assessment draws some comparisons between US and Soviet living standards. If those comparisons would be useful to the presentation of US policy in international forums, we could work together in declassifying those parts of the study that you need.



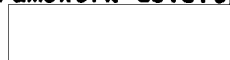
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3. We also prepared a paper in 1982 on the economic problems of Soviet client states. I also attach that paper, which we could update if needed.



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4. We are planning to begin some exploratory research in the Fall that will place the Soviet economy in an international context by incorporating our US-Soviet comparisons into the 124-nation framework developed by the United Nations' International Comparisons Project.



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5. The project you propose would indeed be sweeping, as you say in your note to John. While I agree wholeheartedly on the value of such a product for public and private diplomacy, it would consume scarce resources that now are



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P. J. ...

SUBJECT: Proposed Study on Quality-of-Life Comparisons [redacted]

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focused on the dramatic attempts at social, political and economic change underway in the USSR. I am very reluctant to pull analysts from these issues for a project such as you suggest. However, if the attachments have value for your purposes, I would be glad to discuss updates and/or repackaging that would make them more useful. [redacted]

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[redacted]

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Robert M. Gates
Deputy Director for Intelligence

Attachments:

[redacted]

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SUBJECT: Proposed Study on Quality-of-Life Comparisons

Distribution:

Orig. - Addressee

- 1 - DDCI
- 1 - DDO
- 2 - DDI Registry
- 2 - FO/SOVA
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SOVA/

(27 Jan 86)

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DDI-00202/86

ROUTING AND TRANSMITTAL SLIP

Date

30 JAN 1986

TO: (Name, office symbol, room number, building, Agency/Post)

Initials

Date

1. *EX Requiring*

AKH 30 JAN 1986

2. *EX Security*

NY 1/31

4. *DDCI*

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

ER - This closes record - Saks sent ltr to Abramsky

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)

Room No.—Bldg.

Phone No.

P-204-IR

DCI

EXEC

OPTIONAL FORM 41 (Rev. 7-65)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

5041-102

U.S.G.P.O.: 1983-421-529/320

CONFIDENTIAL [redacted]

DDI- ~~5026-86~~

24 January 1986

MEMORANDUM FOR: Deputy Director for Intelligence

FROM: Douglas J. MacEachin
Director of Soviet Analysis

SUBJECT: Proposal From Director of INR for a Quality-of-Life
Comparison Study [redacted]

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Per our recent conversation, I have redrafted a reply to Mort
Abramowitz for your signature. We checked with OGI and EURA, and
neither have done any quality-of-life studies on socialist countries.

[redacted]

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[redacted signature box]

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Douglas J. MacEachin

UNCLASSIFIED When Separated
From Attachments.



CONFIDENTIAL [redacted]

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SUBJECT: Proposal From Director of INR for a Quality-of-Life
Comparison Study

Distribution:

Orig. - Addressee

1 - DDCI

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1 - SOVA/DEIG/DEA

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(24 Jan 86)

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**Directorate of
Intelligence**

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A Comparison of the US and Soviet Economies: Evaluating the Performance of the Soviet System

25X1

A Reference Aid

Confidential

*SOV 85-10175
October 1985*

Copy **629**



**Directorate of
Intelligence**

Secret
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The Economic Problems of Soviet Client States

25X1

An Intelligence Assessment

Secret
DI 82-10025
April 1982
Copy 362

ER 85-5001

4E 58

BUYING:	DATE:
ADDI	12/23
DDI	23 Dec
8001	

Prepare note book
 to Mvt from DDI countries
 copy of GSP paper and drawing
 attention to comparison across
 the board on quality of life +
 individual level. call do to
 agreement that? Abundance
 abundance same Reg.

ACTION ~~OGI~~ D/SOA
HAND CARRY

**EXECUTIVE SECRETARIAT
ROUTING SLIP**

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5	DDI	X			
6	DDA				
7	DDO		X		
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9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
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Remarks
TO #5: Please prepare a response for DDCI signature.

Executive Secretary

20 DEC 85
Date

3637 (10-81)

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DEPARTMENT OF STATE
THE DIRECTOR OF INTELLIGENCE AND RESEARCH
WASHINGTON

SECRET/SENSITIVE

MEMORANDUM FOR: Mr. John McMahon
Deputy Director for Central Intelligence
Central Intelligence Agency

SUBJECT: Study on Quality of Life Comparison

John Whitehead had planned at the lunch on Friday, December 13, to raise the possibility of DDI's doing a comparative study of the relative success of command and mixed market systems. Time precluded and he has asked me to write to you expressing the Department's interest in the study.

What we have in mind is set out in the attached paper: "Proposal for Quality of Life Comparison Project." We do not believe we could turn to academia or to a foundation to complete such a sweeping project. We believe that DDI is the only group with the capability for doing the thorough job needed to make the project worthwhile. We believe the project would be of significant value to US foreign policy interests and merits a high priority. State would, of course, remain ready to assist in any way possible.

State's continuing concern over this subject was expressed in Ambassador Richard Schifter's speech at the Ottawa Human Rights Experts Meeting in May and in an October 16 telegram to all diplomatic and consular posts on "Countering Soviet Propaganda on Social and Economic Issues." Copies of both are attached. Secretary Shultz was so impressed with Ambassador Schifter's speech that he personally drew upon it in his meetings with General Secretary Gorbachev in Moscow.

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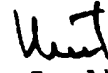
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I have been informally advised that DDO shares our interest in this project. I realize that the real impact in taking on the task would be upon DDI. That is the price of having a good reputation.

Please let me or John know of your decision on the above.



Morton I. Abramowitz

Attachments:

1. Proposal for Quality of Life Comparison Project
2. U.S.-Soviet Quality of Life: A Comparison
3. State telegram 317500 - Countering Soviet Propaganda on Social and Economic Issues.

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SECRET/SENSITIVEProposal For Quality of Life Comparison Project

Over the years the Soviet Union has attempted with considerable success to portray its social and economic system as superior to the pluralist, mixed market systems in the West. The Soviets criticize us for unemployment, crime, and racism while emphasizing Soviet guarantees of jobs, free medical care, subsidized housing, universal literacy and social equality. This propaganda line has helped advance Soviet interests in the Third World and elsewhere. Gorbachev is now using it increasingly to deflect Western criticisms of the Soviet human rights record.

Unfortunately, we in the West have not done nearly enough to counter this Soviet propaganda line. This is doubly unfortunate given the fact that the performance of the Soviet Union and its allied countries on social and economic issues is not a selling point for their system, but its Achilles Heel. The Soviet Union, for example, is plagued by chronic shortages of the most basic commodities, by falling life expectancy due to alcohol abuse and inadequate health care, by cramped and dilapidated housing and by widespread political and economic corruption. These problems, moreover, are endemic to command economic systems and are shared in varying degrees by every single country that has chosen or been forced to follow the Soviet model.

Recently we have begun overt efforts to counter this propaganda line. At the Ottawa Human Rights Experts Meeting in May we compared the United States and the Soviet Union on a variety of quality of life indicators, including per capita living standards, housing, agriculture and medical care. We raised systemic Soviet economic problems, chronic consumer shortages, the black market, widespread corruption, discrimination against women, epidemic alcohol abuse, increasing death rates and the Soviet privileged class, the Nomenklatura. A decidedly weak and flustered Soviet response confirmed the effectiveness of this kind of comparison.

We are now in the process of trying to disseminate these materials more widely. We would like to see world public opinion as knowledgeable concerning the failure of the Soviet social and economic system as it now is regarding Soviet human rights abuses.

We do not believe this can be done simply by publicizing U.S.-Soviet comparisons on quality of life indicators. What we believe needs to be done is to show conclusively that countries

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which follow the Soviet social and economic model invariably do worse than countries which follow the mixed-market route. This would decisively refute claims - echoed even among the Western left - that command economies serve Third World countries better than mixed-market ones do. Cuba, for example, has long been pointed to as an example of how a command economy can be made to work, although this is manifestly not the case. If we could ram this message home worldwide, we could eliminate much of the attraction left-wing systems still enjoy in the minds of impressionable Third World and Western European youth. The effect on Soviet and Eastern European audiences would also be considerable.

What we propose is a major research project comparing the relative success of countries under command and mixed market economies. Certain countries such as West Germany and East Germany, Austria and Czechoslovakia, and North and South Korea, and perhaps Cuba and Venezuela would constitute natural pairs, ripe for comparison. Other pairs could be chosen on the basis of having begun from essentially the same social and economic base at the same point in time, tracing their respective developments under command as opposed to mixed market economies. Third World countries would certainly have to be included. The indices chosen for inclusion in the comparison would be broad economic indicators as well as the quality of life categories highlighted at the Ottawa meeting.

Given the broad sweep of this project, we do not believe it could be done effectively in academia or by a foundation. The only group with the manpower, access to information and breadth of expertise world wide to do the job as it needs to be done is DDI. While we recognize that DDI has its own agenda, we regard this project as of the first importance. We urge the Agency to undertake this project on a high priority basis and we propose May 1, 1986 as a reasonable completion date.

For a final product, we would like to see a detailed, readable classified study, which we could subsequently launder, declassify and release as an internal Department of State document. In the initial planning stages of the project, we would propose that your DDI people sit down with our expert in the Office of Soviet Union Affairs who could give them a full read out on what we as end-users are looking for.

Attached is a copy of the U.S.-Soviet quality of life comparison speech given by Ambassador Richard Schifter at the Ottawa Human Rights Experts Meeting in May. Also attached is a recent cable to all diplomatic and consular posts on countering

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-3-

Soviet propaganda on social and economic issues. This cable contains talking points prepared for Ottawa, including updated information and points on topics such as crime not used at Ottawa.

Attachments:
As stated.

