who have asserted that rapid postwar recoveries (with or without a Marshall Plan) are not really miracles. Jánossy's findings about eventual adjustment to long-run trends are not a new discovery as the book seems to imply. Nevertheless, they do support the no-miracle claim.

Finding the long-run trend rates of growth for the various countries is no easy task empirically, and Jánossy's trend measures are not entirely acceptable. Nevertheless, he does illustrate effectively the slowing-up process, and his argument is particularly convincing that serious miscalculations in Russia, Hungary, and elsewhere were due to a failure to recognize the end of recovery. Output trends of steel, cement, coal, and even electricity are often used as substitutes for growth. Jánossy asserts that these are frequently better indicators than weighted indexes of industrial output or national income, but fortunately he also uses the latter. In general, the empirical work is weak and deceptive. For instance, to illustrate growth in Russia he uses without qualification the notorious official statistics of industrial production, thus showing a nearly 100 percent increase in about four decades. Growth, even when measured by national income data, is never stated in per capita terms, and often not even in real terms. His uncritical use of the early postwar German unemployment statistics will be viewed by scholars as an alarming display of personal faith.

The reader discovers in part 2, with previous warning in the introduction, that the lessons of the book are less about short-run recovery than about long-run growth. There are a few pages in chapter 11 that pertain to regeneration, but the explanation is incomplete and unconfirmed, and is poorly specified for regenerative growth analyses. Jánossy claims that alterations of investment levels are effective only in the short-run recovery situation but have no significant effects on the long-run trend.

Rather than through investment levels, the trend is allegedly determined by the interaction of changes in the "vocational structure" (what workers do and how well they do it) and the "workplace structure" (the physical setting of employment, e.g., the plant and equipment, with technology embodied in the capital). The two structures must move together, we are told, and one cannot outpace the other without the other retarding growth. To Western-trained economists, of course, this is old stuff. It is simply the complementarity between human and physical capital.

Despite these deficiencies this is an important book and deserves the attention of well-trained scholars. For the reasons given above, it is inappropriate for the untutored. The numerous illustrations and examples are particularly rewarding and insightful. Although the theory is not really new, its presentation is novel, and a story told in a different way can open new vistas and improve our understanding.

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FOREIGN TRADE CRITERIA IN SOCIALIST ECONOMIES. By *Andrea Boltho*. Soviet and East European Studies. Cambridge and New York: Cambridge University Press, 1971. viii, 176 pp. $9.50.

This slender volume—the first in the Cambridge Soviet and East European series—contains an introduction to Marxian economics from the standpoint of foreign trade, an examination of the institutional background, a survey of foreign trade criteria, and an analytic explanation of prewar Soviet foreign trade policy. The best parts are the introductory exposition of Marxian value theory and the diagrammatic study of infant industry economics in chapter 7, although the latter is probably more interesting as an exercise in trade analytics than as an advancement of our understanding of Soviet experience. Boltho argues that Soviet trade policy attempted to trade off the long-range gains from the development of heavy industry against the sacrifice of not importing more consumer goods in the short run. But acknowledging the need to develop infant industries does not serve to explain the prewar trade pattern, since much higher rates of exports and imports could have been consistent with the long-range goals. The actual trade pattern that did evolve can be explained more simply as a result of the shifting terms of trade in international markets, as an examination of trade statistics for the period makes clear. Thus physical exports of such basics as coal, POL, and wheat grew substantially during the first plan, while total revenue fell by half (*50 let sovetskoi vneshnei torgovli,* Moscow, 1967, p. 44).

Regarding its presumably intended main contribution—description and analysis of the foreign trade criteria—the book is dated (it was originally presented as a doctoral thesis at Oxford in 1965). Despite Boltho's prefatory claim that "not much happened [between 1965 and 1969] in most of the Eastern European countries that could have fundamentally altered the body of the work," it is nevertheless true that many other criteria have been put forward and debated. The reader must feel shortchanged not to find them in a book with this title, since Jozef Wilczynski's book (*The Economics and Politics of East-West Trade,* New York, 1969) includes more than twice as many criteria running through 1968, and covers a vast quantity of other material besides. Another weakness is the examination of price irrationality in chapter 5. The treatment here is at variance with some of the lucid insights into Marxian value theory in chapter 1. The criticism, for example, that "only average costs of production are taken into account" (p. 73) is explained by the fact that interest and rent are neglected. The analysis on subsequent pages offers variously shaped industry cost curves without any inquiry whether, for example, U-shaped curves correspond to long-run reality. Why should we not be able to add optimal-size plants at constant average cost? If it is because labor is growing scarce, then the industry-wide wage must rise, signifying a shift in the cost curve, but by no means necessarily a U-shape. And once we accept this new level, why is average-cost pricing irrational?

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LOCATION PROBLEMS IN SOVIET INDUSTRY BEFORE WORLD WAR II: THE CASE OF THE UKRAINE. By *I. S. Koropeckyj.* Chapel Hill: University of North Carolina Press, 1971. xiii, 219 pp. $11.95.

This is an interesting and important analysis of a neglected aspect of Soviet development. The problem analyzed is whether the USSR was correct in stressing the development of heavy industry "behind the Urals" during the 1928–40 period. Political, economic, and military considerations influenced Soviet policy. Their interplay was complicated by international uncertainties and by problems of timing. Professor Koropeckyj has assembled and analyzed a good deal of primary regional economic evidence concerning these matters, especially as they related to the Ukraine.

Ukrainian coal and iron ore supported the growth of heavy industry in the Ukraine before the revolutions, and rapid industrial growth under the five-year