Wang #3312n

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Department of State

TELEGRAM

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ORIGIN EUR-08

0854 EUR4985

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ORIGIN OFFICE SOBI-03

INFO PMP-01 EUR-05 PMA-01 PMD-01 REA-01 RPE-01 DECD-01 EWEA-01
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 SP-02 SPD-01 /069 R

DRAFTED BY EUR/SOV: JRSCHMIDT
 APPROVED BY EUR:RLRIDGWAY
 EUR/SOV: LDESELL
 EUR/SOV: MRPARRIS
 EUR: MPALMER
 P: WMCOURTNEY
 NA/HR: BCONNUCK
 NSC: WPEARSON
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 S/S-O: JANDRES

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 FM SECSTATE WASHDC
 TO ALL DIPLOMATIC AND CONSULAR POSTS

C O N F I D E N T I A L STATE 317500

INFORM CONSULS

C O R R E C T E D C O P Y (TAGS LINE OMITTED)

E.O. 12356: DECL: OADR
 TAGS: PHUM, SOCI, PROP, ECON, EAGR, PREL, UR
 SUBJECT: COUNTERING SOVIET PROPAGANDA ON SOCIAL AND
 ECONOMIC ISSUES

1. (C) THIS IS AN ACTION MESSAGE CONTAINING SUGGESTIONS
 FOR COUNTERING SOVIET PROPAGANDA ON SOCIAL AND ECONOMIC
 ISSUES.

2. (C) OVER THE YEARS THE SOVIET UNION HAS ATTEMPTED TO
 PORTRAY ITS SOCIAL AND ECONOMIC SYSTEM AS SUPERIOR TO THE
 PLURALIST, MIXED-MARKET SYSTEMS FOUND IN THE WEST.
 SOVIET PROPAGANDA TYPICALLY CRITICIZES THE WEST, AND
 PARTICULARLY THE UNITED STATES, FOR UNEMPLOYMENT, CRIME,
 AND RACISM WHILE EMPHASIZING SOVIET GUARANTEES OF JOBS,
 FREE MEDICAL CARE, AND SUBSIDIZED HOUSING. THIS
 PROPAGANDA LINE HAS ENJOYED SOME SUCCESS IN THE THIRD WORLD
 AND ELSEWHERE, AND HAS HELPED THE SOVIETS TO DEFLECT
 WESTERN CRITICISMS OF THE SOVIET HUMAN RIGHTS RECORD.

3. (C) RECENTLY, THE DEPARTMENT HAS BEGUN TO CONSIDER
 WAYS TO BETTER COUNTER SOVIET PROPAGANDA ON SOCIAL AND
 ECONOMIC ISSUES. WE PREPARED MATERIALS FOR USE AT THE
 OTTAWA CSCE HUMAN RIGHTS EXPERTS MEETING IN MAY THAT
 REBUT SOVIET CLAIMS OF SUPERIORITY ON SOCIAL AND ECONOMIC
 ISSUES. THESE MATERIALS COMPARE THE UNITED STATES AND
 THE SOVIET UNION ON A VARIETY OF QUALITY OF LIFE
 INDICATORS, INCLUDING PER CAPITA LIVING STANDARDS,
 HOUSING, AGRICULTURE AND MEDICAL CARE. OTHER AREAS
 COVERED INCLUDED SYSTEMIC SOVIET ECONOMIC PROBLEMS,
 CHRONIC CONSUMER SHORTAGES, THE BLACK MARKET, WIDESPREAD
 CORRUPTION, CRIME, DISCRIMINATION AGAINST WOMEN, EPIDEMIC

ALCOHOL ABUSE, INCREASING DEATH RATES AND HIGH INFANT MOR-
 TALITY, AND THE SOVIET PRIVILEGED CLASS, THE NCMENKLATURA. THESE
 MATERIALS FORMED THE CORE OF A REBUTTAL STATEMENT DELIVERED BY
 U.S. HEAD OF DELEGATION AMBASSADOR RICHARD SCHIFTER AT OTTAWA ON
 MAY 22. A DECIDEDLY WEAK AND FLUSTERED SOVIET RESPONSE TO THE
 STATEMENT CONFIRMED ITS EFFECTIVENESS.

4. (C) REPRINTED BELOW, AS TALKING POINTS, ARE THE
 MATERIALS PREPARED FOR USE AT OTTAWA. THEY INCLUDE
 POINTS, ON SOVIET CRIME AND OTHER SUBJECTS, NOT USED AT
 OTTAWA. POSTS ARE ENCOURAGED TO DRAW ON THEM AS
 APPROPRIATE IN DISCUSSIONS WITH HOST COUNTRY OFFICIALS,
 JOURNALISTS, ACADEMICS, MEMBERS OF THE DIPLOMATIC
 COMMUNITY AND OTHER HOST COUNTRY OPINION MAKERS.

5. (C) AMBASSADOR SCHIFTER'S OTTAWA STATEMENT, ENTITLED
 "U.S.-SOVIET QUALITY OF LIFE: A COMPARISON", HAS ITSELF
 BEEN PUBLISHED AS NO. 713 IN THE BUREAU OF PUBLIC
 AFFAIRS' CURRENT POLICY SERIES. POSTS MAY WISH TO
 PROVIDE SELECTED HOST COUNTRY CONTACTS WITH COPIES OF THE
 STATEMENT. ADDITIONAL COPIES CAN BE ORDERED FROM
 PA/OAP. POSTS ARE ENCOURAGED TO CONTACT THE DEPARTMENT
 WITH ANY SUGGESTIONS OR QUESTIONS REGARDING THE
 APPROPRIATE USE OF THESE MATERIALS. REPORTING CABLES ARE
 ALSO WELCOME. CURRENT PLANS ARE TO UPDATE THESE
 MATERIALS ON A REGULAR BASIS AND MAKE THEM AVAILABLE TO
 POSTS.

6. (U) BEGIN TALKING POINTS: CONSUMPTION AND OVERALL
 STANDARD OF LIVING

-- IN THE EARLY 1960'S, SOVIET LEADER KHRUSHCHEV
 BOASTED THAT THE SOVIET UNION WOULD SURPASS THE UNITED
 STATES IN LIVING STANDARDS BY 1980.

-- TODAY, 55 YEARS AFTER KHRUSHCHEV SPOKE AND 67 YEARS
 AFTER THE OCTOBER REVOLUTION, THE SOVIET STANDARD OF
 LIVING, MEASURED IN TERMS OF PER CAPITA CONSUMPTION,
 REMAINS BARELY ONE THIRD OF THE U.S. LEVEL. INDEED,
 SOVIET LIVING STANDARDS ARE MUCH LOWER THAN IN ANY
 DEVELOPED WESTERN COUNTRY.

-- A RECENT STUDY DONE FOR THE NATIONAL COUNCIL FOR
 SOVIET AND EAST EUROPEAN RESEARCH INDICATES THAT THE
 AVERAGE SOVIET CITIZEN LIVES CONSIDERABLY BELOW THE U.S.
 POVERTY LINE.

-- EQUALLY DRAMATIC COMPARISONS CAN BE MADE BETWEEN THE
 AVERAGE SOVIET CITIZEN AND THE AVERAGE UNEMPLOYED WORKER
 IN THE UNITED STATES. IN THE RECESSION YEAR OF 1982, FOR
 EXAMPLE-THE WORST SINCE WORLD WAR II-THE MEDIAN PER
 CAPITA INCOME FOR UNEMPLOYED WORKERS IN THE UNITED STATES
 WAS \$600 DOLLARS. THE AVERAGE INCOME OF A FAMILY WITH AN
 UNEMPLOYED WORKER WAS 20,000 DOLLARS. WHILE IT IS TRUE
 THAT SUCH AN INCOME IN MANY CASES REPRESENTED A
 SUBSTANTIAL DECLINE IN LIVING STANDARDS, IT IS ALSO TRUE
 THAT A SOVIET FAMILY LIVING ON THE EQUIVALENT OF 20,000
 DOLLARS WOULD NUMBER AMONG THE SOVIET ECONOMIC ELITE.

-- THE LIMITED SUCCESS THE SOVIET ECONOMY HAD ENJOYED
 IN THE PAST WAS DEPENDENT ON CONSTANT ADDITIONS TO THE
 LABOR FORCE AND ON THE AVAILABILITY OF PLENTIFUL AND
 INEXPENSIVE RESOURCES. NOW THAT THE SOVIET UNION HAS
 USED UP ITS SURPLUS LABOR POOL AND ITS RESOURCES ARE MORE
 COSTLY, ITS GROWTH RATES HAVE PLUMMETED.

-- THE SOVIET UNION, IN FACT, IS NO LONGER CLOSING THE
 GAP BETWEEN ITSELF AND THE DEVELOPED WEST. INDEED, THE
 GAP IN PER CAPITA CONSUMPTION HAS REMAINED CONSTANT OR
 WIDENED OVER THE PAST DECADE AND MOST ECONOMISTS PREDICT

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Department of State

TELEGRAM

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THAT IT WILL FURTHER WIDEN IN THE FUTURE.

7. (U) SYSTEMIC ECONOMIC PROBLEMS (SHORTAGES AND CORRUPTION)

-- THE SOVIET ECONOMY IS CHARACTERIZED BY PERVASIVE SHORTAGES OF CONSUMER GOODS AND THE WIDESPREAD CORRUPTION THESE SHORTAGES GENERATE. THESE FEATURES, MOREOVER, ARE NOT TEMPORARY PROBLEMS WHICH WILL SOLVE THEMSELVES THROUGH CONTINUED PROGRESS OVER TIME. THEY ARE PROBLEMS ENDEMIC TO THE SOVIET SYSTEM OF CENTRALIZED ECONOMIC PLANNING. THIS SYSTEM, BASED ON THE NOTION THAT A SMALL GROUP OF PLANNERS CAN EFFICIENTLY ALLOCATE RESOURCES FOR AN ENTIRE ECONOMY, HAS CREATED INSTEAD AN ECONOMY OF BOTTLENECKS, SHORTAGES AND WASTE.

-- IN THE SOVIET UNION, UNLIKE ANYWHERE IN THE DEVELOPED WEST, THE MOST BASIC CONSUMER GOODS ARE IN CONTINUOUS SHORT SUPPLY AND RATIONING REMAINS A COMMON FACT OF SOVIET LIFE. THE SITUATION HAS BEEN SO BAD IN SOME LOCALITIES IN RECENT YEARS THAT FOOD RIOTS HAVE REPORTEDLY OCCURRED.

-- IN 1981, IZVESTIA REPORTED THE INTRODUCTION OF RATIONING FOR SOME CONSUMER STAPLES IN TWELVE MAJOR SOVIET CITIES, INCLUDING IRKUTSK, KAZAN, TBILISI, VOLOGDA, AND NABEREZHNYE CHELNY (NOW CALLED BREZHNEV). MEAT AND BUTTER HAVE BOTH BEEN FORMALLY RATIONED IN THE CITY OF SVERDLOVSK AND ITS SURROUNDING VILLAGES FOR SEVERAL YEARS. PRESUMABLY, THE SAME IS TRUE OF MANY OTHER AREAS CLOSED TO FOREIGN VISITORS.

-- THE LONG LINES OF PEOPLE QUEUING FOR SCARCE ITEMS ON SOVIET CITY STREETS HAVE BECOME FAMOUS THROUGHOUT THE WORLD. THE PRODUCTION AND DISTRIBUTION SYSTEM IS SO CAPRICIOUS THAT IT IS IMPOSSIBLE TO TELL WHAT WILL BE AVAILABLE FROM ONE DAY TO THE NEXT. THIS IS WHY SOVIET HOUSEWIVES FREQUENTLY JOIN LINES WITHOUT ENQUIRING WHAT IS FOR SALE. THEY SIMPLY ASSUME THEY HAD BETTER GET WHATEVER IT IS WHILE IT'S AVAILABLE.

-- THIS IS ALSO ONE IMPORTANT CAUSE OF SOVIET PRODUCTIVITY PROBLEMS, SINCE IN ADDITION TO HOUSEWIVES, EMPLOYEES OF BOTH SEXES COMMONLY TAKE UNAUTHORIZED ABSENCES FROM THEIR JOBS TO CHASE AFTER SCARCE NECESSITIES.

-- THESE ENDLESS SHORTAGES FORCE THE AVERAGE SOVIET FAMILY TO SPEND TWO HOURS SHOPPING EVERY DAY JUST TO OBTAIN THE BASIC NECESSITIES OF LIFE.

-- THE ENDLESS WAITING IS BAD ENOUGH, BUT THE SOVIET CONSUMER OFTEN FINDS THAT THE PRODUCT WAITING FOR HIM AT THE FRONT OF THE LINE IS HARDLY WORTH THE WAIT. THE QUALITY, VARIETY AND DESIGN OF THE CONSUMER GOODS AVAILABLE IN THE SOVIET UNION ARE, IN FACT, NOTORIOUSLY POOR BY BOTH WESTERN AND EAST EUROPEAN STANDARDS, AND RETAIL TRADE AND PERSONAL SERVICE FACILITIES ARE SCARCE, PRIMITIVE AND INEFFICIENT.

-- AS ONE MIGHT EXPECT, THE CHRONIC SHORTAGE OF BASIC CONSUMER GOODS HAS FOSTERED THE CREATION OF AN ENORMOUS BLACK MARKET IN SCARCE ITEMS. THIS HAS IN TURN LED TO WIDESPREAD OFFICIAL CORRUPTION, AS PERSONS WITH ADMINISTRATIVE CONTROL OVER SCARCE COMMODITIES DIVERT THEM FOR PERSONAL GAIN.

-- CORRUPTION EXISTS IN ALL SOCIETIES, BUT IN THE SOVIET UNION IT IS A PERVASIVE AND NORMAL PART OF LIFE. STEALING FROM THE STATE IS SO COMMON THAT THE SOVIET

PEOPLE HAVE COME TO TAKE IT FOR GRANTED. ANECDOTES ABOUT CORRUPTION AND BRIBERY HAVE BECOME A STAPLE OF SOVIET HUMOR.

-- THE LEADERS OF THE SOVIET UNION ARE AWARE OF THE PROBLEM, OF COURSE. ANDROPOV, AND NOW GORBACHEV, HAVE MADE A CRACKDOWN ON CORRUPTION A MAJOR ELEMENT OF THEIR DOMESTIC POLICIES. IT HAS BEEN FREQUENTLY RAISED AT PARTY PLENUMS AND THE SOVIET MEDIA IS REPLETE WITH STORIES OF CORRUPTION, BRIBERY AND THE EXECUTIONS OF THOSE UNFORTUNATE ENOUGH TO BE SELECTED AS EXAMPLES OF EQUAL JUSTICE UNDER LAW. WHAT THE SOVIET LEADERSHIP SEEMINGLY FAILS TO REALIZE OR SIMPLY WILL NOT FACE IS THAT AN ECONOMY OF SHORTAGES INEVITABLY BREEDS CORRUPTION.

-- SOME WESTERN ECONOMISTS ESTIMATE THAT AS MUCH AS 25 PERCENT OF THE SOVIET GROSS NATIONAL PRODUCT MAY BE DIVERTED TO BLACK MARKET PURPOSES EVERY YEAR. EVEN THE SOVIET AUTHORITIES DO NOT DENY THE PERVASIVENESS OF THE BLACK MARKET ECONOMY. AN ARTICLE IN THE AUGUST 19, 1985 EDITION OF IZVESTIYA, FOR EXAMPLE, REPORTED THAT APPROXIMATELY HALF OF ALL CONSUMER SERVICES IN ESTONIA ARE PROVIDED BY ILLEGAL PRIVATEERS.

-- IT MUST BE EMPHASIZED ONCE AGAIN THAT THE CHRONIC SHORTAGES AND WIDESPREAD CORRUPTION WHICH CHARACTERIZE CONTEMPORARY SOVIET LIFE ARE FUNDAMENTAL FEATURES OF THE SOVIET ECONOMIC SYSTEM. THEY REFLECT THE SYSTEMIC INFLEXIBILITY OF A CENTRALIZED ECONOMIC PLANNING SYSTEM WHICH BREEDS BOTTLENECKS AND INEFFICIENCIES.

-- THE SOVIET CONSUMER IS FURTHER DISADVANTAGED BY THE HISTORICAL SOVIET PREFERENCE FOR SPENDING ON DEFENSE AND HEAVY INDUSTRY AT THE EXPENSE OF THE CONSUMER SECTOR.

-- SOVIET PER CAPITA SPENDING FOR DEFENSE, FOR EXAMPLE, IS, IN RELATIVE TERMS, TWICE AS HIGH AS IN ANY DEVELOPED WESTERN COUNTRY. WE ESTIMATE THAT THE SOVIET UNION SPENDS 14 PERCENT OF ITS GNP ON DEFENSE, COMPARED TO ONLY 7 PERCENT FOR THE UNITED STATES.

-- GIVEN THESE SYSTEMIC ECONOMIC PROBLEMS AND EMPHASIS ON HEAVY INDUSTRY AND WEAPONS PROCUREMENT, IT IS LITTLE WONDER THAT SOVIET AUTHORITIES AND PRESS COMMENTATORS CHRONICALLY COMPLAIN ABOUT THE EVILS OF "CONSUMERISM," AND AGAINST THE EXCESSIVE ACCUMULATION OF MATERIAL GOODS.

8. (U) SOVIET AGRICULTURE

-- THE SOVIET SYSTEM OF COLLECTIVIZED AGRICULTURE ALSO CONTRIBUTES TO THE HARSHNESS OF SOVIET LIFE. MUCH OF THE PROBLEM IN FOOD SUPPLY, FOR EXAMPLE, STEMS FROM THE LOW PRODUCTIVITY OF COLLECTIVIZED SOVIET AGRICULTURE. AS IS WELL KNOWN, THE FORCED COLLECTIVIZATION OF AGRICULTURE IN THE EARLY 1930'S DIVESTED SOVIET FARMERS OF THEIR LAND. WHAT IS NOT SO WELL KNOWN IS THAT THE BRUTAL CONFISCATION OF GRAIN SUPPLIES THAT ACCOMPANIED IT RESULTED IN A WIDESPREAD FAMINE THAT KILLED AS MANY AS SIX MILLION OF THEM IN THE UKRAINE ALONE. COLLECTIVIZATION NOT ONLY KILLED SIX MILLION PEOPLE, BUT IT PERMANENTLY CRIPPLED SOVIET AGRICULTURE.

-- THE SOVIET UNION, IN PRE-REVOLUTIONARY DAYS THE WORLD'S LARGEST GRAIN EXPORTER, IS NOW THE WORLD'S LARGEST GRAIN IMPORTER.

-- 20 PERCENT OF THE SOVIET WORK FORCE WORKS IN AGRICULTURE AS COMPARED TO 3 PERCENT IN THE UNITED STATES. YET THE SOVIETS OFTEN HAVE TO IMPORT UP TO 25 PERCENT OF THEIR GRAIN. AMERICAN FARMERS, WHO OWN THEIR

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OWN LAND, ARE TEN TIMES MORE PRODUCTIVE THAN THEIR SOVIET COUNTERPARTS.

-- EACH YEAR APPROXIMATELY 20 PERCENT OF THE GRAIN, FRUIT, AND VEGETABLE HARVEST, AND AS MUCH AS 50 PERCENT OF THE POTATO CROP PERISHES BECAUSE OF POOR STORAGE, TRANSPORTATION AND DISTRIBUTION TECHNIQUES.

-- EVEN THOUGH PRIVATE PLOTS IN THE SOVIET UNION OCCUPY ONLY 4 PERCENT OF THE COUNTRY'S ARABLE LAND, THEY ACCOUNT FOR ABOUT 60 PERCENT OF THE COUNTRY'S PRODUCTION OF POTATOES AND HONEY, OVER 40 PERCENT OF ITS FRUITS, BERRIES AND EGGS, AND ABOUT 30 PERCENT OF ITS MEAT, MILK, AND VEGETABLES. PRIVATE PLOTS, IN FACT, PRODUCE 25 PERCENT OF THE SOVIET UNION'S TOTAL CROP OUTPUT.

9. (U) HOUSING

-- HOUSING IN THE SOVIET UNION IS IN AS SHORT SUPPLY AS MOST CONSUMER GOODS.

-- AT LEAST TWENTY PERCENT OF ALL URBAN FAMILIES STILL SHARE KITCHEN AND TOILET FACILITIES WITH OTHER FAMILIES. FIVE PERCENT MORE LIVE IN FACTORY DORMITORIES. YOUNG MARRIED COUPLES ARE TYPICALLY FORCED TO LIVE WITH THEIR PARENTS AND MUST WAIT YEARS FOR HOUSING OF THEIR OWN.

-- THE HOUSING THAT DOES EXIST IS EXTREMELY CRAMPED, MORE SO THAN IN ANY OTHER DEVELOPED COUNTRY IN THE WORLD. THE AVERAGE SOVIET HAS 14 SQUARE METERS OF LIVING SPACE, FOR EXAMPLE, COMPARED TO THE 49 SQUARE METERS AVAILABLE TO THE AVERAGE AMERICAN. THIS MEANS THAT THERE ARE APPROXIMATELY TWO PEOPLE FOR EVERY ROOM IN THE SOVIET UNION, COMPARED WITH TWO ROOMS FOR EVERY PERSON IN THE UNITED STATES.

-- SOVIET STATISTICS REVEAL THAT IN 1963, 32 PERCENT OF ALL URBAN HOUSING HAD NO HOT WATER, 23 PERCENT WAS WITHOUT GAS, 19 PERCENT WITHOUT INDOOR BATHS, 12 PERCENT WITHOUT CENTRAL HEATING, 11 PERCENT WITHOUT SEWAGE FACILITIES AND 9 PERCENT WITHOUT WATER.

-- THE HOUSING SITUATION IS WORSE IN THE COUNTRYSIDE, AND CONTAINS MANY FEATURES REMINISCENT OF THE 19TH CENTURY -- OR EVEN THE 18TH. THERE, FOR THE MOST PART, HEATING IS WITH FIREPLACES, FOOD IS COOKED ON WOOD STOVES OR IN WOOD-FIRED OVENS, OUTHOUSES PROVIDE THE TOILET FACILITIES, WATER FREQUENTLY IS FROM A WELL.

-- ALTHOUGH THERE HAS BEEN CONSIDERABLE NEW HOUSING BUILT IN THE SOVIET UNION IN RECENT YEARS, ALMOST ALL OF IT CONSISTS OF CHEAPLY AND SHODDILY CONSTRUCTED HIGH-RISE APARTMENT BUILDINGS WHICH ARE EVEN MORE POORLY MAINTAINED. MOREOVER, NEW BUILDING LAGS CONSIDERABLY BEHIND THE INCREASE IN NEW HOUSEHOLDS.

-- AT THE CURRENT RATE OF BUILDING, IGNORING THE FACT THAT POORLY CONSTRUCTED SOVIET HOUSING RAPIDLY DETERIORATES, THE PER CAPITA SPACE AVAILABLE TO SOVIET CITIZENS WILL BEGIN TO APPROACH THE WESTERN STANDARD IN APPROXIMATELY 150 YEARS.

-- SOVIET HOUSING WOES SHOULD COME AS NO SURPRISE GIVEN THE FACT THAT THE SOVIET UNION SPENDS LESS THAN ONE FIFTH AS MUCH ON HOUSING AS THE UNITED STATES AND WELL UNDER HALF OF WHAT IS SPENT IN SPAIN AND JAPAN.

10. (U) SOVIET WOMEN

-- WOMEN IN THE SOVIET UNION USUALLY OCCUPY THE LOWEST

STATUS AND LOWEST PAYING JOBS IN SOVIET SOCIETY. ONE-THIRD OF ALL WORKING SOVIET WOMEN, FOR EXAMPLE, ARE EMPLOYED AS AGRICULTURAL LABORERS. BY CONTRAST, ONLY 1.5 PERCENT OF AMERICAN WOMEN ARE SO EMPLOYED.

-- SOVIET AUTHORITIES OFTEN POINT TO THE LIBERAL MATERNITY BENEFITS ACCORDED TO SOVIET WOMEN. YET THE SOVIET UNION IS CURRENTLY SUFFERING FROM A SEVERE LABOR SHORTAGE BROUGHT ON BY DECLINING BIRTH RATES. THIS REDUCTION IN BIRTH RATES, IN TURN, IS DUE TO THE EXTRAORDINARILY HIGH ABORTION RATE. THE AVERAGE SOVIET WOMAN HAS BETWEEN FIVE AND SEVEN ABORTIONS PER CHILD BEARING LIFETIME. THE FACT IS THAT THE LOW SOVIET STANDARD OF LIVING COMPELS WOMEN TO WORK TO SUPPLEMENT THE FAMILY INCOME. MATERNITY BENEFITS, WITH EXTRA MOUTHS TO FEED AND BODIES TO CLOTHE, ARE, IN MANY INSTANCES, SIMPLY NOT ENOUGH TO ENCOURAGE A FAMILY TO LET A CHILD BE BORN.

-- UNLIKE SOVIET MEN, THE WORKING DAY OF A SOVIET WOMAN DOES NOT END AS SHE LEAVES THE FIELD OR FACTORY. SOVIET WOMEN ARE EXPECTED TO DO THE COOKING AND THE HOUSEWORK AND THE WAITING IN LINE.

-- IN THE WEST, WOMEN HAVE EFFECTIVELY BANDED TOGETHER TO FIGHT DISCRIMINATION AND SEXISM, BUT SOVIET WOMEN HAVE NO ACCESS TO EFFECTIVE POLITICAL POWER. IN ITS ENTIRE HISTORY, ONLY ONE WOMAN HAS EVER SERVED ON THE POLITBURO; NONE SERVES THERE NOW. FEWER THAN FIVE PER CENT OF CENTRAL COMMITTEE MEMBERS AND ONLY ONE QUARTER OF COMMUNIST PARTY MEMBERS ARE FEMALE.

-- IN THE LATE 1970'S THE SOVIET AUTHORITIES CRUSHED A DISSIDENT ORGANIZATION OF FEMINIST ACTIVISTS - CENTERED AROUND THE SAMIZDAT JOURNAL "MARIYA" - WHO HAD BANDED TOGETHER TO PUBLICIZE THE PLIGHT OF WOMEN IN SOVIET SOCIETY.

11. (U) HEALTH CARE

-- SOVIET AUTHORITIES ARE OFTEN FOND OF POINTING OUT THAT HEALTH CARE IN THE SOVIET UNION IS FREE. AS WITH SO MUCH THAT IS FREE OR SUBSIDIZED IN THE SOVIET UNION, HOWEVER, YOU GET WHAT YOU PAY FOR.

-- ALTHOUGH THERE ARE PLENTY OF BEDS IN SOVIET HOSPITALS, THE PEOPLE WHO LIE IN THEM LEAD A PRECARIOUS EXISTENCE. ONE THIRD OF THEM, FOR EXAMPLE, DEVELOP POST-OPERATIVE INFECTIONS DUE TO UNSANITARY CONDITIONS IN THE OPERATING ROOM. THREE PERCENT IS CONSIDERED HIGH IN THE WEST.

-- THE DOCTORS WHO CARE FOR THEM, MOREOVER, ARE POORLY TRAINED BY WESTERN STANDARDS. MEDICINE IS NOT A HIGH-PRESTIGE OCCUPATION IN THE SOVIET UNION AND DOCTORS ARE AMONG THE LOWEST PAID WORKERS IN SOVIET SOCIETY. SIGNIFICANTLY, 70 PERCENT OF THESE LOW-PAID PHYSICIANS ARE WOMEN.

-- SOVIET MEDICINE IS NOT IMMUNE TO THE SAME SHORTAGES THAT AFFLICT THE REST OF SOVIET SOCIETY. MEDICAL EQUIPMENT AND MANY MEDICINES ARE IN EXTREMELY SHORT SUPPLY. ONE THIRD OF ALL SOVIET HOSPITALS, FOR EXAMPLE, DO NOT HAVE ADEQUATE FACILITIES FOR BLOOD TRANSFUSIONS. BASIC ITEMS SUCH AS BANDAGES AND ASPIRIN ARE OFTEN DIFFICULT TO FIND. FOOD RATIONS ARE SO SMALL THAT PATIENTS MUST SUPPLEMENT THEIR DIET WITH FOOD FROM HOME.

-- IN NOVOSIBIRSK, FOR EXAMPLE, WHICH IS HOME TO MANY LEADING SOVIET ACADEMIC INSTITUTES AND WHERE ONE WOULD

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EXPECT SUPPLIES TO BE SIGNIFICANTLY BETTER THAN NORMAL, ONLY 11 PERCENT OF THE 216 DRUGS ON THE LIST OF MEDICATIONS TO BE PRESCRIBED IN THE EVENT OF SPECIFIC ILLNESSES ARE ACTUALLY AVAILABLE.

12. (U) ALCOHOLISM AND INCREASING DEATH RATES

-- ALTHOUGH THESE PROBLEMS IN THEIR HEALTH CARE DELIVERY SYSTEM ARE SERIOUS, THEY ARE NOT THE MOST SERIOUS MEDICAL PROBLEM FACING THE SOVIET UNION TODAY. DRAMATICALLY, OVER THE COURSE OF THE PAST TWO DECADES A SIGNIFICANT DETERIORATION HAS OCCURRED IN THE OVERALL HEALTH STATUS OF THE SOVIET POPULATION.

-- STATISTICS AND STUDIES SHOW, AND SOVIET AUTHORITIES DO NOT DENY, THAT THERE HAS BEEN AN INCREASE IN SOVIET DEATH AND MORBIDITY RATES OVER THE PAST TWENTY YEARS. THE LIFE EXPECTANCY OF SOVIET MALES HAS DECREASED DURING THAT PERIOD BY MORE THAN FOUR YEARS, FROM 66 IN THE MID-1960'S TO UNDER 62 YEARS TODAY. RECENT STUDIES INDICATE THIS FIGURE MAY EVEN HAVE FALLEN TO AS LOW AS 56 YEARS. IN THE UNITED STATES DURING THE SAME PERIOD, MALE LIFE EXPECTANCY INCREASED FROM 66 TO 71 YEARS. INFANT MORTALITY IN THE USSR HAS INCREASED FROM 26.2 PER 1,000 LIVE BIRTHS IN 1971 TO PERHAPS 40 PER 1,000 TODAY. U.S. INFANT MORTALITY DURING THE SAME PERIOD HAS DECREASED FROM 24.7 PER 1,000 TO 10.7.

-- THE SOVIET FIGURE FOR INFANT MORTALITY IS NECESSARILY AN ESTIMATE SINCE SOVIET AUTHORITIES STOPPED PUBLISHING INFANT MORTALITY STATISTICS AFTER 1974 WHEN THE RATE HAD REACHED 31.9 PER 1,000, ALREADY MUCH HIGHER THAN IN ANY DEVELOPED WESTERN COUNTRY.

-- THE SOVIETS HAVE ALSO STOPPED PUBLISHING LIFE

EXPECTANCY FIGURES. THE REASON WHY THEY HAVE DONE SO IS OBVIOUS ENOUGH. THE DECREASE IN MALE LIFE EXPECTANCY AND THE INCREASE IN INFANT MORTALITY IN THE SOVIET UNION ARE HISTORIC EVENTS. NEVER BEFORE HAS A DEVELOPED, INDUSTRIALIZED NATION SUFFERED A DECLINE IN THESE DEMOGRAPHIC INDICATORS IN TIME OF PEACE.

-- THE REASONS FOR THIS DECLINE ARE EVEN MORE DISTURBING FOR ANYONE TEMPTED TO LOOK TO COMMUNISM AS A MODEL FOR SOCIAL AND ECONOMIC DEVELOPMENT.

-- FACTORS SUCH AS POOR HEALTH CARE, INCREASED SMOKING AND FREQUENTLY UNREGULATED INDUSTRIAL POLLUTION ARE IMPORTANT, BUT PERHAPS THE MOST IMPORTANT CONTRIBUTOR IS ALCOHOL. SOME STATISTICS WILL MAKE CLEAR THE STAGGERING IMPLICATIONS OF THE USE OF ALCOHOL IN THE SOVIET UNION.

-- THE SOVIET UNION RANKS FIRST IN THE WORLD IN THE PER CAPITA CONSUMPTION OF HARD LIQUOR, MUCH OF IT IN THE FORM OF HOME-BREWED MOONSHINE KNOWN AS "SAMOGON." (PRONOUNCED SANM'-OH-GOHN) ALCOHOL CONSUMPTION IN THE SOVIET UNION HAS RISEN AN AVERAGE OF 4.5 PERCENT A YEAR OVER THE PAST 25 YEARS. THAT MEANS THAT IN TWO AND A HALF DECADES ALCOHOL CONSUMPTION HAS MORE THAN DOUBLED.

-- THE DEATH RATE FROM ALCOHOL POISONING ALONE IN THE SOVIET UNION IS 88 TIMES THE U.S. RATE, AND ALCOHOL AND ITS EFFECTS MAY BE THE LEADING CAUSE OF DEATH AMONG SOVIET MALES.

-- ALCOHOL ABUSE IN THE SOVIET UNION IS NOT SIMPLY A MALE PROBLEM. ALCOHOL ABUSE IS THE THIRD LEADING CAUSE OF ILLNESS AMONG SOVIET WOMEN AND IS AN IMPORTANT FACTOR IN BOTH THE RISING NUMBER OF BIRTH DEFECTS AND THE

INCREASING INFANT MORTALITY RATE.

-- BY 1980 THE NET SOCIAL COST OF ALCOHOL ABUSE IN DECREASED LABOR PRODUCTIVITY IN THE SOVIET UNION AMOUNTED TO A STAGGERING 8 TO 9 PERCENT OF THE TOTAL NATIONAL INCOME.

-- MUCH OF THE HEAVY DRINKING IN THE SOVIET UNION OCCURS IN THE WORK PLACE. PROFESSOR R. LIRMYAN OF THE SOVIET ACADEMY OF THE USSR MINISTRY OF INTERNAL AFFAIRS, WRITING IN A 1982 ISSUE OF "MOLODDY KOMMUNIST", REPORTED THAT 37 PERCENT OF THE MALE WORK FORCE IS CHRONICALLY DRUNK. NOT SURPRISINGLY, DRUNKENNESS IS THE LEADING CAUSE OF INDUSTRIAL ACCIDENTS.

-- A POLL CITED IN A MARCH 1984 EDITION OF A SOVIET NEWSPAPER, "SOVETSKAYA ROSSIYA" REVEALED THAT HALF THE SOVIET POPULATION REGARDS DRUNKENNESS AS THE NUMBER ONE SOCIAL PROBLEM IN THE SOVIET UNION. 74 PERCENT SAID THEY WERE ALARMED OVER THE EXTENT OF PUBLIC DRUNKENNESS.

-- THESE STATISTICS MAKE CLEAR THAT THE SOVIET UNION NOW SUFFERS FROM AN ALCOHOL ABUSE PROBLEM OF EPIDEMIC PROPORTIONS, SERIOUS ENOUGH TO CAUSE A SIGNIFICANT RISE IN THE NATIONAL DEATH RATE.

-- VITALIY FEDORCHUK, THE SOVIET MINISTER FOR INTERNAL AFFAIRS, INTERVIEWED IN THE AUGUST 29, 1984 ISSUE OF "LITERATURHAYA GAZETA," CANDIDLY ACKNOWLEDGED THAT SOVIET MORTALITY AND SICKNESS RATES HAVE BEEN ON THE INCREASE AND HE SPECIFICALLY CITED ALCOHOL ABUSE AS THE CAUSE.

-- NO ONE FACTOR HAS FORCED THE SOVIET PEOPLE TO DOUBLE THEIR CONSUMPTION OF ALCOHOL. IT IS THE SYSTEM ITSELF WHICH HAS DRIVEN THE SOVIET PEOPLE TO DRINK, WHICH HAS CRAMMED THEM INTO SHABBY, OVERCROWDED APARTMENTS, WHICH HAS FORCED THEM TO SPEND MUCH OF THEIR LIVES WAITING IN LINES FOR SCARCE, LOW-QUALITY MERCHANDISE, WHICH HAS GUARANTEED THEM A JOB, BUT GIVEN THEM NO REASON TO WORK, WHICH HAS ROBBED THEM OF CONTROL OVER THEIR OWN LIVES.

-- THE SOVIET SYSTEM, FAR FROM ENDING INDUSTRIAL ALIENATION, HAS CREATED A STERILE INDUSTRIAL WASTELAND WHICH FAILS TO MEET BASIC HUMAN SPIRITUAL AND MATERIAL NEEDS.

-- RECENTLY, IN MAY 1985, THE SOVIET AUTHORITIES ANNOUNCED YET ANOTHER CAMPAIGN AGAINST THE ABUSE OF ALCOHOL. PRODUCTION IS TO BE CUT BACK, THE DRINKING AGE RAISED, AND PENALTIES AGAINST THE MANUFACTURE OF HOME BREW INCREASED. WHILE IT IS POSSIBLE THAT THESE MEASURES MAY MEET WITH SOME SUCCESS, WE NOTE THAT SIMILAR CAMPAIGNS HAVE ALWAYS FAILED IN THE PAST. ALCOHOL ABUSE IN THE SOVIET UNION IS LIKELY TO REMAIN AN ALARMINGLY SERIOUS PROBLEM UNTIL THE SOVIET LEADERSHIP BEGINS TO COME TO GRIPS WITH THE PROFOUND SOCIAL MALAISE THAT GAVE RISE TO THE PROBLEM IN THE FIRST PLACE.

13. (U) CRIME

-- AS SOVIET AUTHORITIES THEMSELVES ADMIT, ALCOHOL ABUSE HAS ALSO LED TO A STEADILY INCREASING CRIME RATE. THE MYTH THAT IT IS ONLY WESTERN OR DEVELOPING COUNTRIES THAT SUFFER FROM CRIME IS DEVASTATED BY THE FACT THE PRISON POPULATION OF THE SOVIET UNION IS 3 TIMES HIGHER PER CAPITA THAN THAT OF THE UNITED STATES.

-- WE ALSO NOTE THAT, AS WITH LIFE EXPECTANCY AND INFANT MORTALITY, THE SOVIETS DO NOT PUBLISH CRIME STATISTICS. WE KNOW THAT THE SOVIET UNION STOPPED

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PUBLISHING THESE OTHER STATISTICS BECAUSE THEY DEMONSTRATED THE GROWING FAILURE OF THE SOVIET SOCIO-ECONOMIC SYSTEM. IT IS NOT DIFFICULT, THEN, TO SURMISE WHY THE SOVIETS HAVE NEVER PUBLISHED CRIME STATISTICS. IF THEY WANT TO CRITICIZE US FOR CRIME IN THE WEST, LET THEM PUBLISH THEIR OWN CRIME STATISTICS.

SOCIETIES IN WHICH THE RICH FEW LIVE OFF THE NUMBERLESS POOR, THEY ARE UNWITTINGLY HOLDING UP A MIRROR TO THEIR OWN SOCIETY. NO SYSTEM IS WITHOUT FLAWS, BUT WE AT LEAST OFFER THE PROSPECT OF FREEDOM WITH PROSPERITY. THE SOVIET SYSTEM OFFERS NEITHER. END TALKING POINTS SHULTZ

14. (U) INEQUALITY: THE NOMENKLATURA

-- MARXIST-LENINIST IDEOLOGY AFTER ALL CLAIMS TO BE BASED ON THE NOTION OF EGALITARIANISM. THIS, WE ARE TOLD, IS WHAT THE "GREAT OCTOBER REVOLUTION" WAS ALL ABOUT. ONE WOULD THEREFORE EXPECT THAT WHATEVER PROBLEMS THE SOVIET UNION MIGHT HAVE, THE SOVIET AUTHORITIES WOULD ENSURE THAT NO CLASS OR GROUP OR INDIVIDUALS WOULD BE ACCORDED PRIVILEGES NOT AVAILABLE TO OTHER MEMBERS OF SOVIET SOCIETY.

-- BUT THE TRUTH IS THAT THE VARIOUS SOVIET ELITES (THE PARTY, THE MILITARY, THE DIPLOMATIC CORPS, THE SCIENTIFIC-TECHNICAL INTELLIGENTSIA, THE CULTURAL AND SPORTS ESTABLISHMENTS) HAVE DELIBERATELY SHIELDED THEMSELVES FROM THE SOCIAL AND ECONOMIC HARDSHIPS FACED BY THE REST OF THE POPULATION.

-- THE PRIVILEGED 5 PERCENT OF THE SOVIET POPULATION, CALLED THE NOMENKLATURA, HAVE ACCESS TO SPECIAL "CLOSED" STORES THAT ARE SPECIALLY STOCKED WITH FOREIGN GOODS NOT AVAILABLE IN REGULAR STORES, AS WELL AS BOUNTIFUL SUPPLIES OF SOVIET GOODS THAT ARE IN SHORT SUPPLY ELSEWHERE. THE AVERAGE SOVIET CITIZEN IS FORBIDDEN FROM ENTERING THESE STORES, WHICH ARE UNMARKED AND HAVE OPAQUE WINDOWS TO PREVENT THE CURIOUS FROM LOOKING IN.

-- HOUSING SPACE IS ALLOCATED BY STATE AUTHORITIES ON THE BASIS OF SOCIAL STATUS. MANY LEADING SOVIET ORGANIZATIONS HAVE THEIR OWN HOUSING STOCKS WHICH ARE OF GOOD STANDARD AND CENTRALLY LOCATED.

-- THE FOURTH DIRECTORATE OF THE MINISTRY OF HEALTH RUNS A CLOSED SYSTEM OF HOSPITALS, CLINICS AND DISPENSARIES FOR THE SOVIET ELITES, PROVIDING SERVICES FAR BETTER THAN THE LOW QUALITY CARE AVAILABLE TO THE GENERAL POPULATION.

-- THE SOVIET RULING OLIGARCHY ALSO HAS ACCESS TO SUCH SPECIAL BENEFITS AS FOREIGN TRAVEL, AUTOMOBILES, ADMISSION TO THE BEST SCHOOLS, COUNTRY HOUSES, ACCESS TO CULTURAL EVENTS AND PAID VACATIONS IN CHOICE RESORTS, WHICH ARE NOT AVAILABLE TO THE AVERAGE CITIZEN. EVEN THE CENTER LANES OF MAJOR STREETS IN MOSCOW AND OTHER LARGE CITIES ARE CLOSED-OFF FOR THEIR EXCLUSIVE PERSONAL USE.

-- THIS IS THE REALITY OF THE SO-CALLED CLASSLESS, EGALITARIAN SOCIETY THE COMMUNIST LEADERSHIP HAS CREATED.

15. (U) CONCLUSION

-- WE IN THE WEST DO NOT CLAIM TO BE PERFECT. WE HAVE SERIOUS PROBLEMS WHICH DESERVE SERIOUS ATTENTION. BUT DESPITE OUR MANY PROBLEMS, WE BELIEVE THAT WE IN THE WEST, WITH OUR PLURALISTIC, MIXED-MARKET ECONOMIES, HAVE GONE FURTHER TOWARD MEETING BASIC HUMAN SOCIAL AND ECONOMIC ASPIRATIONS THAN THE SOVIET SYSTEM EVER HAS OR EVER WILL.

-- WE TALK OPENLY ABOUT OUR PROBLEMS, WHILE THE SOVIET REACTION IS TO TRY TO HIDE THEIRS AND PRETEND THAT THEY DON'T EXIST. WHEN SOVIET PROPAGANDISTS CRITICIZE THE WEST AS VICTIMIZED BY MONOPOLIES, AND POPULATED BY

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Richard Schifter

U.S.-Soviet Quality of Life: A Comparison



United States Department of State
Bureau of Public Affairs
Washington, D.C.

Following is an address by Ambassador Richard Schifter, head of the U.S. delegation, before the Ottawa Human Rights Experts' Meeting of the Commission on Security and Cooperation in Europe (CSCE), Ottawa, Canada, May 22, 1985.

Ever since this conference began, we have returned, from time to time, to a discussion of what is perceived to be the distinction between political and civil rights on one hand and economic and social rights on the other hand. I shall, therefore, at the outset of this statement, set forth the thoughts of the U.S. delegation on this issue.

Rights of the Individual

Those of us who trace our views of government to the writings of the English and French thinkers of the 18th-century Enlightenment subscribe to the proposition that government derives its mandate from the consent of the governed, such consent being expressed in free elections. The government, thus, reflects the will of the majority. In this context of majority rule, the philosophers on the subject defined certain rights of the individual which are so basic that no government may deprive him of them, irrespective of the size of the popular majority by which it was installed in office. These rights of the individual are what we understand principally under the term "human rights." They define and clarify the fundamental relationship between the individual and his government, and they consist, essentially, of limitations on the powers of government. Like the biblical "Thou shall not," the beginning phrase of the

first amendment to the U.S. Constitution, the beginning phrase of our Bill of Rights, is "Congress shall make no law"—a phrase followed by the subjects on which Congress shall make no law, such as abridgment of freedom of speech or the press.

When we use the term "right," we think of a claim which can be enforced in the courts. The rights guaranteed in the U.S. Constitution, which in CSCE terminology are referred to as political and civil rights, are rights which every citizen can call upon the courts to protect.

We view what are here referred to as economic and social rights as belonging in an essentially different category. They are, as we see it, the goals of government policy in domestic affairs. Government, as we see it, should foster policies which will have the effect of encouraging economic development so as to provide jobs under decent working conditions for all those who want to work at income levels which allow for an adequate standard of living. These goals should be attained in a setting which allows freedom of choice of his work to everyone. For those who are unable to find jobs we provide unemployment compensation and, if that is unavailable, other forms of social assistance. The economic system which is now in place in our country is fully in keeping with the relevant articles of the Universal Declaration of Human Rights.

The U.S. delegation, in selecting issues for discussion at this conference, decided deliberately to limit itself to problems which, though of great concern

to the American public, would not require systemic changes in the Soviet Union to effect correction. Every one of the problems we have raised so far about conditions in countries which describe themselves as Marxist-Leninist could be eliminated while staying within the system.

It so happens, therefore, that the Soviet human rights problems of greatest concern to the American public are the problems which could be most easily solved by the Soviet Union. They concern, as we have pointed out, the incarceration of persons guilty only of giving expression to their thoughts, the persecution of religious believers, the commitment of sane persons to institutions for the mentally ill, cultural repression, and discrimination against certain people on the grounds of ancestry. The Soviet State could, as I have said, correct these problems without effecting fundamental structural change.

We had not intended to engage in discussions of economic and social conditions in the Soviet Union, both because the American public is not as deeply aware of or concerned about them and because correction of any shortcomings which we would have to point out would, indeed, require systemic change in the Soviet Union. We see such changes occurring gradually in some other countries which had initially adopted the Soviet economic model. However, we did not think this meeting to be an appropriate forum for a discussion of such issues. Nevertheless, as the Soviet delegation has clearly insisted that we engage in a discussion of social and economic issues, let me say that we are prepared to join in that debate. To begin with, I shall respond in detail to the concerns expressed by the Soviet delegation as to social and economic problems in the United States.

U.S. Social and Economic Problems

Unemployment. First of all, let me discuss the problem of unemployment in the United States. Our present unemployment rate is 7.3%. It reached a peak of 10.5% in 1982 and has declined significantly since then. Millions of new jobs have been created in recent years, offering new opportunities to the unemployed as well as to persons newly entering the job market. While we agree that an unemployment rate of 7.3% is still too high and further efforts need to be made to reduce the unemployment level, we believe that any person analyzing our unemployment rate should note the following:

- About two percentage points are attributable to so-called frictional unemployment, i.e., persons in transit from one job to another.

- A significant number of the job opportunities which are available in the United States at any one time go unfilled because no one in the locality in which the jobs are available is interested in doing the kind of work available at the wages which are being offered; as we don't have a system under which people can be compelled to work, unfilled jobs thus exist side by side with unemployment.

- We do not have an anti-parasitism law; some persons prefer to draw unemployment insurance payments or welfare benefits rather than take jobs which they deem unsuitable.

- The percentage of our adult population looking for work in the productive sector of the economy is enlarged by the fact that we have significantly fewer people than the Soviet Union in our military forces, in our police forces, and, for that matter, in prison or performing forced labor; specifically, though the Soviet population is only 12% greater than that of the United States, its military forces are almost 200% greater, its police forces more than 100% greater, and its prison population, including forced labor, over 1,100% greater than the corresponding figures in the United States.

I have made these points only to explain what the 7.3% figure means, not to suggest that it can and should be ignored. Our government is committed to the proposition that everyone who wants to work should have an opportunity to do so. Government policy is dedicated to the stimulation of economic growth, to the creation of more jobs, to the raising of standards of living, to the reduction of poverty. In a country such as ours, there is often disagreement as to what might be the best policy to effect economic growth. Different political groupings advocate different solutions to the problems we face. But there is an overwhelming consensus that unemployment must be reduced and that it should be reduced within our present economic framework.

When we compare our economic model to alternate approaches, we must note that, to some extent, unemployment in our country is a consequence of our ideas of individual freedom. We do not assign people to jobs or prosecute them for parasitism if they fail to take an available job. As I have noted, there are people in our country who pass up job opportunities because they don't like the jobs that are being offered or consider the wage offers too low. There are

others who are unemployed and might be able to get a job of their liking and at a satisfactory wage at a substantial distance from their home, but they are loathe to move.

Much of the latter kind of unemployment is created by the fact that the economy adapts itself to market conditions. Uneconomic enterprises are thus compelled to close, sometimes causing serious dislocation in the communities dependent on them. In the long run, such adjustments enable the economy to adapt itself to change and to increase its overall productivity. But in the short run, it creates serious hardships for the people directly and adversely affected. To deal with these hardships and to bridge the periods of difficulty is a continuing challenge to our Federal, State, and local governments. We recognize it for the problem it is and seek to deal with it. For reasons which I shall state later, the overwhelming majority of our people are not at all attracted to the solution to this problem which the Soviet Union offers.

There is one other point that needs to be made with regard to the issue of employment. We need to emphasize the role which a free labor movement has played in the United States in strengthening the role of the worker, achieving increases in wages and improvements in working conditions. The existence of a free labor movement, accountable only to its members and not under the control of employers or governments, is, we believe, essential to the protection of the interests of working people. It has succeeded in the United States in setting standards not only for its own members but for unorganized workers as well. As I noted yesterday, workers in certain states which profess to have been founded for the benefit of the working people are deprived of the ability to assert their interests through the operation of free and independent labor unions.

Homelessness. The distinguished Soviet representative has raised the issue of homelessness in the United States. We recognize the existence of homelessness in our society. This is a complex and difficult problem for us, in large part because in recent years our laws have not allowed us to incarcerate or commit to mental institutions persons who insist on living on the sidewalks of our cities as long as they are not threats to themselves or society. Many of these people refuse to make use of the wide range of accommodations available to them. In some societies they would be charged with vagrancy, parasitism, or forced into mental institutions. In our

cities they remain on the streets, quite understandably causing many visitors to wonder whether there is, in fact, no housing available for them.

The fact is that our Federal Government and our State governments have spent and continue to spend hundreds of millions of dollars to provide shelter for the homeless. Those who cannot be self-sufficient, such as the elderly, are given priority in assistance programs. Furthermore, the tradition of voluntarism in the United States has resulted in the creation of a great number of nonprofit groups which have specialized in helping those in need of what our laws call safe and sanitary housing. Particular efforts have been made to assist the elderly.

I should also make it clear that there are quite a number of people in our country who live in housing which we deem substandard. We are interested in improving such housing, though we know that what is substandard in the United States may be standard in countries which are among our severest critics.

Discrimination. We readily concede that persons were for a long time discriminated against in our country on the grounds of their ancestry, and we recognize that government at all levels shares culpability with regard to this problem. However, beginning 40 years ago, policies on the subject of race began to change in our country and have changed at an ever-accelerating pace. Over this period the Federal Government as well as State and local governments have succeeded in stamping out all officially sanctioned forms of discrimination based on ancestry. Beyond that, laws have been enacted that require the private sector to conform to fundamental principles of nondiscrimination.

What I have just said does not mean that we can overnight overcome the results of generations of discrimination and disadvantage. I have not carefully checked all the statistics which our distinguished Soviet colleague has recited, but they may very well be correct. What is important to note is the change in the figures in recent years, as groups of our population which were previously discriminated against have seen the barriers fall and have used the opportunities which have been afforded them.

Nothing that I have said is designed to suggest that we have eliminated racial and ethnic antagonisms within our population. They do exist, and government is not able to change that fact. But here, too, we have witnessed change. Through the activities of various institutions—including, particularly, religious

organizations—younger people have increasingly been imbued with a commitment to human brotherhood. We, therefore, have reason to believe that over time these antagonisms will continue to diminish.

My remarks about nondiscrimination generally apply to Indians as well. But our Indian people have a special problem, which they share with indigenous peoples elsewhere in the world—indigenous peoples whose culture and economies differ markedly from those of the surrounding society. Many of our Indian reservation residents are only a few generations removed from a hunting and fishing culture. They have found it much more difficult to fit into industrial society than do the descendants of families engaged in agriculture.

The unusually large unemployment rate on Indian reservations is related to this problem. It is, let me emphasize, the unemployment rate not of Indian people but for Indian reservations. Indian people who have decided to leave the reservations can find and have found jobs elsewhere in the country. But there is no doubt that Indian reservations have found it difficult to attract industry and thereby create job opportunities for Indian people at reasonable wage levels in their home communities. It happens to be a problem with which our government has concerned itself and continues to concern itself. I readily concede that the problem has not been solved. In fact, I have personally worked and written on this subject.

I shall complete this discussion of discrimination by noting again that the United States has served as a magnet for immigrants of all races to achieve a higher standard of life for themselves and for their children. The fact that a majority of recent immigrants to the United States are nonwhites from non-European areas and that they have integrated into our society at a truly amazing speed is clear evidence of the strength of the well-recognized American acceptance of a variety of ethnic groups into our social and economic system.

The Role of Women. Much has also been said here as to the role of women in the United States. As to the point made concerning the Equal Rights Amendment, let me note again that the courts of the United States have construed the 5th and 14th amendments to the U.S. Constitution so as to require legal equality between the sexes.

Admittedly, what is required by law takes time to be translated into reality in day-to-day life. The entry of women into our economic life on a basis of pari-

ty occurred only quite recently, after 1970. It has, however, progressed at amazing speed. To cite one item of statistics that comes to mind, in 1970, 2% of all law school students were women. Today they are 50%.

But new entries do not come in at the very top. That is why we find average women's wages to be below the average earned by men. It was 60% in 1980; it is 64% today and is expected to continue to rise as the years go by. Here, too, we do not suggest that we have reached our goal of full actual rather than purely legal equality, but we are clearly on our way toward that goal.

Soviet Economic Progress Since the October Revolution

As I said earlier, we had not intended to engage here in a debate on the respective advantages of the U.S. and Soviet models, but as the Soviet Union has initiated this discussion, we want to make it clear that we are not inclined to shrink from it. Let me say also that we recognize that the Soviet Union started to industrialize later than we did and that the Soviet Union suffered devastation during World Wars I and II. But let us also remember that we recalled earlier in this session that the war in Europe ended 40 years ago. How far has the Soviet Union been able to travel in this period on the way to its economic goals?

In the early 1960s, Nikita Khrushchev predicted that the Soviet Union would surpass the United States in living standards by 1980. Yet studies of comparative per capita consumption conducted by University of Virginia professor Gertrude Schroeder and others show that today, 25 years after Khrushchev spoke and 67 years after the October Revolution, the Soviet standard of living remains barely one-third of the U.S. level. These same studies show that Soviet living standards are much lower than in any developed Western country.

The average Soviet citizen, in fact, lives less well than someone living at the official U.S. poverty line. An American family living at that level, for example, lives on an income which is 41% of the U.S. average. About 15.2% of our population lives at or below that level. By comparison, as indicated, the average Soviet citizen lives at about one-third of the U.S. average, which gives us some idea of the percentage of the Soviet population which lives below the U.S. poverty line. As suggested earlier by our distinguished Spanish colleague, equally

dramatic comparisons can be made between the average Soviet citizen and the average unemployed worker in the West. In the recession year of 1982, for example—the worst since World War II—the median per capita income for unemployed workers in the United States was about \$5,000. The average income of a family with an unemployed worker was \$20,000. We do not deny that such an income in many cases reflected a substantial decline in living standards. But a Soviet family living on the equivalent of \$20,000 a year would be quite well off, even after we have adjusted for differences in the cost of basic needs.

In making these comparisons, I do not mean to suggest that the Soviet Union has made no economic progress since the October Revolution. But the limited success the Soviet economy has enjoyed in the past was dependent on constant additions to the labor force and on the availability of plentiful and inexpensive resources. Now that the Soviet Union has used up its surplus labor pool and its resources are more costly, its growth rates have plummeted. The Soviet Union, in fact, is no longer closing the gap between itself and the developed West. The per capita consumption comparisons I cited earlier have remained constant over the last decade. Given low Soviet labor productivity, the gap can reasonably be expected to widen in the future.

Shortcomings of the Soviet Economic System

Consumer Shortages and Corruption. The Soviet economy today is characterized by pervasive shortages of consumer goods and the widespread corruption these shortages generate. These features, moreover, are not temporary problems which will solve themselves through continued progress over time. Rather, they are problems endemic to the Soviet system of centralized economic planning. This system, based on the notion that a small group of planners can efficiently allocate resources for an entire economy, has created instead an economy of bottlenecks, shortages, and waste.

In the Soviet Union, unlike anywhere in the developed West, the most basic consumer goods are in continuous short supply and rationing remains a common fact of Soviet life. The situation has been so bad in some localities in recent years that food riots have reportedly occurred. In 1981, *Izvestia* reported the introduction of rationing in 12 major Soviet cities, including Irkutsk, Kazan, Tbilisi, Volgda, and Naberezhnye

Chelny (now called Brezhnev). We have learned that meat and butter have both been formally rationed in the closed city of Sverdlovsk and its surrounding villages for several years. Presumably, the same is true of many other areas closed to foreign visitors.

The long lines of people lining up for scarce items on Soviet city streets have become famous throughout the world. The production and distribution system is so capricious that it is impossible to tell what will be available from one day to the next. This is why Soviet housewives frequently join lines without inquiring what is for sale. They simply assume they had better get whatever it is while it's available. This is also one important cause of Soviet productivity problems, since working people are typically obliged to take unauthorized absences from their jobs to chase after scarce necessities. These endless shortages force the average Soviet family to spend 2 hours shopping every day just to obtain the basic necessities of life.

The endless waiting is bad enough, but the Soviet consumer often finds that the product waiting for him at the front of the line is hardly worth the wait. The quality, variety, and design of the consumer goods available in the Soviet Union are, in fact, notoriously poor by both Western and East European standards, and retail trade and personal service facilities are scarce, primitive, and inefficient.

As one might expect, the chronic shortage of basic consumer goods has fostered the creation of an enormous black market in scarce items. This, in turn, has led to widespread official corruption as persons with administrative control over scarce commodities divert them for personal gain. Corruption exists in all societies, but in the Soviet Union it is a pervasive and normal part of life. Stealing from the state is so common that the Soviet people have come to take it for granted. Anecdotes about corruption and bribery have become a staple of Soviet humor.

The leaders of the Soviet Union are aware of the problem, of course. It has been frequently raised at party plenums, and the Soviet media are replete with stories of corruption, bribery, and the executions of those unfortunate enough to be selected as examples of equal justice under law. What the Soviet leadership seemingly fails to realize or simply will not face is that an economy of shortages inevitably breeds corruption. Some estimate that as much as 25% of the Soviet gross national product (GNP) is diverted to the black market every year.

It must be emphasized once again that the chronic shortages and widespread corruption which characterize contemporary Soviet life are fundamental features of the Soviet economic system. They reflect the systemic inflexibility of a centralized economic planning system which breeds bottlenecks and inefficiencies.

The Soviet consumer is further disadvantaged by the Soviet preference for spending on defense and heavy industry at the expense of the consumer sector. Soviet per capita spending for defense, for example, is, in relative terms, at least twice as high as in any developed Western country. Though we have heard a great many reminders from some of our colleagues here of the importance of the right to life and appeals for an end to the arms race, let us remember that in the 1970s the Soviet Union was the only runner in that arms race, continuing its buildup while the United States was, in effect, engaging in unilateral arms reduction. Today, the Soviet Union spends at least 14% of its GNP on defense, compared to only 7% for the United States. Given the Soviet Union's systemic economic problems and its emphasis on heavy industry and weapons procurement, it is little wonder that Soviet authorities and press commentators chronically complain about the evils of "consumerism" and against the excessive accumulation of material goods.

Effects of Agricultural Collectivization. The Soviet system of collectivized agriculture also contributes to the harshness of Soviet life. Much of the problem in food supply stems from the collectivized nature of Soviet agriculture. As is well known, the forced collectivization of agriculture in the early 1930s divested Soviet farmers of their land. What is not so well known is that the forcible confiscation of grain supplies that accompanied it resulted in a widespread famine that killed as many as 6 million in the Ukraine alone. Collectivization not only killed 6 million people but it permanently crippled Soviet agriculture.

The Soviet Union—in prerevolutionary days the world's largest grain exporter—is now the world's largest grain importer. Twenty percent of the Soviet work force works in agriculture, compared to 3% in the United States. Yet the Soviet Union often has had to import up to 25% of its grain. American farmers, who own their own land, are 10 times more productive than their Soviet counterparts. Each year, approximately 20% of the grain, fruit, and vegetable

harvest and as much as 50% of the Soviet potato crop perishes because of the poor storage, transportation, and distribution system.

Soviet farmers have not lost their ability to grow crops. They just lack the incentive to do so on a *kolkhoz* [collective farm]. By contrast, even though private plots, which are farmed by individuals in the early morning and late evening hours, occupy only 4% of the Soviet Union's arable land, they produce 25% of the Soviet Union's total crop output.

Housing Shortages and Deficiencies. Housing in the Soviet Union is in as short supply as most consumer goods. At least 20% of all urban families must share kitchen and toilet facilities with other families. Another 5% live in factory dormitories. Young married couples are typically forced to live with their parents and must wait years for housing of their own.

The housing that does exist is extremely cramped, more so than in any other developed country in the world. The average Soviet citizen has 14 square meters of living space, for example, compared to the 49 square meters available to the average American. This means that there are approximately two people for every room in the Soviet Union, compared with two rooms for every person in the United States. Soviet statistics reveal that in 1983, 32% of all urban housing had no hot water, 23% was without gas, 19% without indoor baths, 12% without central heating, 11% without sewage facilities, and 9% without water.

The housing situation is much worse in the countryside and contains many features reminiscent of the 19th century—or even the 18th. There, for the most part, heating is with fireplaces, food is cooked on wood stoves, out-houses provide the toilet facilities, and water frequently is from a well.

Although there has been much new housing built in the Soviet Union in recent years, almost all of it consists of poorly constructed high-rise apartment buildings, which are even more poorly maintained. At the current rate of construction, the per capita space available to Soviet citizens will begin to approach the Western standard in approximately 150 years. Soviet housing woes should come as no surprise, given the fact that the Soviet Union spends less than one-fifth as much on housing as the United States and well under half of what is spent in Spain and Japan.

Status of Soviet Women. Women in the Soviet Union usually occupy the lowest status and lowest paying jobs in

Soviet society. One-third of all working Soviet women, for example, are employed as agricultural laborers. By contrast, only 1.5% of American women are so employed.

Soviet authorities often point to the liberal maternity benefits accorded to Soviet women. Yet the Soviet Union is currently suffering from a severe labor shortage brought on by declining birth rates. This reduction in birth rates, in turn, is due to the extraordinarily high abortion rate. Many women have a history of five or more abortions. The fact is that the low Soviet standard of living compels women to work to supplement the family income. Maternity benefits, with extra mouths to feed and bodies to clothe, are, in many instances, simply not enough to encourage a family to let a child be born.

Unlike Soviet men, the working day of a Soviet woman does not end as she leaves the field or the factory. Soviet women are expected to do the cooking and the housework and the waiting in line.

In the West, women have effectively banded together to fight discrimination and sexism, but Soviet women have no access to effective political power. In its entire history, only one woman has ever served on the Politburo; none serves there now. Fewer than 5% of Central Committee members are female. Interestingly, only one-fourth of Communist Party members are female.

Medical Care and Health Problems. Soviet authorities are often fond of pointing out that health care in the Soviet Union is free. As with so much that is free or subsidized in the Soviet Union, however, you often get what you pay for. Although there are plenty of beds in Soviet hospitals, the people who lie in them frequently receive substandard care. One-third of them, for example, develop postoperative infections due to unsanitary conditions. Most of the doctors who care for them, moreover, are poorly trained by Western standards. Medicine is not a high-prestige occupation in the Soviet Union, and doctors are among the lowest paid workers in Soviet society. Significantly, 70% of these low-paid physicians are women.

Soviet medicine is not immune to the same shortages that afflict the rest of Soviet society. Medical equipment and many medicines are in extremely short supply. One-third of all Soviet hospitals, for example, do not have adequate facilities for blood transfusions. Basic items such as bandages, aspirin, and syringes are often difficult to find. Food rations are so small that patients must supplement their diet with food from home. In Novosibirsk, for example,

which is home to many leading Soviet academic institutes and where one would expect supplies to be significantly better than normal, only 11% of the 216 standard drugs to be prescribed for specific illnesses are actually available. These shortages are not surprising in light of the fact that Soviet per capita expenditures on health care are less than one-third the U.S. level.

Although the problems in the Soviet health care delivery system are serious, they are not the most serious medical problem facing the Soviet Union today. Dramatically, over the course of the past two decades a significant deterioration has occurred in the overall health status of the Soviet population. Recent studies show that there has been an increase in Soviet death and morbidity rates over the past 20 years. The life expectancy of Soviet males has decreased during that period by a little over 4 years, from 66 in the mid-1960s to just under 62 years today. In the United States during the same period, male life expectancy increased from 66 to 71 years. Infant mortality in the Soviet Union has increased from 26.2 per 1,000 live births in 1971 to about 40 per 1,000 today. U.S. infant mortality during the same period has decreased from 24.7 per 1,000 to 10.7.

The Soviet figure for infant mortality is necessarily an estimate since Soviet authorities stopped publishing infant mortality statistics after 1974 when the rate had risen to 31.9 per 1,000. This rate was already much higher than in any developed Western country. The Soviet Union also has stopped publishing life expectancy figures. The reason why this has been done is obvious enough. The decrease in male life expectancy and the increase in infant mortality in the Soviet Union are historic events. Never before has a developed, industrialized nation suffered a decline in these demographic indicators in time of peace.

The reasons for this decline are even more disturbing for anyone tempted to look to the Soviet Union as a model for social and economic development. Factors such as poor health care, increased smoking, and frequently unregulated industrial pollution are important, but perhaps the most important contributor is alcohol. This would appear to be the view of Soviet authorities themselves.

The Soviet Union leads the world in the per capita consumption of hard liquor. Much of it is consumed in the form of home-brewed moonshine known as *samogon*. Alcohol consumption in the Soviet Union has more than doubled over the past 25 years. The death rate from alcohol poisoning in the Soviet Union is 88 times the U.S. rate, and

alcohol and its effects may be the leading cause of death among Soviet males.

Alcohol abuse in the Soviet Union is not simply a male problem. Alcohol abuse is the third leading cause of illness among Soviet women and is a key factor in both the alarming rise in birth defects and the increased infant mortality rate. By 1980 the net social cost of alcohol abuse in decreased labor productivity in the Soviet Union amounted to a staggering 8%-9% of the total national income.

Much of the heavy drinking in the Soviet Union occurs in the work place. Professor R. Lirmyan of the Soviet Academy of the U.S.S.R. Ministry of Internal Affairs, writing in a 1982 issue of *Molodoy Kommunist*, reported that 37% of the male work force is chronically drunk. Not surprisingly, drunkenness is the leading cause of industrial accidents.

A poll cited in a March 1984 edition of a Soviet journal, *Sovetskaya Rossiya*, revealed that half the Soviet population regards drunkenness as the number one social problem in the Soviet Union. Seventy-four percent said they were alarmed over the extent of public drunkenness. These statistics make clear that the Soviet Union now suffers from an alcohol abuse problem of epidemic proportions, serious enough to cause a significant rise in the national death rate.

As I remarked earlier, even the Soviet leadership concurs with this assessment. Vitaliy Fedorchuk, the Soviet Minister for Internal Affairs, interviewed in the August 29, 1984, issue of *Literaturnaya Gazeta*, candidly acknowledged that Soviet mortality and sickness rates have been on the increase, and he specifically cited alcohol abuse as the cause.

We note with interest that the Soviet authorities only last week announced yet another campaign against the abuse of alcohol. Production is to be cut back, the drinking age raised, and penalties against the manufacture of home brew increased. While it is possible that these measures may meet with some limited success, we note that similar campaigns have always failed in the past. Our suspicion is that alcohol

abuse in the Soviet Union will remain an alarmingly serious problem until the Soviet leadership begins to come to grips with the profound social malaise that gave rise to the problem in the first place. In saying this, I do not mean to deny that there are drug and alcohol abuse problems in the United States and in other countries which deserve our serious attention. But I am suggesting that in the Soviet Union we are dealing with a problem of an entirely different order of magnitude.

Egalitarianism in the Soviet Union

I have been talking at length here about some serious difficulties in the Soviet social and economic system. But there is one more problem I would like to discuss. As we know, Marxist-Leninist ideology claims to be based on the notion of egalitarianism. This, we are told, is what the great October Revolution was all about. One would, therefore, expect that whatever problems the Soviet Union might have, the Soviet authorities would ensure that no class or group or individuals would ever be accorded privileges not available to other members of Soviet society.

But the truth is that certain groups in Soviet society (the party, the military officer corps, the diplomatic corps, the scientific-technical intelligentsia, the cultural and sports establishments) have deliberately shielded themselves from the social and economic hardships faced by the rest of the population. A privileged 5% of the Soviet population, known as the *Nomenklatura*, has access to special "closed" stores that are specially stocked with foreign goods not available in regular stores, as well as bountiful supplies of Soviet goods that are in short supply elsewhere. The average Soviet citizen is forbidden from entering these stores, which are unmarked and have opaque windows to prevent the curious from looking in. Housing space is allocated by state authorities on the basis of social status. Many leading Soviet organizations have their own housing facilities, which are of good standard and centrally located.

The Fourth Directorate of the Ministry of Health runs a closed system of hospitals, clinics, and dispensaries for

the *Nomenklatura*, providing far better services than those available to the general population. The Soviet ruling oligarchy also has access to such special benefits as foreign travel, automobiles, admission to the best schools, country houses, access to cultural events, and paid vacations in choice resorts, which are not available to the average citizen. Even the center lanes of certain roads are closed off for their exclusive personal use. To quote from George Orwell's *Animal Farm*: "All animals are equal, but some are more equal than others."

Conclusion

In an earlier intervention, the distinguished Soviet representative suggested that we were reluctant to discuss social and economic issues in this forum. I hope I have succeeded in dispelling this impression. Despite our many problems, we believe that we in the West, with our pluralistic, mixed-market economies, have gone further toward meeting basic human social and economic aspirations than has the system now in place in the Soviet Union.

More than 35 years ago, there was published a collection of essays authored by prominent former communists or fellow travelers, including Ignazio Silone, Andre Gide, Richard Wright, and Arthur Koestler. The book was entitled *The God That Failed*. Each of these prominent writers explained in his own words why he had concluded that the price in terms of personal freedom was not worth paying to attain the promised goal of a future paradise. The decades that passed have demonstrated that the image of paradise off in the distance was only a mirage. ■

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